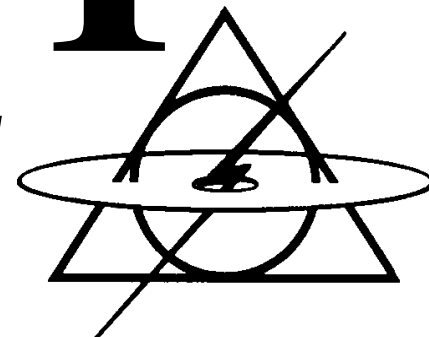


# CONTACT

THE PHOENIX PROJECT JOURNAL

GOD'S NEW MILLENNIUM

KNOWING TRUTH IS NOT ENOUGH,  
SUCCESSFUL CHANGE REQUIRES ACTION



VOLUME 36, NUMBER 8

NEWS REVIEW

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# Fiat U.S. Dollar Is On The Brink

## Can Gold-Backed Currency Be Close At Hand?

6/2/02—#1 (15-290)

RE: PHILIPPINE DEBACLES, DOLLAR  
DEBACLES AND JUST PLAIN OLD DEBACLES

### CHECK THOSE DOLLARS

**Hatonn**—I do not wish to bring more and more discomfort to your comfort-zone but you need to be aware that there are some serious considerations moving about in the places of your pocketbooks. Moreover, even with a very controlled media the problems are leaking out onto your airwaves and in press, even in the “establishment press”.

At present there is simply NOTHING on which to base the dollar and it is not even particularly pretty paper. I don't really want to do much more than give you the warnings which are circulating as to the position which limits you more and more each day that passes.

I also must keep you a bit informed about what is going on in the Philippines, for that is news you WON'T get back Stateside and yes, it DOES matter a great deal TO YOU, whoever “you” might be.

The second man in control of your Defense Department, Deputy Defense Secretary Paul Wolfowitz is arriving TODAY to secretly meet with President GMA and the news is not going to be announced to you of the world as anything other than helping somehow catch a few little brown delinquents called Abu Sayyaf.

There have already been meetings in Singapore and the plot, of course, thickens.

There has been talk about bringing the *USS Kitty Hawk* aircraft carrier and its armada into the little jungle island of Basilan (where the hostages are held). Now it appears the intention is to put it offshore of General Santos (where there is a naval base and other military [U.S.] facilities). Ah but, no indeed, it is not to catch little terrorists; it is to have a front-runner

perhaps even nuclear—between India and Pakistan.

The GMA presidency is shaky indeed, according to the globally recognized “*Stratfor*” (*Strategic Forecasting OF TEXAS*), and the prediction is that it is doomed to get far worse. She has done some pretty absurd things recently and it is only expected that she will do another with Wolfowitz.

One of the no-nos already happening as the very Vice President here, Teofisto Guingona Jr. who is ALSO FOREIGN AFFAIRS SECRETARY, is barred from the meeting while General Reyes who is now under full charges of Treason and Mutiny IN PUTTING MS. ARROYO INTO THE PRESIDENCY, is very much included. Stinks, doesn't it? Well, perhaps it shall, after all, work out as *Strafor* predicts.

I would like, before returning to the “dollar” dilemma, to just share a segment of Max Soliven's (publisher and columnist, *The Philippine STAR*) column today on this topic.

place to handle a war,

(Continued on page 2)

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If we gave you all the interesting news we could fill a dozen papers and still not have room. Further, realizing interest in the Philippines, we won't do that. I will remind you again, friends, that it has become "As the Philippines goes—so goes the world."

Please pay attention to the NAMES of players as are presented in the following:

[QUOTING excerpt, *The Philippines STAR*, "By the Way", by Max V. Soliven, Sunday, June 2, 2002:]

### WOLFOWITZ TO THE PHILIPPINES

In case President GMA is wondering about the background of U.S. Deputy Defense Secretary Paul Wolfowitz, who's arriving this afternoon to meet with her, I can only recall that this fellow is one of the heavy-hitters of the Republican administration, not just of President George W. Bush, but of previous Republican governments.

Wolfowitz, indeed, was one of the guys who helped "plot" the downfall of the late dictator, Apo Ferdinand R. Marcos in 1986. This was a difficult undertaking, it must be pointed out, since the incumbent U.S. President Ronald Reagan, and his First Lady, Nancy, were very buddy-buddy with Ferdie and Imelda. In the end, on the other hand, Reagan was convinced to tell his pal, President Marcos, to cut and "cut clean". That's why the Americans finally... well, rescued (abducted?) the Marcoses from Malacañang and whisked them off to Hawaii, not Paoay [where they thought they were going].

Among those who mapped out the downfall of Macoy with Wolfowitz, if I remember right, were now U.S. Deputy Secretary of State RICHARD ARMITAGE, JOHN MAISTO, MIKE ARMACOST, etc. Anyway, that's where Wolfowitz is coming from. He also served in an even more senior position in the administration of Dubya's father, former President George Bush, Sr. It was during the Democrat Party years, under Bill Clinton, that Wolfowitz went on sabbatical—but now he's back in Republican harness as one of the "hit men" of Bush Junior.

If it's true that Mr. Wolfowitz plans to ask President Macapagal-Arroyo for permission to "station" (not just "visit"?) an aircraft carrier with its accompanying battle group or task force off Basilan and Zamboanga, you can be sure that those "forces" aren't going there just to float around looking for an opportunity to zap the Abu Sayyaf, or rescue the Burnhams. There's more at stake.

The way I see it, putting an aircraft carrier with its 85 aircraft (more planes than several Southeast Asian countries' air forces put together) and missiles, plus support frigates, destroyers, and other naval craft (also armed with missiles, etc.), has less to do with the Abus, or any Moro insurgent group, than with **GUARDING THE "CHOKE POINTS" BETWEEN THE SULU SEA, THE SOUTH CHINA SEA, THE STRAITS OF MALACCA, AND THE CHANNELS LEADING UP TO THE INDIAN OCEAN—JUST IN CASE A WAR ERUPTS BETWEEN INDIA AND PAKISTAN.**

Our southern seas are, probably, on the strategic blueprint, a vital segment of what military planners call the U.S. "Forward Edge Battle Area" (FEBA). That's what I think. But, I confess, I'm neither

MacArthur, Eisenhower, Stormin' Norman Schwarzkopf nor CINCPAC Admiral Fargo. Anyway, a carrier is too big a bat, as I've said before, with which to swat those pesky fleas, the Abus.

I hope our President gets an honest read-out on what Deputy Secretary Wolfowitz and his bossman in Washington really want—and need. They're not just her to help us, I'm sure. Indeed, their help is welcome—but it's us who must set the conditions, and spell out the quid for the quo. **[H: SURE, MAX!]** Even on the battlefield, being alert is what spells the difference between the quick and the dead.

[END OF QUOTING]

No further comment at this time, please.

Another heart-breaking episode with incompetence was headlined in the last two days where a man grabbed a hostage and with botched police work AND media in the way to the point of freezing the "set", the hostage ended up being stabbed right before the cameras some 13-15 times and bled to death in front of everyone. I would like to simply offer the Editorial in today's *STAR* with its own shocker saved for the last paragraph. Then, perhaps you can realize how sick your world has become and how totally hopeless it seems most days to accomplish anything goodly.

Just two days ago a five-year-old child was seriously hurt **WHEN A MAN SUICIDING HIMSELF FELL ON THE CHILD WHO WAS IN THE BASEMENT AREA SHOPPING WHEN THE MAN JUMPED FROM THE FOURTH FLOOR BALCONY AREA.** Never mind the Abu Sayyaf or bin Laden, readers.

[QUOTING EDITORIAL, *The Philippine STAR*, Sun., June 2, 2002:]

### HARD LESSONS

You could tell immediately that the cops were not in control of the hostage situation that ended tragically in Pasay City (Metro Manila) the other day. A television reporter was negotiating with the hostage taker, Diomedes Talbo. That task is supposed to be handled by a cop, and not just any ordinary cop, but an officer with special training in hostage negotiations. The area was never cordoned off; news photographers and camera crew jostled with bystanders within spitting distance of Talbo and his victim, Dexter Balala.

No wonder cops could not open fire; the bullets could have hit one of those bystanders. But even if the press and kibitzers had been confined to a particular area, would the cops have succeeded in rescuing Balala and disabling Talbo? The hostage-taker was armed only with a 10-inch knife, and there were many instances, as shown in the TV footage, when he could have been disabled by a shot fired by a skilled sniper.

Unfortunately for Balala, there were clearly no such snipers around. A number of our cops can hit their target only at close range, and only if the target is immobile and helpless.

The boy was stabbed at least 13 times—a gruesome act that takes some time to accomplish, even by a man with abnormal strength born of madness and desperation. What were those police Special Weapons and Tactics Team members

doing—screaming with Balala's horrified mother and the bystanders? When the SWAT team finally mustered the confidence to take out Talbo, his hapless victim was bleeding to death.

Monday-morning quarterbacking is easy in a hostage incident—one of the toughest situations to confront a cop. Split-second decisions and precise actions can mean the difference between rescue and death for a hostage. But even people untrained in dealing with a hostage situation could tell that our cops were completely unprepared for what happened at the crowded Philtranco bus terminal in Pasay city early last Friday. Everything that could go wrong, went wrong in that hostage situation. There are many lessons to be learned from this tragic episode—if our cops are still capable of learning. **THE LESSONS ARE TOO LATE FOR ONE FOUR-YEAR-OLD BOY AND HIS GRIEVING PARENTS.**

[END OF QUOTING]

The child was still in his diaper, readers, and his final publicity pictures splashed across the papers were his little body drenched in his own blood hanging from a bystander's hands. What do you say? Oh well...?

Now what else is in GMA's problem grab-bag?

Let us look at her newest bomb-drop at day-before-yesterday's speech-giving event to businessmen celebrating Makati Days: The announcement to nationalize PAL airlines which is owned very much by Mr. Lucio Tan, Taipan. Mr. Tan is also a big owner in the Philippine National Bank and thus and so.

Mr. Tan made a "put" option on purchasing shares back or from or around the bush at a non-bargain price so that he could salvage the airline. That was done 5 years ago and NOW out of the lightning bolt came a "call" on that "put" to be paid in full by the end of June.

There is such an ongoing debacle after debacle over PNB that the whole thing would be funny if it were not so desperately sick. For one thing there is NO MONEY to take the airline by the government and more than that—the government has destroyed everything it touches. And yes, it IS that same old PAL airlines of which we spoke in August of 1998.

Mr. Tan apparently asked for an extension of time to do the "put" but was denied. So, the end of June should present an interesting item while everyone starts considering trading-out their PAL tickets—again—in favor of an airline with flying rights.

What you can read out of all this, however, is so much bigger than any few-dollars-more is that how can any investor feel any security in investing in this ridiculous country under any circumstances?

GMA says it would help the tourism business? Is this insanity? WHAT "tourism" business? Nobody DARES go across the street much less to an isolated beach somewhere as hostage bait. So, something is afoot which is a totally dirty trick of some kind.

Moreover, the PNB debacle is exactly that, a debacle, and yet GMA calls it doing a "PNB" on PAL.

Well, perhaps it is little different from a *Spectrum* doing its number on *CONTACT*. Theft is an interesting phenomenon no matter who pulls the strings. Then the dirty tricksters turn about and **BLAME THE VICTIMS.** Again: Oh Well...!

I will just share one more "funny" with you and

then move on. Please remember that the paper is being presented to the “people” who are mostly NOW uneducated and can barely speak English and surely can’t read much—but let us not keep medical advice and attention from the general man/woman on the street who can’t afford medical care ANYWAY.

The prominent medical column every Sunday is written by a doctor who is in the U.S. yet and so with just a paragraph or two should make my point of “It’s a crazy world after all...!”

[QUOTING *The Philippine STAR*, “Your Dose of Medicine”, by Charles C. Chante, MD, Sunday, June 2, 2002:]

### SMOKING MAY ACTIVATE HPV IN YOUNG WOMEN

Smoking, and not sexual behavior, seems to activate human papillomavirus (HPV) infection in young women and lead to cervical dysplasia, according to a large, prospective clinical trial. Cross-sectional studies have reported that certain behavioral and biologic risks exist for low-grade squamous intraepithelial lesions (SILs). However, cross-sectional studies don’t tell when the risk occurred. The risks may simply be risks for HPV itself.... A multivariate analysis found only HPV infection and smoking as risk factors for low-grade SIL. It found more than four times the risk of low-grade SIL for women at high risk of HPV compared with HPV-negative controls and nearly twice the risk among daily cigarette smokers compared with those who smoked less or not at all....

[END OF QUOTING]

The point seems to be that this is a problem somewhat related to some genito-urinary problems and thus all I can say, is: Watch that smoking if you can figure out what in the world is being discussed here regarding this “sexual” possibility. I can’t tell if you should watch it more carefully in *Sex and the City* or “Smoking in Marlborough Country”.

This topic is actually a good reference for those who are interested, so perhaps *Spectrum* might run a special edition on it.

NOW, one last parting remark on the treatment of this strange squamis dis-ease. It is not known how to best treat it, so you are on your own.

Moreover, you are REALLY on your own in many places, including the U.S.A., good friends, where a vitamin distributor is sent to prison but the percentage of FAKE imitation drugs is running ten to 20 percent across the globe.

It is higher of course in places like the Philippines where whole batches of drugs/medicines are sent even to hospitals and are made up of totally worthless or even dangerous compounds to fool the people—all the time if possible. People die but what the heck—the FDA is right on the job protecting those drug houses.

Yes indeed, I would get a silver colloid maker if it were my life on the line, brethren—but again, oh well...!

MOVING NOW TO AN ARTICLE BACKING UP WHAT WE HAVE BEEN WRITING.

[QUOTING *FLORIDA TODAY*, 5/30/02:]

### DOLLAR LOSING ITS SUPER STATUS

*Associated Press*

WASHINGTON—The high-flying dollar—which has given Americans price breaks on everything from Paris vacations to imported cars and televisions sets—IS LOSING ALTITUDE.

Over the past three months, the dollar has slipped by 6 percent against major currencies, raising concerns this could be the end of a heady seven-year run as the world’s supercurrency. “I think we are at a turning point for the dollar, and we are looking for an extended period when the dollar will be declining in value against other currencies,” said David Wyss, chief economist at Standard & Poor’s Corp. in New York.

For American shoppers, the past seven years have been a great ride. The dollar stood 40 percent higher in value against the major currencies of the world in January than it did at its low point in the spring of 1995—quite a price break on foreign goods for American consumers.

American manufacturers, however, have a different story to tell. The dollar’s strength has opened them to intense competition from lower-priced imports and made their exports more expensive overseas. The National Association of Manufacturers, leading a drive to pressure the Bush administration to change its policy on the dollar, estimates the overvalued dollar has cost U.S. companies \$140 billion in lost export sales over the past 18 months and resulted in a half-million layoffs.

So far, Treasury Secretary Paul O’Neill, the administration’s spokesman on the dollar, has been unwilling to waver from the policy set by his Clinton administration predecessors, Robert Rubin and Lawrence Summers, whose mantra remained: “A strong dollar is in the best interests of the United States.” [H: Of course there is NOTHING “under” the dollar but who knows what miracles lurk in the shadows of manipulation by the big boys.]

O’Neill, with his usual bluntness, told the Senate Banking Committee on May 1, “There is no intent with anything I say to give comfort to those who think I am going to change our policy.”

But even with those words, the dollar has continued to fall on the world’s currency markets, where \$1.2 trillion worth of currencies change hands daily.

The drop against the yen was so sharp last week that an alarmed Japanese government intervened in currency markets to sell yen and buy dollars to prop up the greenback.

Some analysts believe O’Neill, while maintaining he was not changing dollar policy, signaled a subtle shift with his comments at the hearing that he did not believe intervention, a government’s buying and selling of its own currency, could work over the long term.

“Exchange markets are picking up on the fact that O’Neill doesn’t believe in currency intervention, that a country’s currency should reflect economic fundamentals,” said Frank Vargo, the National Association of Manufacturers’ vice president for international affairs. Vargo said National Association of Manufacturers would like to see the

dollar decline in value by about 20 percent.

“We don’t want it to collapse. We just want to see a gentle glide path to a more appropriate level,” he said.

Such a change would make U.S. products more competitive and make imports more expensive and less desirable for American consumers, helping to narrow the country’s massive foreign trade deficit. The weaker dollar also will mean higher inflation in this country.

But with consumer prices rising by a tiny 1.6 percent last year, there is room for inflation to move higher without serious problems, they said. Analysts said the biggest danger in coming months is that a declining dollar will make foreigners less willing to invest in the United States because of fear their earnings will be worth less when converted into their home currencies.

“The fear is that foreign investors could all run for the door at the same time, sending the dollar plunging,” said Mark Zandi, chief economist at Economy.com. Such a development could send stock prices plunging and cause a huge jump in long-term interest rates.

Foreigners hold about 10 percent of U.S. stocks and 35 percent of U.S. Treasury bonds. [H: Read that again!]

Most analysts view that as a remote possibility, saying this country still offers better rates of return on investments than either Europe or Japan. [H: BASED ON WHAT?]

“The dollar has peaked, but a precipitous drop is not in the cards,” said Sung Won Sohn, chief economist at Wells Fargo in Minneapolis. [H: Watch it: WHO? WHERE? World authority or what??]

Wyss said he looked for a gradual decline in the dollar, with a chance of “triple parity” a year from now. By that he meant that one dollar would buy one euro, down from around 1.09 euros currently, and 100 yen, down from the present 125 yen.

[H: Now, for that matter, who in heck is “Wyss”?]

[END OF QUOTING]

Well, this writing is getting too long for comfort and since the other part which we need attached is certainly done in its original format easily utilized by Mark, we will ask him to simply attach it. [MM: I had already added the above-mentioned article to last week’s (6/5/002 CONTACT, page 17) NEWS DESK.]

## 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.goldensexant.com](http://www.goldensexant.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 disharding 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](http://www.miningstocks.com)

\* \* \* \* \*

There are going to be gold defaults up the gazoo and volatility abounding and yes, we are paddling as fast as we can, this old bullet-riddled canoe.

We are, however, getting a third-wind (beneath our wings) and paddling or peddling as in our bicycle, we keep both afloat and moving.

Can we do anything in the mess abounding all around us and on every front? Of course, God likes challenges, and we aren't "fighting" anything or anyone. Moreover, we just let everyone make their own beds but by golly, we are also starting to let them lie in them afterwards. There may well be some "short-sheeting" showing up as one miscreant turns against his partner, for when the going gets tedious the tedious either run with the loot or fight for a share thereof.

Please be aware, individual reader, that understanding and accepting that you view the world through your own unique filters takes you one step closer to understanding your reality. After all is said and done, it is ONLY your reality that impacts YOU. Moreover, be careful in your interchanges that you do not "compromise" your values when they are based on truth and goodness to somehow please another—for the relationship will be ultimately lost anyway. YOU CAN NEGOTIATE BUT COMPROMISE IS OFTEN A TRAP WHICH BINDS UNTIL THE END OF YOUR PHYSICAL TIME ABOARD PLANET EARTH.

I salute you as we share this journey as we each do our appointed (accepted) objective.—GCH

**dharmā** 

# Enron-Type Corruption Is Choking Philippines

## Truth Is Out On Ramos' Coups In Philippines

By Michael Billington,  
*Executive Intelligence Review*, 5/31/02

General Fidel Ramos, former Chief of Staff of the Philippine Army, former Philippine Secretary of Defense, and former Philippine President, has been personally responsible for three *coups d'état* in the Philippines in the past 16 years—two political, and one economic—all with the support of his friends and sponsors in London and Washington. In the past month, however, the past of this Anglo-American agent-of-influence has begun to catch up with him.

Both houses of the Philippine Congress are on the warpath against the criminally corrupt contracts signed in the mid-1990s with primarily foreign power corporations (Enron prominent amongst them), negotiated by then-President Fidel Ramos. These constituted his “economic” coup. These contracts have drained the nation of billions of dollars spent for electricity which was neither used, nor even produced, but was contracted to be paid for nonetheless.

As a result, Ramos is being hauled before both the House and the Senate to answer for these crimes—and criminal prosecution is a definite possibility.

At the same time, two Manila newspaper publishers and three journalists have filed a suit, charging four Philippine Army generals with the criminal act of mutiny, stemming from the Jan. 19, 2001 political *coup d'état* carried out against President Joseph Estrada. Although the name Ramos does not appear in the complaint, it is nonetheless well known in Manila—as has been documented by *EIR*—that Ramos orchestrated the *coup*, using the same civil and military forces, and the same *modus operandi*, as he had in 1986 to depose President Ferdinand Marcos.

The charges of mutiny brought against the generals might, at any other time, have been swept under the rug, but in the current volatile environment—both domestically and internationally—they are being taken very seriously indeed.

### **Edsa II and Deregulation**

The January 2001 *coup* ousted President Estrada and placed his Vice President, Gloria Macapagal-Arroyo, in the Presidency. Arroyo's first order of business was to ram through the Congress an emergency bill to deregulate and privatize the National Power Corporation (Napocor), a plan which she herself had opposed until then. *EIR*, at that time, prepared a White Paper exposing the danger and fraud involved in the deregulation bill. In addition to showing that deregulation would unleash the same chaos and looting that was then striking California—and by the same pirates—the report also demonstrated that the apparent bankruptcy of Napocor was entirely due to the illegal and corrupt contracts which had been

negotiated by Ramos in the mid-1990s.

As was true in other parts of the world—and in Indonesia and India in particular—the mostly U.S.-based power cartels had imposed the modern equivalent of colonial “unequal treaties” upon subject nations, with their local comprador assets getting a hefty cut. New power generators were constructed under contracts which shifted the entire risk to the subject nation, such that governments were compelled to purchase the entire capacity of those plants, regardless of use. Thus, when the speculative attack on the Asian economies in 1997-98 devalued the local currencies and drove the economy into depression, the subject nations were left paying inflated prices for energy not being generated nor used.

In the Philippines, Napocor was forced to pay for *more than twice* the electricity it used. This resulted in a \$550 million charge every year for no value received. Except for this theft, Napocor would have been a profitable venture. In the year 1998, for example, Napocor lost \$170 million. Had the \$550 million not been stolen, it would have shown a \$380 million profit.

These facts were ignored, and the claim was made (as it is wherever the privateers are pushing for deregulation) that the problems at Napocor were due to government ownership and/or regulation. The very companies which had profited from the illegal Ramos contracts, clamored for the opportunity to take over the remains of the once-healthy state energy sector they had looted into bankruptcy. In the confusion following the *coup* and the imposition of a new government, Congress was bum-rushed into passing deregulation; the die was cast.

As *EIR* had warned, energy prices soon began to escalate, rather than decline as promised by the privateers. Even before the speculative “spot market” is implemented this coming Summer—allowing “California-style” speculation on electricity prices, prices have been driven up under the so-called Purchased Power Adjustment (PPA)—whereby costs derived from the forced purchase of unused energy are passed on to the consumer.

With the economy in shambles, and popular anger rising, President Arroyo decided in early May to step in, rescinding the PPA increases and capping the electricity price at the previous level. This temporarily relieved the pressure on the already-impooverished population, but simply shifted the fraudulent costs back onto the government and the taxpayer.

### **Gloria Stays on Sinking Ship**

The real story, of course, is the Ramos contracts and deregulation. Although the Congress is bickering over how to deal with the short-term electricity prices, this time around, the real issue is not being ignored. Sen. Blas Ople, calling it the “swindle of the century”, declared that, “Charging consumers for the electricity they never used is not just theft on a grand scale, but even plunder—a wicked, unjust and illegal imposition on the Filipino people.” The use of the word “plunder” has special significance at this time, since deposed President Estrada is charged with “plunder”, a capital crime, for supposedly amassing illegal

wealth during his Presidency.

In both houses of Congress, the call for Ramos to be called to account has become deafening. President Arroyo is unfortunately unwilling to leave the sinking ship. (Ramos has issued open threats to President Arroyo that she could receive the same treatment as former Presidents Marcos and Estrada, if she were to fail in carrying out the bidding of Ramos' political and business cronies.) Arroyo rushed to the defense of Ramos, foolishly arguing that the corrupt contracts were legitimate because of growth projections at the time—as if this justified placing all the risk on the sovereign nation, and none on the investors. Arroyo's Justice Secretary, Hernando Perez, also chimed in, unsolicited, that Ramos could not be held liable for the crimes inherent in his contracts, since only “middle-level officials of the executive” and not the President, were responsible for the terms! Ramos himself then adopted this sham: “I didn't deal with ‘technical’,” he said. “We have experts to do that. It is economic recovery that the President must worry about.”

This is laughable. The fact is that Ramos, upon assuming the Presidency in 1992, demanded and received total dictatorial power from the Congress in regard to negotiating energy contracts with Independent Power Producers (IPPs). There was neither Congressional nor any other review of the dozens of IPP contracts signed by Ramos—i.e., there is nowhere to pass the buck!

With nowhere to hide, Ramos was reduced to blaming Estrada for the collapse of the economy. But Estrada was not even elected until 1998, after the 1997-98 speculative attack had fallen on the Asian economies during the Ramos Presidency. Estrada responded from his jail cell, revealing that Ramos had signed two of his sweetheart power deals during his final days in office in 1998, long after the economy was deep in the “Asian crisis” and told Estrada “not to mess around with the contracts”.

To add to the nation's woes, stranded costs of 12 of the Ramos contracts, totalling nearly \$4 billion, have been dumped on the government by a legal technicality, while the largest purchaser of Napocor's electricity, the Manila Electric Company, owned by the oligarchical Lopez family, suddenly abrogated their contract with Napocor, leaving the company with still more electricity which it must pay for but doesn't need.

Thus far, last year's privatization and deregulation bill has not been directly challenged, either in the Congress or the courts. If privatization is not overturned, even a renegotiation of Ramos's corrupt contracts will only make the formerly state-owned Napocor a sweeter deal for the foreign speculators, depriving the nation of control over the vital energy sector. Still further speculative looting is certain to follow deregulation—as the U.S. Enron fiasco proved to Mexico's Congress, for example (see *EIR*, May 3, 2002).

Just as *EIR* forewarned of the consequences of deregulation, it is now providing the Philippine government with documentation of the successful Mexican campaign to prevent deregulation in Mexico, led by allies of LaRouche, and the fight for *re-regulation* in several U.S. states. No other path can prevent further disaster.

### **'We've Just Committed Mutiny'**

In the midst of this political fight, a suit was filed on May 16, 2002 charging former Chief of Staff Angelo

Reyes (now the Defense Secretary), outgoing Army Chief Diomedio Villanueva, retired Gen. Fortunato Abat, and retired Gen. Leo Alvez, with the crime of *coup d'état*, in regard to the withdrawal of the military's support for the Commander in Chief, President Joseph Estrada, on Jan. 19, 2001. The law cited is clear: "The crime of *coup d'état* is a swift attack accompanied by violence, intimidation, threat, strategy or stealth, directed against the duly constituted authorities of the Republic... with or without civilian support or participation, for the purpose of seizing or diminishing state power."

Certain facts about the *coup* are undeniable: General Abat, head of a retired military association tied to Ramos, organized support for the *coup* for nearly a year, as he himself bragged after the fact; and General Reyes, after meeting with Ramos, called the other military chiefs together to declare his intention to desert his allegiance to the constitutional mandate for civilian authority over the military. Despite efforts over the past year to deny that this Ramos *coup* was in fact a "*coup*", those named in the suit have responded by admitting it, but calling it "justified" because successful!

A recently published book about the *coup* by Amando Doranila, a journalist for the leading establishment newspaper, the *Philippines Inquirer*, quotes General Reyes in his infamous meeting with the Chiefs of Staff: "Gentlemen, I'm sure you know that we've just committed mutiny." Informed of the charges against him, General Reyes claimed he was concerned at the time that there would be violence, that "things would have become more uncontrollable if I did not lead the move, so I decided to withdraw support from the former President." Likewise, General Villanueva: "How could I defend the former President who was no longer acceptable to the people?"

The question posed anew by the energy-looting scandals is: What people? Whom did Ramos serve? Whose threats did he convey to General Reyes and the other chiefs? His friend Hank Greenberg, perhaps, the head of the giant insurance conglomerate AIG, who has long represented Anglo-American interests in the Philippines? Or his fellows at the Carlyle Group, the arms dealer and investment firm run by Frank Carlucci, for which Ramos is a foreign adviser? The *coup* of 2001, like that of 1986, could not have taken place without the approval, or control, from Anglo-American financial circles, whose primary point of influence in the Philippines is Fidel Ramos.

The *Philippines Inquirer*, which played a prominent role in the *coup*, had the most hysterical—and revealing—response to the suit. In a May 18 editorial titled "Hilarious", the *Inquirer* wrote that "no law can prevent a *coup* from taking place. *Coups* are staged when there is an imbalance in the power between civilian authority and military authority, and when there is widespread unrest inside the military against a regime. Any law that seeks to prevent a *coup* is absolutely useless and is a dead letter." Or, "we stole this Presidency fair and square."

Herman Tiu Laurel, one of the journalists who brought the suit for mutiny, responded on May 19 in the *Daily Tribune*: "The *Inquirer's* logic gives *carte blanche* for a regime of perpetual *coups*, and maybe that's what it wants, because its owners (and foreign allies) don't want a constitutional Republic of, by and for the people. As we are seeing now, we have a government by, of and for the oligarchy of international finance and its local agents."

[MM: This next article has been previously shared in *CONTACT*: 6/23/98, page 44; 5/31/00, page 6; 1/31/01, page 3.]

## DANGER LOOMS IN PHILIPPINES

**A power play in the Philippines could lead to a U.S.-backed dictatorship.**

By Paul Motier, *SPOTLIGHT*, 6/22/98

MANILA, PHILIPPINES—In a stunning move that shocked the nation, outgoing Philippine President Fidel Ramos fired Solicitor General Romeo de la Cruz just two weeks before the inauguration of populist President-elect, Jose Erap Estrada.

The unprecedented move was in retaliation to a 34-page report which de la Cruz had filed with the Philippine Supreme Court stating that there was no evidence to back up the conviction and 12-year jail sentence of former first lady Imelda Romualdez Marcos. The charge: She had illegally built a hospital with non-government funds.

De la Cruz urged the top court to reverse the conviction which everyone in the Philippines knows was made by a politicized court under the influence of Ramos and his revolutionary predecessor, Corazon C. Aquino. What so infuriated Ramos was that he had appointed de la Cruz as solicitor general and saw the report as "high treason".

Ramos is himself a master traitor who has in his lifetime betrayed his cousin and benefactor, Ferdinand Marcos, in 1986 in his capacity as a CIA asset and informer. He has betrayed the legal government he was sworn to uphold and betrayed the Philippine people by helping to steal the 1986 election.

**[H: Right here would seem to offer a clue as to the seriousness of needing to get Estrada out of the loop in ability to "talk" and "tell", while he himself would be "turning States evidence". This is not a comfortable position for ANYONE. I'm confident that if he really thinks about his position—there will be little rest for the weary.]**

He has betrayed his wife by supporting a mistress in lavish style at taxpayers' expense.

Ramos apparently never imagined that de la Cruz would do his job honestly. Under the unconstitutional and unlawful Aquino and Ramos regimes of the last 12 years, the unforeseen appearance of an honest and courageous justice official must have been traumatic indeed.

As soon as del la Cruz's Supreme Court report became known by the cabal that has been running the Philippines since it overthrew the Marcos government in 1986, Ramos got his marching orders by cabal spokesman Stephen Bosworth, the U.S. State Department functionary who organized the kidnapping of the Marcos family into forced exile and detainment that year.

Bosworth was backed by U.S. Federal Judge Manuel Real, the Lyndon Johnson appointee known for his communist sympathies, his violent temper and tyrannical ways as well as having the dubious distinction of being the most overturned judge in American legal history.

Ramos, now a lame duck with no political future, was told to fire de la Cruz and to find a way to overturn the election of the populist and popularly-elected Estrada.

## CALAMITY FOR GLOBALISTS

The Estrada election was a calamity for the globalists and State Department Brahmins. Estrada was elected because former first lady Imelda Marcos withdrew from the presidential race and asked the 6-million-strong Marcos loyalists to support Estrada.

The swift move did not leave enough time for the Aquino-Ramos-State Department cabal to rig the election as they counted on the split Marcos-Estrada vote to have their own nominees elected.

The plutocrats frantically spent in excess of \$260 million to secure the elections for their flunkies. In this they received full logistical support from the State Department and various U.S. agencies such as the CIA under the direction of Bosworth and Real—the two predators who have relentlessly tried to steal the Marcos assets for the past 12 years.

It was a sign of great sophistication from the Philippine electorate that they were not bamboozled by the anti-Estrada media blitz and all the anti-Marcos machinations and went on to elect Estrada by a landslide. Also elected with wide pluralities were Ferdinand Marcos Jr. (the son of the late president) as governor of the key Ilocos Norte province, Imee Marcos to Congress and all the Romualdez (relatives of Imelda) candidates to the offices they were seeking.

Estrada, a charismatic and popular candidate is known to be a populist of independent mind who is unswayed by plutocrat blandishments.

### **OVERTHROW ORDERED**

Ramos has been instructed to take all steps to overthrow the Estrada presidency, just as he and the seditious Enrile and Aquino overthrew the just-elected Marcos government in 1986.

Aquino had already made the threat to use "people power" to overthrow the Estrada government if Marcos is buried on July 11 in the Cemetery of Heroes, a burial to which he is entitled because of his heroic World War II record. He fought the Japanese while the Aquinos served in the Japanese puppet government.


"People power" was the catch word which was coined by the Madison Avenue public relations firms in charge of destabilizing and overthrowing the Marcos government, and used by the media to justify the illegal coup against the legally-elected Marcos.

In fact, there was never any "people power" except in the scripts from Madison Avenue and their press hand-outs. The Filipino people were victims of a massive globalist power grab by violent means.

The plutocrat Aquino is once more calling on her communist allies headed by the rich Red boss Ma Sisson. It was Sisson who organized, with Ninoy Aquino, the Plaza Miranda bombing which massacred the entire political opposition to the Marcos government, thus leaving Aquino as the sole opposition leader.

Whether the Clinton administration will be able to contain the Bosworth-Michael Armacost-Real cabal and avoid yet another massive intrusion in the affairs of another sovereign country is still to be ascertained.

This time, "people power" may manifest itself by stopping the Aquino-Ramos efforts just as all the Aquino-Ramos candidates were defeated at the polls.

Should Estrada be assassinated, apparently with the hope that Vice President Arroyo Macapagal would replace him, political observers are certain civil war would erupt. The voters may have had enough of plutocratic intervention in Philippine affairs. 

# “Keystone Cops” Society; Big Brother’s Boat

6/3/02—#1 (15-291)

RE: SCAMS, SHAMS AND OTHER WHAM, BAM AND THANK YOU MA’AM! PHILIPPINE DEBACLES STRUCTURED BY THE U.S. AND ACTUALLY, SOME ON THEIR OWN—NEWS FROM THE PHILIPPINES—(NOT DORIS’ CORNER, PLEASE).

## U.S. KITTY HAWK IN SULU/SOUTH CHINA SEA

(Even before the OK rang forth.)

The U.S. Deputy Defense Secretary Wolfowitz whizzed into Manila right on schedule and the front page is filled with a picture of the “warship” ALL OUTFITTED with 70 fighter craft and a full armada/flotilla in living accompaniment.

The other picture is Sir Wolfowitz with cute and coy President GMA looking sidewise in “knowing” recognition of two children playing at their clandestine games. (Yeah, I’ll show you mine if you’ll show me yours.)

As a U.S. CITIZEN I am impressed to say the least that we now have thousands of additional U.S. troops—just on board that carrier to look after our safety—or something. Couldn’t get much bigger, friends. But hey, it’s OK—just tending the security of the world from those awful and elusive terrorists—all 67 of them.

The first thing that hits is that the Abu Sayyaf are rolling in the aisles while realizing that the U.S. Navy is now here to MAKE DAMNED SURE NOBODY WIPES OUT THE ABU! Nobody had best touch a hair of their heady-head-heads. This is big! THE excuse to put the entire U.S. military in a jungle island. But then, we are Americans so it MUST be OK surely. I’m not going to argue with the plan, for surely they (all the theys) know something we don’t—like everything!

Mr. Wolfowitz just came from Singapore where it was now decided that since the Abu is so small they will now label the MILF (Moro Islamic Liberation Front) international terrorists even though most of them have never been farther afield than the local “camp” to pick up imported Israeli weapons and pretend to sell sea shells and coconuts for dollars to buy same.

This is awkward, however, for President Gloria, while in Malaysia, just signed a controversial agreement to give the “camps” free and clear with assistance pouring in—to those MILF patriots.

Well, somebody had to keep the terrorists alive and well or blow out the new U.S. development plan in coalition with the government of the Republic.

Do “the people” know? Of course. They just grin and promise a *coup* next Tuesday or Wednesday or well, perhaps the week after.

Oh, and by the way: Sir Wolfowitz right up top announced that those nice training soldiers helping out the Philippine military WILL BE STAYING ON—we can only gather, indefinitely.

Well, the economy of the local area down south has certainly picked up considerably with prostitution being the fastest-growing industry for the “oversexed” U.S. troops on their trips to town. And yes, “town” is overstating the villages. But other crime is way down. Furthermore, it can be overlooked by tagging the girls as “comfort ladies” as snatched from the women slaves for the “comfort” of the Japanese in the last great war. Don’t know what they call the “comfort boys”.

Readers, there is nothing I can say that could match the paper here in the frenzy of chatter.

We just have some more Royal Family claimants and Marcos heirs pushing every kind of document they can create when we don’t actually have anything to do with their programs under any circumstances except to be nice and try to explain that we don’t DO ANYTHING FOR them.

There are a couple of things which beg sharing today which might just give a bit better picture of Paradise than we could ever dredge up on our own and they are right here and better done than, certainly, I could present.

The major notice and interest today, but passing quickly is, of course, le *U.S. Kitty Hawk* playing sea games of great magnitude in the southern seas.

Mr. Soliven has given us some numbers and statistics which will surely point out the possible “overkill” capabilities of boatpeople against Navy and Air Force people.

[QUOTING excerpt, *The Philippine STAR*, “By the Way”, by Max Soliven, Monday, June 3, 2002:]

## WOLFOWITZ AND THE KITTY HAWK

It’s now confirmed that U.S. Deputy Defense Secretary Paul Wolfowitz (as was predicted in this column) came to Manila to request the President to allow the Americans to station their aircraft carrier *USS Kitty Hawk* (CV 63) off Basilan in the Sulu Sea.

The *Kitty Hawk* has a length of 1,046 feet or 318.8 meters, a displacement of 60,100 tons standard (80,800 full load), a speed of 33 knots, a range of 7,700 nautical miles; with a crew of 2,800 plus, and an “air wing” complement of 2,150 officers and men. It normally carries 80 aircraft, more or less.

One can’t help thinking that Wolfowitz, who just came from a security conference in Singapore, also has next-door Indonesia very much in mind when he makes that request concerning the *Kitty Hawk* and its Carrier Battle Group of several attack and protection vessels.

**[D: It should be noted here that Indonesia will not allow U.S. military troops on Indonesian soil. So, guess you have to do something to get around that inconvenience.]**

Mr. Wolfowitz had told the weekend conference (organized by the London-based International Institute for Strategic Studies—which, by the way, publishes my annual

bible on military establishments, *The Military Balance*) that terrorist groups such as al-Qaida were waging “a war against all of us. Terrorism is no stranger to Asia.”

Yesterday’s *Financial Times of London* revealed why Wolfowitz is so keen in Southeast Asian defense. *FT* correspondent Alexander Nigell wrote that “In June 1986, Paul Wolfowitz was in his office in the US Embassy in Jakarta discussing preparations for July 4 celebrations when a mortar bomb set by a Japanese Red Army terrorist landed in the courtyard.

“The bomb did not go off. But the former Ambassador—now the U.S. Deputy Secretary of Defense—recalled the incident yesterday as he prepared to tell an Asian security conference in Singapore that the war on terrorism was not just America’s war, but one for the whole world—and notably, for more than half a billion Muslims living in the Pacific Basin region.”

The *FT* added that “Wolfowitz... is known for his hawkish views within the Bush administration on how to deal with Saddam Hussein, the Iraqi president. But belying the image of a rightwing Washington going its own way in the world, the deputy defense secretary will emphasize strong commitment to Asian security and to a continued U.S. role in maintaining it.”

Wolfowitz has said that terrorist acts committed in the name of Islam were aimed principally at “recruiting” Muslims to “a cause that tries to condemn a billion Muslims to a medieval view of the world”.

The *USS Kitty Hawk* versus those medieval jihads in Mindanao—and, uh, elsewhere in the region? Well, why not? How carrier-launched aircraft can penetrate the Basilan jungles is mystifying, but what the heck. Let’s smite the bad guys—hip and thigh!

[END OF QUOTING]

It might be noted here that Mr. Soliven has stated in his column more than once that the “only good Muslim is a dead Muslim”. So, how does that set for an unbiased look at the problem down south?

Now, the other thing my heart wants to share is regarding the security of police protection around these parts:

[QUOTING *The Philippine STAR*, “GOTCHA”, by Jarius Bondoc, Monday, June 3, 2002:]

## WHEN MEDIOCRITY BECOMES FATAL

Cops are supposed to put order. **[D: Yup, that’s what it says.]** But when they arrived at the Pasay hostaging Friday, they only added to the pandemonium. The obvious first task was to cordon off the crowd that was heckling a crazed man who was pointing a knife at the wailing boy in his arm. The cops merely positioned themselves behind the onlookers. The next step was to talk the man out of it. No cop dared to do so until the chief arrived 90 minutes later. All that time a television reporter was doing the negotiating while preening for viewership ratings. Five feet from the long-drawn real-life drama, pesky usiseros kept waving into the camera (hi, mom, I’m here); a security guard even made funny faces. The chief gave sharpshooters the signal to fire, as had two lower officers before he arrived. The SWAT team hesitated; they only follow orders from their immediate superior, who wasn’t there. The man started stabbing the boy, one, two... thirteen times. Only then did the cops shoot. When the man fell, they charged, firing volley after volley. They were marksmen alright; they put five bullets into



the boy. The mob charged too, and stomped on the dead (dying?) man while the police watched.

All in a day's work for policemen whose salaries Congress has just raised by 24 percent, and for the SWAT, which supposedly came from rigorous retraining only three weeks ago.

In the wake of the public outcry against the ineptitude witnessed on live TV, the PNP brass are promising the usual investigation, review of operating procedures, administrative sanctions and gun proficiency. But wait till the furor dies down, and the police will return to its old ways. Only a week before in Quezon City was a similar hostageing of a baby girl by a knife-wielding junkie. Also on television, a cop fired a bull's eye. When the target slumped over, another cop with a rifle rushed forth, wildly pumping more rounds and further endangering the life of the infant. There were no investigations or SOP reviews for that one, although the camera caught an officer trying to stop the rifle cop from firing away. AFTER ALL, THE VICTIM SURVIVED WITH ONLY MINOR CUTS. All's well that ends well?

If indiscipline, rank cowardice, poor shots, late response and officer indecision marked both incidents, it shows the sorry state of the PNP of which the public is well aware. Sorrier still is the continuing failure of a succession of PNP directorates to cure the ailment. Generals never learned from the incident in 1994 in which rescuing cops fired into the getaway car of the kidnapers of a teenage girl. The cops got the bad guys alright. But they also shot the girl in the neck. And instead of rushing her to the hospital, they lined her body on the pavement alongside the kidnapers. Nor did the generals stop to take in the sad lesson from the stakeout of a drug lord's house two years later which trigger-happy cops fired deadly shots at a passing car in which two toddlers were sleeping. What goes on with the PNP are haphazard recruitment and training, followed by shabby work and appearance that nonetheless guarantee promotion.

In fact, tolerance of poor performance ails not only the police force but the entire government bureaucracy as well. Except for a few highly-charged agencies or spurts of inspiring bureau heads, the name of the public-service game is surrender to mediocrity. "That'll do" seems to be the unwritten work slogan. Aspiring for excellence is frowned upon as sucking up to the boss or not being a team player. Exacting better output is regarded as arrogance of authority or slave-driving. Superiors, avoiding aggravation since they inevitably will retire anyway, let pass laggardly, low-quality work. Subordinates, awaiting the same retirement, hide their sloth and inadequacies behind office unions. Life is not to be taken seriously, because nobody ever comes out of it alive anyway; that seems to be the underlying belief from the greatest philosopher of all time, Bugs Bunny.

And so we waste billions of pesos in public funds to inefficiency. Traffic aides do nothing but lazily wave motorists on instead of untangling jams caused by jeepneys waiting for passengers and vendors blocking the road. Ask them if they know how to drive or understand the basic law of motion, and they'd give a blank stare. Clerks yell at citizens who transact business at government offices to cover for their incomplete paperwork. Yet their salaries come from those very citizens. Government lawyers ignore their cases, barangay heads allow garbage to pile up in the streets. Customs officers keep a sharp eye out only for cargo

consignees who have grease money to pay.

Through all this, we jump with glee if a license we long applied for comes out in two weeks instead of the stated twenty minutes. We are happy with discounted bribes. And then we envy how the bureaucracies in other countries work, compared to ours.

Some of us are wont to blame everything on society. Ours is a feudal structure that thrives on patronage and not on merit, we sigh. Excellence is futile, only good connection is needed in the system. But that's belaboring the issue. The problem is attitude, really. To blame the system is to ignore the capability of individuals for self-improvement. For, why is it that private firms operate on merit and quality circles, but public servants don't?

Mediocrity is bad work attitude, tolerating it is bad leadership, for it leads to shortchanging the taxpaying public. Unfortunately, mediocrity can be fatal, as was seen in recent shipwrecks arising from Coast Guards ignoring the overloading of seacraft. Mediocrity can cost lives, as proved by the police mishandling of the Pasay hostageing.

[END OF QUOTING]

The first reaction to all this is "I just want to go home...!" Do I? Year before last on July 14, armed agents with drawn weapons broke into Diane's house in the early morning while she was in the bath and with two YOUNG children ready to get up. Then their team-mates raided three other locations at the same time where the false accusers had already notified and had the press waiting. Why? Well, the claim was somehow having the incorrect label information as to "supplements" on some of the bottles. They took files from anything and everything around and took all computer drives—being unable to download them for some reason by a person flown in to do so, from Florida. Or, someone had mentioned the word "cure" in the mailed brochure which was NOT done by Diane anyway. By the way, two years later and "they" have returned virtually nothing. Now, next: How can you bring in documents and records which are still held by the raiders?

Ah but, the attorney felt it ungracious of Diane not to fall all over him for getting the felony charge reduced to a misdemeanor. There never was a case filed or charges made through any kind of formal court procedure. Am I nuts or does the Philippines look pretty good after all? They say, here, that the Department of Justice stinks and perhaps at the least honesty has some merit. (??)

I would like to, before I close this, offer one more from the interesting world of the psychic mind of Dr. A. W. Clemente whose input has already graced the pages of the press here as well as *CONTACT*.

[QUOTING *The Philippine STAR*, Metro Section, page 9, Monday, June 3, 2002:]

## PROFESSOR WARNS OF WORSENING DISASTERS

The recent air crashes in China, Tunisia, Siberia, and Taiwan, and train crashes in the USA, India, Mozambique and UK which claimed hundreds of lives are just the start of worsening disasters on Earth in the next 20 years, which is only 20 hours in Heaven time, warns former Education Undersecretary Dr. A. W. Clemente.

Author of the series *In the Company of My God* which contains messages he allegedly receives regularly from the Holy Spirit, he states that the disasters are God's cleansing process to reduce evil on Earth. We cannot forever be fighting for the spoils of commerce, politics and religion. Profound transformation from within to be pro-God, pro-people and pro-Nature is needed before we can establish the divine governance God wants, he says.

Earth will experience many disasters, both man-made and acts of God. These include more accidents in the air, land and sea. Businesses will experience downturns. There will be massive drought and famine. Many will die from diseases, some of them new and incurable, Clemente said. Environmental and physical conditions on Earth will change, including the sinking of some lands and the rising of new ones. Some countries will disappear in 10 years.

There will be many earthquakes, fires, tornadoes, tidal waves, typhoons, snowstorms, flooding and volcanic eruptions. Political violence will escalate between and within countries. Man's temper will rise to a point that he does bizarre crimes unimagined before. There will be breakdown of religion leading to the demise of all religions.

The calamities, which started on Jan. 2, 2002 come in stages of three years each. They will intensify and worsen if man does not change. They will be capped by three days of total darkness and no energy whatsoever. By 2020, billions could be dead, he said.

The Philippines is not exempted. Book III mentioned in 2001 the tidal wave and earthquake that hit Gen. Santos City. Both happened in 2002. Clemente claims that God has shown him where the Marikina fault will open to the sea, bringing in seawater to Laguna de Bay and flooding coastal towns.

Clemente clarifies that these are not predictions. These are what the Holy Spirit asked him to write. Most of these calamities were recorded in Book III in 2001.

The books are available only at Sulo Hotel and the UP Tennis club in Diliman, Q.C. Book V, which is now under preparation and will be released in July. For inquiries, contact 925-4509 or 916-821 5121.

[END OF QUOTING]

And so it goes from Paradise and beyond. I have desire to stay the course but the human aspect reports back that it is weary of swimming in the mud or cement sludge. I am therefore caused to hearken back to some of Commander's own offers for explanation of goals and life and keeping on keeping on:


"Desire is that which causes you to focus unrelentingly onto your goal. Desire is 'prayer'. The answer to prayer results when your subconscious mind responds to the mental picture or thought in your mind.

"The mind is the most important factor, for it will always find a way or create a 'way' to accomplish what your thoughts express by your desire."

And then we find we have to reach a point where we have to discern our own capabilities and let go and let God.

"You will be what you were trained to be until you change your mind and change your being. You cannot change another—you can only actually change yourself."

So, I am left with: "If you hope for more, CREATE MORE! Do not wait for better times. Do what you can now with what you now have."

Thank you for listening.—DJE 

# FED: Actively Looting The American Population

6/6/02—#1 (15-294)

## LIFE HAPPENS WHILE...!

**Hatonn**—There are some things which are set aside for my attention while we are caught in the midst of demands of which we could make no plans. Then, given the human evolution of hours and days do become obsolete in the moment but never lose the punch as to the information in the long-run. In fact, in delaying the presentations we often find that truth has worked its way to the top of the pile in more depth of understanding or having been revealed in the investigations ongoing.

Many ask about Eric San Juan and why we don't hear from him very often any more. Well, for a while he was involved in the government circles and we simply did not wish to involve him in anything possibly controversial. He is somewhat an information resource—while in his gathering he goes through myriads of pieces of information from so many sources as to boggle most minds. It is not, however, gathered from the Internet as in general scatter so we value what he sends which he feels worthy of calling attention to the topics.

Everyone involved with us and with *CONTACT* by now realize that we don't do “revelations from the psychic downspout” or fail to give resource. It was never otherwise for, people, there is nothing new on Earth or in Heaven beyond. Our people have, however, gotten fed up and to overflow with the assaults, critics and/or attackers.

This, of course only deals with the use of articles, Web presentations, and general sharing of news items but does not include our general observations, input or comments.

In addition, remember that Elly Pamatong was brought by Erick and he has really turned out to be worse than a “dud” but in fact of criminal and subversive intent. Meritocracy as presented is no less important, however, just because Elly presented it as a reminder; Meritocracy is not a new concept. Besides we wouldn't have wanted V.K. Durham to miss such an opportunity to share mis- dis-information with such a credible fraud.

But Elly always wore a Muslim-type hat and was/is never seen or pictured without it so, isn't he a Muslim? No, the hat is his trademark. In fact, strangely enough, he is in the process of trying to take control of a “Christ-ian” “movement” sect whose leader “ascended” recently. Life is TRULY far stranger than fiction.

I would comment here that often my input does not mesh with Fingers' up-top “rathers” as I share objectives. However, it is confirmation to her and all of you that “she and me” are NOT the same as claimed by our “enemies”.

Example? Well, just yesterday I asked for help

for the paper and farm and then stated we would be paying back with interest that assistance. I also volunteered that payback as a commitment for which Ekkers would be responsible after taking a PERSONAL loan (which will need repaying by them). Dharma about folded, for one more straw on the back seems breaking at times.

However, having walked with me this far in this program to which we are all, in this team, committed—she ended up leaving it into my hands. We always make great progress when we allow that creative element some freedom to function. But of course she reminds me that “imminent” has, apparently, a great difference in my interpretation and hers. Smile, friends, we are going to take the course and there is no thing more to prove vindication than to SUCCEED in our goals. Moreover, in having to bring proof to given circumstances and claims causes a full focus to accomplish the proving-up process.

Also, in addition, when people who were against us now bring forth evidence against those same adversaries, the cycle begins to reveal culprits in the game to destroy our goals and cause great loss to our projects and programs. And, oh yes indeed, THAT is happening in a major way now as the miscreants bent on destroying us and the Phoenix Institute are caught in their own webs of deceit, lies and manipulations.

TRUTH is being revealed all around the globe, friends, but you have to stay the course long enough to see it unfold—for it happens far more quickly now than in prior expression. And of course it is difficult to “remember” happenings even if you once knew exactly what happened in a given instance and it is being repeated for your misdirection.

There is no tearing down the integrity and TRUTH of Ekkers, as a big for instance, in this place—nor of MY direct participation and “who I am” has no meaning nor impact in and of itself. We have been through the flamethrowers and FOUR years of total participation without bending from our original stance of integrity and Truth. On August 12th of this year it will be four full years in this place with everything the miscreants could throw at us from “home” and elsewhere—while all it did was prove our case. Not shabby, friends, and you have stayed the course and kept the train moving. We are humbly grateful. My own being swells as each of YOU claim your contribution or whatever is not nearly as much as that of another—well that “another” claims theirs is nothing while yours is far greater.

Just be careful, readers, for the massive assault is underway to bury you in misinformation and information regarding “end times” and solutions for things which do not exist along with a “cleansing” which is almost finished, etc. You were warned so don't buy the farm without the title. There is enough to concern and attend without buying into the

balderdash crowd. Hogwash and swill belong in the pigpen and not on our persons.

I suggest you who want to truly check this out for selves go to Mr. Bellringer's site and get the latest download of garbage. It is titled “Armageddon”. Some is true but most of the presentation is not, so be careful. However, I am quite pleased to see that he states, from his prophets, that “The spiritual forces of darkness have suffered great losses, and during the month of May 2002 the Draconian/Serpent controllers have PERMANENTLY left Earth Shan. The Forces of Light have placed a protective energy field bubble around Shan to prevent these evil entities from ever returning. On the physical front hundreds of thousands of evil leaders in positions of authority such as administration, supervisors, attorneys, bankers, judges, military commanders, doctors, teachers and clergymen have chosen to leave Earth Shan. Look around you and discover for yourself who is ‘missing’.”

He further states “Thousands of people in various positions of authority have chosen to hinder or try to stop the NESARA Law bring sweeping changes for good. They have failed and many have been removed to other planets to do environmental improvement work for the remainder of their present lifestream. Others are in the containment areas originally constructed by them in all fifty states of the U.S....”

OK, readers, look around and see what you see, for I don't find many, if any, “missing”. However, I am pleased to STILL BE PRESENT, so what does that say about that accusation of dark-tinged dark energy espoused by Mr. Bellringer about myself and my friends?

And now for that NESARA Law. It has never even made it to getting a sponsor in Congress and that might well, if it ever worked through, impact the U.S.A. but WHAT OF THE REST OF THE WORLD WHO ALSO CLAIM GOD WHILE ASKING FOR HELP? IS IT THAT SOME ARE SIMPLY “MORE EQUAL THAN OTHERS” IN THE EYES OF GOD? NO, THAT JUST ISN'T SO—GOD IS AN EQUAL OPPORTUNITY CREATOR!

I would suppose you can find this for yourself at or around Mr. Bellringer's writings site: <<http://www.fourwinds10.com>>. Good luck, for I will quote the beginning statement from the writing:

“I repeat again, because of the power of the Light frequencies against them, the darkside multidimensional draconian/serpent controller people have chosen to leave Shan during the month of May, 2002. Thanks to the work of the Lighted Realms' Multidimensionals, these evil Serpent People are now all gone from Shan.”

Since the writing itself is so anti-Jewish in its presentation that Mr. Bellringer has likely now made it to V.K. Durham's list of “hate characters” while she abides in pure lighted love radiance. So, we will see what happens when the secret conspiracy alliance breaks down even further into the pit.

Meanwhile, back to the original subject I wanted to use today and which was brought over by Erick some weeks ago. It is from *EIR*, April 12, 2002 and the topic title is:

[QUOTING *EIR*, “Economics”, April 12, 2002:]

## THE FEDERAL RESERVE VS. THE UNITED STATES

By John Hoefle

Major financial crises are never announced in the newspapers, but are instead treated as a form of national security secret, so that various bailout and market-manipulation activities can be performed behind the scenes. The primary vehicle by and through which these secret activities are performed is the Federal Reserve, which sets U.S. interest rates through its Federal Open Market Committee (FOMC), and intervenes in the banking system through its regional banks, and the markets through the Federal Reserve Bank of New York.

Even though it acts in many respects as a government agency, the Fed is a private corporation owned by the banks, and was created by the financial oligarchy in 1913 for the purpose of SEIZING CONTROL OF THE MONEY- AND CREDIT-CREATION POWERS OF THE FEDERAL GOVERNMENT. The *Constitution* reserves such powers for Congress, as they are essential elements of national sovereignty. Congress has no right to give up those powers of Congress, as they are essential elements of national sovereignty. Congress has no right to give up those powers, and the Fed has no right to assume them. Thus the Fed is an illegal institution, the activities of which are in violation of the *U.S. Constitution*.

This is not an academic question, as the **Fed is actively involved in looting the American population for the benefit of giant U.S. and global financial institutions, and the global casino.** Few Americans have any idea the extent to which the Fed and its system reach into their pockets on a daily basis, and the extent to which their standard of living has been eroded by the financier-led deindustrialization of the United States. The cost of this usurious system is embedded in the price of every purchase, a form of hidden tax. That hidden tax also shows up in the form of shoddy goods, poor customer service and long lines at stores, time-wasting commutes, inadequate wages, and similar mechanisms in which costs are transferred to the citizen. Even more important, is the way in which the scientific and technological development of the country has been vandalized by the financier crowd; not only do we suffer from an inadequate infrastructure, but we have lost the benefits of those breakthroughs which would have occurred, the technologies which would have been developed, had the parasites not taken over the economy. It is the failure to push back the boundaries of science, that is responsible for most of our problems today. The FED, with its imperial back-to-feudalism world outlook, is **one of the deadliest and most corrupt institutions in the world.** It does more damage through its policies than even the most prolific thieves and murderers.

### ABOVE THE LAW: THE CASE OF ARTHUR ANDERSEN

The Fed does not consider its activities illegal, but rather considers itself above mere nation-states, and thereby above their laws. This view is clearly expressed by Fed Chairman Alan Greenspan, whose consistent demand is that Congress keeps its nose out of the financial system. In Greenspan's view it is the

Money, not the *Declaration of Independence* and *Constitution*, which rules. The same holds true for his predecessor at the FED, Paul Volcker, who deliberately engineered the "controlled disintegration" of the U.S. economy on behalf of the New York Council on Foreign Relations and its "Project 1980s".

After performing his deadly mission, Volcker became an elder statesman in the financial world, deployed to various financial crises as the bankers' enforcer. Volcker descended upon Bankers Trust after it went bankrupt in 1994, to oversee the unwinding of the bank's derivatives portfolio and make sure that none of the buried bodies were unearthed. Volcker's latest assignment is Arthur Andersen, the accounting firm now disintegrating in the wake of its role in Enron and several less-publicized scandals. The story that Andersen brought in Volcker is a polite fiction to hide the police-state nature by which the oligarchy manages its affairs.

The way in which the "Enron affair" has been handled reveals much about the way the oligarchy operates, for those with the gumption to look. Once it became clear that Enron's days were numbered, it was savagely taken down in a campaign led by the *Wall Street Journal*. Not only did the *Journal* pound on Enron every day beginning in mid-October of 2001, but its coverage focussed on a handful of the 3,000 or so partnerships, affiliates, and off-balance-sheet operations of the firm. As Enron plunged, a Special Committee of its board was formed to "investigate" the allegations of illegal activities at the firm; this three-man committee, Harvard men all, included two new directors, one a former Lazard Freres partner and one with close ties to Vinson & Elkins, Enron's Houston-based law firm. The committee's report focussed on the same small group of partnerships as did the *Journal*, and its findings provided the road map for numerous Congressional investigations.

While the Special Committee channeled the Enron investigation into the desired direction, Volcker moved in to manage the Andersen end of the investigation. When the Department of Justice indicted Andersen for obstruction of justice on March 14, it amounted to a virtual death sentence for the firm, since few companies will accept an auditor accused of a Federal crime. However, while Andersen's downsizing or even demise could be managed from the bankers' point of view, a Federal criminal investigation into its activities would be highly problematic. In an attempt to stop the government from pulling on threads which could lead to areas the bankers would rather keep hidden, Volcker attempted to get the indictment dropped, by offering to take over Andersen himself. *The Wall Street Journal*, which had excoriated Enron for keeping secrets, did an abrupt about-face on the Andersen matter, editorializing in favor of Volcker's proposal.

### BUILDING THE BUBBLE: THE HOUSE OF MORGAN

The *Journal's* seeming reversal was not really an about-face, but rather was a continuation of its consistent policy of serving its Wall Street masters, including the world's largest derivatives bank, J.P. Morgan Chase & Co.

Financial bubbles do not just appear out of some primordial ooze, but are created and nurtured by a

small army of bankers, lawyers, accountants, credit-rating agencies, consultants, and public relations flacks, the latter a category which includes most financial journalists and Wall Street analysts. That is especially true of the current bubble, which began with Volcker's "controlled disintegration", escalated through the real-estate speculation- and junk bond-fueled 1980s. Regulations were swept aside, accounting rules loosened, checks and balances discarded as the production-oriented economy was overrun by speculators, manipulators, and pure greed.

Right in the middle of this was the House of Morgan. Drexel Burnham Lambert was an offshoot of Morgan, from the days when Drexel was the Philadelphia agent of Morgan, with whom Morgan worked closely. Many of the so-called "Milken's Monsters", named after Drexel junk bond chief Michael Milken, were hot-money boys, who used Drexel's junk bond operation to invest and launder drug money and related hot cash. When Drexel and the junk bond market collapsed at the end of the 1980s, another Morgan front, Bankers Trust, took the lead in building the derivatives bubble. Bankers Trust failed in 1994, but it had served its purpose, launching the derivatives market as the new model for the big banks.

One of the companies which Drexel Burnham Lambert helped launch was Enron. Drexel helped fund Enron in the mid-1980s through junk bond sales, and former Enron Chairman Ken Lay often turned to Michael Milken for advice. Bankrupt telecommunications company Global Crossing was another Drexel-related firm; its founder, Gary Winnick, was a former Drexel junk bond specialist, who sat next to Milken in the firm's Beverly Hills office.

Not surprisingly, Arthur Andersen has its own Morgan connection. Founded in Chicago in 1913, the firm was catapulted into national prominence in the 1930s, when J.P. Morgan picked Andersen to manage the restructuring of the electricity empire of Samuel Insull. Insull, a one-time secretary of Thomas Edison, had built a complex of electric utilities in direct competition with Morgan, whose General Electric had taken over Edison's operation. Morgan's banking interests eventually maneuvered to pull the plug on Insull. Arthur Andersen, the man, was offered the chairmanship of the New York Stock Exchange in 1938, but declined the offer. He died in 1947, but his firm lived on, as did its ties to Morgan. In 1954, it helped General Electric install the first commercial computer system in the nation, to handle payroll in one of its plants. (GE, not coincidentally, was a major beneficiary of electricity deregulation, profiting handsomely from selling generating turbines to the independent electricity producers.)

**[H: Small world after all? Well, it gets even smaller when you note that which is right on your village's doorstep; i.e. GE "bought out" ENRON in the energy-producing wind farms in Tehachapi, California. You will note, further, that around the globe you will find the same "coincidental" takeovers so that ENRON loses nothing but the people lose their shirts.]**

In addition to its accounting and consulting businesses, Andersen appears to have played an important role in building the bubble, particularly in the energy and telecom realms. While Enron was generally considered to be an energy firm, it was

actually—even by its own admission—primarily a derivatives firm, and was assigned the mission of opening up the energy markets for Wall Street-style derivatives speculation. In addition to Enron, Andersen worked with other energy pirates, including Calpine and Mirant. Andersen was also a driving force among the new telecom companies, where its clients included Global Crossing and Qwest. Andersen literally wrote the book on telecom “swaps”, authoring a white paper on the subject widely used by other accounting firms and their clients. (The term “swaps” here refers to the widespread practice of the new telecommunications companies to sell each other capacity on their networks, booking the sales as revenues and the costs as capital expenditures, in order to overstate their revenue. Enron and the energy pirates pulled an equally egregious scam, counting their gross sales of energy as revenues, without deducting the amount they paid for that energy. Such practices made Enron seventh on the Fortune 500 revenue list in 2000, and fifth in 2001, (despite its bankruptcy). Andersen was also the leading auditor of casinos, handling half of the casinos in Atlantic City, and was the auditor for Sunbeam and Waste Management, two high-profile scams.

#### MARKET MANIPULATION

The FED routinely manipulates the New York stock market, pumping in cash when the Dow Jones Industrial Average plunges and threatens to trigger a run on stocks, and it is not above raiding other currencies when it feels the need for cash. In 1992, Morgan and Citicorp (then bankrupt and secretly run by the FED) participated in an assault on the European Exchange Rate Mechanism, working with the Bank of England; Citigroup walked away with a billion dollars, significantly improving its financial condition.

The Fed and the big New York commercial and investment banks have also been accused of manipulating the stock exchange through the gold market. The Gold Anti-Trust Action Committee (GATA) has accused the FED, the Treasury Department, J.P. Morgan Chase, Goldman Sachs, the Bank for International Settlements, and others of using the proceeds of gold leases to fund market interventions, and of manipulating the price of gold through derivatives to keep the price from rising. According to GATA, the result is a “gold carry trade” in which the big banks borrow gold cheaply, then sell it and use the proceeds to invest in securities and other high-yield paper. Eventually, the players must buy gold to replace what they borrowed—hence the need to keep gold prices stable. Gold also functions as an economic indicator, with a sharp rise in gold being seen by many as a sign of trouble; keeping the Dow up and gold down are key elements in keeping the suckers in the market. **[H: GO BACK AND READ THAT PARAGRAPH AT LEAST TWICE AND YOU'LL BETTER UNDERSTAND WHAT HAS HAPPENED TO YOU AND WHY WE WILL NOT DO BUSINESS ANY OTHER WAY THAN AS WE HAVE PRESENTED.]**

There's an old saying in poker that there is a sucker in every game, and that if you don't know who the sucker is, YOU are the sucker. That saying also applies to today's financial markets, where fleecing the

suckers has been elevated to high sport. **Greenspan, Volcker, and company are essentially running a rigged game, looting the country and its citizens.** The problem with being a successful parasite, however, is that the more you grow, the weaker becomes your host. Because of their wild success in building the bubble, Greenspan, Volcker, and company have mortally wounded the physical economy upon which they and their bubble depend. Picture a 500-pound flea on a 50-pound dog, and you get the idea. No wonder they are hysterical.

**[H: AND PHILIPPINES: THE VERY SAME PLAYERS ARE DOING THEIR NUMBER ON YOU! THE VERY SAME PLAYERS, I REPEAT, AND THAT WITHOUT EVEN CHANGING MANY OF THE NAMES. THIS IS WHY, HOWEVER, MR. FIDEL RAMOS IS IN SUCH A PREDICAMENT HAVING BEEN CAUGHT AT THEIR ANTICS AND YES INDEED, THOSE BAD KIDS CERTAINLY WILL FEED HIM AND “YOU” TO THE LIONS WITHOUT BLINKING TWICE—OR EVEN ONCE FOR THAT MATTER. MOREOVER, IT IS ALSO KNOWN AROUND THE GLOBE THAT MS. GLORIA IS SIMPLY THE PUPPET OF SIR RAMOS, AND SO THE WORLD TURNS.**

**HOW WILL IT ALL END? DEPENDS ON YOU, DOESN'T IT?]**

[END OF QUOTING]

Too much to handle all at once? Well, don't go away for just a week before the above article ran, *EIR* ran a short notice-article on the Philippines entitled:

**[H: There is a nice but little map of the Philippines with this short article and since it is black and white it might be that you could get it separated out [MM: Website did not have image and the faxed copy received was illegible.] and run coincidentally. It is time you readers get a bit of picture of the topography/geography of this area of Southeast Asia, for it will be “BIG” before it is shrunk-wrapped.]**

[QUOTING *EIR*, May 3, 2002, “International”, pg. 54:]

### GENERAL RAMOS THREATENS ARROYO

As *EIR* has reported, the senior U.S. asset in the Philippines, retired general and former President Fidel Ramos, has been manipulating President Arroyo to submit to his direction on security matters, under the thinly veiled threat of yet another military-run “people's power” coup d'état, like those that overthrew Presidents Ferdinand Marcos in 1986 and Joseph Estrada in 2001. This coup threat escalated in the days following the General Santos City bombing. Cardinal Jaime Sin (a key Ramos asset in both previous military coups) “revealed” that several leading players in those coups—including Rep. Jose “Peping” Cojuangco, the brother of former President Corazon Aquino, and Pastor “Boy” Saycon—had approached the good Cardinal for his blessing for the creation of a “collective leadership” of generals to take over the government.

These gentlemen are well-known allies of General Ramos, from the elites (Conjuangco) and the non-governmental organizations (Saycon). Cardinal Sin's

“revelation” demonstrates that the threatened action was not real, at least at this time, but was intended as another warning to President Arroyo, at a moment when she is being told to compromise the nation's sovereignty, again, to the demands of the U.S. war faction.

President Bush, whose Presidency is now stumbling since the Venezuela fiasco and the insulting defiance of the fascist marauder Ariel Sharon, has allowed the war faction increasingly free rein over American policy. In the 1960s, the same “Clash of civilization” proponents, including Samuel Huntington and Henry Kissinger, pushed for war in Vietnam as a surrogate for attacking China. As then, so now in the Philippines, when U.S. colonial-style military operations provoke a response, either military or terrorist, by those under attack, such a response is used to justify further escalation. As then, there is a point of no return, which is approaching.

[END OF QUOTING]

There was a major power blackout in which we lost a lot of this writing which has been redone to some extent; however, I want to comment on the recent importance of the visit of U.S. Deputy Secretary of Defense Paul Wolfowitz.

NEVER MIND THE SEARCH FOR TERRORISTS, FOR THE PLANS ARE ALREADY QUITE WELL-KNOWN AND EVEN PUBLISHED AS FAR BACK AS MARCH AND APRIL OF THIS YEAR.

There is a full-blown plan in the working as we write to totally redraw the map of the Middle East. Knowing that will give a lot more sense to what is going on everywhere—including in Southeast Asia with carriers and war machines.

Mr. Sharon plans to drive all the Palestinians out of the West Bank but the U.S. has far bigger intentions. IT IS CALLED, LITERALLY, THE WOLFOWITZ-SHARON PLAN.

The full intention is to have the U.S. gain FULL DOMINION over the entire oil-producing world, from the Middle East to Central Asia, to areas of the Indian Subcontinent where the energy resources have not been yet developed.

This means that the war against Iraq has to take center stage in order to accomplish the program. Ultimately Saudi Arabia would be broken up into pieces. There would be elimination of all Palestine and as well eliminate the state of Jordan which would ultimately then incorporate (absorb) INTO WHAT WILL BE RECOGNIZED AS A U.S.-CONTROLLED “NEW IRAQ” REGIME. THIS NEW IRAQ WOULD ALSO INCORPORATE PART OF SAUDI ARABIA.

This will all make a lot more sense when you get the information we probably will offer on the OIL SUPPLIES MANDATED BY THE U.S.

Are we picking a fight with the Great Powers? Good grief no, we are just informing YOU of what and why is taking place. It isn't secret—it is just kept from your attention by other distractions. I will offer nothing on these topics which is not fully published prior to now and scattered globally.

With that in mind, thank you for your attention, thank you for your help and I do remind you that I have GONE NOWHERE except right here on the job!

Gyeorgos Ceres Hatonn (by what ever name you like to address me.)

dharmā 

# Profits Of War: Bankers' Heists

(PART 16)

*CRUCIFIXION OF THE PHOENIX*

BY GYEORGOS CERES HATONN

“dharma”

PHOENIX JOURNAL #12 (1990)

CHAPTER 33

REC #1 HATONN

WED., FEB. 14, **1990** 7:00 A.M. YEAR 3, DAY 182

Hatonn present in Light that we might continue on the subject of murder.

STRANGE DEMISE

I shall begin with a question. How many of you have felt, say, that it is highly unusual that a Shah of Iran comes to you in healthy form and “dies of natural causes” only weeks later? What about Marcos? What about Howard Hughes? What about Casey (just before he could spill the entire conspiracy because of Iran-Gate)? What about all the witnesses to Kennedy’s assassination? Selective plagues? My, my, my—it is dangerous to work among the Elite, for if you become dangerous to their conspiracy, you are immediately expendable and are expended. You are also expendable if you play their game perfectly and become “a problem of any type”. The evil brothers have no code of ethics. Criminals even have codes of ethics. The conspiracy has none!

PLAGUES, INFLUENZA  
AND OTHER HIGHER FORMS OF KILLING

We continue on the subject of the Influenza because there is more experience from which to draw. It is interesting to note that person-to-person transmission has never been a serious consideration for the spread of the disease. Of course it is spread that way in families, schools etc.—but never when many come down with a disease simultaneously.

If the spread is primarily person to person at “kick off”, then ones in the forested locations would be as quick to be attacked as those in open locales. It is obvious, then, that forests and heavy foliage growth offer protection against pathogens from the sky.

Now, sleepyheads, your conspirators who created and kept the war going in Viet Nam knew these things. They set out on a deliberate mission to defoliate wide areas of terrain and if a few million American kids got sprayed with a little Agent Orange, in addition to whatever else they dumped on the ground—so be it. And you thought they were clearing the enemy hiding places—sic, sic. Worse than that, the conspirators set out a “kill” campaign against anyone who spoke out against the war. Does anyone remember what a blast Jane Fonda bore? How about Dr. Spock? What of the degradation cast upon the young people who fled rather than go be either weapons fodder or kill his brother?

Unless you have experienced it, you have no

imagination as to what a napalm attack on a village is like—the frying and cooking of innocent families and babies. How many of you know what a “cluster bomb” is? How many of your own husbands, fathers and sons/daughters were killed by weapons stamped “made in the U.S.A.”? Well, it is going to happen again and again—it began in your Americas in Panama and now the way is paved to allow a patriotic march right through Central and South America—all in the name of drug control.

**SINCE THE DRUG WAR BEGAN—THERE HAS BEEN NO SHORTAGE OR PRICE RAISES IN THE DRUG MARKETS IN THE U.S.**

You must realize that pathogens which are seeded into clouds do not come in a steady flow—it comes in bursts just as the releasing of pathogens which are dropped in spray or bursts of wind-carried contamination.

Could it be that the conspirators are working to perfect a system of bursts to spread the disease? It most certainly would be the logical next step wouldn’t it? If wars simply aren’t killing quickly enough—the overburden of the less desirable population—then it is logical indeed to use other methods. Oh, you will have to have the wars, dear ones, because your economy is dead and some way has to be devised to revive it above the death rattle to sustain until the “no money/total economic control” system is totally operable.

Doesn’t it make your heart weep to watch a President dressed in fatigues watching war “games” and pronouncing these children to be the finest fighting forces? Wouldn’t you perhaps think he is getting them ready to go somewhere and be a fighting force? How about medals (for men only) for going to Panama and killing thousands of civilians and demolishing your own protected colony? You think about 200 dead in Panama’s civilian sector? Try over 7,000. More dishonorable—what of the dishonor of not even being among the counted? Each family, for instance, of each soldier slain and listed, thinks their son is one of the 125 or so slain. How do you know? Could it be like the San Francisco earthquake of 1906? Hundreds and hundreds died and yet the list of dead was piddling—but who can argue, for an “official” count goes forth and each thinks their loved one was among the counted.

Consider the flu that ravaged Alaska. Those facts should be available in the *Congressional Record* of Jan. 16, 1919, under the heading “United States Senate, Committee of Appropriations”. It tells the story of how the virus struck all over Alaska at the same time. It was proven that the spread was not from person to person. Since a lot of snow and rain falls on Alaska isn’t it quite obvious what happened?

LEGIONNAIRES DISEASE

Let’s now move to the “Legionnaires Disease” which killed some 29 people and hospitalized 183 others during the American Legion Convention in the city of Philadelphia in 1976. This was an experiment carried out by the Global PLAN 2000 plotters who were researching a hybrid virus with which to work, which could be spread via airborne methods under totally controlled conditions.

The severe onset of the disease came during a span of a few hours on one day and after only a few hours of general malaise, fever set in. This was accompanied by muscle cramps and then a rapid rise in fever and

severe rigors with chest pains, difficulty in breathing and death followed swiftly. The course of the disease was unpredictable, just like the Lassa Fever cases showed. Death rate in relationship to attack was high. Antibiotics were of no avail.

According to reports, “Careful inquiries revealed that all of those attacked spent a long time in the hotel lobby.” (That is, the hotel wherein the Convention was being held.) “There appears to have been a connection between the attack rate of the disease and time spent on the sidewalk outside of the hotel watching a parade. A distinction could be made between those who were on opposite sides of the street. There is a strong indication of an airborne pathogen, the incidence of which is patchy on the scale of the width of the street.” Was this a “natural outbreak” of a new virus or was it part of a carefully conducted experiment? Before you dismiss it, remember that during the 1950s extensive and widespread experiments with the drug LSD, manufactured by the Swiss Company, Hoffman-LaRoche, were carried out by certain research organizations in the United States with official sanction in most cases. The Elite simply count on the public masses to have extremely short memories. In fact, they go further—news items hit and are immediately buried so that if there is a national ball game or “TV Special”, most people never so much as hear the news item.

The victims, in the Legionnaires case, were completely unaware of that which was being done to them. This outbreak is an identical pattern—this was an “unofficial” “official” test by the GLOBAL PLAN 2000 planners. The LSD experiments were part of a pattern set up by Aldous Huxley and the CFR conspiracy. There have been further outbreaks of Legionnaires Disease in Scotland where some 65 people died in 1983/84 under similar circumstances. The Scottish outbreak, however, went practically unreported except for one single British newspaper article in which it was only mentioned.

The Centers for Disease Control in Atlanta says that Legionnaires virus is not spread by person-to-person contact. Then how did Legionnaires Disease appear suddenly and disappear just as suddenly? Where did it come from? You must know that there is a reservoir waiting to be used when deemed appropriate by the Conspirators. The prospect of new diseases, taking you totally unaware, should be most depressing to you unsuspecting and trusting lambs. It is there waiting for you and cannot be ignored. You have seen it in the past and you must expect similar things in the future, including the advent of new diseases—AIDS is only a start and preceding it was the massive outbreak of Herpes of the reproductive system. Further indication of the seriousness of these recent “dumpings on you” is that they are housed within the body and once infected are never removed awaiting proper circumstance to become active instead of remissive. AIDS, once active, almost never is again completely remissive.

DELIBERATE EXPERIMENTS AND PERPETRATIONS

It cannot be denied that these things are both experimental—as in the laboratory studies only using you-the-people—as well as deliberately introduced and carefully spread introductions. Well, chelas, you are in the final stages of completion of the well-laid plan and there is massive assistance from within the drug manufacturing facilities—you call them pharmaceutical houses. Since they have paid for the creation of the disease and reap the rewards from the treatment compounds—it is never going to be that there is found a cure via that route—for anything. Why “cure” heart disease if your whole industry is based on the foundation of active “heart disease”? The logical *modus operandi* is, of course, to create treatable side effects of the present disease or don’t cure the one you have going.

Since the 1940 experiment with Influenza and the chick embryo virus hatch, there has been a mammoth increase in the numbers of experiments with bacterial viruses called PHAGES, (do you remember T-cells and macrophages, etc., in AIDS?), which has attracted a large number of scientists. Since 1940 thousands and thousands of new experiments have been carried out by scientists working under grants from the Ford, Carnegie and Rockefeller Foundations (CFR, Trilats, IMF, World Bank!!!). These Foundations, if you recall, fund mainly “anti-American” causes and of course they pour money into anything connected to the Club of Rome and the other groups mentioned above. These are the very foundations of the traitor organizations for the One World Government and GLOBAL PLAN 2000.

#### REMEMBER THE MOVIES? ANDROMEDA STRAIN!

Fiction? They told you it was fiction! If you haven't seen it—rent it and see it. It was a depiction of actual truth (just as is *SIPAPU ODYSSEY*) of work which was carried out on the Lassa Fever virus. This, brothers, is not far-fetched; this is getting down and dirty.

Do you also remember Stanley Kubric's *Clockwork Orange*? Well, our beloved Wally Gentlemen, of *2001: A Space Odyssey*, will certainly at least remember Mr. Kubric. Remember Dr. Strangelove in that movie? This man is a living person currently.

Your new breed of scientists is responsible for remarkable progress made in molecular biology—frightening isn't it? Their biggest problem, however, is in finding host cells in which to produce viruses, which then can be reproduced from a single plaque. Incidentally, this was the method used by the Centers for Disease Control in Atlanta, to isolate the Lassa Fever virus.

The disturbing factor in this equation is the manner in which the dormant phases of these viruses and bacteria are handled. There are four phases in the development cycle of viruses, the most important being “the endosymbiont”. Phages can be kept in host reservoirs and then aroused when needed. This means that large quantities of phages are stored in the dormant state, aroused and released in various manners such as seeded clouds over a given target area; or released through directed air particle projectors. The Legionnaires virus was released in air projection.

To you scoffers who will say that no one would even contemplate such things as we project herein, you must return and recall the tragedies of the First World War where the very flower of the youth of Western nations was cut down in numbers of staggering proportion and that stuns the mind. If you believe me not, read backup literature and consider the battlefield cemeteries of Europe and see the thousands of row upon row of little white crosses—death in the hundreds of thousands—from chemicals and disease. You ones are quick to forget these things and brush them aside—a nice park garden for a picnic perhaps. This is why, Dharma, I began all the way back in 1915. If you overlook the lessons of the past—you are destined to repeat and repeat and repeat them. You already have forgotten and are now in the repeating in the most heinous manner possible.

#### THEY DID IT AND WILL DO IT AGAIN

**You must realize that men were capable of orchestration of that war, for reasons you ones have never had explained (greed on the part of the bankers who reaped mammoth profits);** can you actually believe that these same groups of men would not simply kill off a few million Indians, Latin Americans, Africans and Asians? Especially when it can be perfected in such a remote manner without the complications of man even questioning intent or possibilities? They are fully capable and fully intend to do exactly that!

#### WELL, THOSE PLACES ARE OVERCROWDED ANYWAY

So be it—BUT, what you in the U.S.A. overlook: ONE HUNDRED MILLION AMERICANS HAVE BEEN SLATED FOR DESTRUCTION AS LAID DOWN IN THE TERMS OF THE GLOBAL PLAN 2000 AND IT SEEMS TO ME FROM UP HERE, THEY ARE WELL ON THEIR WAY WITH AIDS ALONE.

Areas in the U.S. where there are large and concentrated groups of staunchly patriotic Americans, will be the most likely target areas of the GLOBAL PLAN 2000 planners. This is because the perpetrators within the Conspiracy are TRAITORS to the United States of America—they are not patriots of the Constitutional United States and they have fooled you at every junction and stayed a long way ahead of you in the planning and orchestration of The Plan. They have sucked you in and are now devouring you and all for which America stands. Your *Constitution* has been all but totally destroyed and overridden. There is no justice in your courts and you HAVE NO FREEDOMS REMAINING.

This is why the bringers forth of these truths are scattered and work in basic isolation. To keep them out and away from the groups targeted. The targeted ones are in *groups* where demonstrations and ease of contamination is best served. Look at where the AIDS has been introduced. You will note very few of the “Elite” infected and if so, it is purely accidental.

If AIDS doesn't do the job, then any of the old deadly plagues can be sent upon you in targeted areas—from the Black Plague, Smallpox, untreatable strains of childhood diseases such as measles and chicken pox, influenzas, etc., etc.—by way of any of the many “phages” that the planners have “on tap”.

A successful launch of a plague must come from large reservoirs of “phages” and believe me, there are those reservoirs in place. The Soviet Union calls their reservoirs, storage of “weapons of mass destruction”. And when the Soviets are ready for that next world war—they are ready and waiting.

THERE WILL BE A WAR, YOU KNOW. IT WILL BE HORRENDOUS AND THE ASSUMPTION IS THAT YOU CITIZENS WILL SLEEP ON AND HAVE NO SHELTERS WITHIN WHICH TO PROTECT YOURSELVES. I REMIND YOU THAT 100 PERCENT OF PEOPLE WHO CAN BE UNDERGROUND IN A NUCLEAR ATTACK WILL SURVIVE NICELY. FURTHER, IF YOU HAVE FILTERS TO CLEAN YOUR AIR AND A SUPPLY OF FOODSTUFF—YOU CAN SURVIVE NICELY THROUGH ALL THEY CAN THROW AT YOU. IF YOU DO NOT HAVE SUFFICIENT SHELTERS—IT WILL BE ALL BUT TOTAL ANNIHILATION OF YOUR ENTIRE CITIZENRY—AND BACTERIA AND SHORT-LIVED VIRUSES DO NOT DESTROY HARD ASSETS SUCH AS FACTORIES AND BUILDINGS, COMPUTERS AND AUTOMOBILES.

I most sincerely hope that you ones who know of the ones efforting to stop this scribe from bringing forth these messages by calling her evil, the messages evil, US of the Brotherhood of Light evil and workers of the Devil and Satan, realize which shoes are soiled and blackened. If you continue to sit and ponder in naught but a spiritual light, you will be “spirit” most soon to ponder your errors. Those who would call these messages “evil” are working as diligently toward your destruction as a hydrogen bomb aimed right at your head. God sends forth truth, knowledge and instructions in answer to your very own petitions and you set upon the scribes and crucify them—well, in so doing you commit suicide and crucify the very phoenix who comes to show you the way. So be it, for what you end up in the doing, is your choice. 'Tis not from thy brethren of the cosmos which comes your destruction—but from thy sleepy brother and from those “grey-beings” to whom you have handed, well bundled, your lives and freedoms. Armageddon may actually appear to be quite pleasant, in relative manner, if you do not wake

up and change THE PLAN. The Satanic Global Plan 2000 Conspirators and their eager “little devils” have incomprehensibly nasty little plans for your well-being and they fully intend to have it finished by year 2000!

#### EVEN IN MY OWN GROUPS

Dharma and Oberli and mine other people who are working night and day continually are bombarded with, “Well, when are ‘they’ upstairs going to get money so we can do ‘our’ work?” I repeat—IT IS NOT OUR WORK, THIS WORD IS OUR WORK—WE DO NOT HAVE A PROBLEM WITH YOUR EARTH SURVIVAL EXCEPT AS BROTHERS. WE HAVE NICE, SAFE SPACECRAFT AND MOTHER SHIPS, PLANETS AND SYSTEMS WITHIN A VERY LARGE UNIVERSE. YOU SPEND MORE TIME TWIDDLING AND PRATTLING OVER DONALD TRUMP'S DIVORCE SETTLEMENT THAN YOU ATTEND TO YOUR VERY SURVIVAL. SO BE IT. FURTHERMORE, MY CHELAS DON'T ACTUALLY HAVE A PROBLEM EITHER—FOR WE WILL GATHER THEM INTO SAFETY IN THE BLINK OF AN EYE. YOUR EMPTY BELLY IS NOT DHARMA'S OR OBERLI'S PROBLEM—IT IS YOURS! YOUR SOUL RELATIONSHIP WITH GOD IS NOT THEIR PROBLEM EITHER—IT IS YOURS! FURTHER, IF YOU CONTINUE TO JUST SIT WHILE THINKING MASTER JESUS CHRIST DID IT ALL FOR YOU—I PROMISE YOU: SATAN SHALL HAVE THE LAST LAUGH—AND YOUR SOUL!

If you do not choose to use any of the information we bring you—fine. If you think it too big an effort or expense to get a corporation, or store food, or build a shelter—I care not. Neither will you find flourishment in great measure by converting into gold and T-bills—our intent is to give those of you who ask in sincere petition—a manner in which you might be able to survive—not get rich in human materialism. I am interested in your success to the point of getting our assigned jobs done and the Word gone forth as a mission accepted. Do not think I am giving you get-rich-quick schemes—we speak here about your very survival. If it is too gloomy for you to swallow—throw out the book and meditate and say ohms and aums—'tis your privilege of privileges—but how many will then go to the door of the ones who build their shelters and set aside stores—and ask to sit at their tables? Will the young “bedevilers” of these ones, from Sedona, continue their attack and then go to the few who listened when the path gets rough? It happened with Noah and quite a few got their feet wet right up over their heads, for they missed of the life-boat in awaiting the cruiser or ocean queen-liner.

#### BACK TO THE BUGS

It is easy to have massive reservoirs by coating viruses with a protective matrix. The Lassa Fever virus is a perfect example of a matrix-coated virus and look closely at the AIDS situation. You have the virus which moves into a completely shielded cell which cannot, thus far, be penetrated by drugs. That is why you are basically stuck with the necessity of antidote or frequency beams for cure purposes. All of your known viruses now have been given man-created coats of protection.

#### SMALLPOX!!!

It is not dead and gone! It is only being kept in a “lying low” state of being. A nice little smallpox virus can just sit around meditating for thirty years or longer. Now this could be through a natural thing or through artificial induction. But you have something else happening with which to contend—every time there is outbreak—the form is much more unstable and by far increased in virulence. Smallpox, further, can exist nicely in the host's body for at least ten years without any symptoms of disease appearing

on the surface. Herpes is an excellent example, for it cycles in the identical manner. The facts are—there is not treatment and no cure for Smallpox. It has been found in the remains of corpses exposed after thirty years.

Smallpox first popped forth in China in 249 B.C. (that is quite a long while ago). Further, in 200 A.D., Smallpox swept through the Roman Empire and was devastating indeed. Smallpox was prevalent throughout Europe during all of the Middle Ages. Major Smallpox outbreaks come in cycles of hundreds of years apart. The virus is also airborne and, therefore, a much more virulent form of the virus is a natural for the death merchants of the Club of Rome—for they already have vaccination ability and have utilized it for all of their Elite co-conspirators.

It is ideal, this higher form of killing—for man will simply call it “act of God”, or, look what the aliens are “really” doing to you—and the sheep stampede helter-skelter and never look at the source—“they” tell it to you in an emergency alert and via TV, lay it on you. Then, the President comes on the airwaves and starts a “War on Whatever the ‘thing’ of the moment is”, declares emergency status, seizes all your assets and you just go die somewhere—they even have a major section in their “Plan” book regarding how to dispose of the massive numbers of bodies, my friends. The military will be hit last, unless by nuclear attack, and the uniformed will incinerate the bodies.

My beloved little children—these terrible things are thrust upon you through the most heinous routes possible. Through your open and permissive misuse of the procreation organs. You are gradually opened to a lifestyle that actually “requires you be deviant in moral behavior” to be “mentally sound according to psychiatry”—all actions become “human rights” from sodomy (through which route AIDS is most rapidly and definitely spread) to body-fluid exchange—drug needles. This is aimed at a group deemed totally unwanted and undesirable in every aspect. Through the drug-wars you can kill off millions and call it God-ly, from the youngsters “pushing” in the ghettos through outright murder to long-ranging and all-out war! Either way you can kill hundreds of thousands and countless millions of undesirable persons, after first banning and confiscating all weapons from the citizens who then simply fall over dead; without wasting ammunition.

As these dormant viruses awaken there will be widespread hepatitis, meningitis and myolitis which produce excruciating death. I have told you in the AIDS *Journal* and others have brought it to your attention, although only in the most silent manner—in the Kaposi’s sarcoma stemming from AIDS—there is a spirochete of syphilis which is cultured from the lesion.

Well, I have a sickened scribe and I shall depart this subject now. I suggest you avail yourselves of other presenter’s information and by all means, if you can locate copies, get *A HIGHER FORM OF KILLING*, by Robert Harris and Jeremy Paxman; Hill and Wang, New York (an effort has been made to take it out of circulation and publication). Also *BAD BLOOD, THE TUSKEEGE SYPHILIS EXPERIMENT*, by James H. Jones. You would also benefit infinitely from any and all information you can glean from any of the John Coleman materials, i.e., *The Coming Plague* (Global 2000 Report), etc. There are others but my intention is to present information unto you—I am not in the library business and I, frankly, only wish to give honor and appreciation to these fine, daring and caring people for their ceaseless work. We are not in any manner in the “literary business”. These *Journals* are for the sole purpose of information. If you are only in the reading to critique or look for misplaced commas—so be it, that is your prerogative; I suggest you ignore the commas and get busy digging your shelter systems. TRUTH SHALL SET YE FREE! IGNORANCE WILL BE THY DESTRUCTION!

THESE ARE THE CHOSEN METHODS OF CRUCIFIXION!

## CHAPTER 34

REC #1 HATONN

TUE., MAR. 6, 1990 8:15 A.M. YEAR 3 DAY 202

### PREPARATION

Hatonn to speak of serendipity in the Light of Radiance and the passing of “time”. Also, I will remind you of things already discussed in the *Journals* such as SURVIVAL—not to bore you with repetition but rather, to assure you that this is not a “new” matter, but only a misplaced focus.

As far back as your early 1980s these same ones whom I honor today, for baring truth, were hard at it to get the attention of the masses and few listened. Ron Paul, Gary North, Arthur Robinson, Antony Sutton, John King, etc.—the list is long, indeed. IT IS NOW TIME YOU LISTEN-UP, DEAR ONES, FOR THE FOX IS ALREADY IN THE HEN HOUSE.

In the early 1980s you could have taken satchels full of money in cash to your local precious-metals dealers and walked out with unaccountable assets. It is harder now, but still possible. Remember, I must speak to a wide range of people in the *Journals* so you must be patient on either end of the economic chain. Obviously, if you have no assets—you will not be able to buy coins. Please use your heads and fit information to your situation. We can give you basics and then fringes—we cannot individually contact and instruct 6 billion persons and customize a plan.

For instance, you can still buy gold and silver coins if you take care and pay attention to quantity lumps. There are still many reputable dealers and there is nothing to prevent your doing business with all if you have funds enough. You can get good investment value by buying precious-metal jewelry at pawn shops. You can buy goods at swap meets—unfortunately, that is also a place for “fenced” goods. You can buy used or discounted durable consumer goods and tools and equipment to be used later as barter. There are still some exceptional opportunities but there are plenty of other writers who can tell you these things. I have no wish to utilize another’s material—we want you to wake up and use that information already available unto you.

Let us speak more in generalities and from a realistic perspective.

Since the plans of the Illuminati, which is the faction of the “Power Elite” whose power is money—woops! I have already lost my scribe and, therefore, I will have lost a great number of you good readers—so be it, we shall return to basic definitions and descriptions.

### EPHESIANS 6: 10-13:

My brethern, be strong in the Lord, and in the power of His might. Put on the whole armour of God, that ye may be able to stand against the wiles of the devil. For we wrestle not against flesh and blood, but against principalities, against powers, against the rulers of the darkness of this world, against spiritual wickedness in high places. Wherefore take unto you the whole armour of God, that ye may be able to withstand in the evil day, and having done all, to stand. So be it.

### THE CONSPIRACY

The idea of riot and revolution in America is no longer unthinkable to most Americans—it is now occurring daily. Yet, there is a conspiracy to not only overthrow your form of government but to destroy most of your population and reduce the United States to a weak outpost under the dictatorial rule of an international government. HEAR ME WELL AS I LAY DOWN THE BASICS ONCE AGAIN. IF

YOU ALREADY RECALL AND KNOW THESE THINGS—READ THEM AGAIN, FOR WHEN I BREAK DOWN THE FACTIONS WHO WAR, ONE AGAINST THE OTHER, YOU WILL NEED THE INFORMATION.

The plan to accomplish world government has been secretive. At most, there are only about 5,000 people in the entire world who have any significant understanding of THE PLAN. That is what we are about, as are many of your fine writers whose material shall be given at the ending of this *Journal*. I will utilize no bibliography as such, for I need none—but you need confirmation and further instructions—I am only to give you the precipitant to cause you to seek and find—quickly! Further, I do not endorse ALL material from any “one” author or group—but there are some writers who act in total integrity and their work is valid, indeed. I am now being prepared for lawsuits because, “Hatonn has NOT used some author’s material.” Well, perhaps the author’s intent is wondrous, indeed, but conclusions are incorrect and, therefore, renders almost useless the information preceding the conclusions. Some authors have conclusions which are totally accurate and reached them through incorrect assumptions—always the latter is the more acceptable.

Incredible and unbelievable efforts have been thrust forth to keep the true nature of the plan from leaking out to those people who would oppose or expose the plan—unto murder, torture, and destruction of a man’s reputation, career and family structure.

There have, however, been numerous individuals who have uncovered various aspects of the conspiracy. Many of these individuals have put their discoveries in print. Some of the most daring speakers and authors have defected from highest ranks of the CIA, FBI, SATANIC/WITCHCRAFT CIRCLES, KGB, CONGRESS, ETC. FOR EVERY ONE WHO IS STRAIGHTFORWARD, THERE ARE DOZENS STILL ON THE PAYROLL OF THESE GROUPS AND ARE OUT TO DISCOUNT, ANNIHILATE AND SMEAR THE WORD OF THE LEGITIMATE. You, the receivers, must be in the discerning and hopefully you are paying attention to the discernment tools and clues we give unto you.

As just a touch of witchcraft history, I would say that in 1624 there landed upon the American shores a group of Puritans—at a port called Collins Bay. This place is just northeast of what you now call Boston. The ship that brought them was owned by one, Francis Collins. Mr. Collins was a “witch” of Celtic descent. He built his home at Marblehead just south of what is now Salem Bay. Francis Collins built the Salem Church. It was this church that was the source of the Salem witch trials. Suffice it to say, however, that true to form, there were witches present but you can jolly-well bet that none of the people put to death were actually the witches.

From that Collins family have descended major heads of the “Witch” cults such as the Druids with their Council of Thirteen and true and open Satanism. A very brave defector who was once Grand Druid High Priest of a thirteen-state sector, headquartered in San Antonio, Texas (name withheld for his family is in great jeopardy) has tales to tell which would put *SATAN’S DRUMMERS* (Journal #9) in a kindergarten classification for reading material.

In the year 1971, when this man was Grand Druid Priest, over 90% of the politicians in that thirteen-state area received financial support through him personally, from the Grand Order. These politicians took orders regarding political decisions from him personally. The orders were passed down from the Rothschild Tribunal to the Grand Druid Council and then the Council passed them on to individuals and organizations under their authority.

This person was personally responsible for murder of an officer while in the military service. He was tried and convicted. However, when his prison cellmate was released, “Sir X” asked him to get word to a certain

individual in the U.S. who Sir X knew to be a witch (this killing occurred in Germany and thus the incarceration was in Germany). Within days a U.S. Senator and a Congressman showed up at the prison. Twenty-four hours later Sir X received an honorable discharge with all information of the shooting incident purged from his record. And just what do you think will be the ultimate penalties for the Iran-Contra scandals? Yet a man in your country who runs for President and brings forth truth—is sent away to prison and his young staff is imprisoned for 72 and 86 years respectively—for raising campaign funds.

When Sir X arrived in the U.S. after his release, his mother sent him to New York City. After he arrived he was trained for six months by Dr. Raymond Budkland, Chairman of the Druid Council of Thirteen. Following that he traveled out to the West Coast where he was trained for another six months by Mrs. Louise Hubner, another member of the Druid Council of Thirteen. (Remember, at that time the family name was Collins).

In 1972, Sir X was shown a chart giving THE PLAN FOR WORLD TAKEOVER. Just take a deep breath and we'll dive right in, for you have had your toe-testing of the waters.

### ILLUMINATI PLAN FOR WORLD TAKEOVER

Remove President and Vice-president  
Republican Successor Throws Election to Democrat  
Democrat President Gets Following Laws Enacted:

1. New gun law to take away guns from citizens.
2. Removal of tax exemption from churches.
3. Genocide Act
4. Presidential martial law powers
5. The Anti-Hoarding Act

### WORLD WAR III

Caused by Israel State battling over petrol, farmlands and chemicals.

### PLANS FOR AMERICA

Make every person totally dependent on the government by:

1. Creating a pseudo-fuel shortage
2. Confiscating all guns
3. Calling for "Helter Skelter"

(All trucks, trains and ships stop. Charles Manson leads army of some 200,000 White prisoners and motorcycle club members to create mass insanity in the streets (six months after his release) by bombing churches, raping, murdering and other fear tactics). "It will be when the lights of New York go out for good"—*Rothschild Tribunal*.

4. Declaring Martial Law—suspend Congress. Activate National Guard to keep order. One policeman for every five people.
5. With Anti-Hoarding Act outlaw all food and medical supplies from being stored.
6. Issue a Security Card to govern all buying and selling.
7. Destroy monetary system (All money, etc., becomes worthless).
8. Issue new currency.
9. Destroy all cropland. "There will be nothing south of the Mason-Dixon Line over two inches high from the Atlantic to the Rocky Mountains."—*Rothschild Tribunal*.

Rothschilds send all countries except America against Israel for the oil. Use of neutron bomb allows destruction of people while all buildings, natural resources and croplands remain intact. When war is over the world will be run from Jerusalem.

Oh, precious ones, I do not jest, this plan is the "End Plan", THE PLAN 2000—AT LEAST ONE FACTION THEREOF.

### DO YOU BEGIN TO SEE WHY EFFORTS ARE SO HEINOUS TO STOP MY WRITINGS FROM COMING FORTH AND SILENCE THIS SCRIBE? IT IS MOST SERIOUS, INDEED—PRAY FOR THIS SCRIBE AND HER CLOSE ONES FOR THE SHIELD OF GOD'S PROTECTION UPON THEM IN THIS TIME OF THEIR WORK.

Look carefully at the above chart [not included] and compare with today, almost two decades later—you see, only some of the players change—not the plan! See how it harmonizes with the rise of the world political ruler prophesied in *Revelation*.

In addition to the chart for world take-over was a letter from the Rothschilds—on Rothschilds stationery that stated, "We have found a man who is willing to become world ruler and remain obedient to the Illuminati. (shocker coming:) His name is Jimmy Carter."

### A QUIET LITTLE CITY CALLED SAN ANTONIO

In 1972 the total population of residents was listed as approximately 500,000. Out of that half million, there were at least 100,000 people connected directly with witchcraft.

Well, beloved ones, you must recognize right now: He that is within me is greater than he that is in you—and I can bind all your spells so that they won't work and everything will go wrong. All you have to do is ask! For it is through the Lighted path that you will come to overthrow Satan, demons, drugs, habits, addictions, and threat of assassination. But you will find that few will listen in the onset following your changes toward the Lighted pathway and then more and more and you of the Light will unify and will stand as a wall of light over and through which no darkness can pass. This ability will come only through understanding of the problems as they exist without blurred vision and in truth. Pick up the banner of Truth, as the ones who have come before are damaged by the evil enemies. Hundreds came bravely before these recent scribes—honor them, support them and protect them. Those who act in truth, defend and protect the speakers and identities—those of evil intent shout the names and addresses from the airwaves—those ones, in these days, shall be given to reap the tares and thistles which they sow, for God is moving, brothers—God is moving!

### LOOK AT THE PLANS

The Illuminati was started by the Rothschild dynasty in cooperation with Adam Weishaupt. The Rothschilds rose from obscurity in Germany to become the most powerful banking family in the world. The formation of the Illuminati occurred after the Rothschilds met Adam Weishaupt. Weishaupt was born the son of a Jewish Rabbi but he defected from Judaism and became a Franciscan monk. He studied in France where he became close friends with Robespierre who later led the French Revolution. Weishaupt also became friends with several people in the French royal court. These friends practiced the black mass, baby sacrifice and other vile rituals, as entertainment. It was through these associations that Weishaupt became acquainted with "Satanism" (to be distinguished from "witchcraft").

Weishaupt desired to acquire copies of the *Kabala*, *The Major Key of Solomon* and *The Lesser Key of Solomon*. These books told how demons could be controlled to do an individual's bidding by using occult practices and rituals. The Rothschilds had copies of these books and as a result were brought into a joint relationship with Weishaupt. The consequent result was the first union of Satanism with the Kabbalistic crafts.

The Rothschilds persuaded Weishaupt to leave the Catholic Church and unite the various occult groups. This he proceeded to do. One of the covens created by Weishaupt was "The Golden Dawn" which became and still

continues as the private coven of the Rothschilds.

Weishaupt and the Rothschilds proceeded to put together the creeds of the Golden Dawn. The Rothschilds gave what they considered to be important and Weishaupt was the priest who put it in final form. The result of all this was the Illuminati officially formed on May 1, 1776. To witches, May 1<sup>st</sup> is the birthday of Baltane. To them, it is the day when the Sun which is "the god of light" returns to the atmosphere from the underworld where he has been at rest. The lower witches know him as "Pan" but higher witches know him as "Lucifer". To witches the world over, May 1<sup>st</sup> is the New Year's Day of Witches. The fact that Communism celebrates its birthday on May 1<sup>st</sup> should reveal to the world that the same conspiratorial personalities who rule the Western capitalistic countries through banking control also rule the communist countries the same way.

The most important truth (lie) in witchcraft is the so-called Prophecy of Truth: "When the Son of Lucifer takes his throne, then will witches have peace forever mone (morning)." The goal of witchcraft has been and remains to be the placing of "The Son of Lucifer"—the Satan-empowered world ruler—on his throne so that witches the world over can lead the world, by whatever means, to worship Lucifer as the sole god of the world.

Towards this goal they have already built a behind-the-scenes network that effectively rules the basic six areas of society: (1) Religious (2) Political (3) Economic (4) Educational (5) Military and (6) Social. In every area only those personnel at the very top know the true nature of the purposes and activities of their organization. Those individuals at the lower and middle levels often feel they are working to accomplish some noble humanitarian goal.

The power of the Illuminati is money. In the area of money their resources are almost limitless. Their organizational structure is depicted by three pyramids and a sphinx. The three pyramids show the same four groups at the top: The Rothschild Tribunal (3 members) depicted by a triangle around the eye of Lucifer. Immediately beneath is the Druid Council of 13. Under that is the Council of 33 (Free-masonry). Below them is "The 500" known infamously to outsiders as the "Bilderbergers". From that point the groups are different. In the three pyramids representing the Occult and Religious; the Political, and the various organizations, only a few of the most important groups will be shown herein. There are other groups under the control of the Illuminati but the ones herein given are very representative of the most important groups. The Sphinx shows the power flow of the Illuminati. It must be remembered that to understand the chart the driving force is MONEY!

The Illuminati changed its name several years past because of a number of writers who began to expose it. The name used within the organization more currently is "Moriah" meaning "The Conquering Wind".

Suffice it to say that people still recognize the meaning of the term "Illuminati" and cringe when anyone is on target in describing its activities—like this moment!

Thank you, Dharma, let us take respite, please.

Hatonn to move to stand-by, Salu.

[END OF PART 16 AND JOURNAL #12]

**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); Part 15 (6/5/02, page 7)—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

## GOVERNMENT BY PROVOCATION: BUSH ADMINISTRATION ESCALATES TERROR WARNINGS

Editorial Board, *World Socialist Web Site*, 05/24/02

The series of statements over the past several days from the Bush administration, warning of terrorist attacks that could take the lives of thousands, if not millions of Americans, constitutes a huge political provocation. One after another, top officials declared that new attacks, involving biological, chemical or nuclear weapons, were inevitable, and the government was powerless to prevent them.

The message was unmistakable: Every person residing in the United States had to accept the prospect that at any moment he or she might be blown up or poisoned. The population as a whole was destined to endure more traumas like the destruction of the World Trade Center, and even worse catastrophes.

These wild predictions—all of which were issued without any substantiation—were not the misstatements of “loose cannons” within the government. They came from the highest levels in an orchestrated succession of warnings. The first was issued Sunday, May 19 by Vice President Richard Cheney, who declared that another terrorist attack on a U.S. target, likely even bloodier than the September 11 hijack-bombings, was “almost certain”. Cheney, who appeared on several network television interview programs, added that attacks by suicide bombers in public places, like those in Israel, were “a real possibility”.

He was followed Monday by FBI Director Robert Mueller, in a speech to district attorneys near Washington. Mueller said suicide bombings on the Israeli-Palestinian model were “inevitable” in the United States. “There will be another terrorist attack,” Mueller said, adding, “We will not be able to stop it. It’s something we all live with.”

The next warning came on Tuesday from Bush’s top domestic official for anti-terrorism planning, Director of Homeland Security Tom Ridge. The former Pennsylvania governor said that further terrorist attacks on Americans were “not a question of if, but a question of when.”

Secretary of State Colin Powell sounded the same theme in releasing the State Department’s annual report on terrorism Tuesday. He told a press conference that “terrorists are trying every way they can to get their hands on weapons of mass destruction, whether radiological, chemical, biological or nuclear.”

The most apocalyptic statements came Tuesday from Secretary of Defense Donald Rumsfeld, who told a congressional committee to expect a terrorist attack on the United States using weapons of mass destruction, including nuclear materials. He said that Iraq, Iran, Syria, Libya and North Korea were developing nuclear, biological and chemical weapons and would supply them to terrorist organizations.

“I’m just facing the facts,” Rumsfeld said. “That’s the world we live in.”

Rumsfeld’s language heightened the bizarre impression left by his testimony. Speaking of Osama bin Laden and al-Qaida, he declared, “They jerk us around, try to jerk us around, and test us.” As if to underscore the terrifying implications of his words, he added, “We are going to be living in a period of limited or no warning because of the asymmetrical advantages of the attacker as opposed to the defender.”

Compounding the effect of the warnings from Bush administration officials was an FBI alert that New York City landmarks, including the Brooklyn Bridge and the Statue of

Liberty, had been targeted for terrorist attack. The FBI admitted that its warning was based on vague and uncorroborated threats, but it was sufficient to impel city authorities to implement extraordinary measures not seen since the immediate aftermath of September 11. The Brooklyn Bridge was closed down for periods on Tuesday and Wednesday, and systematic vehicle searches were conducted at major bridge and tunnel entrances throughout the city on both days. The FBI also warned of potential attacks on New York apartment buildings.

Whatever the underlying motives, the intended effect of the government’s statements and actions is to engender a mood of general fear and panic. Such methods brand those in power as reckless and dangerous political provocateurs.

It is no accident that the government’s dire predictions come in the midst of revelations that call into question the official story of September 11: that the Bush administration and the U.S. intelligence apparatus had no forewarnings of the attacks, and could not have taken action to prevent them. The unraveling of the edifice of lies and evasions surrounding the events of last September threatens to undermine the legitimacy of all of the sweeping measures taken by the government since then.

Just as the destruction of the World Trade Center was seized on to stampede a shocked and disoriented public into accepting a drastic shift in U.S. policy, in accordance with plans for war abroad and repression at home already drawn up by the Bush administration, so now the government seeks to create a public mood of anxiety and confusion to preempt growing demands for a full investigation of its previous actions, while justifying new and even more extreme measures....

The American ruling Elite felt obliged to counter the danger of such a disaster by developing a wide-ranging political strategy, including mechanisms such as arms control agreements, diplomatic exchanges, hot lines, etc. No nuclear bombs were dropped during this period.

But in the decade-plus since the breakup of the Soviet Union, the U.S. has increasingly relied on its unchallenged military supremacy to impose its will on the rest of the world, spurning diplomacy in favor of bullying, threats and violence. Beginning with the administration of the elder George Bush, the U.S. has waged three major wars—against Iraq, Serbia and Afghanistan—and carried out many smaller-scale military actions around the world.

The turn to militarism has reached a new level of recklessness and violence under the present Bush administration. The U.S. now disavows all political methods for preventing conflicts. It refuses to negotiate with those it considers to be terrorists or “rogue states”. It dispatches its military to the most volatile regions of the world, and refuses to back off even when its armed interventions inflame global tensions to the breaking point—as in the Middle East and the Indian subcontinent. Instead, it prepares for new and even more incendiary interventions, most immediately, against Iraq.

The U.S. has become the single most destabilizing force in the world. The brutal and predatory character of its policies has generated ever more intense hostility among broad masses of oppressed and impoverished people in Asia, Africa, Latin America, and even within Europe. These policies, which are carried out to defend the interests of the U.S. corporate elite, not those of the working class, are ultimately responsible for the social and political conditions that breed terrorism....

It is obvious to all those able to think critically that the apocalyptic warnings emanating from the government will be

used to justify not only further military adventures overseas, but also a further crackdown on democratic rights within the U.S. This government by provocation is possible only because of the complicity of the media and the lack of any opposition from the Democratic Party. It is not backed by a popular mandate of the people. In fact, the Bush administration feels compelled to resort to desperate methods precisely because it has been unable to generate a patriotic war frenzy among broad layers of the population. The vast majority of working people are far more concerned with the threat to their jobs and living standards arising from the deepening economic and social crisis, for which the government has no answers.

The Bush administration must be called to account. It must be compelled to lay out before the American people the factual basis for its warnings and threats. Claims of executive privilege or the requirements of wartime “national security” are red herrings. If the people are being told that thousands or even millions are going to die in terror attacks that cannot be prevented, then they have a right to know the facts on which these claims are based. If, moreover, the government is using these doomsday predictions to arrogate to itself extraordinary powers—and it is—then the people have an absolute right to know the basis for such measures. It is their lives and their democratic rights that are at stake....

**[JR: Socialist or not, the comments in this article tell it like it is. It asks the right questions and answers them with clarity and honesty. Why do we Americans allow the preachers of doom and gloom in D.C. to continue their use of psychological terror to intimidate us and keep us in fear with their weekly warnings of our death and destruction? If the seers in D.C. can only predict terrorist attacks but are not able to protect us, then when do we say we have had enough and are not going to live with their threats anymore? The only way the U.S. will know peace and security is to remove our intrusive presence from other countries. That will only come about when Americans demand Washington work for peace and they stop supporting the Elite’s planned wars.]**

## SEC CHIEF DEFENDS MEETING PRACTICE

By Frank James, *Washington Bureau*, 05/24/02

WASHINGTON—Harvey L. Pitt, the controversial chairman of the Securities and Exchange Commission who has come under heavy criticism recently for meetings with executives of companies being investigated by his agency, defended his need to hold such meetings as essential to his primary role to protect shareholders.

Offering no apologies to critics, Pitt said he’d likely have such meetings again, though he has put in place a process at his agency meant to reassure the investing public that all such meetings are strictly above board.

Pitt also downplayed the furor over such meetings as an “unnecessary diversion” from the regulatory agency’s important agenda of improving both its enforcement efforts and corporate financial reporting.

In response to questions from journalists Thursday, Pitt used a “hypothetical” situation whose facts sounded very similar to those surrounding the Chicago-based Andersen accounting firm. The firm has fallen on hard times because of its destruction of records related to its audits of Enron Corp., the bankrupt Houston-based energy giant.

“I don’t intend to have any troublesome meetings,” said Pitt, meaning sessions with officials from companies under SEC investigation in which enforcement matters were discussed. But in what he twice stressed was only a hypothetical, he said he might meet with the chief executive officer of an accounting firm under investigation that was also having financial problems and in danger of ceasing to exist.

Such a meeting could be necessary to “make arrangements that the SEC supervises to be certain

that public investors and the companies that receive those audits are protected," Pitt said.

"It may be your view that that's a meeting that shouldn't be taken," he said. "It's not my view. I can't help it." Pitt didn't say whether such a meeting with Andersen officials had actually occurred.

"That's why when you ask me for an absolute guarantee that no one under investigation will ever, ever have a meeting, the answer is, that wouldn't be in the public interest," Pitt said. "On the other hand, if the purpose is to talk about the investigation, then they ought to be meeting with our enforcement division."

If there were an absolute ban on his ability to meet with officials from companies under investigation, "given the number of investigations we have going, we would not be able to regulate the [financial] markets," he said.

Controversy has swirled around Pitt's private meetings with corporate officials after it became publicly known that he met with the heads of KPMG, the large accounting firm, and Xerox Corp., the electronic imaging company. Both have been under SEC investigation, KPMG for its audits of Xerox's books. The SEC sued Xerox last month, alleging that the company used accounting tricks to fatten its earnings by \$1.5 billion and mislead investors.

SEC Commissioner Isaac Hunt, among others, has voiced objections to Pitt's meetings with companies under investigation by the agency, saying it is a deviation from an informal practice against such interaction.

The issue is especially touchy for the 57-year-old Pitt because prior to rejoining the SEC—he started his career there in 1968 and became its general counsel in 1975 at the young age of 30—he represented KPMG and other top accounting firms as one of the nation's top securities lawyers.

His role as a private-sector lawyer with these clients has prompted some critics to question his judgment in holding such meetings, saying it creates, at the very least, the appearance of a potential conflict.

Despite calls from some quarters that he consider resigning, Pitt showed no signs of listening. The White House, for its part, has said he still enjoys President Bush's strong support.

Pitt said the criticisms divert attention from work that is vital in boosting investor confidence in the markets. For instance, the agency's enforcement activities have been the most active ever during his chairmanship, he said.

In the first three months of this year, the SEC opened more than double the number of accounting and financial reporting investigations as it did during the comparable period last year. The agency is also on pace to exceed the 484 total enforcement actions it filed during fiscal year 2001, which ended Sept. 30.

While Pitt said he sought to respond to his critics, demand for transparency about his meetings with officials of companies whose practices are under review, he declined to say what precise process had been put in place to review meetings, other than to say it included his ethics and general counsels.

Also, he said he wouldn't provide a list of the corporate officials he has met since becoming chairman. "While transparency is the order of the day, there is no SEC chairman, none, never, who has ever basically talked about every meeting that she or he has held," Pitt said.

Pitt strongly defended the general usefulness of meetings with company officials.

"It's impossible to function as an agency head without understanding what's really going on in the world and in the market," he said. "Of course, that means you have to talk to the investors and the people who are supposed to serve investors and the like."

Stanley Sporkin, a former SEC official and federal judge who knows Pitt well, agreed with the chairman that the controversy over the meetings and their disclosure has been unnecessary.

"If he would disclose everybody he's meeting with, there may be instances where that might

jeopardize something that's rather sensitive," Sporkin said. "Do you know every person [Federal Reserve Chairman Alan] Greenspan is meeting with?"

Sporkin said Enron's collapse has created a "tornado" of recriminations that has engulfed anything in its path, including Pitt. "He's not the problem but he's in the wake of a tornado. People are looking for scapegoats here on Enron, and they're going to take anybody they can get." **[JR: The Chairman of the SEC meets with CEOs of companies under his investigation and sees no conflict or impropriety. Union officials are golf buddies with company managers and politicians. Special interest groups make rules that become government regulations. Wall Street gurus peddle stocks for failing companies. Top accounting firms cook the books for top businesses to show profit for debts and it's called aggressive accounting, which is supposed to reflect future growth. Our Congress is the best money can buy and give comfort to our enemies. Presidents are now dictators and the sole authority in government. Wars are started to promote special interests. Foreign entities have taken control of the U.S. and now make our policies. What is wrong with this picture? NOTHING... this is the way the world and governments operate today! There is no transparency in business or in governments and there are no rules or laws against this except those the Elite invent/create for themselves. Harvey L. Pitt is a man of his times and there are a million more like him.]**

#### MEMORIAL DAY 2002

*Internet, 05/27/02*

In his address in Normandy on this Memorial Day, George Dubya spoke of all the Crosses *and* Stars of David at the American military cemetery there.

Following up on this theme, U.S. television was able to locate *one* solitary Star of David, which it then placed conspicuously front and center of all those thousands of Crosses. Apparently, it was the only one they could find.

The fact is that—although the Jews were certainly brave in beating the drums for a war which cost nearly a million American lives—they were noticeably scarce and underrepresented at the frontlines.

Perhaps this is the reason we are not given the actual figures of Jews who are buried in U.S. World War II military cemeteries. It might cause the American public to ask some uncomfortable questions.

**[JR: Another public relations push by Bush's handlers to polish the tarnished image of the false Jews in order to capitalize on the few Jews who did participate in the fighting during WWII and paid the ultimate price.]**

#### PRO-ISRAEL GROUPS TAKE AIM AT U.S. NEWS MEDIA

*By Tim Jones, Tribune, 05/26/02*

The contentious issues of the Middle East have spilled over into the U.S. media as pro-Israel organizations are pressuring news outlets, through boycotts and other measures, to change the way they report on the Israeli-Palestinian conflict.

The campaigns are motivated by the desire in Jewish communities that the United States maintain its traditional support of Israel and by a concern that media coverage of the Mideast, especially articles deemed sympathetic to Palestinians, could weaken public backing for Israel and ultimately alter U.S. policy.

News executives accused of having a pro-Palestinian bias respond that the critics are not seeking evenhanded reporting but advocacy on behalf of Israel.

The ad hoc campaigns among Jewish organizations stretch from coast to coast. They are directed at both large and small news operations, some with their own correspondents in the Mideast and some that rely solely on

the *Associated Press* or other international news services. Organizers employ word of mouth and the Internet to expand their campaigns. The result is a cascade of e-mails, letters and phone calls to editors and ombudsmen at newspapers, broadcast outlets and cable news channels....

Aiming to bolster their arguments of bias in reporting and editing, Jewish groups have either commissioned or conducted their own studies of news coverage by at least two newspapers, the *Tribune* and the *Chronicle*....

"No one has ever seen pressure like this before," said Jeffrey Dvorkin, the ombudsman for Washington-based *NPR*. "In the last three months I've received 14,000 e-mails and 9,000 of them deal with the Middle East. E-mail traffic in the last month has overwhelmingly accused us of having a pro-Palestinian bias."...

A boycott of the *Washington Post* is planned for mid-June, sponsored by a group charging that the newspaper "favorably reports the position of terrorists."

"The scope of this barrage raises an interesting question," *Post* ombudsman Michael Getler wrote earlier this month. "Is it possible that so many major American news organizations are getting this story wrong; that some sort of national media conspiracy is at work here?"

"That, of course, is not the case, and news organizations will persevere in reporting this story in an unflinching, unintimidated fashion that reports the news in the most accurate way possible for their entire readership."...

Jewish organizations and a much smaller number of Palestinian advocacy groups are mobilizing to influence the reporting of words and images that come from the Middle East. The efforts at times resemble the work of campaign consultants putting their spin on the day's political events. That pro-Palestinian groups have now expanded their lobbying and public-relations efforts is an added concern for pro-Israel groups.

"People who are pro-Palestinian have gained a fair amount of sophistication in the communications efforts," said Phil Bronstein, executive editor of the *San Francisco Chronicle*. "The Israelis have always been quite effective and the balance has shifted, and I suspect that has been worrisome to those who see their opponents being more effective."

Abraham Foxman, national director of the Anti-Defamation League, said many of the "problems" with reporting from the Middle East are the result of "ignorance, a lack of perspective, people [reporters] being parachuted in without any background, history and perspective."

"And it shows in their reporting," Foxman said.

Michael Kotzin, executive vice president of the Jewish Federation of Metropolitan Chicago, said no media organization would ever admit bias but that there "is a basis for legitimate criticism and finger-pointing."

"If they're not biased, that doesn't mean they're doing their job," Kotzin said.

"Justice and truth is on Israel's side," he said. "Newspapers and other media outlets don't help when [they create] sympathies for those who would destroy Israel."

The absolute support for Israel and its actions expressed by Kotzin and other passionate advocates, and their ensuing criticism of the media, lies at the heart of the debate.

Newspapers, in their reporting as opposed to their opinion pages, see their mission as presenting all sides of an issue or conflict fairly and not as adopting the position of any one side....

Defenders of the media coverage say the critics want advocacy and not objectivity from the American media....

Many of the objections stem from the use or non-use of certain words, such as terrorist, retaliation or occupied territories. Varying interpretations of Middle East history are another source of dispute.

Mark Rotenberg, general counsel at the University of Minnesota, who describes himself as a newcomer to activism, recently founded Minnesotans Against Terrorism, the group that bought the *Star Tribune* ad demanding that

the paper label suicide bombers as terrorists....

The Jewish community does not speak with a single voice. Rabbi Michael Lerner, editor of the San Francisco-based *Tikkun* magazine, said the pressure campaigns are a form of "McCarthyism that is attempting to prevent the American media from telling any part of the story from the perspective of what is happening to Palestinians."

"In the long run this will produce more anti-Semitism and less security for Jews," Lerner said. "This is counterproductive."

Others object to boycotts by a people with their own history of suffering under anti-Semitic boycotts. "This is something we don't support, don't engage in and don't encourage," Foxman said.

Some campaigns seek to document their contention that the media are slanted.

The Jewish Federation of Metropolitan Chicago commissioned a study comparing the *Tribune's* Middle East coverage with that of the *New York Times* and the *Washington Post*. The report has been completed, but Kotzin has declined to release it.

"This was just meant to be a starting point for a conversation," Kotzin said. "We're not going to make it public."

The reaction among pro-Israel readers has been fueled by the continuing bloodshed, concern about recent anti-Semitic attacks in Europe and fear that the United States may waver in its support of Israel as it seeks Arab support for a broadening fight against terrorism.

"Israel's survival is at stake," Kotzin said, echoing the concern of many Jewish leaders. "This has been a media war from the start. ... It is important that the American media not become a propaganda tool."

News executives agree on that much, that the media should not be a tool—for either side.

**[JR: The number one concern of Israel is to maintain their control of the U.S. and its support and to keep that waterfall of money flowing from the Federal Reserve into their Zionist banks. Israel decided in April that it was essential to begin a public relations campaign to defuse the growing world criticism against their military actions in the Palestinian territories. It is now imperative that they convince the world that the Israelis are the victims and that the Palestinians are the terrorists and not defenders. Their proclaimed boycott of certain newspapers is but a sham as most of the major news outlets, TV and printed news are owned and controlled by the Elite false Jews. If the Jews in the U.S. believe that truth and justice are on Israel's side, why are they so overwhelmed by public opinion? They attack their accusers and critics with their usual cries of anti-Semitism. The truth is that the accusations are directed against the Zionists and the false Jews. Who are the Semites? The Jewish people have been taught to trust no one and to segregate themselves from other races. That is one of the reasons why they are always misjudged and looked upon with suspicion. The Jewish people will have to come to terms with Israel's actions against the Palestinians and the Zionist plan to create a Jewish State that is built on a false history as to their beginnings and roots as a people. They will gain the world's trust when they are honest and truthful about themselves and face up to the lies that they have been programmed to believe for centuries.]**

#### ISRAELI MOSSAD AND INDIA SPY AGENCY RAW TEAM UP, TARGET PAKISTAN

By Tariq Saedi, *Globe-Intel*, 05/19/02

Janes information group, the world's foremost source on intelligence information, reported in July 2001 that "The Indian spy agency RAW and the Israeli spy agency Mossad have created four new agencies to infiltrate Pakistan to target important religious and military personalities, journalists, judges, lawyers and bureaucrats." In addition, bombs would be exploded in trains, railway

stations, bridges, bus stations, cinemas, hotels and mosques of rival Islamic sects to incite sectarianism.

Pakistani intelligence agencies also said that RAW had constituted a plan to lure Pakistani men between 20 and 30 years of age to visit India so that they could be entrapped "in cases of fake currency and subversion and then be coerced to spy for India".

This was the high point of cementing an unholy alliance which began much earlier and which continues to tighten its noose around the neck of Pakistan, Iran, Afghanistan and Central Asia.

It appears that RAW and Mossad—either singly or jointly, either covertly or overtly—have been making efforts to penetrate sensitive circles of top echelon in Pakistan.

It cannot be said with certainty but there are some reasons to assume that Benazir Bhutto, the former prime minister of Pakistan, wittingly or unwittingly, played in the hands of RAW-Mossad masterminds. She appointed Rehman Malik as chief of the Federal Investigation Agency which then launched a secret war against the Islamists; amounting to a direct attack on the ISI...

It seems that the Pakistani military was equally dismayed by reports of FIA contacts with the Israeli secret service, the MOSSAD, to investigate Islamist terrorists.

One of the first acts of President Leghari after dismissing Benazir Bhutto on November 5, 1996 was to imprison the Ghulam Asghar, head of FIA, suspended on non-specified corruption charges. Rehman Malik, Addl. Director General FIA, was also arrested.

Whether these actions were triggered as a consequence of plotting by RAW-Mossad planners or whether it was an entirely internal matter, it is difficult to say.

Bhutto's visit to India last year at a time when Pakistan was going through one of the worst crises in its history, and her statements there which aimed to undermine the whole foundation of Pakistan, generate more than a flicker of doubt in analytic minds....

What is clear right now is that Indian RAW and Israeli Mossad are collaborating extensively to curb the freedom movement of Kashmir and destabilize Pakistan.

The Indian newspaper *The Pioneer* wrote on March 3, 2001: "Fencing of the Indo-Pak border is not enough. To check Pakistan-sponsored cross-border terrorism, top security experts of Israel have suggested that hi-tech gadgets ranging from an electronic barrier system of radars to thermal imaging devices should be immediately installed on India's sensitive international border in J[ammu] & K[ashmir] and Punjab sectors...."

"India is keen to purchase surveillance aircraft (UAVs) from Israel to gain intelligence teeth. The UAVs could also help the state police in keeping an eye in naxalite-affected areas of Andhra Pradesh.

"For several years, Mossad and Israel's internal intelligence agency, Shinbet, have utilised unmanned air vehicles to patrol the hypersensitive Gaza border."

Qutbuddin Aziz, former minister in Pakistan embassy in London, wrote an excellent article, titled "Dangerous Nexus between Israel & India." It was published by a prominent Pakistani newspaper on April 1, 2001.

Aziz writes: "Top secret details of Indian Home Minister LK Advani's visit to Israel in June 2000, show that the deals he has struck with the Israelis would make India and Israel partners in threatening the Muslim world with diabolic conspiracies to fragment and cripple it as a political force in the world. The details of his meetings with Israel's rulers, particularly the heads of the Israeli Home Ministry and its intelligence agencies, Mossad and Sabak, reveal that the arrangements he has made for joint Indo-Israel espionage operations in key areas of the Muslim world would make the Indian embassies in these Muslim countries the eyes and ears of the worldwide cloak-and-dagger Israeli spy network.

"Under the euphemism of 'counter-terrorism', India is allowing Israel to establish a huge spy establishment in India which will, *inter alia*, unearth and monitor 'Islamic fundamentalist' individuals and groups for elimination by extra judicial process or by cold-blooded murder and kidnapping.

"The most important meeting Indian Home Minister Advani had during his three-day Israeli tour on June 13-16 was with the top brass of Israel's intelligence agencies in Tel Aviv. Heading the Israeli team was the powerful chief of Israeli police, Yehuda Wilk, with the heads of the Israeli intelligence agencies, Mossad and Sabak, and military officials dealing with Israel's punitive and espionage operations against Arabs in Israel, Palestine and neighbouring states such as Lebanon and Syria. Senior officials from the Israeli Foreign Office and the defence and home ministries attended this meeting. Israeli experts in bomb detection were also present....

"In the June 14 Tel Aviv meeting, the Israeli Police Chief, Yehuda Wilk, profusely praised India for its friendship with Israel and pledged help to the Indian government in combating 'Muslim terrorism' that poses new threats to Israel and India. The heads of India's intelligence agencies then briefed the Israeli side in the meeting on the ground situation in India in respect of 'Muslim terrorists' especially in Jammu and Kashmir and the new dangers coming up for India and Israel because of the Pakistani bomb and the fear that Pakistan may give its nuclear weapons to the anti-Israel Arabs.

"The Indian side showed a keen interest in learning from Israeli security experts how they had run the slice of Lebanon which Israel ruled for 18 years and gave up recently. Some information about the Israeli torture and investigation methods was gathered by the Indian side from the Israelis with regard to dealing with Arab dissidents within Israel and in the Palestinian Authority region.

"The Indians gave the Israelis a long shopping list of spying, torture and surveillance equipment such as electronic fencing of sensitive sites, laser systems, short-range rockets, eagle-eyed long distance snipers, observation blimps, giant shields, night vision device, unmanned aircraft of the MALAT wing of the Israeli Aircraft Industries Limited, special protective dress and gear for security personnel, cross border snooping devices and gadgets, training and deployment of spies and the special gear for them, use of computers and Internet for espionage and disinformation, code-breaking, tailing of enemy agents and their elimination, nuclear espionage, purloining state secrets of hostile countries and pooling them for the good of India and Israel and their mutual friends....

"Israel has several teams now in Kashmir training Indian counter-insurgency forces to fight the dozen separatist guerrilla groups operating in the Indian-controlled sector of the disputed state.

"The exact extent of the involvement in Kashmir by Israel's intelligence agencies is far from clear, but it fits into Israel's increasing focus on events in Central Asia, and as far afield as Indonesia, the world's most populous Muslim state, to counteract Islamic fundamentalism, which it perceives as a major threat....

If there is still any doubt as to the real intentions of Israel, then please see this statement issued by David Ben Gurion, the first Israeli Prime Minister. His words, as printed in the *Jewish Chronicle*, 9 August 1967, leave nothing to imagination:

"The world Zionist movement should not be neglectful of the dangers of Pakistan to it. And Pakistan now should be its first target, for this ideological State is a threat to our existence. And Pakistan, the whole of it, hates the Jews and loves the Arabs.

"This lover of the Arabs is more dangerous to us than the Arabs themselves. For that matter, it is most

essential for the world Zionism that it should now take immediate steps against Pakistan.

“Whereas the inhabitants of the Indian peninsula are Hindus whose hearts have been full of hatred towards Muslims, therefore, India is the most important base for us to work therefrom against Pakistan.

“It is essential that we exploit this base and strike and crush Pakistanis, enemies of Jews and Zionism, by all disguised and secret plans.”

**[JR: This presents a different picture as to why the tensions are heating up between India and Pakistan. The Zionists, like the U.S. are everywhere stirring up hatred, fermenting turmoil and instigating violence. You would think there would be someone in the Indian government that would have doubts about Israel being a trusted ally given her history of incursions into other countries' affairs. Didn't the Indian government learn anything from over a century of occupation and betrayals under British-Israel? India has made a pact between Kali and the adversary of evil, who intend to destroy all Muslim countries that will eventually extend to Hindu India. India and Pakistan are being used in the Elite's power games and their survival will depend on setting aside their differences and the sharing of intelligence so both can see how they are being used and manipulated. The Zionists' plan is to gain control of the Middle East and Central Asia. All Christians can be counted on being next on the Zionist's list of targets. In 1912 the Jewish Bolsheviks took over Christian Russia and in the same year they created the U.S. Federal Reserve in order to implement their fiat dollars and set up their private banking system. In 1970 Henry Kissinger targeted Latin America with his Andes Plan that overturned elected governments and created the instability and civil wars that are ongoing for the past thirty years. The Bolsheviks and the socialists set the stage for the Zionist plan for world domination and is almost complete. Wake up! There is no place for any of us in the Zionist New World Order.]**

#### APPEALS COURT: KOSHER LAWS UNCONSTITUTIONAL

By Tom Demoretzky, *Newsday*, 05/22/02

A federal appeals court in Manhattan yesterday affirmed that New York State's kosher laws are unconstitutional and violate the principle of separation of church and state, upholding a lower court's ruling in favor of a Commack meat market.

The Second Circuit U.S. Court of Appeals said the state's kosher fraud laws were unconstitutional because “they violate the Establishment Clause by fostering excessive State entanglement with religion”.

The 37-page finding by the three-judge panel comes in a lawsuit filed in 1996 by Commack Self-Service Kosher Meats and its owners, Brian and Jeffrey Yarmeisch. The suit claimed that state laws, as set by a state-appointed rabbi, were heavily Orthodox and not “an acceptable standard”.

Commack Kosher, as the store is known, paid two fines after it was cited three times in the 1980s, including a 1986 citation that charged the store had failed to “soak and salt” veal spare ribs.

In August 2000, U.S. District Judge Nina Gershon, in Brooklyn, ruled that the laws violated separation of church and state. Yesterday's ruling affirming that decision can be overturned only by the U.S. Supreme Court.

Marc Violette, spokesman for state Attorney General Eliot Spitzer, said yesterday the office had not reviewed the decision and would have no comment. He added, “I believe while litigation is pending the law is still in effect.”

Robert J. Dinerstein, lawyer for Commack Kosher, also said he could not yet comment.

After Gershon's ruling, some local Jewish people had expressed concern that the ruling would make it unclear exactly which foods are kosher and which are

not if state standards aren't applied.

Violette said at that time, “Our commitment is to protect the rights and interest of the kosher consumer. We want civil standards that can be used from Long Island to Buffalo.”

**[JR: Why should New York state, or any other state for that matter, enforce Kosher laws which it is part of a religious precept/laws. N.Y. City, with its large Jewish population may get by with enacting specific regulations. To avoid the appearance of preferential privileges, Kosher standards should be directed through synagogues, with oversight by the Rabbis. If the Catholic Church or any other religion wanted to regulate standards for their members, the responsibility would fall on the diocese or the clergy to inform and educate their congregations. If we are so focused on the “separation of church and state” how were the Jews able to pass their religious Noahide Laws as Public Law 102-14 in 1991 which made the Jewish state/religion our national religion. The challenge is for us to go beyond the Kosher laws.]**

#### QUESTION RAISED OVER ARMS SEIZED BY U.S.-LED FORCES

By Rahimullah Yusufzai, *Gulf News*, 27/05/2002

PESHAWAR—Should the U.S.-led allied forces destroy or hand over arms seized by them in Afghanistan to the country's upcoming national army?

The question has become relevant as the Western coalition troops have until now largely destroyed whatever weapons fell into their hands during their military sweeps in eastern and southern Afghanistan.

The 60,000-man army being raised would surely need arms of every description. Then there is going to be a police force of 70,000. Besides, border patrols and tribal militias may also be raised. All these forces would have to be armed.

A poor, war-ravaged country like Afghanistan presently surviving on international aid shouldn't be buying arms in the world market for its armed forces and police.

But that is most likely going to happen if the Western forces continue to blow up the stocks of seized arms. In fact, critics are already pointing out that the arms industry in the U.S., the UK and other European countries would benefit the most if Afghanistan has to buy weapons in future.

The destruction of the existing arsenals in Afghanistan that mostly comprise Russia-made arms would enable Western manufacturers to dump their weapons in the country. It is possible that Western and Russian arms manufacturers would enter into a bitter race to sell more in Afghanistan.

It is true that Afghanistan is awash with arms and ammunition.

The 24 years of war and feuding brought stockpiles of weapons into Afghanistan from sources as diverse as the U.S. and Russia, Pakistan and India. An enormous black market in arms grew, not only in Afghanistan but also in the neighbouring countries, particularly Pakistan.

Most Afghans would be happy if they are helped in getting rid of the arms and the warlords. It was the hatred of the warlords that paved the way for the Taliban in the first place and the public animosity towards the gunmen now back in power with U.S. support is building up again.

But the Afghans would be relieved if a national army is raised and armed by disarming the armed groups and cutting the warlords down to size.

The recent destruction of arms dumps by British troops in the mountains of Paktia province has triggered questions about the motives of the Western soldiers operating in Afghanistan.

The controlled explosion, stated to be the biggest conducted by the British after the Second World War, destroyed the arms stored in caves and sent a strong message to Afghan military commanders who

have hidden away their weapons.

However, the British were soon embroiled in a controversy when a former Mujahideen commander, Ibrahim Omari, claimed that the arms belonged to him and not to the al-Qaida and the Taliban.

Despite being a younger brother of the wanted Taliban leader Mullah Jalaluddin Haqqani, Omari has until now sided with the U.S. and its Western allies in their so-called war on terrorism in Afghanistan.

The blowing up of arms belonging to an Afghan ally was a blunder that could have been avoided had there been more coordination between the British and American forces, who knew about Omari's arms depots in the Paktia caves and had refrained from destroying them.

This was perhaps one of the many mistakes committed by Brigadier Roger Lane, commander of the British troops in Afghanistan, and led to his premature replacement.

**[JR: The Afghans can't be expected to buy arms for their military and police to protect the areas invaded by the West. Afghanistan does not have the resources to even feed and shelter their people much less rebuild their destroyed towns and villages. The top priority will be the reinforcement of the controlled areas and not the plight of the refugees. You can bet that the U.S. taxpayers will be expected to pick up the tab for the arms so that the oil pipeline can be built for the U.S. and British oil companies. The Afghans may want to be rid of their local warlords, however, they are being replaced by warlords selected by the West. They will then rule from Kabul and not from their local mountain regions.]**

#### O'NEILL URGES TAX FIX TO STEM OFFSHORES

By Jonathan Nicholson, *Daily News*, 05/17/02

WASHINGTON (*Reuters*)—Treasury Secretary Paul O'Neill said on Friday the overly complex U.S. corporate tax code needs to be fixed at the same time as lawmakers seek to stop companies from moving the addresses of their headquarters offshore to lower their taxes.

“When we have a tax code that allows companies to cut their taxes on their U.S. business by nominally moving their headquarters offshore, then we need to do something to fix the tax code,” O'Neill said in a statement accompanying the release of a long-awaited Treasury report on the phenomenon.

“If the tax code disadvantages U.S. companies competing in the global marketplace, then we should address the anti-competitive provisions of the code,” O'Neill said.

“I don't think anyone wants to wake up one morning to find every U.S. company headquartered offshore because our tax code drove them away and no one did anything about it.”

In recent months both Republican and Democratic lawmakers have spoken out against the corporate moves, which usually involve setting up a shell holding company offshore.

In March, Sen. Chuck Grassley of Iowa, the ranking Republican on the Senate Finance Committee, questioned the patriotism of firms that take advantage of the tax loophole.

“We ought to be able to expect American companies to have their heart in America,” Grassley said. “I think in time of war, you ought to have your heart in America and your properties here and pay your fair share.”

O'Neill, the former head of aluminum giant Alcoa Inc., has taken a softer line on the issue.

Last month, at a ceremony marking the signing of a tax information exchange agreement with the Netherlands Antilles, he said: “I think individuals and companies should act within the legal tax framework and I don't think we ought to hold people in contempt for doing what the law of the land says they're permitted or encouraged to do.”

The Treasury report released on Friday had no estimates of how many U.S. companies have moved

offshore or the loss of revenue associated with the moves. But it said there has been a “marked increase” in the frequency and size of the companies involved.

“As more inversion transactions are consummated, more companies find it acceptable from a public relations standpoint to contemplate such a transaction,” the report said.

It said the U.S. tax system sometimes puts U.S. firms at a disadvantage by taxing income earned overseas, something many U.S. trading partners do not do.

It also noted that companies can try to lower their U.S. tax bills in a variety of ways, including simply basing themselves overseas from the outset.

“Measures designed simply to halt inversion activity may address these transactions in the short run, but there is a serious risk that measures targeted too narrowly would have the unintended effect of encouraging a shift to other forms of transactions to the detriment of the U.S. economy in the long run,” the report said.

Republican Rep. Nancy Johnson of Connecticut said the study underscored the need for a bill she is sponsoring that would place a moratorium on such moves, retroactive to Sept. 11, 2001 and extending to Dec. 31, 2003, while Congress works out a comprehensive solution.

“If we put the brakes on these moves now, Congress will be able to thoroughly examine the many issues raised by these transactions without the U.S. making a mad dash overseas,” Johnson said.

In Johnson’s district, toolmaker Stanley Works (SWK.N), is a high-profile example of a company seeking to dramatically cut its taxes by shifting its headquarters offshore.

Stanley shareholders are due to vote again soon on the firm’s plan to move its headquarters from New Britain, Conn., to Bermuda. Stanley says the move would save \$30 million a year in taxes. A shareholder vote in early May appeared to approve the move, but the company is allowing a second vote after acknowledging confusion over how non-votes would be counted.

**[JR: Not only does the tax structure practically force companies off shore to compete, but the NAFTA incentives provide even greater benefits for companies to move across borders or seas. Why do you suppose the contents of many oil tankers are purchased while the oil is still on the high seas? It is because the markup or major profit level is raised before the product enters the U.S. That way there is very little taxable profit made in the U.S. so the taxes are minimal. The same applies to most imported items. The profits are made before the product enters the U.S. American companies headquartered in the U.S. have to pay their full share of taxes while their importing competitors make huge profits off cheap foreign labor and still pay minimum U.S. taxes. The bottom line is profit and as for national loyalty... it means absolutely nothing to these multinationals.]**

#### U.S. OFFERS JETS WITH HIGH-TECH MISSILES

*Newsday*, 05/23/02

BRAZIL—The Pentagon has offered to sell F-16 fighter jets to Brazil that would include advanced air-to-air missiles.

It would be the first U.S. sale of the weapon in Latin America.

The Defense Security Cooperation Agency made a presentation to the Brazilian government to sell the advanced F-16 Fighting Falcon with associated weapons and equipment, officials said Wednesday.

That includes the advanced medium-range air-to-air missiles known by the acronym AMRAAM, the officials said.

The system allows a fighter pilot to launch the weapon from beyond visual range of his target. It also provides a greater capability to attack low-altitude targets.

Officials believe the sale is justified because neighboring Peru has purchased a Russian version of the AMRAAM, a

defense official said on condition of anonymity.

**[JR: The sale of the F-16 fighter jet to Latin America makes you wonder why the U.S. bothers to sign disarmament treaties when we hold the distinction of being the number one arms dealer in the world. If the U.S. really wanted to help these struggling countries out of poverty, why sell them arms when the money could be directed towards more positive and productive projects?]**

#### A MEXICAN VISA-VENDING SCANDAL

By Michelle Malkin, *townhall.com*, 05/17/02

President Bush signed an immigration reform bill this week that will supposedly make our borders “more secure” and “smart”. But “smart” technology can’t cure corrupted borders. This new law won’t do much good if our own State Department officials are willing to sell out national security and peddle American visas for bribes. A little-noticed scandal is brewing to our south that President Bush, Secretary of State Colin Powell, open-borders panderer Karl Rove and Mexican President Vicente Fox would all prefer to ignore. It involves an FBI investigation of entrenched visa fraud at the American consulate in Juarez, Mexico. Last month, U.S. consular employee Arcelia Betansis was convicted in El Paso on federal charges of accepting bribes and gratuities in return for expediting visa approvals. From 1998 to 1999, Betansis assisted nearly 500 people seeking visas and border-crossing cards, including wealthy businessmen, drug traffickers and professional boxer Julio Cesar Chavez.

In return, Betansis received thousands of dollars in cash, loans and gifts, including airfare and tickets to one of Chavez’s boxing matches in Las Vegas. And this may be just the tip of the iceberg. FBI agent Art Werge, who uncovered Betansis’s crimes while conducting a major San Diego drug trafficking bust, says that Betansis’ superiors are now under investigation. Unchecked visa fixing among high-ranking officials has long been rumored at the Juarez outpost, but only Betansis (a relative small fry in the office who worked in communications) has suffered any consequences.

*National Public Radio* correspondent John Burnett reported on this scam a few weeks ago, and the Mexican press has covered it extensively, but the Juarez visa fraud investigation has received almost zero coverage stateside. It deserves a higher profile, and it deserves attention in Congress.

Before Sept. 11, such visa-vending crimes by American embassy and consular officials might have been viewed as isolated embarrassments. Now, they must be seen as treacherous breaches that demand zero tolerance by the State Department. The consular corps is, as Steve Camarota of the Center for Immigration Studies puts it, “America’s other Border Patrol”. Responsible for issuing more than 6 million visitor visas and nearly half a million immigrant visas every year, these consular offices are our first line of defense abroad in the war on terrorism.

Yet, overwhelmed and understaffed offices often spend less than two minutes per application. Their anti-fraud budgets are measly. And punishment for diplomats involved in visa fraud schemes is spotty and secretive. According to a review by the *Los Angeles Times* three years ago, a “majority of diplomats suspected of wrongdoing in issuing visas retired or were moved to another post. Cases that were opened took years to develop and usually ended up being dropped.” Punishment for diplomats suspected of visa irregularities rarely appears to extend to firing or prosecution, the paper noted.

In addition, foreign-born, low-level officers working in American consulates are ripe targets for bribery. Betansis was a native of Mexico. Yemeni national Abdulla Noman, who was arrested in October 2001, used his position as a United States consular employee in Saudi Arabia to sell false visas to Middle Easterners,

according to federal prosecutors. If we have enough common sense to try to bar non-citizens from the federalized airport security workforce, shouldn’t we take a harder look at foreigners working in our consular offices and embassies overseas who have the power to let countless potential menaces through America’s front door?

Citing “due process,” State Department spokeswoman Kelly Shannon told me the department “is not at liberty” to discuss whether Betansis has been fired for her criminal behavior. So much for increasing accountability by our watchdogs overseas.

The U.S. Attorney’s Office in El Paso will not comment on whether any of the nearly 500 beneficiaries of Betansis’s misconduct will themselves be prosecuted or deported. So much for getting tough on illegal immigration.

And it remains to be seen whether law enforcement authorities will be able to make visa fraud charges stick against higher-ranking officials in Juarez who have friends in all the right places in both the Fox and Bush administrations—which continue to clamor for amnesty for illegal line-jumpers and border-crossers.

So much for those smart, secure borders, huh?

**[JR: Well, if Mexico was a Muslim/Arab country there would be no problem high profiling this scandal in the media as well as the individuals involved. You would get more information than you cared about or wanted to know. The puffed-up indignation by the Bush Administration would be hyped world wide, but since Mexico is our NAFTA partner, the less said the better about the bribes for visas. Mexico and its illegal aliens enjoy amnesty from our government and both are allowed to move freely about our country.]**

#### CRITICS UNMOVED BY MERRILL ACCORD

By Janet Kidd Stewart, *Tribune*, 05/23/02

Despite a ballyhooed settlement that requires Merrill Lynch to pay a \$100 million penalty and change many of its research practices, experts say it’s still a jungle out there for investors. Conflicts remain rampant on Wall Street and the financial markets, in many ways, remain a perilous place.

The investigation by New York State Atty. Gen. Eliot Spitzer that resulted in Tuesday’s settlement refocused attention on the close relationship at brokerage firms between research analysts and investment bankers.

Despite intense criticism in the wake of the tech stock collapse, investors remain buried in “buy”, “strong buy” and “long-term buy” ratings; critics say many analysts are little more than hucksters for many stocks, out to help their firms win huge underwriting fees from the companies they cover.

The terms of the Merrill settlement, these critics say, will not eliminate these conflicts, even if they are adopted across the industry.

In the settlement, the firm conceded that some of its analysts had recommended stocks to the public while simultaneously criticizing the shares privately. Merrill agreed to cut direct links tying analysts’ pay to investment banking fees collected in stock and bond offerings. The company also agreed to disclose investment banking relationships in research reports and hire a compliance monitor to oversee research operations.

On Wednesday, Salomon Smith Barney chimed in with an announcement that it also will change its pay system to mirror Merrill’s.

Despite the agreement, however, observers point to an array of Wall Street practices that still pose risks for investors. Eliminating direct pay links will not eliminate the pressure on research departments to help win investment banking dollars. Analyst recommendations are still overwhelmingly positive, and there are plenty of incentives to keep them that way.

For its part, Corporate America has a long way to go to improve financial reporting standards that can dramatically affect share prices. And the forced arbitration

system for handling brokerage complaints rarely returns much to customers, investor advocates say.

“There are still some serious challenges for investors,” said Russ Kinnel, a director at Chicago-based Morningstar, who questions whether analysts working at any investment banking firm can be truly unaffected by the relationship.

Further, analyst recommendations remain bullish, notes Chuck Hill, research director for tracking firm Thomson Financial/First Call, though he believes that will change this summer when new industry rules take effect requiring more disclosure on firms’ ratings track record.

“Investors hadn’t gotten the secret decoder ring that said ‘buy’ means ‘hold’ and ‘hold’ means ‘sell,’” Hill said.

The good news: The new disclosure requirements slated to take effect in July will allow investors to see a firm’s investment banking relationships and their overall buy rating percentages on research reports. Wall Street experts, however, warn that individual analysts still will face pressure not to be overly harsh on specific stocks.

More important, experts said, investors can take steps to minimize or sidestep many of the risks that remain, and there is a wealth of information available to them at no or low cost that was once the exclusive domain of the investment houses.

“Investors are more aware of the need to question these research reports and not take them as God’s truth,” said Marc Beauchamp, executive director of the National Association of the North American Securities Administrators Association, an alliance of state regulators.

Investors should pay closer attention to the narrative portion of research reports and less on the bottom-line “buy” or “sell” ratings, he said.

Moreover, investment banks aren’t the only shop in town anymore where an investor can read equity research. Prudential, Fidelity and Charles Schwab all have research functions, as do independent houses like Morningstar. And in the wake of congressional and regulatory investigations into analyst conflicts, there is mounting evidence that investors will create a demand for such services.

Morningstar, for example, has seen retail subscriptions to its Web site, which cost \$100 each, increase to 100,000 from 70,000 in the last year, Kinnel said.

Beyond paid advice, observers note, free sources of information are on the Internet that were previously difficult for investors to access quickly.

“SEC filings are on the Web now and... you can listen in every time a company has a conference call,” thanks to fair disclosure rules, says Kathy Shanley of Gimme Credit, the independent bond analysis firm.

She urges investors to do research using these tools, rather than reading analyst reports.

“If an individual is buying stocks, they need to take the responsibility and do their own research,” she said.

Chicago portfolio manager Edward Studzinski of Harris Associates, a self-described “natural skeptic”, scours insider buying and selling data to see if executives truly believe what they are saying about their company’s prospects.

Many observers hope investors will bring similar skepticism to all types of advice they receive, and will continue to question remaining conflicts.

“Even with the new regulations, we still have the problem of retaliation against an analyst if he or she writes a negative report,” said Jack Coffee, a Columbia University professor and noted securities expert. “People do get fired for issuing negative reports.”

**[JR: The agreement reached between Merrill Lynch and NY State doesn’t hold much promise for true reform as to how the financial markets are run. A \$100 million fine doesn’t cover the billions of dollars investors lost because of misleading information regarding market trends and corporate earnings. A review or an investigation should include how the market operates on all levels. The image-makers on Wall Street will go through the motions and make it appear as though the most flagrant abuses have been corrected. With all the allegations that have come to light, where was the SEC in all this and what is its**

**connection in the financial markets, businesses and banking? There are no assurances that market analysts will be allowed to be forthright and tell it like it is without facing retribution. It’s just how the system works and if you want be successful you play by its rules. The exit doors at the brokerage houses won’t have to be revolving as few will be up to the challenge. The code of greed is to keep those investment bankers informed with inside information so they can keep rolling in their fiat dollars and adding those zeros to their E-accounts. America must be kept #1 in the investment world so that when we go down so will the rest of the world.]**

NEW EVIDENCE THAT U.S. GOVERNMENT  
SUPPRESSED SEPTEMBER 11 WARNINGS

By Patrick Martin, *WSWS.org*, 05/27/02

A detailed letter from a top FBI official in Minneapolis, sent last Wednesday (May 22) to FBI headquarters and to the U.S. Senate, has provided major new evidence that high-level government officials deliberately turned a blind eye to advance warnings of the September 11 terrorist attacks. The letter, portions of which have been leaked to the media, has set off a new round of public criticism of the Bush administration in both the media and official Washington.

Colleen Rowley, general counsel with the FBI’s Minneapolis field office and a 20-year bureau official, wrote the 13-page memo and hand-delivered it to both FBI Director Robert Mueller and the staff of the Senate Intelligence Committee, as well as to two of the committee’s members, Republican Richard Shelby of Alabama and Democrat Diane Feinstein of California. The letter reportedly named specific individuals in FBI headquarters who served to “blockade” the investigation into Zacarias Moussaoui, now charged as a co-conspirator in the September 11 suicide hijackings that killed more than 3,000 people.

Moussaoui is the Islamic fundamentalist who was detained last August 13 after he sought training in flying a Boeing 747 at a Minneapolis-area flight school. He paid \$8,000 cash for the training, but was interested only in steering a jumbo jet in flight, not in learning how to take off or land. Flight instructors at the school contacted the authorities, and Moussaoui was detained for a violation of his immigration status, while the local Minneapolis FBI office sought authorization from Washington for a wider probe.

As Rowley detailed in her letter, officials at FBI headquarters rebuffed several urgent requests from the Minneapolis office, claiming there was not sufficient evidence that Moussaoui was connected to a foreign terrorist organization. They maintained this stance even after French intelligence sources reported August 27 that Moussaoui had connections to an Islamic fundamentalist killed in Chechnya as part of a force recruited by Osama bin Laden’s al-Qaida organization.

An official at FBI headquarters actually changed the text of the formal request filed by the Minneapolis office for authorization to begin an investigation into Moussaoui under the Foreign Intelligence Surveillance Act (FISA).

The Minneapolis office became so frustrated by this high-level opposition to an investigation, according to one press account, “that agents there joked that Osama bin Laden must have infiltrated FBI headquarters.”

In an effort to get around the roadblocks, Minneapolis agents called the FBI’s legal attaché in Paris to try to follow up on the French report, bypassing headquarters, and twice contacted the counterterrorism branch of the CIA. The second contact brought the only aggressive response from Washington—an official reprimand from FBI headquarters to the agent who called the CIA, for violating bureau procedures.

All indications are that the cover-up continues: FBI Director Mueller’s first response to the Rowley letter

was to order it classified top secret, thus restricting press access. He then referred her charges to the FBI’s inspector general for an in-house investigation. Rowley has sought protection of her job and position under a “whistle blower” law that protects federal employees who reveal official misconduct.

**“Connecting the dots”**

As more and more information has come to light about advance warnings of the September 11 attacks from the FBI’s Minneapolis and Phoenix, Arizona field offices, one comment repeated endlessly in Washington and by the media is that “no one connected the dots.”...

Rowley’s letter discredits such apologetics. Her testimony reveals, not a failure to draw the proper conclusion from fragmentary evidence, but a willful refusal to investigate and a deliberate suppression of information.

According to one report, Rowley wrote: “In all of their conversations and correspondence, headquarters personnel never disclosed to the Minneapolis agents that the Phoenix Division had only three weeks earlier warned of al-Qaida operatives in flight schools seeking flight training for terrorist purposes.”...

Press accounts sparked by Rowley’s letter have revealed that both the report of Moussaoui’s arrest August 13 and the July 10 memorandum from Arizona FBI agent Kenneth Williams, urging a systematic review of Middle Eastern students at U.S. flight schools, were sent to the same official at FBI headquarters in Washington, David Frasca, supervisor of the Radical Fundamentalist Unit.

Thus Frasca was in possession of a memo suggesting that Islamic fundamentalists linked to al-Qaida were seeking training at U.S. flight schools, and a report that one such fundamentalist had been taken into U.S. custody after he sought training to fly a Boeing 747, but not to take off or land. It is impossible to believe that any sentient individual—let alone a highly trained FBI counter-terrorism specialist—would fail to make the connection between the two....

FBI officials initially confirmed media reports that Frasca had received the Arizona memo and the information about Moussaoui from Minnesota. Later, as the implications of this became clear, the bureau backtracked, suggesting that the Arizona memo had been addressed to Frasca but that he had not actually read it before September 11.

**Could September 11 have been prevented?**

Rowley’s letter directly rebuts the claim—voiced by FBI Director Mueller and other Bush administration officials—that critics of the administration’s handling of September 11 are engaged in “second-guessing”, and that even if the inquiries from the Minneapolis and Arizona FBI offices had been properly handled, they came too late to save the lives of the 3,000 innocent people killed in the terrorist attacks.

Rowley accused Mueller himself of deliberately distorting the pre-September 11 investigation in order to protect the FBI from embarrassment, writing, “Certain facts have been omitted, downplayed, glossed over, or mischaracterized.” The combination of the Moussaoui arrest and the Arizona memo’s focus on flight schools was more than sufficient to lead to action that could have prevented September 11, she declared.

Additional information on the Arizona investigation into flight schools confirms this analysis. The memorandum written by FBI agent Kenneth Williams, far from representing a prescient hunch, as Vice President Cheney suggested last week, was the outcome of a seven-year-long counter-terrorism investigation that had frequently focused on Islamic fundamentalists attending Phoenix-area flight schools.

According to an account published in the *Los Angeles Times* May 25, a retired special agent from the Phoenix office, James H. Hauswirth, sent a two-page letter to FBI Director Mueller in December 2001, charging that “micromanaging, constant indecision and stonewalling” had blocked a series of efforts which could have prevented the September 11 attack.

In 1994 the Phoenix office’s counter-terrorism unit

was investigating an informant who had been recruited as a suicide bomber by elements linked to al-Qaida, even videotaping him being taken into the desert to practice setting off bombs. In 1996 Kenneth Williams began to take an interest in local flight schools after an informant's tip. Among those who was then enrolled at a Phoenix-area school—but not, apparently, under surveillance—was Hani Hanjour, said by U.S. officials to have been the pilot of the plane that struck the Pentagon September 11.

In 1998 the Phoenix unit was investigating a flight school student from the Middle East suspected of ties to terrorist groups. Early in 2000 the same agents were monitoring students at several flight schools, including Embry-Riddle Aeronautical University in Prescott, Arizona. Williams was summarizing all this experience when he produced his memo, which remains classified and secret....

According to the *Los Angeles Times*, several Middle Eastern men, including at least one who knew Hani Hanjour, were enrolled at Sawyer School of Aviation at Sky Harbor Airport in Phoenix at the time that Williams' memo arrived at FBI headquarters in Washington. In other words, if Williams' advice had been taken, a routine canvass taking only a few hours or days would have led directly to one of the alleged September 11 hijackers.

**Cover-up and complicity**

The details of Rowley's letter are of critical importance and have begun to be widely reported. She is expected to be among the first witnesses called by the joint congressional committee investigating the September 11 attacks, whose first hearing is to be held June 4, in secret session.

It is important to note the one central distortion in all the accounts about the conflict between FBI headquarters and the Minneapolis and Arizona branch offices of the FBI. The failure to act on the July 10 and August 13 reports is invariably attributed to incompetence, indifference, bureaucratic inertia, lack of foresight, etc....

Especially noteworthy are the sudden expressions of outrage by congressional Republicans. Senator Richard Shelby of Alabama, for example, declared, "The information coming from Phoenix and the information coming from Minneapolis was stifled here at FBI headquarters." Senator Grassley of Iowa denounced "sabotage" by mid-level officials at the FBI. "This was worse than dropping the ball," he said. "This was bureaucrats at headquarters actively interfering with an investigation that had a terrorist in hand."

This is a transparent effort to divert attention from the White House to its lower-level minions in the FBI. ... The Bush administration wanted and needed a terrorist attack as the pretext for carrying out its plans for widespread U.S. military action, beginning in Afghanistan and extending throughout Central Asia, the Middle East, and elsewhere.

It is quite possible that the U.S. government did not foresee the precise consequences, in terms of the colossal scale of the damage and loss of life inflicted on September 11. But there can be little doubt that a deliberate decision had been made to look the other way while the attack on the World Trade Center and the Pentagon were prepared.

[JR: With all the information coming out now, it is obvious the invasion of Afghanistan was planned over a year before 911. The elitists in Washington needed a major terrorist event to happen in the U.S. in order to go after Osama bin Laden and his al-Qaida organization with their "war on terrorism". At the same time they planned to destroy the Afghanistan Taliban to clear the route for the long delayed oil pipeline from the Caucasus. The powers that be in the FBI, the CIA and all of Washington are too shrewd to be playing so dumb. Like they really didn't know!]

**NEVADA CORPORATIONS:**

# Nevada Vs. Delaware: Private Vs. Public

**Budget's "Tip of the Week" #16:**

**Response to the Often-Asked Question: What About Delaware?**

"My friend said that her attorney said that the best place to incorporate is Delaware because that's where all the big corporations are based." Once again, there is SOME truth in this statement but there is much knowledge to be derived in understanding the differences between Nevada and Delaware corporations.

The fundamental distinction is that while Nevada's statutes create benefits for private corporations, Delaware's corporate statutes have principally been designed to benefit shareholders of public corporations. Many large, public companies that trade on various exchanges across the country incorporated in Delaware because Delaware's statutes provide the best protection of the rights of shareholders. In recognition of the foregoing, Delaware's corporate law with regard to corporate takeovers is the strongest anywhere in the country. And if you want to "go public" with your corporation some day, Delaware's onerous disclosure requirements probably won't bother you.

On the other hand, Nevada's provisions for establishing and maintaining privacy of ownership and control is unparalleled. In Nevada, ownership of a corporation is not a matter of public record: There is no prohibition against the use of bearer shares, there is no requirement for stock to be issued, nor is there any requirement for an annual meeting of stockholders. In terms of privacy of control, the use of nominee officers and directors has been a common practice for over 75 years. In addition, NRS 78.25 makes it a gross misdemeanor for anyone to even attempt to use a Nevada corporation's records for purposes contrary to the interests of the owners.

Delaware is NOT "tax-free". A Delaware corporation's taxable income is taxed at the rate of 8.7%. In addition, its franchise tax has a graduated rate depending on capitalization, amounting to a minimum of \$30 and a maximum of \$130,000.

Nevada's corporate law easily surpasses Delaware's in terms of protection of corporate officers and agents. Delaware has recently adopted a statute that allows a corporation to limit the liability of a director for monetary damages—but officers of Delaware corporations are still not covered. **The following acts of officers and directors would be protected under Nevada law, but are exposed to liability under Delaware statutes:**

1. Acts or omissions not in good faith;
2. Monetary damages occasioned by acts of officers (directors are now exempt);
3. Breach of a director's duty of loyalty;
4. Transactions involving undisclosed personal benefit to the officer or director;
5. Acts or omissions that occurred prior to the date that the statute which provides for indemnification of directors was passed and approved.

As a final point on the subject of Nevada versus Delaware, it is noteworthy that Nevada has **NO RECIPROCITY WITH THE IRS**; Delaware, like all other states, freely shares its data with the IRS.

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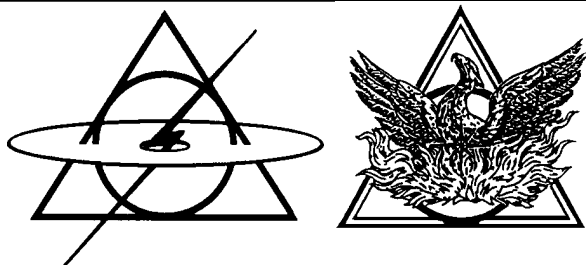
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### CONTACT OR SPECTRUM?

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