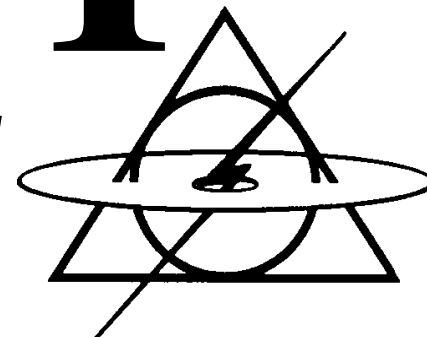


# CONTACT

THE PHOENIX PROJECT JOURNAL

GOD'S NEW MILLENNIUM

KNOWING TRUTH IS NOT ENOUGH,  
SUCCESSFUL CHANGE REQUIRES ACTION



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NEWS REVIEW

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# Globalization Is Doomed: Infrastructure Crumbling

5/25/02—#1 (15-282)

RE: FOCUS ON PHILIPPINES; INPUT RE:  
ELLY PAMATONG

## THOUGHTS FOR THE MORNING

**Hatonn**—Until knowledge, awareness, insights, and understandings are translated into action, they are of no value.

This is why we head our publication with: “Knowing truth is not enough, successful change requires action.”

Moreover, that realization and action is as individual as your fingerprints, only more personal.

**Also, please further realize that God's delays are NOT God's denials.**

As important to all is that we never jeopardize another or a project to have personal input prior to

perfect timing. By this statement I mean in a very pointed way, without, I pray, any feelings of reprimand or negative acceptance of our petition to allow perfect sequence. To involve our team in something personal or a presentation of products, etc., is tantamount to shutting the entire program. We tamper in NOTHING which is either controversial or a magnet for drawing in possible conflicts of regulations.

To better example, it must be noted that within the week in the Manila paper was an announcement and “come down hard” on some parties trying to push a product through the Philippine EQUIVALENT of the Food and Drug regulations of the U.S.A.—so, if a thing is now questioned in the U.S., it is OUT in the Philippines. So, there is no connection with ANYTHING in this quarter by our people working on our Global Alliance program. We will not even draw a focus or further make distractions—either at this building location OR in anything of product or appliance nature. We are

NOT in business in the Philippines—period.

Furthermore, if a product is questionable or attacked in the U.S., we CANNOT have any association with said product no matter how good the product might be.

This does not in any way say that as we move along a Research Center headed by Filipinos can't be funded with consultants hired from overseas to test, bring to qualification and basically share in ventures. However, that is not a luxury in which, for best example, Ekkers can involve selves.

If projects are joined and consultants are desirable or teachers for use thereof are necessary, there can be further “joint venture” between the Filipino and the consultant or business partner. These are the laws and we will not bend them.

We have an extremely sensitive problem with the U.S. and no, we will NOT antagonize, for anyone or thing, our standing by bending agreements, etc. There will be plenty of time to handle projects in

(Continued on page 2)

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## ALSO IN THIS ISSUE

Investors' Greed And Ignorance: Decimation Of Paper “Fortunes”.....page 5

IMF: A Major Instrument Of The One World Government Conspiracy.....page 7

The News Desk, by John & Jean Ray.....page 11

perfection and protection as we move along.

We will be, in fact, working diligently when the time is appropriate to shift our own major accounting and records-keeping to hired accountants working through responsible funding parties who can better keep control and records which protect us from any possibilities of money-laundering laws, doing-business laws, or any other laws of ANY land. We can work WITH people here; we will not work outside the flow of legal and accepted boundaries.

As to this location in this building (hotel), it is questionable as to whether or not it will even survive. There is NO commercial space available and many permits would have to be approved and purchased to even be able to have a client pass your doors.

This comes up timely, for there is nothing more sought now with us than to have developers and producers somehow make everything from baskets to silver solutions in this hotel somehow attached to Global or Ekkers. It simply CANNOT be.

Does this restrict the people from having that which they need? Perhaps, but we cannot rebuild a nation, which is not even ours, just because we WANT to do so.

Just remember that you are accountable for all that you do. Good or bad, your life belongs to you.

How bad is this incredible push for money and youth? Well, let me tell you that some of the more REASONABLE approaches of light and frequency apparatus are, unfortunately, PROVEN to be big hypes and thus being made unlawful while the local beauty clinic or gym, if you will, can now do liposuction and give injection of something NOW FDA APPROVED: "BOTOX".

This Botox is injected in tiny amounts into a wrinkle and within a few days after the nerves are rendered dead and gone will "fill-in" the wrinkle. THIS is the rage of the week in Manila among the moneyed elite.

BOTOX IS BOTULINUM TOXIN, A POISON THAT'S RIGHT UP THERE WITH THE ANTHRAX BACTERIUM. (Also now called a weapon of mass destruction.)

Now we have some "small print clauses" in this instance, for the FDA only approved botox treatments for the forehead wrinkles but injections are made all over everywhere because somehow the "out" is that the small print was overlooked by the injecting "doctor".

The injections, right according to the laws of botulinum toxin, PARALYZE NERVES.

I won't write more on this, for my point is that you can get a deadly toxin approved for skin-wrinkle removing but a light or frequency apparatus is tantamount to a prison term of great length. Unfortunately, however, the most used or pushed apparatus is totally worthless while the cost for the apparatus itself is outrageous.

Now to a few of you who have a driving need to participate in our own projects; please take special care, for the need for REALLY IMPORTANT participation is going to be in corporation management or structuring in, yes,

Nevada, or wherever the laws are the most sheltering, and then shifting to SOVEREIGN NATIVE AMERICAN NATIONS, i.e., even yet around Las Vegas, etc. Moreover, it will be WITHOUT much input from such as Ekkers who have paid their dues and have nothing with which to further anyone's personal wishes outside the participation under Global guidelines when possible or through established agreements. THAT was a choice they had to make in order to be clear to do THIS JOB WITH GAIA.

#### PHILIPPINES IN WORSE-THAN-COLLAPSE MODE

I ask, Dharma, that you find yesterday's *Tribune* article by Herman Tiu Laurel and just share it, for the papers are totally overrun with too much on each of the abundant problems from electricity frauds to treasonous agreements with activists' groups in Mindanao.

The headlines today with the President just returned from more dealings in Japan read: "President can be IMPEACHED over agreements already signed." This involves the Moro Islamic Liberation Front (MILF) WHEREIN SHE GAVE BACK TO THE BAD KIDS THEIR OLD MILITARY CAMPS WITH PROMISE OF ASSISTANCE, ETC., WHICH HAD SEEN BOODLES OF SOLDIERS KILLED LESS THAN TWO YEARS AGO. Worse, the Administration REFUSES to make the agreements public, even to the Congress.

It seems every old elite player blew his own horn and now the bad music is catching up as strong-arm tactics didn't get rid of enough other hornblowers.

We have NEVER even neglected to get our information and proposals to ANYONE, so don't come forth now as do some receivers of these writings as somehow taking sides, becoming involved, or any other silly accusations. Every President, ex-president, or congressman available has been given full documentation and that includes hand-delivered copies to such as Fidel V. Ramos (he is called "Eddie" here), Cory Aquino, Cardinal of the Roman Catholic Church here, Sin, Estrada (Erap), etc.

We have copies of some letters just sent, for instance, to FVR from relatives regarding a wish for further hearing. However, it is not likely as evidence is piling up against FVR's prior activities and it is NOT GOOD.

He was ordered to get Estrada OUT and he did it. But what is destroying FVR now are the incredible contracts he made just as he left office (while he could still have the power) with Independent Power Producers where in some instances the facilities were never even finished but the payments were demanded even to adjustments charged to EVERYONE for that non-production. These were ALL aligned with the U.S. and more specifically the California consortiums.

There is worse on his plate, however, as it turns out that billions and billions of dollars are MISSING from payments made to develop a place called Ft. Bonifacio—through the Land Bank in which the entire first half of the payments VANISHED and it is claimed it

vanished into FVR's pockets along with those of his cronies. True? False? Well, unfortunately the evidence is in and it appears to be quite true.

So, every day our people awaken to headlines and overflowing papers with these topics of utmost interest and which relate greatly to our own program and projects. Just sorting through LEGAL documents is difficult because when something becomes "known" and valid the barrage of false STUFF hits and buries the public until everyone just "gives up" in the confusion.

As a matter of fact we can share a bit of "right on" information from Dr. Robert Knecht (of Herman's Bonus fame but an internationally recognized person). He finally threw up his hands in trying to deal with Herman's "associate" in everything from contracts to artifacts and finally said that within a very short while there would be enough Peruvian certificates to paper all the houses in Texas. (He was in Texas.) Moreover, it became true in short order and we could cut our work load by simply purchasing and reselling (trading, if you will) some of those garbage certificates while they were new enough to be worth anything to the buyers. We declined to even further discuss it when it was shut down as to paying CONTACT the due-and-owing Will bequeath.

No, by the way, this was not one of OUR CONTACTS. And again, no, we do NOT play in the trade-it-around games to get someone elected in 2004. We are APOLITICAL—PERIOD. A Nation has to decide for itself how it will be run or organized.

We have this article to share at random choosing and a couple or so additional "Analysis" columns by "Mr./Ms.? Domino" which address the mess here quite well and will give you regular readers some idea of ongoing events without boring everyone to death by the happenings in a newly established Banana Republic which is always at war as the U.S. takes over hook, line and sinker and even the U.S. soldiers in presence know but don't discuss it. After all, they are "under oath to serve" as they say over and over every time questioned.

Then we will try to give input as might be interesting to this area but your interests should be more fully focused on the U.S. if you are an American citizen. However, AS GOES THE U.S. SO GOES THE WORLD!

With this said, please:

[QUOTING *DAILY TRIBUNE*, (Manila, Philippines) "Commentary", "Diehard III" by Herman Tiu Laurel:]

**[H: For "inquiring minds", Mr. Laurel is one of the most respected journalists around and heads (for you LaRouche-interested parties) the EIR-LaRouche "organization" in the Philippines and has an e-mail: htfam@pacific.net.ph]**

#### GLOBALIZATION AND FVR's (Fidel Ramos) DOOM

FVR has come out with guns blazing, about how great the economy was during his watch. Which was when, prodded by the myth of "globalization", he opened the economy to all the

foreign energy and other kinds of predators. FVR was the nation's guard dog but he opened the gates of the fort to welcome the pirates in. Today, Filipinos are waking up to find the pirates running amuck, plundering the nation, while FVR points his fingers in all directions except his.

Before that Cory Aquino, with Joker Arroyo, rolled out the carpet with EO-215 opening the energy sector to independent power producers (IPPs). They also tempted foreign "investors" by delisting 1,000 items from tariff protection, triggering the dismantling of protectionist measures intended to nurture our local industries and promote domestic jobs. After that, a deluge of measures followed to open up the economy to foreign "investors" who invariably brought little or no money in and took out tons of it.

There were cheering squads behind Cory, Joker and FVR, such as so-called economists like the prophet of doom Bernie Villegas (who now sees the doom facing him, too) and Solita Monsod (whose family reportedly raked it in under the rule of the Edsa Uno and Dos crowd, with Christian now in the Meralco board), as well as the Foundation for Economic Freedom (fiefdom is more apt) minions of the globalists Dondon Paderanga, Alex "Ma-lig-no", and company. For a decade and a half all these frauds ruled the country's economic policy and brought us this gloom.

Yet, FVR was the apple in the eyes of the economic globalists. He opened up the economy ahead of other ASEAN countries. In his enthusiasm for "free trade" he lavished resources on hosting the APEC in Subic, even setting up multimillion-peso roadside toilets enroute to the meeting for the comfort of his international guests. He was the "Travelingest" president (Arroyo is catching up fast) to "sell" the country to foreign investors (and he certainly did well selling it out) but beyond the hype, what did FVR's economic program really consist of?

FVR's program consisted of the acceleration of—economic liberalization, deregulation and privatization—the components of globalization. Their most unforgettable consequences are the transfer of State assets Petron, Fort Bonifacio, the National Steel Corp. (NSC) and the Manila Waterworks and Sewerage System (MWSS), precursors to the privatization of the notorious EPIRA now giving NAPOCOR away to foreign pirates. Each of these projects promised benefits, but all have proved criminally disadvantageous to Filipinos.

They promised lower fuel prices with Petron's privatization but instead prices have run out of control; Fort Bonifacio's proceeds were intended for the Armed Forces of the Philippines' modernization, now it is nowhere to be found; the NSC was mothballed after it was sold to Malaysians; they promised lower water rates from the MWSS privatization; now water rates will be hiked by 100 percent to 500 percent. They promised lowered power rates after the NAPOCOR privatization, but they have now doubled the power rates.

Liberalization of the financial system promised to bring in massive foreign investments; they turned out to be a lot of "hot money" or "motel investment" as they stay for a "short time", in for speculation and out in a jiffy, taking a lot more than they put in. Liberalization of the banking sector did not bring down interest rates and, instead, hiked rates due to distortions it created. In 1997, coordinated attacks on Asian currencies led by George Soros caused a massive withdrawal of this "hot money" and collapsed the globalists' wild dreams.

One of FVR's pet policies was the promotion of export at the expense of domestic self-sufficiency and sustainability. Ramos came up with this inanity of replacing agricultural self-sufficiency as a priority with the development of "high-value crops" for export, such as the cut-flower industry. Why grow rice when we can grow and export high value chrysanthemums and tulips? That policy led to a collapse in rice supply and the entry of the rice pila (queue) under Ramos, last seen before that during World War II.

The criminal PPA (Purchased Power Adjustments) from the onerous FVR contracts with the IPPs is typical of the **poisoned fruits of the globalization policy**. The deadly poisons in our economy today are from FVR and Cory, then Gloria Arroyo since the time she sponsored our GATT-WTO accession. They are the running dogs of globalization. Yet, since December 1999, in the Battle in Seattle, and Bush's recent steel tariff and new farm subsidies, the writing has been on the wall for globalization that all can see. **Globalization is doomed**, and so are FVR and his futile protestations.

[END OF QUOTING]

Now, please, let us look at an "Analysis" offered by Domino regarding the MILF (Moro Islamic Liberation Front). DO NOT CONFUSE THIS MILF WITH EITHER THE MNLF (Moro National Liberation Front) or ARMM (Autonomous Region of Muslim Mindanao). These are often confused and they ARE NOT even remotely the same thing!

MILF has been long a militant group but the MNLF has NOT, since 1996, been recognized as warring elements. ARMM is but the "government" as a recognized management authority for exactly what is stated as "Autonomous Region".

I have to bring up a personality in recent player capacity who continually gives forth BAD information, including lumping Ekkers, for instance, in with radical or terrorist groups and names such as confusing MNLF with MILF and using the WRONG PLAYERS IN EACH INSTANCE. This, of course, is V.K. Durham of the Durham Holding Trust of Ida Grove, Iowa.

She did, however, suck into her little circle one called Elly Pamatong but doesn't have the slightest idea what an error that was on her part. She continues the contact and even sent Mr. Pamatong to other parties who might know if any money had "happened" from those notorious Ekkers. This is going to turn into a nightmare for the lady from Iowa, for Mr. Pamatong is in TROUBLE to his ears with a

"Kristos" group whose leader died and he tried to take control of it, with its income, of course.

It is understood that Mr. Pamatong is unacceptable to return to the U.S. because of his money-raising efforts for whatever reason but was established somehow as a connection with al-Qaida even though not, apparently, attached to bin Laden. His attachment to the Islamic nations' council might have set him up pretty substantially till NOW, but Nur Misuari (governor of ARMM) languishes in jail awaiting trial on treason and subversion while there are PICTURES presented in the paper of Pamatong LEADING THE "ARMY" ON THE FATEFUL UPRISING DAY while it is noted that Nur was NOWHERE near the conflict. Not good, people, and it has been speculated that Pamatong will make a break for parts unknown as soon as possible, for he got into deeper yogurt in Malaysia after escaping to there with Nur Misuari—as his lawyer. However, Pamatong cannot even practice law in the Philippines because of no license, etc.

Is this just gossip? No, for it seems Mr. Pamatong was actually not even acting in the U.S. as a "lawyer" but in some kind of immigration position as a "paralegal" consultant.

His offices or "firm" in Manila was for the purpose of pushing visas with ultimate U.S. citizenship somehow the goal and "rip-off". It is just now being brought to the attention by legal parties in Manila to have the U.S. Embassy shut down Pamatong's use of the U.S. FLAG to advertise and "appear" to be a branch or functional asset to the U.S. Embassy. Yes, we have an article out of this week's paper stating as much and that as recent as the 25th of this month (May). Today, no less, and that is the *Manila Bulletin*.

It is also said that many warrants for his arrest are issued and holding. We have no input on that matter, for if nothing else prevails—we understand the impossible-to-manage propaganda mills.

Let it be known, however, that we have TOTALLY NOTHING to do with or any interchange with Mr. Pamatong—BUT V.K. DURHAM DOES! Perhaps her favorite INTERPOL would like to look into that little connection while she calls foul against others she calls terrorists.

Serious? Oh yes indeed, for V.K. claims to have the entire asset tied up in HER holding trust which CANNOT be—for there is NO SUCH THING AS a Holding Trust.

V.K. wrote, herself, that she was in touch with Mr. Pamatong and set him straight as to her holdings. Thank you, Ms. Durham. You are linked with Mr. Pamatong—not us. I prefer to spend no more time on Elly Pamatong today.

Before closing the topic however, I would note that after Pamatong returned last to the U.S. he was totally unemployed and was unemployed when V.K. Durham made connections. Oh indeed, it does get nastier. Mr. Pamatong has written a new book and he has stated this HIMSELF. So be it.

We will next offer a couple of "Analysis" columns and call it a writing day, please, as our plates are overflowing.

The following two writings are undated purposely to provide the journalist with privacy but both are current as to mid-May, 2002 and deal with current topics in the Philippines.

[QUOTING ANALYSIS NO. 1, DOMINO, MANILA PHILIPPINES, MAY 2002:]

In our previous paper, we mentioned that government concession to the MILF, that is, giving back to the Muslim separatists control of territories including Camp Abubakar, which were taken over by the AFP during its anti-MILF campaign in 2000, would elicit hostile reaction from both the ranks of pro-Administration solons and the opposition.

**[H: Indeed, as the headlines today shout “Impeachment”!]**

During the Senate hearing on the involvement of MILF integrees [interrogees?] in the kidnapping of journalist Arlene de la Criz-Collantes, Senator Manny Villar urged Armed Forces chief Gen. Diomedio Villanueva to “air objections against government policies which they feel are wrong, particularly the ceding of camps to the MILF.” As America’s greatest tank commander, Gen. George Patton Jr. once said, “I don’t want to pay for the same real estate twice!”

Not to be outdone, Senator Rodolfo Biazon, likewise, questioned the ‘sanitizing’ of copies of the GRP-MILF pact, which only proves that the treaty could prove disadvantageous to the government.

The way things are going, the government’s move to appease the MILF may end up with the establishment of a controversial council similar to the disastrous Southern Philippines Council for Peace and Development (SPCPD) which lacked popular consent. Commenting on the SPCPD, *Philippine STAR* Publisher Max Soliven states:

“The Mindanao peace plan of the... government won’t give us unity or preserve our republic. It will divide us, inexorably, into warring factions along lines moored on the most intolerant source of enmity and bias of all: militant religion... Misuari got his deal. He got FVR’s surrender.”

It’s time perhaps for government not to rely on high-tech sources of information but on warm bodies—the ordinary Intel operatives who risk life and limb for the country. If only the U.S. took this fact into consideration, there would have been no “failure of intelligence” which led to the 9-11 disaster.

Also, PGMA (President Gloria Arroyo) should be told not to rely on the presence of U.S. combat soldiers in Mindanao. It cannot be considered as a ‘deterrent’ to future Islamist attempts to ‘balkanize’ the country. The U.S. can, at any time, unilaterally declare in force the Nixon Doctrine laid down by the president in Guam in 1969, that is, in future Asian wars, America will provide the war materiel but Asian soldiers must do the fighting.

Meanwhile, unemployment continues to grow in the Philippines, with the middle-aged people, or those between 40 to 59, being the hardest hit. They find themselves in the twilight zone: too old to be rehired, but too young to retire. No form of pension fund is available to keep them going. Another sector of society that is a potential source of manpower for insurgents and anarchists.

Another complex problem for the government in the near future is the opposition-sponsored move to allow overseas Filipinos to cast their vote during the 2004 election. This will certainly make destabilization moves easier, with the funds of adventurers stashed abroad where there are great concentrations of Filipinos.

[NUMBER TWO:]

PGMA’s post-May 1 statement, that “we have passed the test of stability of our country... and we can go on business as usual in running our government,” may yet prove to be premature.

The May 2 report of Tarlac City police Chief Supt. Tito Bayangos of the discovery of a new al-Qaida cell called “Haraka”, only confirms our report almost a year ago that a terrorist network organized jointly by the MNLF and MILF exists. It may be recalled that when we first reported about the matter, we identified the new cell as “Harakat”, meaning, “the Movement”.

Bayangos’ report was verified and found true by no less than Central Luzon police director Chief Supt. Rey Berroya, who reported to President Arroyo that Osama bin Laden’s counterpart in Southeast Asia “has been establishing terrorist cells in various parts of Luzon through Jemaah Islamiyah (JI)”, an MILF-sponsored organization.

Bayangos further added that the terrorist groups decided to use Tarlac City as a major base of operation “due to its being a vital link between Manila to Northern Luzon. But why should a movement dedicated to the establishment of an Islamic “superstate” in southeast Asia to be called Daulah Islamiyah Raya incorporating Indonesia, Malaysia, Singapore, Brunei, parts of southern Thailand, Cambodia, and southern Philippines, set up bases in Luzon, which is far from Mindanao?”

We can only surmise that the Luzon bases are part and parcel of a military alliance between the CPP-NPA-NDF and the Muslim separatists. And this alliance has been confirmed by Intel sources several months back!

The question now is, will an ill-equipped AFP win an “expanded insurgency” campaign? Not unless government is ready to fast track the military’s modernization program—a remote possibility considering the state of business in the country.

The much ballyhooed Lehman Brothers, which promises to help local banks get rid of their bad loans and non-performing assets, may yet turn out to be a ‘dud’ due to its connections with ENRON Corp., a highly political company with deep ties to the Bush family. ENRON was part of J.P. MORGAN’s electricity cartel or otherwise connected to the British-front MORGAN and HARRIMAN interests, which proves that the forces that are pushing the Bush Administration are not limited to U.S. internal forces but also include Europeans and others who think the Bush Administration is crazy, and must be brought under control. A good example is the totally incompetent Bush energy policy, which is going to produce a political explosion against the present occupants of the White House.

There is also the PIATCO scandal which virtually ruined RP-German cooperation in trade, commerce and industry.

The power purchase adjustment (PPA) issue is another major headache for PGMA. IT CAN NO LONGER BE DENIED THAT THE DRIVING FORCE BEHIND THE PRIVATIZATION OF Napocor IS PRESSURE FROM THE IMF TO GENERATE FOREIGN EXCHANGE IN ORDER TO PAY THE FOREIGN DEBT.

What will add to the country’s energy crisis is PGMA’s public pronouncement that the Malampaya complex is “outside of Palawan”, a statement viewed as an endorsement of H.B. 2031 filed by Rep. Apolinario Lozada, shrinking our territorial waters from 520,7000 square miles to only 230,000 square miles. In contrast is the saner assertion of Dr. Juan Antonio Socrates Jr., a geologist, that both the Spratlys and Malampaya/Camago are on the continental shelf of Palawan. Socrates insists that the “geology of the Spratlys, Malampaya/Camago and Palawan from Ulugen Bay to Busuanga is the same,” because they are all on the microcontinent called the “North Palawan Continental Terrane.”

H.B. 2031, therefore, will (1) force us to confer on foreign vessels of all types the right of innocent passage through our waters and air space, and (2) we will have to recognize traditional fishing rights and other legitimate activities of our immediate neighbors. In short, Chinese fishermen no longer need to justify their poaching!

All this, plus the possibility of another CIA-backed destabilization effort to ‘balkanize’ the Philippines are staring in PGMA’s face. This is no idle speculation when one considers that a megalomaniac like Elly Velez Pamatong **[H: Oops!]** of the pro-U.S. DISCOVERY CRUSADE is developed into another “Osama bin Laden”. A *MANILA TIMES* report linking Pamatong’s group to the bomb-planting Federal Army, demonstrates its potentiality of becoming another Afghansi-like overt operation that will promote Samuel Huntington’s clash-of-civilization agenda in the terribly divided Philippine nation.

One more thing. IN 1969, U.S. President Richard Nixon laid down in Guam the so-called Nixon Doctrine, which states that in future Asian wars, America will provide the weapons of defense for free nations, but Asian soldiers, sailors and airmen must do the fighting. Does this policy supersede the RP-U.S. Defense Treaty signed in 1952?

[END OF QUOTING]

I would like to leave you with a thought when we are outside your interest range: “Knowledge is power, but the lack of it can be very harmful. Resolve to make gathering information about yourself and those around you a priority.”

I did NOT say to be a “nosey neighbor”—but an “interested neighbor” if you wish to get ahead in your own little world.

Commitment is one of the most important steps in achieving success. We are committed—are you? Is it just for “self” or can you share a bit as well?

Salu, GCH

dharmā 

# Investors' Greed And Ignorance: Decimation Of Paper "Fortunes"

## IMPENDING GOLD FUTURES DEFAULT

By Jason Hommel, *gold-eagle.com*, 5/29/02

The coming default on gold futures contracts by the short sellers and large bullion banks will surprise many (because they don't know what it is and therefore cannot anticipate it) and will most likely act to catapult gold prices into 4, 5, or even 6 figures per ounce.

I have written this article for several audiences. First, for those people new to the gold market, who might be thinking about getting into gold somehow, but are not sure what to buy. Second, I'm writing to those already in the gold market, so that they know what's coming—and so that they don't sell out too soon.

Third, I'm writing for seasoned gold investors and/or a few very wealthy individuals who believe that gold futures contracts represent a sound investment vehicle. There are about 90 of these wealthy people according to Andy Smith, who was quoted in Thom Calandra's CBS *Marketwatch* report of May 24th, as saying, "Large-account speculators who are "long" gold futures on the COMEX in New York have surpassed 90 in number." (Up from 77) These 90 people, or funds, or entities, desperately need to get this article into their hands. I don't know who they are, nor do I know how to contact them, but I hope that the publication of this article at *gold-eagle.com* will help to reach them. Readers, if you know anybody who might be one of these 90 large-account speculators, or if you know anybody who might know somebody who might be one of these 90, please forward this article to them.

If these wealthy people are convinced, and stop playing paper games, and start buying gold bullion instead, the price will really take off, and will cause the default on the futures contracts to happen that much sooner. But if they are not convinced, it won't matter much to the world, because at this point we don't have that long to wait until the default. Yes, even big elephants succumb to the forces of Nature and can die during droughts just like any other animal—and the current market forces that are draining away the last bit of liquid (gold) will not be denied.

By default, I mean that promises to pay in gold will be broken. Don't start arguing with me yet, because I'm not implying that we are on a gold standard, and I'm not implying that the U.S. dollar is backed by gold, and I'm not saying that the government will default. Not exactly, but that's because the story is a bit complicated.

In 1933 the default was on the gold contract known as the U.S. dollar held by American citizens. The default in 1971 was the default on the gold contract known as the U.S. dollar held by foreigners. Each event was followed by an explosion in the price of gold. The coming gold default will be on gold futures contracts which are issued by various private and quasi-governmental entities such as the private banks who are the shareholders of the Federal Reserve.

Some readers will stop me right there, thinking to themselves, "Don't fight the Fed." In other words, if the Fed is on the short side of the gold market, then don't take the opposite side. Here's a better rule, "Don't fight the market."

The market is bigger and stronger than the Fed.

The point I am making in this article is that investors should avoid buying a gold futures contract, and avoid buying gold call options, because **these investment vehicles are paper promises that are prone to default**. That's a fact. My opinion is that default on these contracts is both inevitable and increasingly *imminent*. I believe that those gold industry watchers who have access to key information are saying that when gold crosses \$354/oz., that most of those who have written the bulk of the gold contracts of today will be severely hurt financially. Thus, perhaps a default may happen if it is feared that this price level will be surpassed, or soon thereafter.

Gold futures contracts are speculative side bets on the dollar price movements of gold; they are not legitimate investment options, because nothing is purchased but somebody's vain promise to deliver gold, and most of these contracts are settled in dollars. And if an entity who writes the futures contract does not have the ability or intention of paying gold under the conditions that would be most favorable to the speculator (say for example when the gold price per ounce really takes off) then what is that speculator really getting for his money? **Buying insurance does no good if the insurance company goes bankrupt**. The main reason for investing in gold is to shield one's wealth from the dangers of default by another. Therefore, the benefits of owning gold are simply not there for the owner of a gold futures contract, which can be defaulted on.

Additionally, speculators who buy gold futures contracts or options are hoping to use varying degrees of leverage. Only a fool would think he could beat the banks at their own game, borrowing money from the bank, to speculate in a paper-instrument-derivative creation of that bank, that, if it appreciates in value, would cause that bank's downfall.

**Options and futures contracts are speculative investment creations, derivatives. I believe they are created specifically to separate a man from his money. They are mere gambling devices designed to siphon off capital that would otherwise be employed in direct investment opportunities.**

Investment demand for gold, that normally would flow into gold and push the price of gold up, is instead diverted into paper contracts of limited time duration that can expire worthless if price manipulations are successful, and can be defaulted on if not.

One of the most controversial documents in the world, known as *The Protocols of the Learned Elders of Zion*, was written over 100 years ago. Although it is often disregarded by critics as a forgery [MM: Proof that an "original" legitimately exists.] designed only to stir up racial hatred, it reveals the purpose of speculative investments in *Protocol #6*:

"At the same time we must intensively patronize trade and industry, but, first and foremost, speculation, the part played by which is to provide a counterpoise to industry: The absence of speculative industry will multiply capital in private hands and will serve to restore agriculture by freeing the land from indebtedness to the land banks. What we want is that industry should drain off from the

land both labor and capital and by means of speculation transfer into our hands all the money of the world, and thereby throw all the [world] into the ranks of the proletariat. Then the [world] will bow down before us, if for no other reason but to get the right to exist."

Personally, I don't think it's any secret who these families are who intend to rule the world—and I don't see how the fulfillment of biblical prophecy is anything to worry about.

*Deuteronomy 15:6*: "For the LORD thy God blesseth thee, as he promised thee: and thou shalt lend unto many nations, but thou shalt not borrow; and thou shalt reign over many nations, but they shall not reign over thee."

*Deuteronomy 28:12*: "The LORD shall open unto thee his good treasure, the heaven to give the rain unto thy land in his season, and to bless all the work of thine hand: and thou shalt lend unto many nations, and thou shalt not borrow."

It is rather obvious to me that bankers who lend to the nations rule over those nations, and that they siphon off money (gold) from the world and maintain their rule through the processes of lending money at interest, and by creating paper dollars and other gold derivatives.

If gold futures contracts are so bad, how in the world are investors fooled into buying them in the first place? Greed is the main reason, because these derivatives promise leverage, and promise a much greater return on investment—note that tricky word "promise". I believe futures contracts are designed mostly to fool those with the largest pockets, because today, most of the small investors have already been swindled out of their gold. It is said that less than 1 in 1,000 or even 2,000 investors hold any gold-related investments today. If the paper dollar was designed to plunder the common man with a few ounces of gold, the gold futures contract was designed to plunder the wealthy man with millions of dollars.

On occasion, I have had the opportunity to discuss, at length, the issues of investing in gold with very wealthy people, so I know a few of their concerns, and why they tend to think of gold futures contracts as a viable investment alternative to buying physical metal.

Buying gold in hand gets to be a risky and difficult proposition for people with more than a million dollars to invest. (\$1,000,000 / \$320/oz. = 3,125 oz. = 195 lbs.). This is particularly troublesome for the wealthy, because they are among the older generation. Some would not feel comfortable with too much physical wealth in their home. Not even with a safe or panic room. Many of those who could invest might not be physically capable of loading up 200 pounds of gold in the family car. What if you had \$10 million to invest, or \$100 million to protect against dollar devaluation? Could you find a car that could carry a ton, or ten tons? There is a community of thousands of people who all have this much wealth to protect or more. If you couldn't carry or load that much, could you trust the hired help to keep their mouths shut about what they are lifting? Oh, the problems of the truly wealthy. If you don't want to store that much gold near where you sleep, then there is the problem of storage fees. The bankers will want to charge 1% each year. One cannot think about saving wealth for time periods lasting generations under such conditions.

Just for fun, let's consider what would happen to the gold market if one man, Bill Gates, wised up, and decided that Microsoft would be better off to keep its \$38.7 billion in appreciating gold instead of devaluing U.S. currency. At \$320/oz., that would be almost 121 million troy ounces, or 4146 tons. Why does Bill Gates trust bankers and the Federal Reserve with the value of his savings? Bill should have started his gold buying program long ago, because he probably

could not even buy 300 tons before the next gold default. For a guy who claims to have a company built on intellectual capital, what does that say?

The truly wealthy, for the most part, feel as if they are forced to trust the banks and/or investment institutions already. After all, they are not protected by the mere \$100,000 of FDIC insurance per account.

These extremely wealthy individuals and institutions are even presented with the so-called opportunity of writing (selling) their own gold futures contracts. In theory, if they sell a gold futures contract, they don't even have to have the gold on hand to sell, but only enough cash to buy the gold in a margin account, plus a comfortable cushion of perhaps 50%. This means that if a very wealthy lay person wants to short 100 oz. of gold, he needs to have the money to be able to buy perhaps 200 oz.—thus having enough capital on hand to fulfill the contract even if gold were to double in price. Because of this so-called standard business practice, they may be fooled into thinking that gold contracts are relatively default proof. How so? Because they might assume that all who sell a gold contract must have more than enough money on hand to be able to buy the gold that the contract calls for. But this is NOT a standard practice—and the rules are not the same for all entities who would write a gold contract. The large quasi-governmental investment houses tend to make up and change the rules as they go along, so who will guarantee that they have the ability to come up with the gold that they, or their subsidiaries, or patsies, have promised?

**The objective of the original gold contract, the paper dollar, was to separate a man from his gold, and it worked exactly as intended.** As long as the “open interest” in the gold futures contracts goes up as the price of gold goes up, it appears as if this new gold contract is continuing to do the job for which it was designed; that is to say, it siphons investor demand away from gold—and into paper promises that are more easily created than fulfilled.

We also have to remember that the “open interest” in the gold futures market is not the total amount of gold promised. The vast majority of gold contracts are not on any books that are open to inspection by anyone, so there is no ability of anyone to truly judge when or at what price the next gold default might occur. In the past two gold defaults, the default came early, well before the price rose to any significant extent. The defaults occurred only when it became apparent that more and more gold was being demanded by the holders of the paper contracts. Again, the default came well before the ultimate issuers ran out of gold.

Unlike many other gold market writers, I don't believe we need any market transparency or increased regulation of gold market contracts. I'm perfectly content with letting private traders create private contracts, and do business in private, without government interference. It's called freedom—and it's what gold represents. Freedom is good.

If people want to buy promises, they should be free to do so.

**If the gold bulls want to take on the forces who are keeping the gold price down, the last thing they should do is trust the enemy and buy their promises and gold contracts. They need to take on their enemy by buying gold in the spot market, not by buying futures contracts. Let others buy the futures contracts and attempt to stand for delivery.**

The gold contract (dollar) defaults of the 1930s and 70s were preceded by bank runs; when people in the 30s, and then nations in the 70s, demanded gold for their

paper dollars. In a bank run, you want to be the first in line, because those at the end of the line simply do not get paid. The coming rush into gold will be like another bank run that precedes the next gold contract default. Waiting for the delivery date of a gold futures contract that is two months away would be as foolish as standing in the line that's two months long during a bank run that you are betting on will occur. Why put yourself at the end of the line of a hoped-for bank run, when you can get in front of the line by buying gold in the spot market? Literally, that's what gold-futures-contract longs do. They bet a bank run will happen, and then they get at the very end of the line. And if and when the time and opportunity comes that they get near the bank window and they might be next, they jump right to the end of the line again as they roll over their contracts. I believe it's total insanity to do such a thing. But investors get what they deserve, don't they? [MM: Greed kills!]

We have already been given a preview of a modern-day, precious-metals-futures contract default. Most gold bugs remember the TOCOM default in platinum in 2000. All longs were forced to settle for cash. I assume that since there was not enough of a major outcry from investors around the world, that a similar method of default will happen with gold contracts; namely, a cash settlement, with perhaps a quick resumption of new gold contracts being issued.

Those games worked in platinum where there was relatively little investment demand and an actual supply crunch. But will those games work to stem the tide of massive investor demand in the face of declining currencies?

Clearly there is danger in making promises that cannot be kept, but that's the entire game the bankers play with their practice of fractional-reserve lending. In other words, don't assume that they will play it safe and not take undue risks and avoid making promises they can't keep; that's their standard method of operation. So, in a sense, gold futures contracts are nothing new; but they are new—they originated as a plan to cap the runaway gold price of the early 1980s, and they succeeded.

The only way we will experience a true gold bull market—and a truly free gold market—is if these gold contracts of our modern era fail and, inevitably, they will.

In order to understand what will happen in the next gold bull market, we need to understand what happened in the last one. It makes sense only in a superficial manner to look at the last high of \$850/oz. and adjust for inflation (either the money creation type of inflation which would give us a new high of a \$6,000/oz. gold price, or the consumer price increase type of inflation which could give us a new high of a \$1,700/oz gold price), because the high of \$850/oz. was artificial and unnatural—it was lower than it should have been!

Many gold bulls of 1980 strongly believed gold would soon be worth many thousands of dollars. I believe the price of gold would have reached those much higher prices if it were not for the introduction to that market of gold futures contracts, which siphoned investor demand away from real, tangible, physical gold. Perhaps a lack of moral conviction—and greed for a gain as measured by the unjust weight and measure of the dollar—killed the gold rally of 1980.

The price of gold rose both in the 30s and 70s because of inflation, the fraudulent paper-printing, money-creation kind of inflation. If that inflation were fully reckoned with, the gold price should have risen to a level where the total amount of fraudulent dollars that had been issued would be equal in value to the gold held by their issuing authority. This never happened. If it did, gold would have been worth about \$5,000/oz. back

in 1980—based on the number of dollars that had been fraudulently created by that time. Therefore, in that sense, what happened in the 30s and 70s was not yet a complete and full gold contract default—but merely a series of minor gold bank runs in comparison to what we may now be facing. Today, since more dollars have been created since 1980, gold may well rise to \$35,000/oz.—and that's if not even one more dollar is printed or created on a computerized ledger somewhere.

But we have to remember that every dollar in existence is a potential claim on gold, because every holder of a dollar has the option to go and buy some gold with his money. Investment demand (monetary demand) is potentially infinite, and not limited to the number of dollars in existence, nor even to the number of yen in existence. Investment demand is limited only by men's greed and desire—and those levels are infinite. **As we all know, if the value of paper money goes to zero, as it must someday do, then the dollar price of an ounce of gold reaches to infinity.**


**The last remaining factors holding back the meteoric rise in the price of gold are fear and ignorance.** Fear of holding physical wealth personally on hand—and the ignorance of thinking that one's wealth is safe in the hands of people who have proven themselves to be crooks. Hopefully this article has helped to dispel some ignorance. Fear is overcome by bravery and faith in knowing your knowledge is correct—and bravery and knowledge both lead to freedom and wealth.

I can't conclude an article without writing something brief about silver. Everything that I've written about gold also applies to silver—but silver has more favorable supply-and-demand dynamics for the investor. In the silver market, the same schemes are being played out, but in different relative amounts. The silver market is tiny in comparison. The silver market could explode upward even without a dollar devaluation. And the silver futures market is massive in comparison. In other words, the physical price of silver is more highly influenced by the paper futures markets, which are also prone to default. With silver, nobody knows how large private hoards might be. With silver, existing known reserves are much smaller than gold. We have about 3,500 million ounces of gold in the world, and only 100 million ounces of “known & official” silver. You can buy a \$1,000 face-value bag of 90% silver coins for about \$3,500 today. For most of human history, a bit of silver the size of a silver quarter was worth about a day's wage. In the early 1980s—when silver hit \$30-50/oz.—you could buy a nice house in California for a \$1,000 face-value bag of 90% silver coins.

Silver has an ongoing supply-and-demand gap that has run 12 years, and drawn down the known silver available at the COMEX from about 1,500 million ounces to 100 million over that time. ...

*Disclaimer: I am not a licensed investment advisor. I am not a broker. I hold positions in precious metals and mining stocks. I am biased against what I consider to be the fraud of fiat money. I am biased against the fraudulent practice of creating money out of nothing. I am biased against debt, particularly when money is lent at any interest rate whatsoever, a practice called usury.*

For a list of many reasons why I believe now is a good time to buy gold and silver, see my Website at [www.goldismoney.com](http://www.goldismoney.com).

I will do my best to reply to all questions and comments on this essay or the subject matter, and I would love to hear from those who thought this piece was helpful to their understanding of the gold market.—Jason Hommel: [bibleprophesy@yahoo.com](mailto:bibleprophesy@yahoo.com) 

# IMF: A Major Instrument Of The One World Government Conspiracy

(PART 15)

*CRUCIFIXION OF THE PHOENIX*

BY GYEORGOS CERES HATONN

“dharma”

*PHOENIX JOURNAL* #12 (1990)

CHAPTER 31

REC #1 HATONN

TUE., FEB. 13, **1990** 6:30 A.M. YEAR 3, DAY 181

The highest form of crucifixion is the innocent killing of your own people by poison substance and biological diseases. You have had both going on for centuries. I believe as you read along here that you will find it is appropriate material for this *Journal*—perhaps even the first chapter in this *Journal*. In an exceptional program called Panorama, made for the BBC television, we thank Roger Bolton, the editor. I also acknowledge the brave and daring work of Robert Harris and Jeremy Paxman. And in highest respect we honor John Coleman for his daring public projection of information, as well as James H. Jones who penned *BAD BLOOD*. The list of ones mentioned may be quite long so we will give honor as we recognize them by label. Dear ones, you have many daring pioneers who are speaking out—please support them. Even if you cannot yet believe that the Global World Plan 2000 is actual, please read with an open mind. Men and women are risking their very lives to bring forth this information—many have been slain for their efforts—please honor them.

This very day, as the “crimes” unfold out of the Soviet-Bloc nations such as Romania, the shocking incidents must be recorded. I cannot ask this scribe to pen long enough to cover it all but let me share a heinous situation in Romania regarding AIDS.

Western physicians returned from Bucharest to report that in bleak wards were little tots sharing cribs and blankets, 550 children, roughly a third of those tested (not all were tested), carry the AIDS virus. Fifty are already terminal in the active course of the disease.

As the gaps in what you call The Iron Curtain widen, it becomes blatantly obvious that there is a seething new world of AIDS—where the medical community has not been the solution but has, in fact, caused the problem and continues the spread.

It is now expected that it will likewise spread into Eastern Europe in epidemic proportions. According to Dr. David Heymann of the World Health Organization (speak of foxes in the chicken coop), a member of an emergency team sent into Romania just this past week, believes this to be probable. The AIDS has been spread through non-disposable needles and contaminated blood. It is calculated that in one incident, at least 120 babies were contaminated from one infected baby. This plague has now spread across several cities—Polish AIDS patients have been denied treatment in hospitals.

What do you believe will happen now as the curtain

is swept away? What greeted you this very week in the news—East Germans coming into West Germany are hitting the adult “sex” stores in mammoth numbers—was the headline. Romania reports a dramatic increase in “sex for sale”. As repressive dictatorships give way to more permissive democracies, increases in prostitution, illicit drug use and contacts with foreigners open new channels for the virus—even the “closed” press reports.

Yugoslavia, with a longer history of openness and higher drug use, has more AIDS victims than have been found so far in Romania. East Germany has now signed an agreement for AIDS assistance from West Germany, whose over 4,000 *active* disease victims exceed the number in all of Eastern Europe. I urge you to review *AIDS, THE LAST GREAT PLAGUE!* You must have knowledge about the disease as well as the concept of the magnitude of spreading infection—the compounding of the spread—and the “Big Boys” have other disease viruses waiting if you find a cure too soon, for this one.

## LET US LOOK INTO THIS MURDER

You must be aware of the conspiracy to wipe out large numbers of people from certain racial groups, so-called “undesirable” groups and entire geographical areas.

According to a plan reported by the Global Plan 2000 Report, this mass genocide was supposed to take place during 1984 to 1990. It is to be completed by the year 2000—hence the title. It is to coincide with THE PLAN 2000 for economic takeover. There is no need to “prove” that this conspiracy is alive and thriving—go do your homework if you suffer disbelief. There is plenty of well-documented information available, “unfortunately”. **Ignorance or hiding from the circumstance will not save you—information and wise actions can.**

Events in Iran and India have confirmed that the conspirators are moving in the direction recommended by one labeled Cyrus Vance. There is a 36-volume *World Report* on this subject—but don’t expect to be allowed access to it. You must also look at the events taking place currently in Central America and Ethiopia as well as numerous other countries which you can recall. The world has surely grown small indeed. In these places, thousands have perished from deliberately planned and orchestrated political and religious strife and from hunger unto starvation. You might not realize it, but in Ethiopia for instance, the International Monetary Fund (remember this name?) has denied funds and aid. The death toll will be in the millions by this year, 1990.

**The International Monetary Fund (IMF) is, of course, a major instrument of the One World Government Conspiracy.** This is a well-documented fact. Further, the World Bank through the IMF, has decreed that 150 million Black Africans must be “written off”. THIS IS **FACT**—NOT FICTION. Count on it, for it is all but finished—the 150 million people have, or will, die! This will of course evolve mostly from AIDS, but there are other deliberately induced plagues which will insure the full measure of death.

The World Health Organization (WHO) and the Red Cross will not do anything meaningful to stem the tide of deaths—the WHO is instrumental in the cause. There will be great so-called international efforts to assist the

stricken countries—but this will only be window dressing. It is all in written, documented format. The IMF has already told Nigeria, Ethiopia, Guana, Sudan, Tanzania, Zambia, Chad and other Black African states—*EXACTLY* how much of their populations have got to be “gotten rid of”. This edict was handed down in the late 70s and early 80s—so you see, it is well past under way. This genocide must be accomplished before there will be any monetary help from the IMF. Hard to believe? So be it! We understand that it is hard to believe, therefore you must investigate, for time is indeed running out.

Some of these countries’ leaders have protested, but they know the IMF means business. Nigeria, for one, acted defiantly and thus suddenly an unexpected cut in oil prices followed immediately. In retaliation, the Nigerians called for further cuts to upset the world oil markets unless the IMF would drop its provisions and offer financial assistance. Well, the rest is history.

Oh yes, we recognize the scoffers—believe me, they were around farther back than the time of the Christos. Well, I suggest you go back into the *WORLD ECONOMIC REVIEW* and check out the publication over the past decade. Honor John Coleman [MM: **Please call 1-800-942-0821 to subscribe to Dr. Coleman’s World In Review news magazine and to also get information on the availability of his excellent books.**] who produces that journal, for he was the first daring person to bring this information to light in the public arena. Some of you still believe that no such international monetary fund exists—oh, dear ones—this is REAL!

It should not be hard to believe that the One World Conspirators are willing to sacrifice in excess of 400 million people. This is not a new idea—this has been around for a very, very long time. Since the beginning of your counting, there has always been an Elite class or ruling class. These groups always take it upon themselves to decide the destiny of what they refer to as the “mass of people” [MM: **also “useless eaters”**] which are held in extremely low esteem.

## GET RID OF PROBLEM CLASSES

Field Marshall Hague, of the British Army, did that in the First World War and before. Whole nations of people were set up for “killing off” as well as distinct racial groups. In the Boer War prior to World War I, Boer women and children were placed in concentration camps and most of them died. That, friends, is deliberate genocide—and you have forgotten today, that your country was founded because of the oppression of Great Britain, so why are you so shocked to realize how heinous they have acted in the past—and present? It is the time of remembering, chelas.

Sir Hague not only hated his enemy—he despised his own “ordinary soldiers”. He deliberately sacrificed hundreds of thousands of them in a no-win conflict by means of lying to the British citizens and Parliament.

Check your history books and recall how many Chinese were killed in the pursuance of Lord Gladstone’s “opium” policy. How many thousands of Indians were killed by the British in the colonial conquest of India? The list is endless. The common denominator is that the “ruling class” is “cult” ridden. They belong to networks of cults and secret societies which, in many cases, teach that killing certain classes of people is their bound duty. That same cult tendency is now prevalent in the U.S.—even into your major church denominations and society clubs. Well, Mr. Darwin’s fraudulent theory is based upon—survival of the fittest—or strongest, not necessarily the fittest.

BERTRAND RUSSELL

Bertrand Russell said that the population of the world “is increasing at far too rapid a rate”. He complained that, “Wars are simply not doing the job they were designed for, that is, not enough undesirables are being got rid of.” “And”, said Russell, “the results of war in this regard were plainly disappointing.”

Since this dissertation is about disease and plague as a means of getting rid of unwanted people—listen to what Russell actually said: “War has hitherto been disappointing in this respect but perhaps bacteriological war may prove effective. If a Black Death could spread throughout the world once every generation, survivors could procreate freely without making the world too full. This state of affairs might be unpleasant, but what of it!” This is from Mr. Russell’s work, *THE IMPACT OF SCIENCE ON SOCIETY*.

Here you have a self-styled member of the “ruling class” setting himself up as an auditor of who shall live and who shall die. He also says that there are too many people on the Earth. Rightly so—but does he suggest controlling the procreation habits to control the situation? Of course not, he says a good old Black Death would get rid of the unwanted masses and allow the Elite to go on—well, you know what! He further said that “like animals, the herd needs culling”. He proposed culling by spreading the Black Plague or some other form of disease which would carry off large numbers of people whom he considered “excess baggage”.

Mr. Russell was not even the least bit embarrassed to make such proposals and see to the executions. Well, Mr. Russell’s key to fruition was the Plague.

THE KEY TO THE COUNCIL ON FOREIGN RELATIONS CLUB, GLOBAL PLAN 2000 REPORT IS CONTAINED IN THE WORDS OF RUSSELL, “WITH REGARD TO RE-INTRODUCTION OF THE PLAGUE!”

Beloved brothers, diseases which you think you have ridded your populations of, are still lurking dormant in the wings of the stage. In effect, many of these diseases are simply “on ice—waiting”. It is well within the capability of scientists to recall them for instant use as and when the need might arise.

The cults are, in the main, non-Christian (but not the largest in size)—that is, the members actually worship a deity but it is not the One God of the “Christian” faith. The worshipped deity is, in fact, the very antithesis of “Christianity”—do you recognize that label? **Friends, the members of these groups do not so much as blink an eye at killing millions of unwanted people—of whom YOU are probably among the ranks.** By the way—this group of annihilators is also called “The Club of Rome”.

Members of such cults are actually put to the test of killing. The Son of Sam murders were an identical replay of Jack the Ripper killings. Once a person is “programmed” to kill, the actual commission of the murder is very easy. The most positive proof of this, as a scientific fact, is given in a statement by your wondrous H.G. Wells (a fellow-traveler and colleague of Bertrand Russell). Mr. Wells says, in his essay, “Anticipation of the Reaction of Mechanical Scientific Progress Upon Human Life and Thought”, that it is easy to kill when one kills for the purpose of maintaining the ideals of the “ruling class”. This theme runs throughout Well’s papers and writings. Mr. Wells further says, “It is right and proper to kill in order to preserve the quality of the ruling class.” He says, “It is no good allowing inferior beings to overwhelm the best quality beings because of greater numbers.”

Now for Well’s opinion regarding Blacks. “Men of the New Republic will not be squeamish either in facing or in inflicting death—they will have ideals that will make killing worth while.” The Council on Foreign Relations, Club of Rome—your present ruling class of “nobility” of the Aristocrats—has as an idea that the common “herd” must not be allowed to grow too big. The rationale of killing is this, it only remains to have it carried out in fact.

WINSTON CHURCHILL—WAR HERO?

Churchill was very much a part of the “ruling class”. He felt nothing for those he looked upon as inferiors—which was almost everyone. Although offered many alternatives which would have ended the Second World War far earlier than 1945, he opted to ignore those offers, as the German, Rudolph Hess, found out when he tried to see Churchill. The deal Hess tried to offer Churchill was peace with Germany so that Hitler could deal with the Bolsheviks. Churchill’s Zionist consorts saw to it that Hess never got near the man. Efforts by the Duke of Hamilton, a friend of Hess, to get Churchill to meet with him, failed completely. Churchill had no desire to end what he referred to as his “*delicious war*”. You all know what has happened to Hess in these past near years—a total violation of all human rights. **Let me remind you—nations that will take the lives of millions of its own people will not hesitate to snuff out the lives of millions of members of the “colored races” of the world as well as the so-called undesirable Whites, particularly the “patriots” in the U.S.A.**

UNDERSTAND THE RATIONALE

Why would the ruling classes desire to get rid of so many people? The answer, of course, lies in the theory that there are too many people consuming too few resources that cannot be replaced (certainly a valid observation). When people become selfish, they forget God and God-ness. Regardless of what is touted near and wide—the major ruling members of the “ruling classes” simply do not believe in the God-ness of which you believe. That includes the aristocrats and nobility of Europe—the church is set up totally as a facade behind which to orchestrate the genocide—IN THE NAME OF CHRIST! Many, many of the Eastern Liberal Establishment of the United States operate in the same manner. Their God, beloved ones, is Lucifer—The Morning Star(!) whom they have long since declared to be the ruler of the Universe. Oh yes, I suggest you shudder now and get it over with.

In this idea, they are joined by the “churches” of the Soviet Union who have called for “a spiritual mobilization against America”—and don’t let *Glasnost* fool you! The newly freed people are not flocking to the “Christian” churches as they escape into your wonderful “new world”—they are flocking to the sex/porn houses as fast as they can paddle.

There was a formal meeting which announced the “Spiritual Mobilization Against America Plan”. The result was a meeting that was attended by the leading “cultists” of the world. The subject which was discussed was “Spiritual Resurgence in the West”.

Common allegiance to a false God makes these kinds of meetings possible. The real point was, however: “How to Implement the Global 2000 Plan”. The principle speaker told his audience that, “Man was better off during the 14th Century with the Bubonic Plague than he was in the present day climate overshadowed by nuclear weapons.” The key to the statement is the referral to the term “plague”.

PUZZLE ASSEMBLY

The first step to putting the puzzle pieces together is taken when you go back to the First World War. At that time, the **British did not shrink from sacrificing millions of its youth in a war set up to make profits for the bankers.** The first suspected use of bacteriological weapons took place at the close of that terrible war. It happened in the following manner: After four years of stalemate with neither side gaining the ascendancy, the Germans finally broke through the French lines and were less than 37 miles from Paris when SUDDENLY disaster struck them. Practically the entire front-line German units went down instantly with what is now known as Type A Influenza. This was in April of 1918.

Far from the Germans being defeated as General Hague had misled his government into believing, the German army was actually on the offensive in their march on Paris. The Germans were briefly checked by the green and untried American forces. The Americans laid down an artillery barrage. Now surely there was nothing new in that, but at this point the events went into underground secrecy. The entire army of Germans was simultaneously smitten with virulent influenza. Prior to the American artillery barrage, there were no cases of influenza amongst the German troops. Suddenly, as if a cloud burst over them, the Germans went down with such virile flu that it laid low the entire Division. In some sectors along the front, Companies were down to as little as ten men. So violent was this epidemic that the British and Americans, for the very first time, were able to break through the German lines. That proved to be the turning point of the war. Thereafter, the Germans rapidly retreated and virtually gave up the fight.

Bacteriological experts in England, Germany and Switzerland believe that the Americans brought with them shells containing the influenza virus which were then unleashed on the Germans. This was the only “credible” explanation for the sudden and instantly deadly outbreak of what was later known as The Spanish Flu epidemic—which first raged through the German lines and later marched right across the world, killing millions of people. In fact, more people died from the influenza than died in the actual war.

It is to avoid what is known as an “outburst” of this kind that the Council on Foreign Relations/Club of Rome biologists are working on right now. The Global Plan 2000 provisions cannot be implemented if it means that the indiscriminate spread of an epidemic, that will not be a respecter of persons, cannot be contained in some way.

***THERE YOU HAVE IT—“THEY” HAVE THE MODE OF CONTROL, FOR THE ELITE, OF AIDS AND SEVERAL OTHER BACK-UP PLAGUE DISEASES. ISN’T IT ABOUT TIME YOU STOP PICKETING AND START BUILDING THE APPARATUS THAT WILL SAVE YOUR ASSETS? THE GRIM REAPER IS RIDING UNCHECKED ACROSS THE WORLD AT THIS MOMENT. [MM: How much worse is it now—in June 2002?!]***

No one knows for sure where the influenza virus originated but the first-known cases occurred in 1580 in Asia—and there were sporadic appearances of the disease until 1890. Even in the non-epidemic outbreaks of influenza, more people died from the flu than have from any known nuclear-related causes. Note we do qualify by the word “known”. Where are all the Peace Demonstrators against the flu? The first-known, induced epidemic began on the battlefield at the close of the First World War. It was utilized directly as a chemical/bacteriological weapon.



WHAT OF CHEMICALS?

Well, Dharma wants to speak of chemicals in the warfare and, although this subject deals with biology, we will toss in a bit of alternative horror.

On the 22nd of April 1915, an afternoon breeze sprang up. It came in from the north, from behind the German lines and gently fanned the faces of the Allied soldiers in position around the village of Langemarck, near Ypres.

The French reservists and Algerians from France's North African colony were new to the trenches. The fresh wind seemed a good omen, for a few seconds later, as if on cue, the German guns which had been bombarding them all day, suddenly stopped firing. Silence descended over the front.

At five o'clock, three red rockets streaked into the sky, signaling the start of a deafening artillery barrage. High explosive shells pounded into the deserted town of Ypres and the villages around it. At the same time the troops sheltering near Langemarck saw two greenish-yellow clouds rise from the enemy's lines, catch the wind, and billow forwards, gradually merging to form a single bank of blue-white mist: Out of sight, in special emplacements protected by sandbags and concrete, German pioneers were opening the valves of 6,000 cylinders spread out along a four-mile front. The cylinders contained liquid chlorine—the instant the pressure was released and it came into contact with the air it vaporized and hissed out to form a dense cloud. At thirty parts per million of air, chlorine gas produces a rasping cough. At concentrations of one part per thousand it is fatal. The breeze stirred again, and 160 tons of it, five feet high and hugging the ground, began to roll towards the Allied trenches. Dear ones, CHEMICAL WARFARE HAD BEGUN!

The wave broke over the first line within a minute, enveloping tens of thousands of troops in an acrid green cloud so thick they could not longer see their neighbors in the trench. Seconds later they were clutching at the air and at their throats, fighting to breathe.

Chlorine does not suffocate: It poisons—stripping the lining of the bronchial tubes and lungs. The inflammation produces a massive amount of fluid that blocks the windpipe, froths from the mouth and fills the lungs. Some tried to bury their heads in the earth. Others tried to outrun the clouds but found that the exertion only caused larger gulps of the poison. The tide of gas washed over the struggling men and their faces turned blue from the strain of trying to breathe; some coughed so violently they ruptured their lungs. Each man, as the British casualty report was later to put it, was “being drowned in his own exudation”. That one attack could have cost the war, but the German soldiers dug in.

This little game was called “Falkenhayn's experiment”, for the German commander, Falkenhayn, was as startled as were his opponents by the overwhelming effect. It had cost the Allies 5,000 men dead and 10,000 wounded.

Thirty-six hours later, while the British and French still struggled to fill the breach, the Germans struck again. Wave after wave of gas flowed over the Allied troops and soon the gas was accompanied by Germans wearing strange masks with glass eyes and large hoods.

The last and greatest attack came later in the summer, on May 24th, this following attacks on May 1, 6 and 10. The only interim protection against the gas was urine-soaked cloths or earth-filled cloths stuffed into glass tubes. And then came the punch line: The Allies set out a nice little bankers' delight of \$400 million to

create gas of their own. Oh yes, by the way—there had been a commission set up under the name of the Hague Convention to outlaw such chemical weapons. But the Allies were ingenious—they came up with “tear gas” invented by Dr. Tappen and thusly labeled “T-Stoff”. Also there were the Stink bombs.

As you might guess, the chemical factories became the backbone of the economy—especially the German economy. Well, those German laboratories went on to produce all sorts of deadly things over the years. But at that time gas became THE weapon of choice—and of course, a nice little side industry sprang up—gas masks and shelter.

Are you beginning to long for a nice underground shelter system? I hope so, for there is coming a time of death to surface dwellers in lots and lots of geographical locations. I am constantly denounced and my scribe openly threatened because I project these things to you. “God wouldn't spread fear like you do, so you are evil.” So be it. They also denounced Christ, Dharma. “Yes”, she nervously replies, “they also crucified Him!” Let us take a break please, chela.

Hatonn to stand-by.

**CHAPTER 32**

REC #2 HATONN

TUE., FEB. 13, 1990 1:30 P.M. YEAR 3, DAY 181

Good afternoon, Hatonn present to resume in the Light of Our Radiant One.

On February 20, 1919 the *Times of London* says that the “Estimates of dead between 1918 and 1919 are between 20 and 30 million people. The disease shows an amazing attack mortality rate.”

Indian sources, and this is a very interesting notation to the Council on Foreign Relations Global Plan 2000 conspirators, say, “The death toll in India, alone, was over 20 million.” It is further stated that the true figures were lowered so as not to cause further panic.

American records show that more than half the population of Alaska perished. And in the Pacific Islands, almost three-quarters of the people died. It is of extreme interest to note that in Alaska there was almost NO GROUND MOVEMENT OR TRANSPORTATION. Therefore, it certainly bears out the theory that the disease was airborne and not passed on from person to person. It also makes very feasible the projection that the coming plague (or plagues) would be introduced through artificially seeding the air and rain-clouds.

The scale of the ravages of the flu pandemic is difficult for you to visualize. It seemed to come forth in waves and the attack mortality rate was astonishing. And here, you are talking of some 70 years past in which new and innovative techniques could be established against this day. The mortality rate was astonishingly high among the young people. In India, the official records show that entire villages and towns were completely wiped out. Trains were found stopped where drivers died and the trains themselves were littered with corpses. Railway stations were piled high with the dead and had to have a continuous clearance program. There was no escaping it.

Now listen up closely. In open, unwooded or unforested areas the death toll was heavier than in forested regions. Again, this added to the probabilities that the virus was airborne and intentional. Certain countries and some islands escaped the disease for quite a long while, even

though ships from infected areas called in their ports. No quarantine method can account for this and it remains one of the secret unsolved mysteries.

All records of research into the matter are simply “missing” or “the files are not available to the general public”. It is plainly obvious that there is knowledge of how and why the pandemic struck certain areas while leaving others virtually untouched. Such information, of course, would be most helpful to the planners of mass genocide by means of the plague and hints are leaked that they have been quite available to certain and select persons.

SOME PLACES MORE EQUAL THAN OTHERS

An island in the Atlantic, St. Helena, and Australia are two areas that were not hit until almost the end of the outbreak. Quarantine could not have possibly accounted for the disease being delayed in reaching those areas.

Passengers on ships at sea in route to Australia were struck down in terrible suddenness and the mortality rate was higher than elsewhere. The erratic way in which the pandemic behaved has never been accounted for publicly. The virus seemed to simply travel thousands of miles in a matter of hours and yet somehow take weeks or months to reach places in near locations, one to the other. A Dr. L. Weinstein has done a brilliant publication on that pandemic. His work is in the British Museum in London.

He stated, “The influenza pandemic occurred in three waves starting in the spring of 1917/1918. It was characterized by a high attack rate and 50 percent of the world's population was affected. An even more lethal wave began in Scotland and then in Massachusetts on September 12, 1918. It spread over the world in a very short time. Epidemiological behavior was most unusual. Although person-to-person spread occurred in local areas, the disease appeared on the same day in widely separated parts of the world, on one hand, but on the other took weeks to spread relatively short distances. It was detected in Boston and Bombay, India on the same day but took three weeks before it reached New York City despite the fact that there was considerable travel between the two cities. It was present for the first time in Joliet in the State of Illinois four weeks after it was detected in Chicago only 38 miles away. Death rates in various cities in America from respiratory diseases during the second wave show that the Joliet-Chicago incidence was not unusual. Pittsburgh and Toledo with almost identical death rates in normal times, and with similar population groups, and similar occupations, showed a remarkable difference. The death rate in Pittsburgh exceeding that of Toledo by 400 percent.”

This next also comes from Dr. Weinstein. In 1948 there was another outbreak of influenza and studies were made by Dr. F. Magressi which show that it started among shepherds in Sardinia in isolated areas. Dr. Magressi said, “We were able to verify the appearance of influenza in shepherds who were living, for a long time, alone—in solitary, open country and far from inhabited centers. This appeared absolutely contemporaneously with appearance of influenza in the nearest inhabited cities.” Magressi says that the speed in the spreading of the disease was inconsistent with any possible person-to-person transmission.

An interesting addition to this comes from a British epidemiologist, C. W. Creighton, who in 1837 concluded that the Black Plague and Influenza spread was due to what he called “a miasma spreading over the land”.

### FACILITIES AVAILABLE TODAY

With all the massive facilities available to the planners of the Global Plan 2000 conspiracy it is not unreasonable to believe that such a miasma can be artificially created and spread over selected target countries and even cities. This, of course, is one of the ways in which the coming plague will be introduced and spread. You have certainly not seen the last of the Black Plague or Influenza—or Smallpox, for that matter. The microbiological concept for the spread of plague or flu, plus the fact that these viruses and bacteria can be stored in a dormant state and then allowed to “break out” shows how easy it will be for the One World Government conspirators to introduce the coming plagues and spread them by airborne methods.

The old idea that these diseases could only be spread by person-to-person was laid to rest during the 1919 Influenza pandemic. The actual cause of Influenza is still not released to you—for certain. Although—and listen carefully—a veterinarian from Ft. Dodge, Iowa (in 1918) proved that a new disease which was a carbon copy of the Influenza in humans, had appeared in pigs. Does this remind you of bovine leukemia and sheep visna viruses of AIDS? I suppose most of you also recall the “Swine” flu?

The most important finding was made by a Dr. Burnett who proved that Influenza virus could be cultivated in the developing embryo of chickens. From this, the various strains of Influenza that attack humans were identified. All efforts to find an antidote have met with only moderate success. The most virulent, Type A, that killed millions in the 1919 pandemic, appeared to shift, which the medical profession said “is difficult to understand within orthodox views”. Thus it appears that you are not in a position to combat Type A Influenza. It seems likely that reservoirs of that deadly virus are in existence.

The Soviet Union is known to have large stocks of deadly chemical and bacteriological weapons and it is likely that the Type A Influenza virus figures largely in their arsenal.

The Soviets have long had the facilities to create reservoirs of flu viruses which was not thought possible up to a relatively short time ago. Since there is no known human reservoir for the virus, it could be therefore, that a deliberate breakout can be allowed and if spread by airborne methods, you would have an epidemic on your hands of the calibre of the 1919 pandemic—if the Soviets have the capability and they most certainly do—the West must also have it.

Given the goal of the Global Plan 2000 report it appears it would be a most simple matter to arrange a breakout of a whole array of deadly viruses over any given selected target areas. It would also be certain that the Elite conspirators have full ability to treat or antidote the disease just as there is an antidote and cure for the AIDS virus disease.

### STORAGE OF VIRUSES

Some types of viruses can be stored in animals and allowed to break out in controlled or uncontrolled conditions. The virulent and deadly Lassa fever, for instance, was being tested for animal host reservoirs when it accidentally broke out causing a worldwide panic. Had the deadly virus not been corralled, it would have killed millions of people irrespective of status and without regards to race, color or creed.

Now shake, don’t just shudder: in 1978 it came to public attention through a real “slip” from NATO headquarters that “scientific experts” had stated that the Russians were developing three horrific new diseases for

warfare. Now you must remember that “slips and leaks” occur on pretty well arranged schedules and you can further KNOW that if Russia has it—the U.S. has it, so do your meditation with all that in mind. The three diseases: Lassa fever, which kills over a third of all persons contracting it (35 of every 100), Ebola fever, which kills 70 out of every 100 people it strikes, and the deadly Marburg fever—(oops!) (Green Monkey Disease)—and the rest becomes history.

### LASSA FEVER

Until effective methods have been found to immunize and decontaminate chosen areas and chosen groups, just the Lassa fever virus is totally devastating. The Lassa fever viruses will be kept under the most strict conditions of security. The world is probably safe until the genocidal conspirators come up with a bit better solution as to how to keep it confined to target countries and target cities and areas without getting some of their own special co-conspirators.

An airborne assault by Lassa fever viruses on a country like India, for example, would kill an estimated 80 to 100 million people in three to four months, according to records available at the Centers for Disease Control in Atlanta. Again, don’t expect to walk in the Center and have them show you these records.

“Officially” the Lassa fever virus has been destroyed—that is not so and to do so is a very, very big job. The Lassa fever viruses are directly “on tap” and waiting. The Lassa fever virus is one which is called a recombinant hybrid (familiar?). It cannot emerge in several different countries at the same time—there can be only one focal point at which it can emerge. This was proved when it made its first appearance only in “Lassa” in Nigeria.

The Lassa fever outbreak in Nigeria was almost a calamity because the virus broke out while experiments were being done on host animals in the region. The alarm and concern shown by the World Health Organization and the Centers for Disease Control in Atlanta, for example, tend to lend credence to the panic—however, note that probably not more than a half percent of you readers have ever even heard of the disease.

The Centers for Disease Control took extra-ordinary measures in an effort to corral the virus and ordered all plagues being worked on to be destroyed by incineration. Even the air conditioning air as it came out from the labs was incinerated. This is a most deadly virus and works a heck of a lot faster than your old, slow AIDS.

### BACK TO INFLUENZA

This can truly be as large a killer if it begins in pandemic form. It can be localized because it IGNORES the technology of human travel. Let us look at the 1889 to 1890 outbreak, which was small, of Type A virus—the first report came from Russia in May. At the start it spread very slowly and took until October to reach a nearby town. Plainly the spread ignored the technology of human travel, for people were traveling between the two villages constantly.

When the Hong Kong flu broke out it might seem natural that it was California, which is the nearest point in the United States to Hong Kong, the disease should have occurred in California first. But it broke out in a very small community in a desert town called Needles. This, brothers, is decidedly abnormal. It just seemed to ignore the large cities of San Francisco, San Diego and Los Angeles and by the forty-fifth week had spread into the states of Nevada and Arizona. It is very important

to note here the support for the idea that the disease being airborne appears in open, unforested areas first and then spreads outward. It can be controlled as to where it strikes. You have now seen this example as well as the Islands which all but escaped the 1918/1919 pandemic.

### THEN WHAT OF UFO POSSIBILITIES?

Is this by accident or by design—and why might a space cadet be giving you this most pointed information? Well, I go on record—the Global Plan 2000 conspirators will soon claim that the diseases are brought and integrated from Space Command—it is next on the “fear and panic” agenda. You know, all those little gray aliens who run around in the shadows with your military and government contracts? Well don’t look out here—they are all dark as a dungeon and twice as dirty—not the little aliens—the “big” grey men! But you will swallow the story hook, line and to the pole because you know what (?)—half of the community will still be arguing over whose information is whose and fighting over copyrights and seminar schedules. The government and conspirators will just be laughing at you little citizens—all the way to their completely-owned banks; neither will any of them have the flu or so much as a bad cold!

The others of spiritual centers will still be throwing stones at the Christos and ATON for bringing you news and information regarding “Caesar’s world”. Open your eyes; we are doing all we can to keep you alive and able to function against all odds on your placement—and we of this realm weary beyond all patience at the rocks being barraged in upon our scribes and receivers. There are now daily attacks—from ones claiming to be THE source of spiritual truth! So be it! See if you can clear the flu with a purple shirt—for you won’t unless Germain happens to be in the shirt. Use faith healing? I don’t find enough “faith” to heal hives much less a deadly virus. Further, I find the very ones who claim all-knowing to take a few little drugs along “just to awaken a bit more fully”. Well, awakening is going to be abrupt indeed and you’ll pray for death to ease the sickness which shall consume you. Have you ever been so sick that it was just too much to stay alive and yet you did? These diseases bring illness (sickness) beyond belief and nothing actually gives relief to any extent.

### MARK IT HERE—IT IS NOT COMING DOWN FROM SPACE COMMAND!

Funny thing, someone has just happened to notice that among the hidden toys—is an antidote to Type A virus which the world has NOT been told about. Two well-known scientists tried to get the information published but with no success. The tests were done in The Netherlands in 1957. It seemed that the elderly (80 to 90 years of age) who went to their doctors for treatment of “colds” were found to have high concentrations of Type A antibodies leading the scientists to believe that these people must have encountered a sub-type virus at some time or other and were now immune to subsequent attacks.

Instead of considering this a major medical discovery—and rushing to make antibody doses from the donors—nothing was done and no publicity was allowed. Well, they put Priore and Rife out of business, also.

Dear ones, rain clouds can be seeded with Plague or Influenza or any number of viruses and dumped over certain areas. [MM: Now we have Chemtrails!]

Why am I dallying around so much with Influenza? Because when I give you a breakdown of the other little boogers planned for you, I will lose my audience as you

rush out to picket and protest—I hope! Better start digging thy underground hovels with good radiation and filter systems. We have told you how and if you don't remember—rush to re-read *FIGHTING CHANCE* or *SURVIVAL IS ONLY TEN FEET FROM HELL*. God does not consider any of you Satan's or Caesar's property and if ones consider things down on your place to belong to Ceasar—then I have bad news—you get your information from the wrong resource and that evil energy will eat you alive.

Ones of great closeness broke with my group over the *SURVIVAL* book and Dr. Robinson found the same result in his town. He offered to build the first shelter—it was declined because after all, how could you choose who to save! The same identical statement was made to our publisher—“Who could select who would be saved?” Has anyone ever heard of building enough for you all and storing enough quantity of foods for you all? They have done it in Russia and China as well as Switzerland—could you not do as well? You claim to be the most wealthy country in the world! Well, you aren't—you are bankrupt but a survival system wouldn't cost more than a couple or three stealth bombers a year.

Raindrops keep falling on my head—hum de dee, de dee-dee—can easily be made to be pathogenic and when they fall on your heads in a given area, everybody falls down.

If your own “obstructed” scientists of good intent can know of this ability—don't you believe that Caesar's Satanic Conspirators know also of this ability? Caesar's things indeed. Satan's things—INDEED! What of God's things—like YOU FOR INSTANCE? A wrathful God? Oh my goodness—well, how about just a tad twinge of a little bit angry at the very preposterousness of the statement. If you care so little for the gift of life God has given unto you, then so be it.

Dharma, let us close this as you are too weary and we begin to get foolish and hopeless. Dear ones, it is not foolish nor hopeless—we must keep-on-keeping-on, for those ones have no notion of that which they do.

I think we should not work later this evening, as the hours have been long indeed with much editing necessary in the interim. Every one of you must get more rest. I ask that you not be up at your work past 11:00 p.m. for fatigue slows our pace.

Please use available material for the *Express* this week, as we must move on with this document without major interruptions. Neither do I wish this *Journal* to become too lengthy because people will postpone the reading of it if it is too large. Pray for your brother who cannot yet see how it is—for you need unity and community. We need to speak of how to achieve that also—do you feel your education upon that orb is a bit lacking? So be it.

I move to stand-by that we might take respite. Thank you for your service, for I am most appreciative. You of my group have most certainly earned your tickets home. Aho!

Salu, Salu, Salu—in service unto the Radiant One. Hatonn to clear, please.

[END OF PART 15]

**Part 1 of this *Journal* can be found in the 12/26/01 issue of *CONTACT* on page 12; Part 2 (1/2/02, page 14); Part 3 (1/9/02, page 19); Part 4 (1/23/02, page 7); Part 5 (2/20/02, page 8); Part 6 (3/13/02, page 5); Part 7 (3/20/02, page 4); Part 8 (4/3/02, page 10); Part 9 (4/17/02, page 7); Part 10 (4/24/02, page 7); Part 11 (5/1/02, page 7); Part 12 (5/8/02, page 7); Part 13 (5/15/02, page 13); Part 14 (5/29/02, page 20)—This *Phoenix Journal* (#12) is out of print. All other *Journals* are on sale for one-half price (\$3.00). Please see the back page for ordering information.**



# The News Desk

By John & Jean Ray

## ELITIST HANDS IN THE COOKIE JAR

By Jim Rarey, *MEDIUM RARE*  
(A Narco News Bulletin), 05/17/02

In this writer's February 27<sup>th</sup> article this year, “Enronitis—A Communicable Disease” the following statement was made. “If the Enron practices are as widespread in other companies, as some believe, we may be seeing a domino effect with Enron and Global Crossing only the beginning.”

At that time, only Enron and Global Crossing, along with their mutual auditor/consultant Arthur Andersen, were under the microscope of public and Security and Exchange Commission (SEC) scrutiny. At this writing there are at least thirty (and counting) companies that have admitted “accounting irregularities” and/or which are the subject of formal investigations by the SEC.

These disclosures should by no means be considered “voluntary mea culpas”. The Federal Energy Regulatory Commission (FERC) along with the SEC seem to have awakened from a decades-long slumber and are giving the perception of vigorously pursuing accounting irregularities and other questionable corporate practices. The FERC compiled a list of suspect practices gleaned from testimony by Arthur Anderson and Enron officials and sent out a questionnaire to 150 energy companies. The companies were required to answer, under penalty of perjury, whether or not they were engaging in any of those practices. Ergo, a flood of disclosures.

Wall Street analysts estimate that over one trillion dollars in the value of those companies' stocks has vanished and that doesn't count the billions (perhaps hundreds of billions) of dollars in bonds for which an accounting is yet to be made. Enron has notified the SEC that it may have overstated its assets last year by as much as \$24 billion and that its financial statements as far back as 1997 are not reliable. The company did not even attempt to file the required reports for the quarter ended in March.

The “problems” are not limited to energy producing and trading companies. Implicated in the scandals are retailers like K-Mart (a FBI criminal investigation), security analysts, brokerage houses, insurance companies, auditors and consultants, large investment banks and even bond rating services. Banks like CitiGroup, Credit Suisse, First Boston and J. P. Morgan Chase find themselves victims of their own greed in participating in the scams as well as targets of lawsuits and investigations by hapless investors and regulatory agencies. It almost seems like a game of musical chairs where there were not enough chairs when the Ponzi schemes collapsed. Companies like Enron and Global Crossing, although in bankruptcy, ended up with most of the money for which an accounting has not yet been made.

The maze of sham transactions has set insiders against each other in a scramble to cut losses and point fingers. We are treated to the spectacle of a subsidiary of the Rockefeller-controlled CitiGroup (Travelers' Insurance) suing its own parent company for losses on transactions it insured between CitiGroup and Enron. CitiGroup is refusing to pay, claiming it was misled.

Along with the regulatory agencies, corporate boards of directors seem to have been asleep at the switch. Some very powerful and well-connected directors are now claiming they were misled by company executives and/or auditing firms. Many are members of the premiere U.S. organization pushing world government, the

Council on Foreign Relations (CFR). Others are associated with one of the CFR's many spin-offs or organizations controlled by CFR members i.e. The Trilateral Commission (TLC) and the Business Roundtable.

Boards of directors are not necessarily controlled by their chairmen. If the chairman himself does not fill the role, we usually find on the board someone from an investment bank or a high-powered law firm. What counts is who controls or influences the voting stock of the company.

So let's take a brief tour of some of those powerful men (and women) on boards of companies who were so easily “misled”. We shall start and end with Enron. Enron's (former) Chairman and CEO, Ken Lay, was a close associate of both Bill Clinton and the George Bushes. He is a member of Rockefeller's Trilateral Commission.

Wendy Gramm is a member of the audit committee of Enron's board. Just prior she was a Reagan appointee as chairman of the Commodity Futures Trading Commission, the powerful regulatory agency which oversees the nation's commodities and futures exchanges. Her husband is Senator Phil Gramm who sponsored legislation providing partial protection of professional firms like Arthur Andersen from class action suits. Gramm has decided not to run for reelection.

In our neighbor to the north a large bank got caught with huge losses when the Enron music stopped. The Canadian Imperial Bank of Commerce (CIBC) has on its board Lord (Conrad M.) Black. An unabashed globalist, Black on his official biography lists memberships in the Council on Foreign Relations and the Bilderbergers (evidently that's what they call themselves).

Canada's largest energy company EnCana, which engaged in sham “round trip” transactions with Reliant Energy lists on its board T. Don Macy. Macy is the former Chairman and President of Amoco Eurasia Petroleum Co. In 1996 he signed an oil development deal with the Azerbaijan government joining a consortium for exploitation of Caspian Sea oil. Amoco and Unocal control 55.5% of the consortium.

Returning to the U.S., Rockefeller-controlled CitiGroup (including subsidiaries CitiBank and Traveler's Insurance) is a major player in the Enron scandal. Director Robert Rubin (CFR) is chairman of the firm's executive committee that runs the group between annual board meetings. Rubin is the former U.S. Secretary of Treasury and a former CEO of Goldman Sachs.

CitiGroup director C. Michael Armstrong (CFR) is chairman and CEO of AT&T Corporation. He is the former chairman and CEO of Hughes Electronics. During his tenure there, Hughes and Loral illegally furnished classified rocket technology to the Communist Chinese government.

Another CitiGroup director is John M. Deutch (CFR), former head of the CIA. Deutch resigned his CIA position after he was caught with unauthorized classified information on his laptop computer. He is also a director on the board of CMS Energy, which has admitted to sham transactions with several other energy companies.

CitiBank was caught laundering hundreds of millions of dollars in cocaine money through the private account of the brother of the Mexican president. The only consequence was the resignation of a vice president.

The Security and Exchange Commission (SEC) played a large role in enabling the Enron scams. Arthur Levitt, the New York Democrat fund-raiser was appointed chairman of the commission by Bill Clinton. During his tenure, the SEC

granted Enron huge exemptions from security laws. Although Levitt claims he can't recall the exemptions, a former SEC regulator told *Insight Magazine* Levitt was involved in the decision. Experts say the exemptions allowed Enron to set up its sham offshore partnerships that played such a large role in the meltdown. Levitt is now a senior analyst for the Carlyle Group.

A book could (and probably should) be written about corporate governance through former government officials and titans of industry on corporate boards, of which most are committed globalists. Space considerations have only permitted a brief sampling of the phenomenon here.

No list would be complete without examining the connections of Herbert S. (Pug) Winokur, not exactly a household name. Winokur was chairman of the Enron finance committee. He is a former chairman and CEO of Dyncorp and currently chairs its compensation committee.

Catherine Austin Fitts has authored a devastating expose of Winokur and his influence. Fitts is a former managing director of the Wall Street firm Dillon, Reed & Co., a former assistant secretary of HUD and president of the Hamilton Securities Group. The following information (some of it paraphrased) is from her exposé titled, "Damage Control at Dyncorp—Harm at Harvard".

Winokur (a Harvard graduate) is a director of the Harvard Corporation and Harvard Management Company. His investment firm, Capricorn Holdings, is a lead investor in Dyncorp.

Winokur claims he and other Enron directors were misled by Arthur Andersen and Enron management and its legal counsel as to the true nature of its financial structure. Yet Highfields Capital which manages a large portion of Harvard's \$19 billion endowment, reaped a quick profit of somewhere between \$50-120 million through short sales (puts) of Enron stock. Fitts suspects insider trading.

In addition to its contracts with the CIA and State Department, Dyncorp manages, under contract, much of the financial data and other electronic records of the SEC, Department of Defense (DOD), Department of Justice (including the FBI), and the Dept. of Housing and Urban Development (HUD).

Between just two of those departments, DOD and HUD, over \$3 trillion cannot be accounted for by auditors since 1997. Fitts asks the question, "Could it have moved through the 300-plus subsidiaries that Enron operated in the Cayman Islands?"

And who are the auditors? Dyncorp, DOD and HUD all use Arthur Andersen. In a letter directed to Winokur, Fitts asks him how he can allow Dyncorp to continue to us Arthur Andersen while he claims the auditors misled (lied to) him at Enron.

In closing, Fitts laments (justifiably): "Still worse yet, while most activists are trumpeting the dog-and-pony show being given by Congress, the SEC and the General Accounting Office (GAO), full of blustery rhetoric and convenient outrage, what the government and Congress are really doing is giving the bad guys all the time they need to destroy evidence, transfer assets, and hide the money."

**[JR: Enron is just one of 30-plus companies who overstated their assets and have admitted to "cooking" the books with magic numbers. What did Wall Street know and when did they know it? How long have the SEC and the Wall Street gurus, experts and analysts played deaf, dumb and blind to the subterfuge and the cover-ups of these multinational corporations? No wonder Wall Street's numbers are falling under the avalanche of the scandals and the oncoming investigations. Taking into consideration all the known facts and the miscreants involved, all indicators lead right to the men who are considered the Elite in business and politics and who now are caught sitting in their own cesspool of greed and corruption. Most CEOs and members of the boards of these corrupt global companies have strong connections to the U.S. government, have held**

**Cabinet positions or have actively participated in making government policies that hide and protect their illegal schemes. All these schemers are members of the CFR and the TLC and are considered the innovators and the movers and shakers of this world. These men have little conscience as to the wrongs they do. Is it any wonder why the world is engulfed in the whirlwind of chaos? Each one of these world plunderers should be on the world's most wanted list of every needy country they plundered.]**

WHY THE DOLLAR WILL DIVE,  
AND WHAT THAT WILL COST US

By David R. Francis,  
*The Christian Science Monitor*, 05/20/02

More than two years ago, economist Dean Baker wrote a paper about the "double bubble" in the United States.

One bubble was stock-market prices. That one has burst. The other was the price of the dollar. It has yet to pop. The dollar is off a little. Compared with currencies of major U.S. trading partners, the dollar has lost 3.5 percent or more of its value since February.

But probably most economists think the dollar is still overpriced on foreign exchange markets—perhaps by 20 to 30 percent. Like David Huether, chief economist of the National Association of Manufacturers (NAM) in Washington, they regard the present dollar level as "unsustainable".

"The only issue is whether it falls now or later," says Mr. Baker of the Center for Economic and Policy Research in Washington.

The dollar's price is important to Americans. If the currency tumbles, trips abroad and imported goods become more expensive. As import prices rise, so could the U.S. inflation rate. On the plus side, a cheaper dollar could restrain the withering of manufacturing in the U.S., saving many well-paid jobs.

In a way, the dollar has proven to be a Teflon currency. Its strength has survived foreign financial crises, the collapse of stock prices, and Sept. 11.

Yet many economists say the dollar must decline further at some point. "Six months, a year, two years..." says Baker.

The reason is the nation's huge deficit in its current account—its international payments balance. The red ink was \$430 billion last year, or almost \$1.2 billion per day. That's 4.3 percent of gross domestic product (GDP), the nation's total output of goods and services. Without any change, the trade deficit will soar to \$800 billion, or 7 percent of GDP, by 2006, notes C. Fred Bergsten, director of the Institute of International Economics in Washington.

So when an American spends a dollar, foreigners will provide 7 cents worth of the goods and services in excess of what Americans would otherwise have earned from selling their goods abroad. Up to now, foreigners have been glad to do that. The extra dollars they earn have been invested in U.S. Treasury securities, stocks, bonds, firms, or properties that have offered good returns. Foreigners, in effect, finance the massive U.S. trade deficit.

But the size of the deficit is now reaching the "danger zone" where the U.S. and other industrial countries have traditionally seen their currencies dive, making exports easier and imports less competitive, Mr. Bergsten maintains.

"It's a cascading matter," Baker says. Foreigners not only acquire extra dollars through their trade surplus with the U.S.; they earn more interest and dividends on their U.S. investments.

In a decade, foreigners could own investments in the U.S. equivalent to 70 or 80 percent of GDP, Baker calculates.

There have been signs that foreigners are edgy about their U.S. investments. Enron, fear of a U.S.-European trade war, and the Israel-Palestine troubles prompted foreign

investors to turn bearish in March, writes William Kucewicz, editor of *GeoInvestor.com*. He blames much of the recent decline in U.S. stock prices on foreign-capital flight.

Further, foreign central banks have been dumping some of the dollar assets they own. About \$13.9 billion net, or 2.3 percent, since early April.

Moreover, foreign takeovers of U.S. firms have plunged this year compared with the 1990s.

If such shifts become a trend, the dollar would certainly fall.

Mr. Huether expects the decline to be gradual. But nobody really knows when or how fast.

The NAM has been campaigning for many months for a weaker dollar. Between August 2000 and December 2001, the nation's manufacturing sector has lost 1.4 million jobs. Huether blames weak exports because of the strong dollar for 500,000 of those lost jobs.

What the NAM would like is for the U.S. Treasury to change its "strong dollar" policy. Under President Clinton, Treasury Secretaries Robert Rubin and Lawrence Summers affirmed the desirability of a strong dollar so often that it has been termed a "mantra".

Current Secretary Paul O'Neill, after an initial slip, adopted the mantra. He hasn't used it lately, but merely says there is no change in policy.

Only last Tuesday, White House economist Glenn Hubbard told *Reuters* in Paris that the current-account deficit was sustainable and not a threat to recovery.

It could be—for a while.

A weaker dollar is not cost-free. The U.S. would have less foreign money to invest in productive plants, equipment, and buildings. Fewer Americans could afford French cheeses and Korean cars.

Baker thinks Americans should be allowed to hedge against a plunge in the dollar by opening checking accounts in the U.S. denominated in Japanese yen, euros, or pounds. Europeans can open dollar accounts.

But at election time, a strong dollar sounds better than a weaker dollar. So don't count on the Bush administration changing its dollar policy any time soon.

**[JR: The only reason the dollar has sustained its strength this long is because the U.S. government (et al.) props it up by suppressing the price of gold. Also, the U.S. government, along with the Federal Reserve has convinced most foreign central banks to use the almighty U.S. dollar as their national reserves to back their own fiat currencies. This trend however is changing as several countries have already shifted to the Euro or to gold as a reserve for their currencies. Fiat currencies are beginning to become unstable as people are losing confidence in the inflated values of all fiat currencies, even the U.S. dollar. What do you think happened to Argentina? The U.S. dollar is already on a slippery slope and everyone, especially foreigners, are now looking for an alternative to the sliding U.S. dollar. To me the only solid alternative to any fiat currency is personal investments in physical gold, which has increased 20% in just the last year, closing at \$322.50 an ounce on 05/23/02. What other investment in today's market is doing that well? Some investor "goldbugs" are projecting gold to more than triple in value in the next few years.]**

SHARON BEATS BACK  
ULTRA-ORTHODOX CHALLENGE

By Christine Spolar, *Tribune*, 05/23/02

JERUSALEM—For the second time in two weeks, Israeli Prime Minister Ariel Sharon forged a political victory out of defeat as he hung tough on budget cuts prior to a Knesset vote and shut out the ultra-Orthodox parties who had challenged him.

Sharon was rewarded for his power play with overwhelming approval for a critical austerity program.

Earlier this week, Sharon was stung when Shas, a party in his governing coalition, and United Torah Judaism rejected the budget plan to protest aid cuts to large families.

Upon hearing of their rejection, Sharon fired the party's members in his Cabinet, reducing his coalition's hold on government to a one-vote majority. Wednesday, he ignored the Shas bloc before the Knesset vote and later indicated that victory had not softened his resolve to oust the renegade coalition members.

Sharon's dismissal remained in effect late Wednesday despite back-door appeals from Shas to remain a coalition partner, media reported. Sharon already was talking to other suitors, reports said.

The showdown with Shas makes Sharon the first prime minister to stare down the ultra-right and survive.

It came 10 days after Sharon rebuffed his own political party leadership over a vote to reject the idea of a Palestinian state. Sharon opposed the vote; he lost within the Likud's central committee but turned the loss to his advantage by portraying himself as more concerned about the country's image and negotiating integrity rather than his personal popularity among the hard-line voter bloc.

The back-to-back challenges to Sharon and the perception that he deftly muscled them generated acclaim and something much more rare in Israeli political circles: respect.

"Sharon didn't blink. No prime minister has done that before," said Jonathan Rosenblum, director of an Orthodox media group in Israel and a columnist for the *Jerusalem Post*. "He's going to get maximum mileage out of this. He has strengthened himself, in internal political circles, and to the outside world."

Sharon, a former general, reaped widespread public support in the past two months as he pursued a military solution to terrorist attacks by Palestinian militants. Shas, which appeals to a religious constituency that largely eschews military service, angered the Israeli public with demands to maintain welfare privileges despite budget shortfalls.

Wednesday morning, an opinion poll by the newspaper *Yedioth Ahronoth* indicated that 70 percent of Israelis thought Sharon was right to dismiss the Shas ministers.

"He's showing when it comes to fighting, he knows how to fight," said Efraim Inbar, a political science professor at Bar-Ilan University. "He's patient. And he's become an astute politician."

The scene at the Knesset was a reflection of the political reality. Sharon sat confidently in the center of the chamber during the roll call while Shas members stood nervously at the entrance to avoid casting their ballots.

Meanwhile, Finance Minister Silvan Shalom loudly appealed for passage of the bill that he said was necessary for economic survival.

"If this government does not take these hard and painful steps now, we will have to take harder ones in the future," Shalom said prior to the vote.

The budget cuts passed, 65-26, without the ultra-Orthodox casting a vote. The secular Shinui Party also abstained, accounting for seven votes.

"For the first time, a prime minister has stood up to the blackmail of the Haredim," the ultra-Orthodox, said Shinui leader Tommy Lapid, who approached Sharon minutes before the vote for a private chat. Lapid, using Sharon's nickname, said his party had held back from voting against the budget cuts to "give a sign that we appreciate Arik Sharon's bravery."

**[JR: Tyrants like Sharon make sure they always win against the majority. This is what Zionism is and how it works. Compare globalism, socialism and communism and you will see the similarities and know that all "isms" are repackaged with different labels and with a new promotional spin. Read all the labels before you buy and know what is inside.]**

'HIGH PROBABILITY'  
OF SUICIDE BOMB ATTACKS IN U.S.,  
ISRAELI EXPERTS SAY

By Julie Stahl, *CNSNews.com*, 05/21/02

JERUSALEM—Israeli experts concurred on Tuesday with American assessments that it is only a matter of time before the U.S. will experience suicide bomb attacks like those in the Middle East.

FBI Director Robert Mueller told the National Association of District Attorneys on Monday that the prospect of suicide bombers hitting the U.S. was "inevitable".

"There will be another terrorist attack. We will not be able to stop it. It's something we all live with," Mueller said.

A day earlier Vice President Dick Cheney said the possibility of future attacks was "almost certain... not a matter of if, but when."

Israel has led the war against terrorism since it became a nation more than 50 years ago. Israeli experts were equally as confident on Tuesday about the probability of future attacks in the U.S.

Boaz Ganor, director of the International Policy Institute on Counter-terrorism near Tel Aviv, said he would prefer not to use the word "inevitable", but he believes there is a "high probability, possibility" that Islamic radicals will target Western societies.

The terrorists will use "suicide bombing as a more effective method," Ganor said. The groups that support those actions are bound to have supporters and activists on American soil, he said.

Their primary motive would be revenge for the American campaign in Afghanistan, he said.

In one sense, suicide attacks already happened in the U.S. on Sept. 11, when 19 men killed themselves in carrying out attacks on landmarks in New York and Washington, said Prof. Eytan Gilboa of Bar-Ilan University in Tel Aviv.

It stands to reason that if American officials are predicting more attacks, they will occur in a similar way, said Gilboa, who is currently a visiting professor at Harvard University in Massachusetts.

"Since I've been here, it's my impression that security measures at the airports are pretty good, improved," Gilboa said by telephone. Therefore, terrorists are likely to hit other targets such as malls or subway stations, he added.

Gilboa said the terrorists would likely choose targets where "the damage goes beyond the destruction of a place."

"America is the most consumer-oriented society in the world," Gilboa said. If a mall were struck, "It would close the society for six months... and considerably damage the economy."

According to Gilboa's assessment, security measures in such places are not sufficient. Israel, he said, is not better equipped to defend itself, but it does have more experience.

Israel has suffered from suicide bombings for years but has been particularly plagued during the last 20 months, in a series of attacks that have killed hundreds of Israelis.

American security officials were invited by Israel's secret service this week to attend a closed conference on anti-terror measures. Israeli officials were very secretive about the conference and would not give any details or interviews about it.

Nevertheless, America has one advantage over Israel, Gilboa said. It is a superpower and it can do whatever it wants; the United Nations will not bother the U.S., he said.

"Dealing with terrorism [requires] defensive and offensive measures. It's very difficult to protect oneself on one's own soil," he said. "Deterrence is the most effective way to protect [oneself]."

Such deterrence can only be achieved by striking a

country that harbors and supports the terrorist bases without which the terrorism cannot exist, he said.

According to Gilboa's assessment, "[American officials] are preparing the American public for major attacks and major responses."

**[JR: The official statements coming forth from the hierarchy in D.C. and Israel as to the U.S. experiencing suicide attacks is a more of a prophecy than a warning. FBI's Mueller says it's inevitable and can't be stopped; V.P. Cheney says it's not if but when—and Israel's Ganor says that Israeli experts say with full confidence it will happen. It is easy for our non-pulsed leaders in D.C. to make pronouncements, as they will be well protected while the rest of us will walk around with targets on our backs. Our ally [???!!!] Israel would like nothing better than to show us how it feels when Jews are attacked and have to live each day in terror. Israel's Mossad agents have been able to infiltrate every Arab organization—as their agents speak Arabic and can pass as Arabs. The Israeli predictions as to scenarios and targets have to be regarded as reliable and any attacks in the U.S. fit into their plans as well as ours. If Bush reacts to terrorist suicide bombers like Sharon, look for us to be "conditioned" through terror to support the planned war with Iraq. These warnings are step one of their plans—and since Americans are so easily conditioned, they may not have to bother going to step two.]**

DISILLUSIONED PALESTINIANS  
EAGER FOR FRESH LEADERSHIP

By Christine Spolar, *Tribune*, 05/19/02

NABLUS, West Bank—Abdullah Yunis stood amid the month-old dust and debris of his apartment and reckoned he knew what Palestinians needed to dig themselves out of the ruin and despair that the Israeli army had left behind.

"The people are a powder keg. The only way to defuse them is by holding elections, to let the people choose who we want to work for us, to protect us," the 35-year-old said, nodding at gaping holes in his walls. His apartment was damaged by Israeli forces in April, and his plight has been ignored by a moribund Palestinian Authority.

From Nablus to Ramallah to Bethlehem, West Bank cities hit hard by the recent wave of Israeli military incursions, Palestinians are calling for the Palestinian Authority to reinvent itself.

"The latest siege brought it to a head," said Hanan Ashrawi, a member of a committee seeking reforms. "Now people are saying, 'Why did this happen, how was it allowed to happen and why weren't we protected from them? Where were the people, all the institutions that were supposed to be in place and protect us?'"

Palestinian leader Yasser Arafat last week called for vague reforms and, under increasing domestic pressure, said he would hold elections in 2003. ...

Hamas, which is second in popularity to Arafat's movement, indicated it would consider fielding candidates as long as the balloting has nothing to do with the Oslo peace accords between Israel and the Palestinians. Hamas does not recognize the peace agreement and calls for the destruction of Israel. The United States considers it a terrorist organization.

As sentiment quickly built for an election, members of the Palestinian Legislative Council sent Arafat a potential remedy for what some call the worst crisis since the authority was established as a result of the Oslo accords in 1993.

Their reform package, details of which still are being configured, is ambitious, and the demands are blunt.

They include: Create an independent judiciary; schedule municipal, legislative and general elections within the next six months; overhaul the 32-member presidential

Cabinet and cut nearly a third of existing members; review the Ministry of Finance to push through disclosure regulations; and streamline a confusing array of security forces and refocus them on maintaining law and order.

These are not new demands for Palestinians who had expected, as part of the rigors of the peace agreement, that elections, held first in 1996, would be called again in May 2000.

Missteps and problems in implementing the interim peace agreement delayed that vote. Then came an outbreak of violence in September 2000 and an intifada that curtailed further talk of elections.

That all began to change in March as Israeli soldiers went after West Bank militants they accused of engineering attacks on Israeli civilians. The unprecedented Israeli siege spread across land over which the Palestinians had gained security and civil control under the Oslo accords.

Some militant groups resisted mightily in places such as Nablus and Jenin, two towns that the World Bank estimates suffered the worst amount of damage, a combined \$200 million.

On April 7, a tank pulled up to the square where the Yunis home stood. Soldiers announced over the loudspeaker that if residents did not leave their homes, "We'll blow it up on your head," Yunis said. ...

"I was born here. My father was born here. My grandfather lived here," Yunis said. "The point is the Palestinians are here to stay. Our goal now is elections—but our real goal is running our own lives. And living in a Palestinian state alongside Israel."

Yunis, his brother and five friends who hovered around the shell of his home last week would not criticize Arafat's role leading up to the siege. But they fell silent when asked whether Arafat had lost face since then.

They wouldn't address the notion that the Palestinian leader had suffered from stunning decisions in the past few weeks, including the exile of 39 militants from Bethlehem and the surrender of four men wanted in connection with the murder of an Israeli tourism minister months ago.

But it also was clear that they resented how Arafat was made vulnerable to Israeli and international pressure. Yunis' brother, Faris, blamed the occupation for the woes befalling the impoverished Palestinian territory....

Throughout the territories last week, members of Arafat's Fatah political organization and militant groups such as Hamas acknowledged that change was imperative. But they voiced suspicion over any U.S. involvement in demands for change.

Even those most frustrated with Arafat equated U.S. pressure with Israeli aggression. Demands for change from either Israel or the United States could only be a trap for Palestinians to lose power, they said.

Fatah members seemed particularly exasperated with Arafat. In Nablus, a Fatah stronghold, Arafat still received a hero's welcome when he walked the streets.

In Bethlehem, Arafat was sent a message that support had eroded. Fatah failed to organize a welcome, and when Arafat visited the once-besieged Church of the Nativity, the crowd was small and lackluster.

One Fatah leader said privately that the Palestinians no longer can survive on the whims of a "one-man show". "We need a political system that can change—and change is crucial right now," he said.

Hamas leaders in Bethlehem and Ramallah also said pressure had reached a breaking point and that Arafat was aware of internal Palestinian demands.

But all were questioning whether militants would be allowed to play any role in forging a new government.

"We've been calling for change for years. But this should be a Palestinian internal decision," said Sheik Hassan Yousef, the Hamas leader in the West Bank.

"We know that there cannot be real independence until there is stability. But let me ask

this: If Hamas wins the elections and is deemed the alternate, would the United States recognize that? Would [President] Bush be willing to sit with a freely elected leadership with Hamas as its members?

"The idea, for sure, is to change, but not to get people in there that the United States and Israel wants," Yousef said.

**[JR: Arafat announced there will be no elections until the Israeli troops are withdrawn from the Palestinian areas. This stalemate will only weaken the PLA's position and strengthen the Israeli/U.S. moves toward a takeover. One thing is sure, without a stable PLA leadership there can never be a Palestinian state that will coexist within Israel. There is no known Palestinian leader who is prominent enough to succeed Arafat who will be able to create a coalition to settle the disagreements among the rival factions in order to govern. The Militants like Hamas and Fatah are in disagreement as to what the PLA should be and do not recognize the Oslo Peace Accord. This alone presents a major dilemma towards any progress. This vacuum of succession plays right into the hands of the U.S. and Israel because it perpetuates the war and the violence. Arafat and his PLA don't seem too concerned about the plight and the miseries of the Palestinian people or their uncertain future. There is no one in authority that cares enough to defend the people from the abuses of the Israeli military or to hear their grievances. For now all the Palestinian people have to look forward to is chaos in their daily lives and the continuation of violence. The PLA is playing right into the hands of their detractors and enemies because by delaying elections they risk dissension and the deterioration of their authority. Takeover is the goal and the objective of the Zionists in control and their U.S. lackeys.]**

ARMED INCURSION INTO THE U.S.  
BY THE MILITARY OF A FOREIGN GOVERNMENT

By Michael Gaddy, *Sierra Times*, 05/15/02

An armed incursion by the Government of Mexico has taken place on American soil. Recently a group of Mexican military with both vehicle-mounted and hand-carried automatic weapons crossed some 60 miles of American territory to bivouac in the area of San Pedro, Arizona. San Pedro lies within the boundaries of the Tohono O'odham Indian reservation approximately 35 miles west of Tucson, Arizona.

The children of the village of San Pedro first spotted elements of this force early on a Thursday evening. Later that night the force moved into San Pedro brandishing their automatic weapons and wearing night vision equipment. The force appeared to be searching for someone but no one in the village could comprehend who they were looking for. It is quite possible even if they understood who they were looking for, the villagers would not have revealed their presence.

The armed forces spoke only Spanish and admonished the villagers and said they would be sorry if they called the "authorities". Several calls were made to the Tohono O'odham Police despite the threats, but officers did not arrive until Saturday. When they arrived the villagers told the police where the force was bivouacked in the desert but the police only drove around the village and left.

On Sunday repeated calls were made to the local police and the U.S. Border Patrol when the force traveled 6 miles south to a convenience store called the "Coyote Store" on Highway 86 between Tucson and Sells, Arizona. A tense situation developed when the police arrived. The Mexican force brandishing their automatic weapons and the Police appeared poised for what one O'odham youth called a "shoot-out situation". Cooler heads prevailed and the Mexican forces departed. Villagers were told not to worry,

the Mexican soldiers had only been on a "hunting trip".

Details of this event have been corroborated by at least eight members of the village of San Pedro.

An article at *Worldnetdaily.com* confirms at least 23 such incursions were made into the United States by Mexican Police or Military groups in 2001.

**[JR: The procedures for securing our borders against terrorists are not only inadequate but it seems government officials that are responsible for our national security are either totally incompetent or deliberately look the other way while our nation is being invaded by aliens. Perhaps these "officers" are afraid of not being politically correct if they actually enforced our immigration laws. The American people are being terrorized by our own government that is putting out all kinds of alerts of terrorist threats, while they allow foreigners to just waltz across our borders without the slightest rebuke to their country(s) of origin. This "war on terrorism" is only designed to take away our sovereign rights and freedoms—not to stop terrorists from penetrating our borders or to prevent terrorist acts. For every incident or threat, we lose more freedoms. At this rate, these so-called phantom "terrorists" don't have to be real, but who do you suppose is succeeding in destroying everything America has stood for, and they don't have to actually do anything. We are voluntarily destroying ourselves.]**

UN: ALTERNATIVE MEDICINES MAY POSE RISK

*MSNBC News*, 05/16/02

GENEVA (*Reuters*)—Increasingly popular alternative medicines, from Chinese herbal remedies to spiritual therapies, are often misused and may harm patients, the World Health Organization (WHO) said on Thursday.

The United Nations health agency called for further clinical research to establish the safety and efficacy of such products, consumed by up to 80 percent of people in developing countries.

WHO urged its 191 member states to regulate traditional medicines and make them safer and more accessible. Only 25 countries operate licensing systems to ensure quality.

"We hope to strengthen recognition of traditional medicines and their integration into national health systems," Jonathan Quick, director of WHO's essential drugs and medicines policy, told a news briefing.

But he added that alternative, or traditional remedies, needed to be subjected to the same type of rigorous testing as modern pharmaceuticals.

"We need to get evidence and information so people can make a choice between different therapies," Quick said.

Indigenous products and therapies, handed down through generations of Africans and Asians, have caught on in the West—despite the skepticism of some health care professionals.

"In North America, over one-half of the population has used or continues to use traditional (alternative) medicine. In the last decade, in the United States and France, the use of various methods of complementary care has doubled," Quick said.

"Three out of four people living with HIV/AIDS—in San Francisco, London or South Africa—have used complementary medicine as part of their care," he added.

Yet incorrect use of alternative therapies has caused deaths in wealthy countries, where more and more patients rely on them, according to "WHO Traditional Medicine Strategy 2002-2005".

The herb Ma Huang (ephedra), used in China to treat short-term respiratory congestion, was marketed in the United States as a dietary aid. But its long-term use "led to at least a dozen deaths, heart attacks and strokes," the WHO said.

“In Belgium, at least 70 people required renal transplant or dialysis for interstitial fibrosis of the kidney after taking the wrong herb from the Aristolochiaceae family, again as a dietary aid,” it added.

Xiaorui Zhang, WHO coordinator on traditional medicine policy, said 70 countries regulated herbal medicines, up from 50 just four years ago. “Only through regulation can we ensure quality, safety and efficacy,” she said.

But she cited difficulties in conducting clinical trials of herbal remedies. Patients could often detect placebos due to a different taste and quality control was tricky as products often combine various plants, each with different chemical compounds.

Zhang, who is from China, declared: “Western medicine came to China about 100 years ago. That Chinese people survived for thousands of years without Western medicine shows that it (traditional medicine) works.”

**[JR: Alternative choices in medicines can't be any more harmful than the side effects of the drugs turned out by the pharmaceutical companies. How many of the manufactured drugs are designed for multi-purposes, so if one causes too many side effects, it is repackaged and sold to the eager pill-popping public? I'd rather balance my own choices against the recommendations as presented by the medical aristocracy.]**

#### INDIGENOUS PEOPLE GET AN INTERNATIONAL VOICE

By Gerald Nadler, *San Diego Union-Tribune*, 05/19/02

UNITED NATIONS—Overcoming eight decades of rejection, the world's indigenous peoples held their first official forum at the United Nations on Monday and demanded the collective ownership of land and payment for their medicinal knowledge.

Representatives of more than 900 indigenous peoples—living in regions from the tropical forests of Amazonia to the Australian desert—gathered in a main UN conference hall to complain of land confiscations and Western drug companies' profiting from native medicinal remedies.

The world's 5,000 indigenous groups comprise 300 million people living in 70 countries on five continents. But the plight of groups like the Mohawks in the United States and the Maoris in New Zealand is similar everywhere, said Kenneth Deer of the Mohawk nation.

“All of us have been dispossessed, oppressed, and marginalized. We are the poorest of the poor in every country,” said Deer, publisher of the Mohawk-focused online newspaper *Eastern Door* (<http://www.easterndoor.com>).

Indigenous peoples first tried to voice their grievances in 1923 at the League of Nations, the predecessor of the United Nations, but Chief Deskahe of the Cayuga nation in western New York was not allowed to speak.

The Maori similarly were rebuffed a year later.

In 1945, at the founding of the United Nations, “we were just left out,” Deer said.

At a host of UN conferences through the 1990s, indigenous peoples voiced their demands to protect the environment, use their languages and preserve their cultural heritage.

In 2000, the UN Economic and Social Council, one of the world body's six primary organs, agreed to create a Permanent Forum on Indigenous Issues at the recommendation of the Commission on Human Rights but over the objections of the United States and Canada, which both have large American Indian populations.

That forum started a two-week session Monday.

“This inaugural session of the Permanent Forum represents a challenge that has been met,” said Mary Robinson, UN high commissioner for human rights.

Louise Frechette, UN deputy secretary-general, said: “Indigenous people have been killed, tortured and enslaved. They have been deprived of their political rights, such as the right to vote. Their lands have been taken over by conquest and colonization.”

This first session of indigenous peoples is drafting a resolution demanding communal ownership of land and just remuneration for medicinal knowledge they say drug companies use without compensating the native peoples.

Ole Henrik Magga of the Saami people living in Norway, Finland, Sweden and Russia was elected chairman for the forum's first year.

“For those of us not recognized at home,” he said, “it is of great, immense help that we are recognized here at the United Nations.”

**[JR: Indigenous people are today still being killed, abused, disenfranchised and forced to assimilate into the White European's world. The fact that it has taken 80 years for anyone to address this issue speaks volumes. The UN is holding a forum on these issues, but how long before reforms come for the indigenous people in the lands they come from (i.e. U.S., Canada and New Zealand)? It's not likely the drug companies will compensate these people for their knowledge about medicinal plants and their healing skills. It would cut too much into their profits and so the exploitation will continue by both businesses and governments.]**

#### INDONESIA SCOLDED FOR SENDING SHIPS

*Daily News*, 051902

DILI, EAST TIMOR (AP)—A surprise deployment of Indonesian naval ships in East Timor waters during a visit by President Megawati Sukarnoputri cast a cloud over independence celebrations Sunday.

Foreign Minister Jose Ramos-Horta of East Timor chided Indonesia on Saturday for sending six naval vessels into his nation's territorial waters, calling it an “ostentatious display” of military might.

“We did not agree for Indonesia to bring in six warships. We had discussions with Indonesia and said we would allow one medical vessel to dock,” he said.

Indonesia had announced it was dispatching the ships ahead of Megawati's arrival to attend events marking East Timor's independence at midnight Sunday. It also noted that UN authorities running the territory had approved the plan.

Delegations from 80 nations will be attending the festivities.

East Timor voted to break free from Indonesia's harsh rule in 1999, and many are still haunted by memories of military abuses.

#### UN APPROVES FORCE OF 5,000 FOR NEWLY INDEPENDENT STATE

*Daily News*, 05/19/02

With East Timor's independence fast approaching, the United Nations Security Council has voted to keep UN troops on the island to maintain security, but it will reduce the force.

The resolution authorizes a UN force of 5,000 troops, including 120 military observers. That's a reduction from the 6,400 soldiers last month and more than 8,000 a year ago. The current 1,250-strong international police force will remain to help develop the new East Timor Police Service.

The Security Council on Friday unanimously approved a resolution authorizing the mission for an initial period of one year.

The United Nations has been administering the tiny

Southeast Asian territory since its people voted overwhelmingly for independence from Indonesia in a UN-sponsored referendum on Aug. 30, 1999.

It will hand over power to East Timor's elected government, led by President Xanana Gusmao, in a ceremony Monday to be attended by UN Secretary General Kofi Annan.

**[JR: A continued UN presence is vital in order to shore up East Timor's independence and the government officials that were set into place by the Euro Elite. Until the police of East Timor are “trained” in UN military tactics, the riches of the region (diamonds & oil) could fall into the control of the opposition. The presence of the Indonesian warships during the Independence ceremonies is intended to be a reminder to all of that possibility.]**

#### BRITISH SCIENTISTS SQUARE OFF OVER EVOLUTION TEACHING

By Mike Wendling, *townhall.com*, 05/17/02

London (*CNSNews.com*)—A group of about 30 scientists has written to the British Department of Education, arguing that scientific study into the origins of man should not be limited to Darwin's theory of evolution.

The group—including eminent scientists in biology, physics, geology and chemistry—is calling for active debate in the country's schools.

The scientists were motivated by recent reports that a top British school, the Emmanuel City Technology College, was teaching creationism in biology classes.

But several scientists and academics favoring Darwin's theory wrote letters of complaint to the education department and argued evolution should be the only hypothesis about man's origins taught in schools.

The pro-evolution scientists demanded that the school be re-inspected by education officials, despite glowing reviews after its last regular examination.

In response, the chief inspector of schools has asked Emmanuel for clarification of the school's science teaching policy.

The argument then caught the attention of leading politicians. Prime Minister Tony Blair defended the non-denominational Christian school, hailing its results and saying reports that it was promoting creationism were “somewhat exaggerated”.

#### **‘How to think’**

Andrew McIntosh, a professor at the University of Leeds and a spokesman for the group advocating free debate, said human origins should be left as an open question.

“We should not try to teach people what to think, but rather we should teach students how to think,” he said by phone from the university. “Rigorous examination of a number of theories of origin needs to be allowed. It would be quite inappropriate to put just one theory over.”

McIntosh said Darwin's theory has trouble explaining “molecule-to-man evolution” and that the ultimate origin of life is still a mystery to science.

“To immediately discount the possibility of design is unscientific,” he said. “It is not right to exclude alternatives right from the word ‘go’. What one should do as a scientist is leave those options open.”

“Let there be an open debate in the schools and universities of England,” he said.

The National Curriculum—a set of rules setting out what should be taught in all British schools—stipulates that Darwinian evolution should be taught as the dominant scientific theory. But the curriculum also requires that students are shown “how scientific controversies can result from different ways of interpreting empirical data”.

“We find it most inappropriate that some well-meaning scientists have given the impression that there can only be one scientific view concerning origins,” the letter reads. “By doing so they are going way beyond

the limits of empirical science which has to recognise, at the very least, severe limitations concerning origins.”

McIntosh said Department of Education officials have acknowledged the letter but have not yet formally responded to the scientists.

**[JR: What truth is it that the Darwin theorists wish to avoid should they have to defend their hypothesis in a debate with Creationists? If Darwinism is based on pure science, then why is it continually debated and challenged outside the Darwinist circle of public support? If man evolved from apes through the process of natural selection to improve the species, than why are there still apes and why has the human species moved on? Man has improved physically over the apes, though his intellectual and spiritual evolvement is open to question and debate. Whether the scientist, evolutionist or creationists have a debate, we as individuals should ask ourselves our own questions like... who are we, why are we—and what is our purpose in God/Creator’s magnificent universe?]**

HOME-SCHOOLERS FIND  
INTACT DINOSAUR SKELETON

*WorldNetDaily.com, 05/21/02*

A dinosaur fossil expedition for home educators has excavated a large, rare, intact allosaurus, a discovery that organizers say helps debunk the theory of evolution.

The fossil measures more than 22 feet in length and 10 feet in height, with a complete skull more than a yard long. Allosauruses are believed to be a close relative of the tyrannosaurus rex, differing from the T-rex primarily in size and cranial capacity.

Under the leadership of Doug Phillips, president of Vision Forum and an adjunct professor of apologetics with the Institute for Creation Research, and Peter DeRosa, a veteran archaeologist and paleontologist with Creation Expeditions, the team of 30 home schoolers spent a week earlier this month hunting for and excavating fossils in a privately owned location in the Skullcreek Basin of northwest Colorado. ...

“Most people do not realize that there is a tremendous paucity of dinosaur bones available to scientists,” said Phillips. “Ninety-five percent of all the fossils in the world are marine invertebrates; 95 percent of the remaining 5 percent are plants. The vast majority of the rest of the fossil record are fish and insects. Only a fraction of a percent of the remaining fossil record includes land vertebrates, and those finds usually consist of less than one bone. To find a complete allosaur is simply historic.”...

“The evidence strongly points to a relatively recent and catastrophic event similar to that described in the *Bible* as the flood of Noah’s day,” he said.

“We found a complete section of vertebrae more than 12 feet in length, which was fully articulated. The dinosaur appears to be in much the same position as he was at the time of his death and burial, which must have been virtually instantaneous, and caused by a catastrophic event. Not only was this fully articulated dinosaur found lying in a bed of leaves and plant debris, but there is wood from trees mixed in among the bones, some of which contains petrified and unpetrified elements in the same piece of wood. If this creature were millions of years old, the evidence would look quite different.”

Phillips contends that the discovery of such a valuable dinosaur by creation scientists may well send shockwaves through the scientific community.

“Up to now, a well-funded and insular community of evolutionary theorists have dominated the field of paleontology, directing most of the large dinosaur finds to research and museums committed to interpreting the fossil evidence through the faith-driven assumptions of evolution,” said Phillips. “To have a dinosaur of this size

and significance within the camp of scientists committed to the creation model is nothing short of a coup d’etat.”...

Last week, DeRosa brought in a fresh team of professional excavators to remove the skull from the ground for preservation. It is not yet known when the skull will be available for viewing.

Bellamy, as it turns out, was not the only one to uncover a last-minute prize. Just yards away, on a second site, 9-year-old home-schooler Haley Meadows was dusting away dirt with her brush when she found the claws of a 100-foot sauropod, presently believed to be of the rare ultrasaurus variety, according to Phillips. ...

Added DeRosa, “The story behind the location of this site is perhaps the greatest miracle. Through a series of remarkable events, more than 120 acres fell into the hands of the current owners, a Christian home-schooling couple committed to biblical creationism.”

The owners have been approached by museums, television networks and leading evolutionists who have expressed a strong interest in the fossils found on the property.

“I am sure the evolutionists would love to get their hands on these bones. Who can blame them,” Phillips said. “It is like a gold mine for paleontologists.”

Creation Expeditions, which believes the land may contain dozens of more fully articulated dinosaurs, hopes to be excavating the site for years.

**[JR: Home-schoolers are showing the world that they learn more and learn better by avoiding the brainwashing of government (f)education. Do you think it might become a trend? We can only hope. Combine that with creation scientists and you might just debunk all the preconceived Darwinism theories taught in state education systems. Remember only God creates, but He also allows.]**

PRINTING OFFICE MONOPOLY IS ENDING

*Omaha World-Herald, 05/04/02*

WASHINGTON (AP)—The Bush administration said Friday that it is ending a 141-year monopoly by the Government Printing Office, ordering competitive bids on about \$500 million a year in federal printing and copying contracts.

The Office of Management and Budget estimated that the government would save at least \$50 million to \$70 million annually. That’s the amount in special fees that the Government Printing Office charges when it acts as a middleman by contracting out printing jobs to private companies, the office said.

The White House directive, sent to all executive branch agencies, would eliminate the middleman role and allow the government office and private firms to bid for the work.

“The time has come for the executive branch to liberate its agencies from a monopoly that unfairly penalizes both taxpayers and efficient would-be competitors,” OMB Director Mitchell E. Daniels Jr. wrote in the memo.

Andrew Sherman, spokesman for the Printing Office, said the proposal would increase costs by 50 percent because companies would have to hire large sales forces to search for government contracts.

The plan also would mean an end to the Printing Office program that deposits federal records in 1,300 libraries, he added.

“The costs and the threat to public access to government information are so significant that Congress rejected this in 1987 and in 1994,” he said.

Sherman said the office currently collects \$33 million in fees, not \$50 million to \$70 million, and pointed out the money earned is a substitute for government appropriations.

The Printing Office, created during the Lincoln administration, already sends 84 percent of its work to

private contractors to handle the huge government workload. The office’s publishing workload includes the *Congressional Record*, public laws, Defense Department technical manuals and Agriculture Department cookbooks.

OMB officials said they expect all executive branch agencies to comply with the directive by Sept. 1.

Daniels said in an interview that the savings could exceed \$70 million.

“We have a wealth of experience showing that by opening services up to competition, you get a 20 to 40 percent cost reduction,” he said. A 20 percent savings would amount to \$110 million a year.

The office was created by Congress to handle congressional printing needs. Congress expanded the role by requiring that most executive branch printing, binding and reproduction be done by the agency.

Daniels’ memo said that when the Printing Office contracts out its work, it:

Charges the government agency that is ordering the work a 7 percent premium above the cost of private printing. The figure increases to 14 percent if the lead time is 10 or fewer days. The premium decreases to .5 percent after GPO recovers \$20,000.

Tacks on a processing fee of \$7.50 to \$15 per order. Retains all discounts for prompt payment (usually around 5 percent) offered by private printers, rather than passing the savings on to the government agency.

Even when Printing Office performs the work, it charges government agencies a 35 percent premium if the lead time is 10 or fewer days.

“Printing is a very competitive business,” Daniels said. “We have thousands of companies. The history of competition is that, often, the incumbent public employees shape up and get most of the business they got before.”

**[JR: This sounds like the creative accounting used by Enron and Anderson. Currently the GPO is contracting out many of its printing services. What will be interesting is how the government will centralize the knowledge of all the titles that Agencies have available as they move towards a more decentralized system. Every year the GPO issues new computer guidelines to help depositories (1300 Federal libraries nationwide in Congressional Districts) maintain what is needed to access the ever-changing electronic environment. Depositories are beginning to drop out of the program, as it becomes more difficult to keep abreast of the technology changes—which includes training staff and patrons. Agencies can then choose to distribute their funds as they evaluate the need. I can just see the Defense Department’s technical manuals contracted out to private foreign-owned printers employing minimum-wage illegal aliens. Don’t forget the Bush administration has already blocked access to certain vital information at libraries and government Websites to prevent “terrorists” from gaining information on possible government or infrastructure targets. Our state and federal governments were structured to give American citizens reasonable access to public documents and information, however, that also has recently changed. With much of our “shadow government” becoming more secret, soon even common information about what our government is doing will become unavailable. Isn’t that the way most dictators operate?]**

WHAT DID BUSH KNOW  
AND WHEN DID HE KNOW IT?

*STRATFOR—GLOBAL INTELLIGENCE, 05/20/02*

*Summary*

Reports last week that the U.S. government received warnings about possible airline hijackings before Sept. 11 put the White House on the defensive. Despite the obvious desire by his opponents to use the issue against



him, President George W. Bush cannot be blamed for not reacting to a few vague reports. However, he can be blamed for not yet making fundamental changes to a U.S. intelligence system whose divisions and emphasis on information collection over analysis led to Sept. 11.

#### *Analysis*

Nothing was more predictable than the crisis that blew up in Washington last week when it was revealed that the CIA had warned President George W. Bush prior to Sept. 11 that members of al-Qaida appeared to be plotting a series of airline hijackings. At the same time it was revealed that an FBI agent in Phoenix, Arizona, had written a memo stating that members of al-Qaida were receiving flying instructions in the United States.

Then, to show that such information was available during the Clinton years as well, a 1999 study was released asserting that al-Qaida might try suicide attacks on U.S. installations. Washington, which had grown torpid over the war, was suddenly galvanized. The question was, as Sen. Hillary Clinton put it: What did Bush know and when did he know it?

On Sept. 16, shortly after the attacks, *STRATFOR* wrote: "We have no doubt that, after the databases have been searched, it will be found that U.S. intelligence had plenty of information in some highly secure computer. The newspapers will trumpet, 'CIA knew identity of attackers.' That will be only technically true. Buried in the huge mounds of information perhaps once having passed across an overworked analyst's desk, some bit of information might have made its circuit of the agencies...."

We expect that, over time, it will be discovered that far more was "known" about al-Qaida and its intentions than what has been released so far. It will be discovered that agents in obscure places had in fact discovered parts of the plot; that National Security Agency intercepts contained clear indications of al-Qaida's plans; that even more memos had gone to various federal agencies, including the White House, with bits and pieces of the puzzle....

It is difficult to blame Bush for not noticing a vague report on potential hijackings amid the almost limitless stream of other warnings. He cannot be blamed for not seeing the Phoenix FBI field report that never left the FBI. Nor can Clinton be blamed for not reacting to the highly speculative report on the possibility of suicide bombers. Bush has taken a great deal of flak about issuing vague alerts against which no practical action can be taken.

What Bush can be blamed for is that, over the eight months following one of the worst intelligence failures in U.S. history, fundamental changes in how the United States carries out its intelligence mission have not even begun. Certainly some senior officials in the counterterrorism area have been dismissed, but the failure that led to Sept. 11 was not personal; it was systemic. It flowed directly from the fundamental architecture of American intelligence.

The Central Intelligence Agency, as the name suggests, was founded to centralize the intelligence function of the United States. It was a good idea then and it is a good idea now. Unfortunately, it is an idea that has never been truly implemented and from which, over time, the government has moved intractably away. A centralized intelligence capability is essential if the United States is to have a single, integrated, coherent picture of what is happening in the world. A bureaucratically fragmented intelligence community will generate a fragmented picture of the world. That is currently what we have.

The problem begins with the division between the CIA's Directorate of Operations (which carries out espionage and covert missions) and the Directorate of Intelligence (which is charged with analyzing the information provided)....

A wall between the collectors of information and the analysts of information is like a wall between the senses and the brain. It leads to stumbles.

The problem does not end there. The CIA is an intelligence organization, and its counter-intelligence frequently is given to another agency—the FBI—to keep them both honest. The FBI is primarily a police force. It deals with law enforcement on issues from kidnapping to narcotics to embezzlement.

The mindset of counter-intelligence and the mindset of law enforcement are very different. Getting these two cultures to coexist under a single umbrella does not necessarily increase the efficiency of either. One can imagine how, in a field office dealing with drug smuggling and interstate car theft, a report on al-Qaida might have gotten lost in the shuffle.

But such divisions are just the tip of the iceberg. The CIA is tasked with human intelligence. Signal intelligence—intercepting electronic messages—is the purview of the National Security Agency, which is not only huge but now is developing its own analytic cadre to make sense of the messages it intercepts.

Image intelligence—from satellites to U-2s—is handled by the National Reconnaissance Office (which operates the satellites) and the National Imagery and Mapping Agency (which interprets images and also now makes maps). The latter organization is the result of a merger between the National Photographic Interpretation Center and the Defense Mapping Agency, which were integrated into a single structure because... well the reasons aren't clear, but it seemed like a good idea at the time.

And still the list goes on. The Defense Department has its own intelligence service, the Defense Intelligence Agency, which focuses primarily on military matters. Of course, the CIA also has a unit focused on military intelligence, but that's fair enough since the DIA also runs Defense Human Services—which is a human intelligence organization doing what the CIA is supposed to be doing. On top of this, each of the armed services maintains their own intelligence services, replete with signal, image and human intelligence.

Given this incredible tangle of capabilities, jurisdictions and competencies, it is a marvel that a finished intelligence product is ever delivered to decision makers....

As *STRATFOR* has said before, the U.S. intelligence community is obsessed with the collection of data. Apart from the Directorate of Intelligence at the CIA and sections of the DIA, the rest of the U.S. intelligence system is overwhelmingly geared toward the collection, rather than the analysis, of information. The result is inevitable: a huge amount of information is gathered, but it is never turned into intelligence.

To turn information into intelligence, it must be collated with other information, integrated into a coherent picture, interpreted and used to forecast actions. The current architecture of the intelligence community makes collation and integration structurally impossible. It is not merely a matter of sharing but also a matter of culture.

The FBI collects huge amounts of human intelligence. It has an extremely small analytical staff. Its administrators evaluate the significance of intelligence. Some administrator in the FBI decided that the Phoenix report was not worth pursuing....

Between the labyrinthine structure of the intelligence community and its obsession with collection over analysis, it is inevitable that vast amounts of information never coalesce into intelligence. The collection capacity of the United States, both technical and human, is vast. But it is deliberately and institutionally compartmentalized in such a way that prevents a coherent perspective from emerging.

Even more important, the analytic capability is dwarfed by the collection efforts. Information collected but not analyzed is the same as information that never existed. Continued increases in spending on collection is wasted money unless the analytic program grows faster to make up for tragically lost time.

The CIA failed to bring critical information to the president because it did not know that information. We remain certain that if we searched all of the databases and memos we would find that the U.S. government had collected much of the information that would have been necessary to prevent Sept. 11. It was there. But it wasn't collated, integrated, or analyzed and therefore could not be disseminated.

Bush cannot therefore be faulted for not reacting to reports he never saw nor for failing to react to vague threats. He is, however, entirely responsible for not having taken dramatic and decisive steps toward reorganizing the intelligence community after Sept. 11. He has permitted business to go on as usual, in spite of the manifest failure—not of the individuals in the community, but of the architecture in which they worked.

The current proliferation of intelligence agencies wasn't the intention of those who conceived of a CIA. There is no reason the United States must endure the proliferation of agencies that leads, regardless of intent, to non-cooperation and non-communication.

Most important, there is no reason at all why the obsession with extraordinarily expensive collection technologies and methods should not be shifted to a more balanced approach between collection and analysis. Intercepting all cell phone conversations out of Afghanistan is great—but only if someone who understands the Pushtun language is available to translate them and someone with knowledge and imagination is standing by to try and understand what the phone calls meant. Having every phone call in the world sitting in a database isn't worth the price of the computer.

#### TAYLOR ON U.S. DOLLAR & GOLD

By Jay Taylor, *gold-eagle.com* (Gold Digest), 5/28/02

#### **Drowning in U.S. Dollars**

The last time we had a secular bull market in gold, starting at the end of the 1960s and through the entire decade of the 1970s, its arrival was signaled and to a certain extent triggered by foreign selling of the dollar. With one ounce of gold unrealistically fixed at \$35 per ounce, cracks and strains began to develop in the international monetary system from about the mid 1960s onward. Why? Because to fund the Marshall Plan, the **U.S. began to create massive amounts of money out of thin air** with increasingly less concern about holding the ratio of paper money constant to the amount of gold in the U.S. Treasury.

So, even before he U.S. began to print more money to fund Vietnam and the Great Society programs, our trading partners were already becoming saturated with dollars. Our elected officials, from President on down, did not possess the political courage or moral fiber to finance these enormous programs honestly, namely by raising taxes. So they set out to impose an invisible tax on the American population in the form of inflation. Rather than raise taxes to pay for Vietnam, President Johnson began to run the U.S. into debt. To ensure a sufficient amount of currency was in circulation to fund this debt and thus obscure the cost of these programs from the American people—and to allow the private sector to survive along side a continuously more dominant socialist government—the Federal Reserve Bank created huge amounts of money out of thin air.

After the financing of two World Wars, in 1970 the U.S. money supply as measured by M-3 stood at approximately \$615 billion. Thanks to the funding of Vietnam and the Great Society programs, by the end of the 1970s our money supply had tripled to \$1.82 TRILLION! Thus the money supply grew by a compounded rate of just under 10% while GDP during the stagflation 1970s grew at an anemic rate of around 2%. Still, the U.S. government was very successful at least for a while in secretly picking

the pockets of the American people to fund Vietnam and the Great Society without the voting public having a clue about why their purchasing power was being eroded. That was the major inflationary episode during the 1970s, which Ian Gordon has identified as the Kondratieff summer of the current Kondratieff cycle that began in 1950.

During the 1930s President Roosevelt succeeded in passing a law that would put Americans in prison for attempting to preserve their personal wealth and financial stability by owning gold. Although Americans were forbidden by their own government from protecting themselves, foreigners were allowed to own gold to achieve that end and the global financial system required countries to provide gold on demand for paper upon demand.

But, as the U.S. cranked up its printing presses to fund our massive move toward American Socialism during the 1960s, as more and more dollars found their way overseas, foreigners increasingly had more of those paper bills than they knew what to do with. American politicians may have successfully deceived the American population into thinking gold was not necessary. But our government did not fool foreign leaders like France and Germany into buying that lie. **As Europe began to drown in dollars, they increasingly turned their paper money over to the U.S. for real money, namely GOLD!**

The problem became so bad that confidence in the U.S. monetary system was threatened. As a result, President Nixon simply defaulted on the U.S. obligation to pay foreigners gold for dollars in 1971.

The closing of the gold window by Nixon in 1971, paved the way—at least for a while longer—for the U.S. to print as much money as it wanted to finance its socialist programs, without worry of its gold supply dwindling and a resulting loss of confidence in U.S. paper money. In other words, the U.S. was free to increase its policy of deceit and theft via the printing press. And it did!

#### **But Nixon Couldn't Fool Mother Nature for Long!**

The closing of the gold window solved the U.S. government's financing problem for only a little while. With gold no longer convertible into paper at a fixed rate, it became free to trade on the international markets. And hence, quite naturally, its price began to rise because the number of dollars in circulation relative to the number of ounces of gold that existed at that time, grew with extreme rapidity. As people began to realize that their dollar-denominated wealth was in the process of evaporating away, they began more and more to buy gold and other tangible assets rather than allow their wealth to be stored in financial or dollar-denominated assets. And demand for wealth preservation became so great that the prohibition against owning gold was overturned and signed into law by President Ford. The prohibition against gold was of course a ridiculous encroachment of a free people. As Congressman Reuss, Chairman of the House Banking Committee who supported the legislation to make gold ownership legal told me, "I couldn't understand why owning gold should carry a penalty equal to being caught with crack cocaine."

But back in the 1970s Americans began to realize that unlike paper money, endless amounts of gold could not be created out of thin air as the politicians and bankers were doing with the dollar. As Americans opted for gold over paper money, that presented a huge problem for the Federal Government because people opting out of dollars made it increasingly difficult for the U.S. government to fund its socialist policies.

So the U.S. government tried first to talk down gold and then to manipulate its price by announcing its intent to dishorde it—and then by actually dumping it on to the market. That policy did not work for long. In fact, the sale of gold seemed eventually to have the opposite effect by making liquidity available in the market and by convincing

Americans that the dollar would become even more worthless. Gold eventually triumphed over paper when it exploded to \$850/oz. by January 2, 1980. Despite the efforts to destroy gold in the hearts and minds of Americans, the Laws of Nature prevailed and the misdeeds of America's politicians and bankers were thwarted. The politicians and bankers had undermined fiat money by printing so much of it that it almost did not survive. In order for the established fiat-money system to survive, extremely high interest rates and the most severe recession since the Great Depression were required. The stage was then set for the greatest bull market in history that lived from 1982 through March of 2000.

#### **The Stage is Set for a Dollar Drowning**

The tight money policy of the late 1970s combined with supply-side economics bought more time for America's form of Socialism. But unfortunately, the pathological underpinnings of the system were not changed. Not only did the fiat-money lie live on, but the new form of political deceit grew into something much more virulent and clandestine than that of the 1970s. Not only did America's politicians not learn the lessons of the 1960s and 1970s—**they actually accelerated the creation of money out of thin air during the 1980s and 1990s.**

#### **CLINTON TRASHES GOLD.**

#### **DOLLARS ASPHYXIATION IS NOW UNDERWAY!**

No President has been more supportive of our demise toward a collectivist government than President Clinton. And so, it should come as no surprise to learn that the Clinton Administration fostered the enormous increase in the money supply while this man occupied the White House. During Clinton's Presidency, M-3 increased from \$4.1 TRILLION to \$7.2 TRILLION! And this took place despite the fact that the Cold War had ended!

We have written extensively in past about how Bob Rubin and then Under-secretary of the Treasury, Lawrence Summers—along with the Federal Reserve Bank—set out to clandestinely manipulate the gold price to lower and lower levels starting with the 1994 Mexican crisis. The information is available for any truth-seeking individual who wishes to gain a leg up on the masses who rely on main line media accounts of "the news". Visit [www.GATA.org](http://www.GATA.org) or [www.goldensextant.com](http://www.goldensextant.com).

Lawrence Summers in fact co-authored a paper while at Harvard that argued for the need to cap the gold price if monetary bailouts were to be successful. And so, starting with the Mexican bailout and then the Asian, Russian, Long Term Capital Management (LTCM) and Y2K bailouts, there was a constant "need" to "cap" the gold price in order to keep the Clinton interventionist and collectivist endeavors alive and well.

From his academic studies, Summers understood that if massive amounts of money were printed and the gold price was not capped, the dollar would decline and interest rates would rise sharply. Monetary bailouts by a rapidly declining currency could not long be effective. Under such an environment and economic growth, a bubble economy like that of the late 1990s could not have developed. Also, Clinton and his Treasury boys understood from the lessons of the 1970s that a transparent policy of intervening in the gold market would backfire. So the Rubin Treasury and the Fed set out to clandestinely manipulate the gold market by silently dumping gold onto the market in the form of gold loans—via *sweetheart* gold loans available to crony capitalist friends at major banking institutions like Goldman Sachs, J.P. Morgan Chase, Deutsche Bank, and Citibank. These loans typically were granted to these privileged political insiders at a rate of around 1% p.a., sold for dollars which were then invested in U.S. Treasuries at between 5% and 7%. Not only did this provide a terrific return on investment for Rubin's friends at Goldman Sachs, but it also helped drive interest rates lower. Moreover, these special friends of our political leaders

could also count on not needing to worry about covering their short position (repaying with higher-priced gold) because Chairman Greenspan assured them that "central banks stood ready to lease gold in increasing quantities, should the price begin to rise".

And so, by dishording gold in this manner—and by propagandizing the largely false notion of enormous productivity gains in America during the 1990s—the Clinton Administration created a phony "Strong Dollar" Policy that conned foreigners and Americans into buying American financial assets at enormously overvalued prices. This resulted in the greatest financial bubble of all times. But the con job worked for Wall Street and for the Clinton Presidency. With booming stock prices he managed to escape removal from office by trial and conviction of impeachment by the Senate.

Because Americans were then and still are largely unaware of the deceit that underpinned the booming 1990s, Clinton was able to claim credit for the good times—though in fact he laid the final foundation for the tragic times we are now beginning to encounter. Blame for that will no doubt be doled out to President Bush. The problem is, the rigging of the gold markets led to lower interest rates even as the Fed created more and more money out of thin air. But alas, as was true during the late 1960s and 1970s, foreigners are once again showing signs of drowning in dollars. Thus the stage appears to be set once again for a foreign-led exit from paper money to gold and other tangibles assets, starting with real estate. Once again, we can expect the Laws of Nature to prevail over the lies of our politicians as told by the telltale signs of dollar debt asphyxiation. The correction this time however, is likely to make that of the 1970s look like child's play because dollar excesses and imbalances are far more excessive.

#### **GOLD RIGGING**

#### **LEADS TO MAJOR GLOBAL IMBALANCES**

Trashing gold not only assisted in inflating the U.S. financial bubble, but it also led to a number of very significant economic bubbles that threaten to send the global economy into the second Great Depression of the last 100 years.

The current account imbalances continue to worsen year after year after year. Had the gold price been free to rise to its equilibrium price, most likely to around \$600, the U.S. would never have experienced the irrational exuberance of the late 1990s that has subsequently led to imbalances like the following:

\*Major domestic debt the likes of which we have not seen since the 1930s and which is far greater in terms of national income.

\*\$2.2 TRILLION of debt owed to foreigners, making the U.S. by far the largest debtor nation on Earth.

\*The evaporation of trillions of dollars of stock market value, leaving Americans ill-prepared for retirement.

\*An overvalued dollar that is now leading to U.S.-led trade wars.

\*A housing bubble that will soon lead to personal bankruptcies on top of record bankruptcies already.

\*The demise of basic industry in America (mining, manufacturing and agriculture) without which we will become an impoverished nation as other nations rise in relative terms.

\*A stock market that remains hugely overvalued and still sucking unsuspecting investor money into that rat hole. No doubt trillions more of equity valuations remain to be lost as the existing secular bear market remains in its early stages.

What is most concerning to your editor is the fact that globalization—on top of these problems, along with huge supply-side excesses—continues to put downward pressure on the profit margins of American companies at a time when share prices remain extremely inflated. There is in fact no way you can paint a realistic picture of growth in the U.S.

economy required to generate profit levels sufficient to justify current equity prices for stocks listed in the major U.S. indexes. At the end of this week, the S&P 500 had an EARNINGS YIELD of only 2.25% (same as last week). Of this yield, about 1.4% is in the form of dividends with the remaining portion in highly suspect retained earnings. In other words, for every \$100 you invest in the S&P 500, you get \$1.40 in pre-tax cash returns and another 85 cents in "maybe" value. By comparison, if you buy the 10-Year U.S. Treasuries, you get a yield of 5.14% or \$5.14 in CASH for every \$100 invested plus you get favorable tax treatment from state and local government.

**WILL CONSUMERS SOON CAPITULATE?**

Morgan Stanley's Stephen Roach voiced more concerns last week about anemic corporate profits. He worries that companies will, for the sake of their survival, soon need to aggressively cut back on labor costs. This factor along with extensive indebtedness, he worries may well finally lead the consumer to stop his spending binge in which he has been living well beyond his means. With the consumer so important in the U.S. economy finally cutting back out of concern for his own balance sheet and survival—and with corporate profits not permitting a revival of the capital goods sector of our economy—Roach worries that we will enter into a double-dip recession.

He also worries about the weak dollar and the global imbalances we spoke of above. He seems deeply worried about increasing trade wars, such as those gleaned from the following headlines of this past week:

\*"China Puts Stiff Tariffs on Imports of Steel" (*Financial Times* 5/23/02).

\*"Four More Nations Join Attack on U.S. Restrictions" (*Financial Times*—5/23/02). (Japan, South Korea, Brazil, New Zealand, and the European Union are all fighting the U.S. on this issue. WTO sanctions will kick in automatically in three years if the U.S. does not remove steel tariffs).

\*"Central Bank in Japan Acts to Put Brake on Rising Yen" (*Financial Times*—5/23/02).

As we continue to look at the headlines and read between the lines, rather than rely on CNBC for our information, we see that the Kondratieff winter outlined by Ian Gordon for our readers back in 1999 is coming more clearly into focus every week. Excessive debt, global economic imbalances and "beggar-thy-neighbor" currency devaluations were a major part of the economic landscape of the 1930s as was an attempt to expand the money supply to avoid a depression. And despite the knowledge of all this, it seems we are inevitably falling back into the same pit as Hoover and Roosevelt fell into in the 1930s. In fact, rather than a double-dip as expressed by Stephen Roach, we may be in for something more akin to a dip and a plunge into a replay of the 1930s. And amid signs of growing global tension, we can only hope and pray to our Creator that these economic imbalances will not lead to another World War.

**Gold Summary**

The stock market is definitely in a primary bear market that still has many years to run. Stocks remain hugely overpriced and there are signs now that foreign interests are finally getting their fill of an enormous supply of dollars that were created out of thin air during the Clinton years and before. In my view, there just isn't enough economic justification for foreign wealth to keep pouring into the U.S. That means the dollar is likely to weaken—and as that happens, gold is likely to become the most important store of value for international investors.

"Gold and silver continue to trek higher in picture-perfect fashion. The technicals are a "10" for a giant bull move. The gold fuse is sizzling as we approach \$325, which means the **gold derivative neutron bomb could go off at any time**. This is not a market to be caught short in. These are exciting times!"—Jay Taylor, Editor of *J Taylor's Gold & Technology Stocks*; www.miningstocks.com

**NEVADA CORPORATIONS:**

# When Is A Corporation NOT "Doing Business"?

**Budget's "Tip of the Week" #15:**

**Operating in a Foreign Jurisdiction Without Having to Qualify the Corporation**

Since most people who form Nevada corporations reside in jurisdictions other than Nevada, one of the first questions that needs to be addressed is how to properly use the corporation while they themselves operate from within their home state (or country). Is it necessary to register or qualify the Nevada corporation to do business within their jurisdiction? Often it is—especially if there is a physical presence involving employees—but there are often many useful exceptions to the rule.

Let's look at the exemptions from qualification in the State of California—which is generally known for both its stringent regulations and its repressive taxation—to see what "loopholes" exist. You should look up the regulations in your own particular jurisdiction but as a general rule they will tend to be quite similar.

**Business Exempt from Qualification in the State of California**

Without excluding other activities which may constitute transacting business, a foreign corporation shall not be considered to be transacting business solely by reason of carrying on any one or more of the following activities:

- 1) A foreign corporation shall not be considered to be transacting intrastate business merely because its subsidiary transacts intrastate business.
- 2) Maintaining or defending any action or suit or administrative action.
- 3) Holding meetings of its board or shareholders or carrying out other activities concerning its internal affairs.
- 4) Maintaining bank accounts.
- 5) Maintaining offices or agencies for the transfer, exchange or registration of its securities.
- 6) **Effecting sales through independent contractors.**
- 7) **Soliciting or procuring orders either by mail or through employees or agents or otherwise where such orders require acceptance without this state before becoming binding contracts.**
- 8) Creating evidences of debt or mortgages on real property.
- 9) Conducting an isolated transaction within a period of 180 days and not in the course of a number of repeated transactions of like nature.

We have highlighted number 6 because this provision is used by an increasing number of businesses in the area of consulting. When the consultant is an independent contractor and the income is earned by a Nevada corporation, the corporation has no presence in the foreign jurisdiction, only the contractor does. So, the contractor must pay home-state tax on his income but the corporation earns its income in Nevada. There can be tremendous tax savings if the contractor lives modestly and draws only what is needed to meet living expenses.

Where the business is more product-related rather than service-related, provision number 7 can come into play. Just ensure that the orders generated require acceptance from Nevada before becoming binding contracts!

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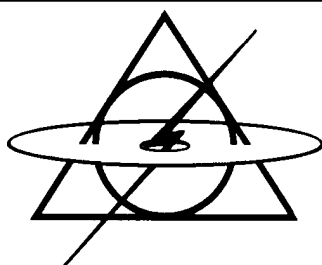
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#### CONTACT OR SPECTRUM?

I want to briefly respond to a most unusual question from a totally "out of the blue" person: "It appears *Spectrum* will fail, possibly close, so will you go back to writing for *CONTACT* or what?"

I have never stopped writing for *CONTACT*—but I have NOT written, nor have my compatriots written for *Spectrum*. Tails wag a lot of dogs, my friends. Therefore, "or what" has no meaning.

January 6, 2001