

CONTACT

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GOD'S NEW MILLENNIUM

KNOWING TRUTH IS NOT ENOUGH,
SUCCESSFUL CHANGE REQUIRES ACTION



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NEWS REVIEW

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Circulation Of Fiat Money: Destroyer Of Civilizations

Roots of corrupt Zionist International Banking Cartel (IBC) apparent many thousands of years ago.

6/13/02—#1 (15-301)

RE: PHILIPPINES-U.S. ADVENTURES; A BIT OF ANCIENT HISTORY ON "MONEY". YOU CAN'T GRASP "TODAY" IF YOU DON'T KNOW WHAT HAPPENED YESTERDAY

DON'T MISS "TODAY" WHILE
DISTRACTED INTENTIONALLY;

COVER ALL BASES
AS YOU BACK UP VALUE EXCHANGE

Hatonn—There are some things which you in the U.S., AND IN THE PHILIPPINES, need to know lest you be so blindsided as to never know what hit you.

Do we object to U.S. presence in the Philippines in ever growing numbers but with less

successful assistance every day? Being as how our team is from the U.S. and so too is our basic project facilitated on the U.S., we are in no position to comment one way or another.

I will, however, give some insight as to what has ACTUALLY taken place while everyone is wagging flags and presenting "no fault" on the operations of the hostage "rescue" that literally killed "all three" of the remaining hostages.

How can I say "all three"? Because the operation was planned exactly the way it was in order to USE THE HOSTAGE GRACIA BURNHAM FOR POLITICAL PURPOSES—AND IT IS WORKING TO PERFECTION.

In the U.S., Gracia is acting totally inappropriately for just having witnessed her husband's killing along with her friend, Mrs. Yap. And why might the military have taken her into custody instantly and presented her with "her story"?

In addition to the debacle so well planned and orchestrated, the cat is out of the bag in the Philippines—but of course, everyone is totally distracted by "Independence Day" parades and calls from the President of the U.S., and yes, to Mrs. Burnham with flags flying all over everything while these murdered people are now labeled "heroes".

Moreover, the Abu Sayyaf are MISSING. Well, they weren't in the fracas anyway, having passed off the hostages to others. Now, everyone is MISSING. The leader, Sabaya, the headlines scream, is out of the area having perhaps grabbed more hostages. Well, Sabaya was never IN the area but the military are looking like total fools while the U.S. moves in more troops and equipment while praising the operation as "a total success" and which, in turn, is being shouted by President GMA from the stages of review to the nation on Independence Day. Well, the family of Mrs.

(Continued on page 2)

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Yap aren't buying it and actually SNUBBED Ms. Arroyo on her trip to give condolences. They know exactly what happened and the program is unfolding just as planned by the political cartel.

Typical of such underhanded exchanges a good example is in the paper just today where the topic reads: "Bush calls Gracia 'a pillar of strength'." (Somebody tell me what else she could be as an option?) She got first-class accommodations home, special buses for the whole entourage from airport to home, a parade already prepared with flags and yellow ribbons and a celebration of "heroism". (SOUND FAMILIAR, CITIZENS?)

The above story started on the front page of the paper and carried over three or four short paragraphs onto the BOTTOM inside corner of page 5. Ah But, in the LAST PARAGRAPH, THE PUBLIC ANNOUNCEMENT IS HEREWITH MADE:

"GRACIA BURNHAM'S HOMECOMING COINCIDED WITH A WASHINGTON POST PUBLICATION OF AN INTERVIEW WITH DEFENSE SECRETARY ANGELO REYES [Yes, the Filipino who ranks highest in the Philippines and is under charges of MUTINY and TREASON for what he did to unseat a duly elected president, Erap Estrada, in favor of putting Gloria into office] IN WHICH HE URGED THE UNITED STATES TO EXTEND AND EXPAND JOINT MILITARY EXERCISES IN THE SOUTHERN PHILIPPINES AIMED AT FIGHTING TERRORISM.

This is one of the most important things happening today and almost NOBODY EVEN NOTICES.

NOBODY IS EVEN INTERESTED

A couple of days ago there appeared, also in the paper, a statement from the U.S. press/media that the U.S. citizens have almost NO INTEREST in international affairs and already have very little interest in the 9/11 incidents. Far more people were interested in watching to see if Tyson would bite Lewis than can now tell you anything pertinent about the World Trade Center.

The reason given for so much disinterest, however, in World Affairs is that nobody has a notion as to any background on any of the topics which evolves and even less on why there might even be consideration as to why, say, a particular "currency" might be getting some kind of focus. YOU HAVE BECOME BRAIN-DEAD and are about to be unplugged from the life support systems.

We write on "money" and backing (or lack thereof) of currencies, etc., and people simply complain that it is the New World Order manipulating "something" but nobody really knows why or how and when it even began.

Well that old money-grab was well under way long before Christ came along to toss the moneychangers out of the temple. Then you turn to me and ask for a "modicum" of input in 6 seconds or less (sort of like "explain the universe" and you have 5 seconds). You want to know all about that "stuff" that is written by such as Zecharia Sitchin and yet, I ask you "WHY?"

You want to know a bit more in confirmation as to whether or not there actually were/are Anunnakis and is there a Nibiru and thus and so. Well, people like Mr. Sitchin have at least done some HOMEWORK back to the days of the Akkadians in the area of Mesopotamia and Sumar. Those people were "creating" money and nonsense all the way BACK to your roots, chelas.

Moreover, those Akkadians finally ended up, a bunch of them anyway, in Canada in the Nova Scotia area and were called Acadians. They were then persecuted and sent forth out of the area in an attempt to "genocide" them. That in itself is so important to cause me pain to have to pass it by without more note in this writing. However, we are dealing with your economic problems as associated with our own thrust to try to offer some better balance in the program and there is where I will first bring attention. This is going all the way back to the antics of the money "manufacturers", yea even to ancient Mesopotamia. If you want more information, you can certainly get it from the very author of the article I ask be used here for a short introduction.

[QUOTING from a paper offered at a conference June 16, 2001 and published again in *THE BARNES REVIEW*, May/June 2002, page 5, Vol. VIII, No. 3. <www.barnesreview.org> or call 1-877-773-9077 toll free:]

PRIVATELY CREATED MONEY THE ULTIMATE DESTROYER OF CIVILIZATIONS

By Capt. David Astle

Privately created money, that is to say, counterfeit money, is the ultimate destroyer of civilizations. And it has all happened before—long before.

Both in the Code of Manu (a law structure governing the order of life of that India which emerged from the Vedic period) and in the laws of the Akkadian kings of Mesopotamia, appear prohibitions of either goldsmith workers in precious metals, or warehousemen of valuables of whatever nature, setting themselves up as in opposition to the king—that is to say, the sovereign power. There is little doubt that this had been effected by the circularization of receipts indicating valuables on deposit with them as for safe-keeping, which obviously would lend itself to what clearly may have been with them already an ancient practice, of the circulation of spurious receipts; such as indeed, did the goldsmiths of Lombard Street in London, England, in the 16th and 17th centuries AD, some 4,000 years later.

Thus, by this little piece of sleight-of-hand, they could cause an unseen addition to such previous "whole measure of value" as had existed and as created by the discriminate and controlled will of the temple and the king in his capacity of being the viceroy of the god that ruled in the temple, and thus they could stealthily undermine all natural authority and ultimately all good order in life itself.

That no such prohibitions seem to appear in the much more recent times of the Greek and Roman worlds, so much better known to us, is because the world that carried forward from the decay of Sumeria following on the debilitating civil wars therein, and that had ended in the death of most of that which was Sumeria with the breaking of the remaining threads which had held together its ancient life, was a world in which the overt power of a private money creative force, even if not understood as such, had come to be accepted as an inevitability.¹

Ultimately, indeed as in Greece and Rome, the situation arose that the great temples (or sanctuaries), though still drawing the prayers and bounty of the devoted, and offering solace to downcast souls, where too often but fronts for the activities of mysterious alien "bankers", so-called, who by now seem to have become an anciently established factor in the current of history of civilizations as we know them.

Going back to ancient India and the Code of Manu (IX, 292) we find: "But the king [maharajah] should cause a worker in gold who acts in an unlawful manner, he being the most evil of all thorns infesting a kingdom, to be chopped up into small pieces with sharp knives."²

The above penalty, as prescribed in Manu, being perhaps the most ferocious of all prescribed in the code, thus leaves no doubt that there is some special significance therein.

Thus long, long ago, it was clearly understood that the fascination for gold, already having been sought after all over the known world, was as ancient as memory. Found in the bed of streams as flaming yellow dust, it could be linked to the idea of wealth; and wealth itself being already linked to the idea of money, then it too, became linked to the idea of money; money in its true definition necessarily being an enjoinment of the will of the ruler toward the creation of equitable exchanges.

This Code of Manu suggests that those miners and prospectors and men of war, who brought gold to the city, could be inveigled, in ancient times, as much as in modern times, into leaving their gold with the goldsmiths; "on deposit" against a negotiable receipt.

It did not take long, it may reasonably be presumed, for such goldsmiths to realize the immense potentialities inherent in such toward their own aggrandizement, and even, at times the gaining of what may have amounted to a secret control over the life of the kingdom itself.

Thus at a certain stage in the progress of the rise of the goldsmiths at any time in history, in any city, they knew they could become the "money creators". For from ancient experience they had known that it was possible to accompany such genuine negotiable receipts (promises to pay) with perhaps unlimited spurious facsimiles of the same; which equally, no one knowing whether they were genuine or not, came to function in the exchanges as money, and indeed, became money. Thus this money that derived from the criminal activity of goldsmiths, and others with whom they no doubt worked, came to usurp the position in the life of the city of that money representing the will of the king and the temple as creator of "whole

measure of value”, such as had previously governed the exchanges of the city, and, indeed, thence the structure of life itself. Thus the will of the goldsmiths would take over, and a situation arrived, which they undoubtedly sought to improve for themselves where they were able to, by spreading corruption and demoralization in all levels of castes and classes of society so that such confusion might come to reign, that none might be able to unravel it, or understand it, or its source, and hence know what measures to take to extirpate what had become a growing malaise in life itself.

Obviously, by the time that Manu drew up his code of Law and conduct by which the forming world of “Vamasrama dharma,” known today as the “Hindu” world, was to live, the evils that could take place in the state as a result of the criminal practices of the goldsmiths, silversmiths, etc, actually creating their own monetary circulation, had already been experienced recently, or what was even then, of olden time. The severity of the penalty as prescribed by Manu is the evidence.

Manu realized that “money power” (as this criminal force has now come to be known) has no loyalties except to itself, and those of its own caste with whom it pursues its course of dark deceit, and he saw the necessity of total extirpation of everything concerned with the evil it represented, should it arise, and without qualms the necessity of making example of the transgressing goldsmith in such wise that none might forget.

Moving westward across the ages, and past what we now know as the Indus Valley civilizations of Mohenjo-daro and Harappa, we find that Hammurabi, Akkadian king in the city of Babylon around 1900 B.C., and inscribed on his stele, as found at Susa, a recodification of the rules by which men had to live in that which had been, even then, an ancient world. He stated in his Law No. 7, so near to the top of the stele: “If a man buys silver or gold or slave, or slave girl, or ox or sheep or ass or anything whatsoever from a free man’s son or a free man’s slave, or has received them for safe custody without witness or contract, that man is a thief: he shall be put to death.”³

From this law placed so high in the Code of Hammurabi, it may be inferred that not merely had those dealing in precious metals in Mesopotamia issued spurious negotiable receipts as against metals supposedly “on deposit”, but that a species of “racket” had grown up, parallel to that of the goldsmiths under which anyone with any supposedly warehoused goods “on deposit”, such as slaves, slave girls, cattle of any species, etc., could circulate similar spurious “promises to pay”, which could disturb the “whole measure of value” in the state equally with those receipts or “promises to pay”, spurious or otherwise, of the goldsmiths.

Clearly where any form of receipt or “promise to pay” was issued, and there was no witness or contract in respect to the actual valuable supposed to have been deposited, whatever their nature, there was intent to deceive. The offender was not asked whether that was his intention. It clearly was his intention. Therefore, he was a thief, and in his particular case a destroyer of all good order in life, and was to be put to death.

According to Prof. Bright,⁴ the Code of Hammurabi was but a revision of two legal codes promulgated in Sumerian by Lipit-Ishtar of Isin, and in Akkadia by the king of Eshnumua during the period of the breakup of that power formerly wielded by the god at Ur. That is about the same time as Ur was sacked by the Elamites in 1950 B.C. and Amorite and Elamite political power was established over north and south Mesopotamia. Both of these codes are well before the Code of Hammurabi and are evidence of the latter being but revisions of law codes existing in the days of Ur Nammu who reigned at Ur 2278 B.C. until 2260 B.C., or before. According to C. Leonard Woolley, excavator of Ur over many years,⁵ the Code of Hammurabi was not a series of arbitrary enactments invented by the king in Babylon, but a redaction of old partial, or local codes or customs, and the tradition it embodied derived immediately from the Sumerian in which the code of Dungi, king of Ur in the Third Dynasty, was perhaps the inspiration, or base. Before the time of Dungi, there had been other codes, such as that of Urakagina.

The kings of Isin had codified the law, and there were collections known as the laws of Nisaba and Hani which may date from their time; of these, fragments were found at Nippur and Erech.

The penalties enacted by Hammurabi are the principal changes from the Sumerian codes, which still largely belong to the period of decay that preceded the ending, and which were distinctly liberal by comparison with the penalties enacted in the Akkadian version of the law code, thus showing the decay that was overtaking the Sumerians. For instance, in the revised Akkadian version of the law code of Hammurabi, adultery involved death for both parties. In the dying days of Sumeria which preceded the Akkadian hegemony, adultery did not even mean necessarily divorce. Therein is further evidence of the “hidden hand” that stealthily undermined the structure of life in the late Sumerian cities, and if any law existed similar to Hammurabi’s Law No. 7, then it would doubtless be equivocal, and indeed obscure in wording.

MONEY CREATED OUT OF NOTHING

The severity of the penalty and the placing of the law so high in the Code of Hammurabi leaves little doubt that it was directed at an evil that was by no means new, and may have been one of the deep-seated causes of the invasions that devastated Ur toward the end, from the Gutim, the Elamites, Amorites and the Hittites. No doubt a corrupt International Money Power, now well organized, was so busy arming the enemies of the people among whom it sojourned, as the people itself. **THUS IT IS CLEAR: EFFORT WAS BEING MADE MANY THOUSANDS OF YEARS AGO TO ACHIEVE A SITUATION SUCH AS EXISTS TODAY IN WHICH, IN THE ENGLISH-SPEAKING WORLD FOR SURE, VIRTUALLY NO MONEY CIRCULATES EXCEPT IT HAS BEEN CREATED ON THE BOOKS OF THE BANKS BY PEN ENTRY OUT OF NOTHING. FROM THENCE BEING INJECTED INTO CIRCULATION BY LOAN AS AGAINST COLLATERAL GOODS OR SERVICES. WHERE NO LONGER SLAVES OR SLAVE**

GIRLS ARE AVAILABLE OR PERMISSIBLE TOWARD THE CREATION OF A DEPOSIT HAVING SUCH-AND-SUCH MONETARY VALUE, OR AS COLLATERAL OF SUCH-AND-SUCH MONETARY VALUE AS AGAINST SUCH LOANS, VALUABLES ARE CREATED OUT OF THIN AIR; PERHAPS BY SUITABLY ENGRAVING CERTIFICATES OF BOND, SHARES, ETC.

Although, as according to both Hindu and Babylonian law structures as quoted, it is doubtful if any group (merchants, precious-metal smiths, or indeed criminals generally) could bring about the state of affairs as exists today, which is close to their world hegemony, their progress at that time being insufficient, they probably brought about disaster and grief enough to Sumer in its declining years. Otherwise the firm, if not ruthless revision of their ancient codes by Akkadian Hammurabi, would likely never have been thought of. That long period of the decay of the Sumerian ethic from which later stemmed so much of that which is now known as antiquity, undoubtedly arose from factors deriving from the departure of the will of the god from his ancient place in the ziggurat, and the suborning of his will in respect to money as the governing factor in the creation of equitable exchanges.

In the dying days of the might of Ur, or Kish, or Lagash or Erech, and other cities, long gone into nothing, it is clear the will of god, secure in his temple, had become but the will of those private individuals such as the brothelkeeper, Ku-Bau, who was now able, it seems, to rise to rulership of Kish during the period of the civil wars in Sumeria.

Purity of living and in thought was already gone. All that remained was the stench of corruption and decay by way of endless wars. A money power had broken the back of those ancient god-ruled cities. **[H: And so, if you don’t learn, readers, you are destined, yea doomed, to repeat and repeat and repeat the destruction.]**

Knowledgeable of the art of destruction of purity in life, in living, and in thought, and in what then was sovereign rule through the god reigning in his temple, while still needing the appearance of the god himself to be upheld before the eyes of the people to gain their trust, they themselves came to rule; through proxies or as the case might have been. Such a one would be Ku-Bau of Kish.

That the tablets reveal that she was originally keeper of an Inn or a brothel would suggest that she was such an instrument as described above and marked a period in the latter days of Sumerian history when the power of the temple had come to nothing, and the life of the god Himself lay in the dust; slain by the sub rosa growth of a criminal and counterfeit money power which had usurped the essential power of the temple which lay in the creation amongst the people of equitable exchanges; or as it is described today, in “money creation”. The tablets of Kish⁶ reveal that, at the period as given above, values were already expressed in terms of silver by weight, or (who knows?) promises thereof. Consequently thus had the will of the god been subverted. Clearly silver had become the governing factor in relation to exchanges in the world of Sumer which had come to be.

The frequent references to purchases by “pieces

of silver” as money, as recorded in the *Book of Genesis* of the dealings of Abraham, refugee from Ur in its end times and later of Joseph,⁷ add further credence to the picture given above of the decay of temple power as from war, and the never-ending activities of what must be described as a private money creative power. Silver, the factor now governing exchanges, was only obtainable from mines far distant from the alluvial plains of Sumeria and its great cities. The controllers of its supply, who necessarily would be the owners of the mines however distant, had achieved the actuality of rule in those cities by one device or another. War was their constant need, for thereby they maintained their supply of mine slaves. The records of Kish, Law No. 7 of the Akkadian conqueror, the wealth of Abraham, the seizure of the silver mines of Elam by Manishtusu, king of Agade, fragment after fragment, indicate that buying and selling in terms of silver or “promises of silver” had long been instituted, and, as in latter days, was the hidden force leading up to the turmoil of the period of the civil wars in Sumer, beginning approximately with the assumption of kingly rule by the Patesi or high priest of the city of Lagash, in 2900 B.C., and that seemed to continue intermittently until the end when Akkadian power finally superseded that of Sumeria with the destruction of the Sumerian cities and temples by Samsu-Iluna, son of Hammurabi, with fire and sword. Thereafter the pride of Sumer that had been, became but fading memory so that the scholar could write many eons later as well he might have so done of the English speaking world of today. As according to Sir Leonard Wooley: “but the race had gone, exhausted by wars, sapped by moral decay, swamped by the more vigorous stock which had eaten of the tree of their knowledge.”⁸

And of their great kings, before the flood and after, long lived giants among men, as recorded both from the Sumerian king lists and the *Book of Genesis*, and truly the everlasting salvation of their peoples, and whose inspiration derived from the voice heard in the stillness of the night over the ziggurat, from the ruler of the universe Himself, it might be as the Sumerian poet recorded: “Earth is their food, their nourishment clay—Ghosts like birds flutter their wings here—On the gates and the gateposts the dust lies undisturbed.”⁹

Footnotes:

1. Woolley, C. Leonard, *The Sumerians*, 181.
2. Tr. Hopkins, Edward, Ph.D., *Trubner*; 1884.
3. Driver, G.R., & Miles, John C., *Ancient Codes of the Near East*, Vol II, 15; 1962.
4. Bright, John, *A History of Israel*, 44.
5. Woolley, op. cit, 91.
6. Astle, D., *The Babylonian Woe*, 1.
7. *Gen. XX, 16; XXIII, 3, 9, 16; XXIII, 18, 19; LIII, 21; XLVH, 13-16.*
8. Woolley, op. cit, 82.
9. Woolley, op. cit, 20.

* * * * *

David Astle, a student of ancient civilization, is the author of *The Babylonian Woe: A History of Money and the Money Power from Babylon to the Present Day*.

[This book can be obtained from the TBR Book Club, P.O. Box 15877, Washington, D.C. 20003. \$22 plus \$3.00 S&H inside the U.S.—\$6 S&H outside the U.S.]

[END OF QUOTING]

I wish I could just leave this here, readers, but obviously it is not appropriate to do so, for where are you today? You are fulfilling the same route down the same road to devastation and for the same reason with the same manipulators. **Today they call themselves Zionists and no matter how you wish to call it/ them something else—it is not accurate.**

I could offer another rather short editorial or review of another extremely worthy book and then let it go for this writing:

[QUOTING a book review: Ivor Benson’s *THE ZIONIST FACTOR*, by Fred Blahut:]

ZIONISM & TWENTIETH-CENTURY HISTORY

It is difficult for the layman to absorb the pathology of modernity and the modern condition, particularly in the 20th Century. The complex of economics, theology, history, psychology, culture, race and politics is such that individuals struggle to discover foundations or the fundamental basics from which modernity might be understood. Ivor Benson, in *THE ZIONIST FACTOR*, finds such a foundation, one by reference to which modern difficulties lose their mystique and are exposed as the exercises of naked power that they are. The purpose of this book is to explain such a basis, a foundation, to the baffled student of contemporary politics.

The foundation Ivor Benson adheres to is the battle between the various branches of financial capital during the early years of the last century. **[H: This book, *THE ZIONIST FACTOR*, is in softcover, 217 pages, item #195, \$13.95 at TBR Book Club (charge: 1-877-773-9077 or send payment to TBR, P.O. Box 15877, Washington, D.C. 20003).]** Two powerful houses battled years for control not only over the money of the Western World, but also its mind. Who won and who lost this epic battle is precisely the starting point, or foundation, necessary to fully understand the dynamic of social pathology that was the 20th Century. The question of who controls the currency and financial wealth of a nation is frighteningly similar to the question of who controls the mind, culture, or one’s “default” set of beliefs.

The battle was fought on Wall Street, the hub of global financial capital. The contending parties were the Morgan clan on the one side and the products of the Rothschilds on the other. Needless to say, the former lost the war as finance became almost exclusively a Jewish affair. The results for America, as well as much of the globe, were catastrophic. The Jewish mind, one radically cosmopolitan (at least in reference to non-Jews), was linked with the material conditions to allow nearly unlimited power over the political direction of much of the planet. In other words, an unlimited budget on the one hand was linked to a radically cosmopolitan agenda on the other. From this one can then depart and understand the domestic and global politics that came afterward.

Benson’s thesis is that the defeat of the house of Morgan on Wall Street, and its eventual absorption into the Rothschild cult, was the paradigmatic event that defined the 20th Century. From this, the Bolshevik Revolution can be understood, as can the Holocaust

ideology, America’s entry into World War II, domestic unrest, America’s race problem and even the fashionability of Marxism. In other words, the defeat of the Morgan house on Wall Street provided the material resources for the eventual Jewish-sponsored re-creation of America.

The short explanation is that the preponderance of Zionists within radical-leftist movements has been in no small part because the entire power of the international banking families found common cause with them. The resources were available to make Jewish national interests acceptable to the non-Jewish public in the form of ideology. Once the financial power is in one group of hands, such a group can dictate public policy.

With the house of Morgan, one could see a financial state of affairs where each nation kept its own set of bankers and financiers. Many of these were more or less conservative, at least when compared with the Rothschild clan. Nationalism held sway only to the extent the financial powers felt it within their interest, and it was so when financial houses competed in accord with national boundaries in that they were essentially national institutions. The Jewish houses, however, were inherently international, inherently hostile to gentile “nations”. Soon, as they consolidated their victory, the financial power backed internationalist schemes, with the only constants that they be centralized and that power remained in the hands of the powerful families such as the Schiffs or Warburgs. These two demands were met rather well by both the ideology of capitalism and the ideology of Marxism; both are highly centralized accumulations of capital controlled by a rather small group of people.

The internationalism of the Jewish banking houses (versus the “nationalism” of the older variety) is the material backdrop to what is colloquially called the “New World Order”. It is, at least financially speaking, the control, from one central source, of the world’s economy through the control of a globalized currency. The control of currency, as recent events have shown, is more powerful than the control of manufacturing or other productive capital, for it is the financial power that has made the other sorts of economic power dependent upon it.

The argument is convincing. The nature of internationalist ideology is such that it cannot be the work of a disparate group of organizations or ideologies. Its control has been put into place with such precision, such speed and with such stifled dissent that a centralized source seems necessary to posit. The late Mr. Benson gives a solid introduction into exactly what that source is.


[H: Yes indeed, I certainly DO suggest you get this book.]

[END OF QUOTING]

Do civilizations have to fall totally in order to return to better ways of management? No, but so far they always have done so and as things are today in World Shan there is very definitely “trouble in River City”.

Yes indeed, we not only have the answers to the problem but backup to rebuild. So, will you do it or not? It remains up to YOU.

Salu, GCH

dharmā 

United States Is At The Point Of Truth

(PART 1)

SKELETONS IN THE CLOSET

BY GYEORGOS CERES HATONN

“dharma”

PHOENIX JOURNAL #13 (1990)

INTRODUCTION

REC #1 HATONN

SAT., APR. 7, 1990 7:30 A.M. YEAR 3 DAY 234

AND LOTS ABOUT SKELETONS AND STAINED LAUNDRY IN THE CLOSET

I am Commander Gyeorgos Ceres Hatonn, Intergalactic Federation Command. Now, other than to KNOW that I am here in service to the Creator Source and under direct Command of the one Sacred Circle of Infinity, the Christos, recognized as Esu Jesus Emmanuel Sananda, The Pale Prophet and other AKAs, please set this author aside. This is to identify myself that you might realize my information is intended for service unto the Lighted Command and not that of Satanic influences.

Within these pages will come some subject matter that is probably mind numbing to many of you readers and therefore I request that you quietly go within into your inner sanctuary and read with a very open mind—and, read it ALL, please. The confirmation shall be coming in a very short period of time as ones find these things made public—so shall they come to witness the truth of it.

We honor the brave and daring tellers of truth who have come before to a sleeping society and have mostly been sacrificed on the altar of secrecy and deception.

I scatter things from extra low frequency (ELF) beams to counterfeit money via German Nazis in the Antarctic funnelled through Japan and flooding your markets because I desire to shock you into attention—and then we can take the events in sequence that you can recognize the truth of the *Journals*.

I will start right off in this “Introduction” being aggressively open with you precious children of the lie—for it is time you know Truth. I ask for protection of this scribe in that all who can print and reprint, please so do. There are daring publishers about your placement, *The New Federalist*, *The Spotlight* and small ones like the *Wisconsin Report*. There are individuals who also dare, such as Antony Sutton, Ron Paul, Gary North, John King, Arthur Robinson, Steven Jacobson, Patrick Wood, *Youth Action News*, *The Lyke Report*—the list is too long to list all but they are out there for confirming. With the opening up and acceptance of possibilities there are ones in the various communities of

researchers such as William Cooper, Bo Gritz, beloved Gabriel Green, etc. There are ones who have denounced me as evil and Dharma as influenced by evil. This is not true and those ones shall also come into total understanding of the facts and cease their discounting. The old saying upon your place of “sticks and stones can break the bones but truth can never hurt you” is indeed so, truth shall set ye free and naught save truth shall set ye free. You are in the time of chaos and great and magnificent are the plans and conspiracies against you and yet, great and magnificent are the wondrous things you can do to place sprags into the wheels of the conspirators—if you first recognize that which is the problem. First, recognize the problem then the solutions can flow. So be it.

I am attempting to set the stage from that which has happened in the not too distant past, some decade or so, in that you might recognize the signs of the present along with a glimpse of how these things affect your perceived future. You must look carefully beyond that which is given unto you, for you are given exactly that which your slave masters would have you be given.

Once you can understand where events are heading, and why, you will no longer be mystified and caught by surprise by the turbulent events. But no one can grasp anything about what the future holds unless he has learned the lessons of the past.

Let us consider events long past in your perception of time. The Second World War and the French Third Republic in 1940 are good examples to place herein. The collapse of France in the face of Hitler’s military machine was shocking, but as you will see, inevitable. The seeds of defeat had already been sown in France during the preceding years when France refused to recognize the reality of the threat and take action to protect herself. Dear ones, it is pretty much like America in this decade, France was eaten alive from within by spies; yet like America today, France felt safe behind its “Maginot” line, and for public consumption there were continuous assurances that French military forces were adequate to maintain French security. The ability of France to defend herself turned out to be pure fiction. When the moment of truth arrived, the fine images and the deception collapsed, and with them the French Republic.

U.S. AT THE POINT OF TRUTH

Today the United States of America is at the point of truth. You are in a period of massive decay, self-deception and image-making that parallels and surpasses that of the French Republic. If you desire a mirror, I suggest you read the book *THE TWILIGHT OF FRANCE* by Alexander Werth.

It is not that the defeat of France was surprising, it is that the failure to preserve the fruits of her great victory which would preserve her security were cast aside.

The U.S. continues to bask and sleep in the afterglow of victory long since completely dead; and like

France in 1940, you have failed to preserve minimum guarantees for your own security. America has slipped farther than France because under the guise of Arms Limitation you have shut down your air defense systems, military bases and navy installations—you have abandoned the defense of your own homeland. No, chelas, to you who say “God abhors war and weapons, and training indicates war”, nay—defense indicates attention and preparedness. God expects you to defend that which is God-ness and stand ready against invaders of truth.

Historians cannot find any precedent in history for such suicidal action by any great power. The twilight of the United States is guaranteed that it is humanly impossible for the U.S. either to turn aside or to win a war with the Soviets, for instance—and that is only for starters. Only a miracle could do that—do you deserve a miracle? Have you attended God’s Laws and the balance of the Laws of The Creation in that you deserve miracles? Instead of the faith in God that built the United States, most Americans now put their faith in the United States itself as if it were a godlike being that could never go wrong and never be defeated. Wrong! A government is made up of very clay-footed tools—mostly of Satan’s troops. You laugh at the politicians—is it truly funny? Read that which Ron Paul tells you of “Teddy” Kennedy in his recent newsletter and see if you truly desire to laugh—or perhaps vomit!

In May of 1978, in the midst of the Moscow meetings between your Mr. Vance and Mr. Gromyko, a Soviet spokesman reiterated for the last time in clear terms that this was America’s last chance to sign a SALT II treaty; and despite the seeming improvement in the tone of the talks—and regardless of the seeming Soviet willingness to keep talking about SALT II—this was America’s last chance to surrender by that route. The Russians knew that the Carter administration was simply stalling for time, they knew about the Operation Desk Top and the other ad hoc efforts to find some military threat of significance to aim at the Soviet Union, and they knew about the Rockefeller moves to try to turn China into a credible deterrent—but it was all too little and much, much too late.

Oh, you say, “But it is all different now!” No, it is far, far worse now! What you see now is far worse than anything that has ever come upon your world prior to now and yet it appears so wondrously positive. I plead with you to hear me, beloved ones, for the remnant shall be small indeed if you do not listen-up.

You simply cannot believe the incredible weapons available for your annihilation, for you were goodly peoples and you did not notice when the deceptions came and the evil began to eat your children alive and spit them out. You did not notice when you began to break all the Laws of God—every one. You were told by your mental health psychiatrists that it would balance your emotional beingness. It has destroyed your country and your citizens by the large majority and enslaved you—**YOU ARE NOT FREE, YOU HAVE A POLICE STATE AND ARE COMPLETELY CONTROLLED!**

The Soviets have never turned from their laid-forth plans—they have never become wishy-washy in their intent. Oh, their citizens have no more knowledge about politics than do you—but always, people and citizens are the pawns, especially in an overpopulated world headed for One World Global Rule. People are THE expendable commodity. The Elite will depopulate the world in any manner feasible—through starvation, disease—

you name it, it will be utilized.

Whatever is planned between the Elite of nations is equally heinous because the agreements are made to be broken at appropriate and unsuspecting times so that war occurs on “your side”, whichever side that might be.

The Kremlin has committed itself to a step-by-step clearing of the decks for war and so have your government participants who work with them under the covers. They have left you without even the ability to have a shelter system in which to survive—YOU OF THE U.S. HAVE BECOME THE EXPENDABLES. “THEY” CANNOT GET RID OF THE AMERICANS AS THEY ARE GETTING RID OF MANY AFRICAN AND THIRD WORLD COUNTRIES, THROUGH FAMINE, DISEASE AND WEATHER AND DISASTER CONTROL. OH OH! HATONN HAS DONE IT NOW—WEATHER AND DISASTER CONTROL? OH YES, WHILE YOU SLEPT, “RIP VAN”, THE ALERT BECAME THE SLAVE MASTERS! IT IS ALL INVENTED AND PERFECTED AND IT IS ALL IN USE UPON YOUR PLANET! YOU DO NOT HAVE TO INVENT WHEELS AGAIN; NOR DO YOU NEED INVENT FREE-ENERGY SYSTEMS OR BEAMED WIRELESS ELECTRICAL SYSTEMS OR APPARATUS TO CURE AIDS—IT HAS ALL BEEN DONE AND YOU MISSED IT! *NOW YOU STAND ASIDE AND CAST STONES AT THIS SCRIBE FOR TELLING YOU TRUTH. YOU ALLOW HER, AND WE OF THE “INFORMERS”, TO BE RIDICULED AND STONED—BY THE VERY ONES WHO CLAIMED TO BRING TRUTH FORTH—AND YE ALLOW OF IT, JUST AS YE DID IN JERUSALEM 2000 YEARS PAST. IT WILL NOT MAKE OF THE TRUTH TO GO AWAY—IT DOES ALLOW GOD’S HOSTS TO TELL YOU, “I TOLD YOU SO AND YE WOULD NOT LISTEN!”*

CHINA AND THE U.S.S.R. STAND READY FOR WAR

Strange thing—China and the U.S.S.R. stand ready for war at a moment’s blink of the eye. They have shelters and silos filled with your grain, tank farms filled with your oil and only your Elite have elaborate shelter systems where they can ride out the passing of radiation. Further, it will be radiation from neutron resources and beam weaponry in that the physical infrastructures will not be destroyed—only life—ONLY PEOPLE GONE. Further, for those of you who think you are “on the inside” and think you have a safe haven because you have been told the secrets and think you share the security of the havens—forget it—for if you are politicians, *you know not how to work and produce and you are the most expendable of all*, for the healthiest and most adaptable will be kept for workers and producers for the slave masters.

Very important to the Kremlin are the propaganda campaigns which already are well in place. The Soviet Union and your leaders are just bending over backwards to hold hands and smile a lot. Your leaders know that the “invasion” will preferably come in through Canada and up through Mexico. China will be increasingly the focus of attention by both sides, but the sleeping giant should have been left alone, because the pressures and inducements now being showered on China by the Rockefeller interests are tending to make China more revisionist and therefore more similar in many ways to Russia in political thinking.

The Chinese had to bring the students under control, for look at that which has happened elsewhere—as quickly as the youth are given freedom and the “rock” groups get under way—the brainwashing gets intense and mind-control is beamed in and China has no intention of playing the brain-drain game.

The sleeping and secret giants are also waking up and while you drowsed, the economy was flooded with counterfeit funds in massive outpouring and the economic shift was set into place by executive orders which will not be broken. Treaty agreements also are in place beyond which Congress cannot lawfully move. You do not even realize that you are in the power of a dictatorial monarchy.

HOPE THROUGH ACTION

Fear? If truth strikes you as “fear”, then so be it, for God has never been known to have feet of sand. He created you in strength in His very image that you might overcome any and all that is brought unto you—what will you do? Will you simply stand back and blast this scribe for presenting truth? Or, will you stand firm, and refuse to be bulldozed into oblivion? Always it is up to you as individuals—always it must be “the ‘one’” and then unity into a wall which refuses to be plowed down and turned under as expendable rubble from the fields.

The propaganda sets forth to ridicule ones who act in groups to preserve life possibilities and defend themselves. It is more carefully planned than all other propaganda. Let us look at the Prophet group—I make no comment what-so-ever regarding spiritual aspects or valid actions on their part—I only desire that you look at the type of media attention which they receive and the outlandish opinions put forth regarding the group who just wishes to be left alone.

THE MOST IMPORTANT COMPARISON, HOWEVER, IS THE GROUPING OF THAT COMMUNITY WITH THE JIM JONES GUYANA FIASCO. *WELL, I AM GOING TO SHATTER MORE DREAMS—GUYANA WAS SET UP AS A COVER-UP AND JIM JONES IS ALIVE AND VERY WELL IN ISRAEL! AND ON THAT NOTE, I WILL CLOSE THIS INTRODUCTION AND MOVE ON TO OUR NEXT JOURNAL AND TELL YOU ABOUT GUYANA AND A FEW OTHER LITTLE NON-HAPPENINGS LIKE YOUR SHUTTLE FLIGHTS, WHICH NEVER GOT FURTHER THAN AUSTRALIA IN LARGE MEASURE. DO NOT OH AND AH AND BE EMBARRASSED—GET ON YOUR ATTENTION LINE AND SEE THAT WHICH HAS BEEN FED UNTO YOU IN COVER-UP AND SECRECY.*

This book is dedicated to the remnant few who will see and understand in time—for there is yet time, if you do not dawdle longer.

ALL DISASTERS ARE NOT “NATURAL”

As time moves into high gear hereon, you will be plagued increasingly by sabotage and by acts of geophysical warfare—such as storms, floods, artificial earthquakes, especially in California, and then larger widespread earth shifting as efforts are given over to natural upheavals triggered by these bombardments. The Plan is all but perfection, for even the Japanese know they are destined to fall in a massive earthquake and think they are making preparation by controlling

lands elsewhere—unfortunately the evil empire has other plans of world domination.

The Soviets have those cute little Cosmospheres which hover overhead. Unlike the U.S. in recent years, the Soviet Union has never forgotten that quantity can be just as important as quality in a weapons system; and in preparation for the coming conflicts, the number of Cosmospheres deployed worldwide and especially over the U.S. is mushrooming. There are thousands of Soviet Cosmospheres armed with Particle Beam Weapons now hovering over the United States in strategic places and they, further, have the ability to shift location instantly.

Your government knows of some 20 over Washington, D.C., at least eight over New York, five over Roanoke, Virginia, and five to ten over Phoenix Arizona, alternating with some seven over Sedona because of the large underground installation in Boynton Canyon. This is only for beginners. Also there are Cosmospheres located over ALL military installations, dams, state capital cities and other major cities. A decade ago they were most heavily concentrated in the northeast area of the U.S. and there were only twelve over California and Texas respectively—there are now literally hundreds in place.

This has been known in absolute terms since the Carter administration and along about then was when an all-out nuclear strike (first strike) against Russia was put onto the planning board with a deadline date of September 17, 1982. Many in the Congress have known this also, but they, like the Executive branch, refuse to tell you the truth.

You citizens of the U.S. are very much like the trusting passengers of Korean Air Lines Flight 902—just going along for the ride, trusting your pilots in Washington; and even when you see dramatic and disturbing signs that something is terribly wrong, you as a people refuse to accept the responsibility left to you by the Founders of your Republic. Instead of picking up the Constitutional tools that were left to you to prevent disaster, you react like the passengers on the Korean plane who wondered why the Sun was suddenly behind them instead of ahead of them. You think it must be all right, surely “they” must know what they are doing. “They” know all about lies, intrigue and trickery, but “they” know nothing about honest leadership nor do they care about it.

And so the twilight of the Republic of the United States of America is deepening into night and darkness before your eyes. You have turned away from the light of Freedom that comes only from God, and you are flying into the darkness. So be it and may you reach out unto the hand God offers unto you to help see you through and again into the Light.

With blessings and the Grace of God in His infinite mercy, I take my leave from this *Journal* that we can begin the next. I am Hatonn. I salute you as my brothers in this great experience. Salu, salu and salu.

DEDICATION

This *Journal* is dedicated unto our beloved and daring participants, from the scribe hereof to the ones who prepare for the printing and the publisher and distributors. There are ones which I must leave unnamed for security in some measure but they are located from Texas to Canada; New York to California and Hawaii. But there are a handful who

have and continue to work twenty-four hours a day to get this information out—mostly to a hostile, ridiculing public. It is interesting to watch the laughter from this perspective where the view is ever so much better—the laughing majority are not finding things so very funny any longer and the handwriting is becoming clear—theirs shall not be the last laugh, dear ones, theirs shall not be the last laugh. We tender not to bring you laughter early or lastly, ours is to bring truth and awaken you to your plight, for in the knowing is the absolute joy and hope of change and the wondrous balance of Peace.

Through the hardship thrust upon these blessed few comes also the **PEACE THAT PASSES UNDERSTANDING AND THAT PEACE SHALL ENDURE UNTIL THE ENDING OF THEIR LIFESTREAMS—SO BE IT AND AS A COMMANDER IN THEIR SERVICE—I AM HUMBLE AND GRATEFUL AND AM HONORED TO BE ALLOWED THE JOY OF WORKING BESIDE THEM. AHO! FIRSTLY, I AM THINE BROTHER!!**

CHAPTER 1

REC #1 HATONN

MON., FEB. 26, 1990 6:45 A.M. YEAR 3 DAY 194

Hatonn here in the Light of the Radiant One, in Service unto Him and unto you.

Our writings, Dharma, shall become more explicit and I recognize, more controversial and painful to confront. Ours, however, is to bring truth of the WORD unto a weary land and peoples. Some will perceive our projections as incredibly hopeless; nay—with truth, God and knowledge, those who “will” can change of life directions and come into safety. Intervention in thy path is not permissible—functioning in response to petition in sincerity in the name of God can protect you from anything—you see, the weapons of choice now are the very weapons we can counter by beam impulse. We cannot interfere, say, with dynamite blowing up unless it be to defuse it by signal beams—or broken dams from earthquakes. Ours is to warn you of the dam break and you get yourself into safety. We warn you about nuclear attack and you build shelters which keep you safe from fallout and viral attack—you shall also be given protective information for security in beam wave offensive. But YOU will have to utilize it—it will not be dumped upon you.

As we write regarding many subjects, I beg patience. I also beg tolerance. Study the material well, in detail and unto the final pages and THEN make your listings of inquiries. As our time for writing grows more precious, may I ask allowance of answers to flow which are truly not covered in the literature. For instance, I petition you to not get sidetracked on whether or not Mother Mary vs. Esu Jesus said of a thing—the point is, the messages have come from several sources in exact sameness of detail. I will give credit to ones who have brought information elsewhere but mostly, we will simply speak on many things and then list ones who contribute in gifts of knowledge or talent. YOU will find those pieces which fit into the tapestry in areas fitting into thy gifts and talents, for no matter how the evil ones chide you—only YOU will reap the rewards or consequences of your actions or non-actions.

I AM THE WORD, SAYETH THE LORD; AND THE WORD IS TRUTH AND WISDOM AND THE TRUTH SHALL SET YOU FREE. IF YOU RECEIVE OF THE TRUTH OF THE WORD, YE SHALL HAVE THAT WHICH YE NEED TO PERFECT THY CIRCUMSTANCE—*NOAH BUILT AN ARK!*

For those of you who have branded this scribe and we mentors as lacking spiritual input and therefore, cannot be of God, I trust you will hold your tongues, for I promise—it will be *you* who “discount” and “deny” who will too late find of thy error in thought. We welcome all, we exclude none except those who continue in the path of evil. Further, when they come into understanding, the Master’s hand is always extended.

This whole program of projections is to pull the tapestry onto the quilting frame whereby you can see the seriousness of all and then funnel your talents into systematic flowstreams which can bring you safety—in time to make your passage in security and wisdom.

We welcome all. Further we also ask you if you do not wish to partake of our material—then don’t! Cast it aside, but do not come later in the denouncing of us—which has already happened—regarding corporations yet, saying that you were not told. If you have questions which seem unanswered, I plead with you to **go back and restudy the documents**—you cannot have the whole picture if you do not have all of the roadmap. There will be at least three further major *Journals* following this one and then as many more as you request for the purpose of constant updating. Do you have time? Yes—if you act. No—if you sit idle awaiting another to do it for you—or await Esu Jesus to save you from yourself—He will not do it, beloved. He can take your hand and pull you into safety but you must first reach out your hand and ask.

He came to Earth these past times in order to “help you save of thy souls”; He is not interested in the physical and when you understand truth, neither shall you be. The body is only useful to you on that plane of participation in experience and if all ye wish to do is hoard thy material goods and save of thy fragile frames, ye probably shall be in the losing of both—in the time of death and transition from thy placement in what ye call “natural” progression and death—it all remains separate from the “you”. How much do you believe Malcom Forbes brought with him??? Well, he brought all that is truly of any worth or value.

Oh, but you will tell me, “Yes but that wasn’t, like, part of this end transition, etc., etc., he just died!” No, he did not “just die”, he was a pain in the neck of the Conspirators and was on the brink of causing them a very great amount of trouble “by the written word”—he was ready to begin an uncovering documentation of all that we are uncovering for you herein—and he was “taken out” **by cardiac arrest through ELFs** (extra low frequency beams). We shall continue the work and honor him for the intent which he was prevented from completing. He did not understand his need for protection, for he felt that man is an island unto self and in a “free constitutional country” he would be safe; no, **any of you who would act as thinkers in the midst of the dead sheep will be taken out if you are not asking to be within our protection.** His thrust was to produce names and stories of the monetary, marketing world and that is the heart-place of evil. So be it, we honor him and pray his heirs have the stamina and bravery to continue his work—at this point it does not

appear to be the case. He has much information ready to go to press but all efforts shall be made to stop it. I would hope that his friends such as Elizabeth Taylor who have public impact, will speak out as they come into truth about this which has happened.

I shall tell you in depth about ELFs and other beam systems. It will be frightening and beyond belief unto you ones who are only now opening of thy minds. I urge you to look around you—and you will know that we speak truth. Further, after reading of this document, if you are unimpressed, we shall give you resources whereby you can go unto thy libraries and find of material to give thee your proof.

You no longer need of planes and ships for military purposes, my dear ones, as you have moved into an age of destruction beyond your imagination. I still remind you—it is not the lighted alien from thy “space” which are out to totally control and destroy you—it is from the evil within and upon your surface. Yes, you will find contradiction in thy thoughts regarding that which we have brought you prior to this—it only appears contradictory and that will be explained in most careful detail. It is in regards to spacecraft which you continue to call UFOs. This is a good label for those illusions, for some are simply energy balls or strobes. They are produced on your place or from discs quite physical in your perception, for they are constructed (or stolen) and built very physically upon your placement. The conspiracy has great plans for your defrauding and will kill millions to continue that fraud while blaming thy true Lighted Brothers who stand by to assist you.

For instance, the spacecraft and brothers which are recently reported in the park in Russia is a good example. The crew were taken into custody, publicly beaten and have been tortured and incarcerated in an effort to discern the plans of God’s Hosts.

You ones, for the most part, do not realize that there is an entire Nazi placement in your Antarctic with spacecraft from over 40 years past—do you not think the sophistication might well be all but perfected in the interim 40 years while you all slept soundly in front of your programming boxes? There is a major placement in the area of Sedona, Arizona and the friendly researchers had a field day with their beam research during what you wondrous children called “Harmonic Convergence” and since. Why do you think you find areas in that location which all but knock you unconscious? Do you really think it is from the “balanced” system? Nay, and you add that beam impact to a body and mind already unbalanced from a mind-altering substance and you have instant control by what even you die-hard “be’ers” would find beyond comprehension. And what did you do? Flock to those preprepared placements scattered all over your world—to get an abundant “dose”. You in Sedona, for instance, must continually clear of your spaces and keep the **LIGHT SHIELD** about you constantly—the Light Shield has a frequency—a real measurable frequency which can secure your person—but you have to understand that it is so. I speak of Sedona, but it is in thousands and thousands of locations. This is, however, the major source of impact unto these particular writers.

You will ask, what of Mother Mary? Some of you follow her prophecies and appearances with great interest and belief. Well, continue to do so. Because she reaches so many in other ways, she need not be writing here also, for these ones have more than

sufficient backup—Christ Sananda and ATON are what you would call the “horse’s mouth” also and come through many ones. This is simply a place of compiling the fragments into a useable format. No more and no less. Then take this material and pilfer, publish and plagiarize to the full extent of your ability. Our intent is to deprive no man from his rightful material, but we are talking about the survival of a species and those who would sue either lie about their intent or are total tools of evil—it would behoove them to apprise themselves of ALL materials coming from this source and evaluate very carefully what they are about. Whether you of the world like of it or not; you are in the final cycle phase.

I am going to begin this *Journal* by telling you, again, how it is and how it will be and pray for the buffering of these ones who must “see” it first—and there are many, for that is the material which they can hardly bring themselves to print or speak. Somehow you accuse a “speaker” or “writer” of somehow being the perpetrator of the given act, upon you. If you do not believe of these things we bring—consider them fantasy and cast them aside, but it is most foolish indeed.

* * * * *

Dharma, since we are most often denounced for “not being of God-source in Light”, we shall speak of Biblical Prophecies and allow you to see wherein you sit in the timing. We cannot give of you a time—not even the Christos is given a time—it will be when it is in its cycle of perfection and properness of sequence. However, I believe we can show you some pretty interesting bits and pieces of sequence which prove of themselves. So be it and we ask blessings upon this work and protection for these bringers of truth, and safety unto their loved ones. Dharma, simply write, please, and allow the visions to pass, for ye need not bear the burden greater than thy brother. Peace, child, that you be given protection.

I shall be repeating a lot of prior given information and my resources shall mostly come from the Holy Book most recognized by you ones in this sector. There are other teachings going forth unto other places. This material, however, needs to be translated, for, other than exacting U.S. business insight, it is a GLOBAL PLAN 2000—that means exactly that which it says—GLOBAL.

Let us begin with the *Book of Revelation*, which is also recognized throughout the world as the *Book of the Apocalypse*.

Go to your chapter six of that book and find: “And heaven passed away as a scroll that is rolled up.” It means that we come as chosen ones to alert mankind now of the prediction of a cleansing of the Earth with fire—unless mankind makes a complete reversal of his willful and evil ways. A WORLDWIDE WARNING IS COMING FORTH WHICH PRECEDES THIS GREAT “CHASTISEMENT” IN AN EFFORT TO RECALL GOD’S CHILDREN TO A LIFE OF GRACE. Let us look at a rather recent update to the outline which has been given many times unto you in your past by ones of the, what you have called, your Holy Church.

Why would we use the “Holy Church”? Because there are the beloved ones of purity who have gone into the convents, etc., and have given their very existence unto the truth of God and Christ. I care not about your “church” hierarchy—the truth has been shown unto children and the most devoted of the humble receivers of truth in truth. You must rise above the bigotry of thinking that because it comes from “Catholic” vs.

“Protestant” that it is invalid—Dharma is none of these things. The ancients know exactly that which is coming and has already presented itself, in fact. Little Crow shall have it all in his writings. I suggest you choose up no favorites but receive the word, instead.

Let us take references which relate most closely to impacting upon the United States, since this is where we are writing this portion on this day.

There will come a great revolution in Africa—oh yes, greater than that already under way. There will be great impact upon the U.S. for many very strategic metals are received from Africa by the U.S. and these are needed to build your computers, airplanes, automobiles and other such toys.

This will be followed—overlapping—by great and widespread revolution in Western Europe. You have only just begun, dear ones, but surely you can see that which is coming even if it is only in a measure to support the truth of this writing.

There will also be a major revolution in Rome/Italy. These things will be so devastating—stretching from the Middle East and all the way across into the West until it will seem as though it were already the end of the world. You ones really have some very nasty playthings to shoot at one another. **Worse, the food supplies will be all but nonexistent and the waters of purity shall be all but nonexistent.**

At Garabandal, Spain the word was handed down of how it would be in those places and sent forth as a warning to all nations and peoples; the warning was to allow mankind to make a correction of the conscience of the world. The warning would be like a revelation of your errors, and it would be seen and experienced by “believers” and “non-believers” and people of all religions what-so-ever.

Dying will be preferable to a mere five minutes of what is awaiting you. It will be as fire. It will not burn your flesh as you recognize a flame burning your skin, but you will feel it with your bodies and within your very souls. All nations, everyone will experience it—not one will be exempt. It will be as though everything has exploded in the sky—there will be a great and blinding flash! Let us describe it, Dharma. It is a blast of burning heat like the opening of a blast-furnace door in a smelting plant—it feels like intense burning which surrounds the whole being from which the consciousness cannot escape. First the entire of the sky is milky white and the only light is reflected from the whiteness and then the colors which seem to flash and swirl from the deepest tones of blues, purples and crimson—but the golden glow of life itself is not present.

Then from out of the heavens somewhere seems to come a VOICE—A GREAT VOICE. It is not carried on the winds but rather it is broadcast to every living being and heard from within that none shall be missed. It will tell you that this is “YOUR WARNING BEFORE THE GREAT CHASTISEMENT”. There will be the great flash, the seeming fire, and the voice within—this will be the final warning before the great tribulation of chastisement.

I could herein go into the long story of “illusion” and “personal perception”, etc., and re-explain it all unto you but I shall spare that repetition, for it is not important in the least—for every fragment of God shall experience it and that means ALL. FURTHER, IT WILL BE EXPERIENCED TO THE LEVEL OF KNOWLEDGE AND PROTECTION ALREADY

REQUESTED. TO THOSE IN GOD’S SERVICE IN TRUTH AND BALANCE, IT WILL BE EXPERIENCED FAR DIFFERENTLY—IT WILL BE RECOGNITION OF THE SEQUENCE AND LAY FORTH THY “TIMING”. IT WILL BE PERCEIVED MORE AS A MOST PAINFUL LAST COUNTDOWN AND THE SADNESS AND PAIN OF THE WORLD SHALL SEEM TO CONSUME YOU—BUT YOU WILL HOLD CLOSE AND PASS ON THROUGH—YOU WILL TAKE THE HAND OF THE BROTHER WHO REACHES OUT UNTO YOU—AND YOU WILL MOVE ON.

There will remain the opportunity for mankind to relook at these WORDS BROUGHT FORTH IN WRITTEN FORMAT AND PICTORIAL FORMAT THAT HE CAN BE TOUCHED AND “KNOW”, BUT THE CHOOSING WILL REMAIN TOTALLY HIS INDIVIDUAL DECISION—EACH SHALL DECIDE FOR HIMSELF—NONE SHALL DO IT FOR ANOTHER. THOSE CHILDREN OF GOD WHO HAVE INABILITY OF REASON AND SANE THOUGHT PROCESS SHALL BE GIVEN INTO THE CARE OF THE HOSTS FOR PROTECTION, FOR THEY UNDERSTAND NOT IN CONSCIOUSNESS AND THEREFORE, THEIR SOULS ARE PURE AND UNTAINTED AS THE NEWBORN BABE OF LIGHT. THEY SHALL BE TREATED AS THE INNOCENT CHILD. BUT I MUST WARN YOU—THE INNOCENT APPEARING CHILD HOUSES A VERY OLD SOUL. THIS POINT IS EXACTLY THAT WHICH THE EVIL BROTHERS HAVE EFFORTED TO CONVINCING YOU IS NOT SO. ’TIS THE “SOUL” WHICH SHALL MEET HIS CREATOR—NOT A FLIMSY PIECE OF FLESH WITH ATTACHED BRAIN-CELLS. IT IS YOUR “ESSENCE DATA SYSTEM” WHICH MEETS ITS CREATOR IN THESE WONDROUS DAYS AHEAD.

Many will make soul transition in the midst of the “warning”. **All who remain in the Light of Grace will have no fear, they will pass through the great warning without what you will call physical suffering to any great extent.** But many will die in this great “warning” and there shall be much death to the physical perception.

You of Earth have been given two reprieves—the third shall not be given as such. It is a final WARNING that will come and you will know that the ending play will not be reversed. What you do, however, will make a difference in magnificence as to what shall be your experience.

As a signal, I would suggest that whatever your “religion”, you pay attention—when the Pope of the Vatican flees Rome and seeks refuge in another land—KNOW THAT THE TIME IS RIPE! It will take place in secrecy but the word shall be leaked out that he has fled.

Instructions? “Well, so what do we do about it ‘High Hat Hatonn’?” And further, from the debunkers of my truth—“You false Hatonn, just what do you want us to do?” I CARE NOT WHAT YOU DO! YOU DECIDE THAT WHICH YOU WILL DO! If, however, you happen to believe that I might just be “real” and even possibly THE “real” Hatonn of Space Command in service WITH the Christ and God, you might well begin to practice the following: **Pray and petition for insight, truth and a Light Shield and do that which you can to inform your brothers and sisters—FOR THE WARNING IS**

COMING UPON MANKIND WHATEVER IS YOUR BELIEF AND WHETHER OR NOT YOU RECOGNIZE OF IT AS THAT WHICH IT IS.

The sky shall roll back like a consuming scroll. This force shall go within the very core of the human being. He will understand his offenses unto God. However, this warning will be of short duration and man shall continue upon his road to perdition, for his probability of massive change has not come about; he has only become more mired in the Conspirators' trap. Mankind's hearts are hardened so greatly that it is not likely that he will change, on the whole.

Now, let us go through some other repetitions. There will be tremendously high waves roaring in upon the lands and entire cities, buildings etc., shall disappear from their very moorings; the atmosphere shall spew forth currents of great heat and toxic fumes and the winds shall swirl as the whirlwinds from every direction and flatten great cities and lay waste great portions of the lands and the heat will shrivel of plants and devastate great herds of your animals except those which have been given safety in thy preparations. For those who have made proper preparation, the holocaust shall sweep across you and you shall remain safely within thy well-made bunkers and so will the animals who have been considered and preparations made unto their needs for protection and foods sources laid in.

There shall be a great settling in of a deadly quiet upon mankind following a massive darkness of spirit and a darkness of atmosphere. The very sounds of the Mother Earth shall be heard as the wail of a birthing mother.

As day follows night, shall this warning follow soon now, chelas—even in thy manner of the counting of days and “time” in thy perception.

As this comes into thy consciousness, move into thy places of safety, beware most specifically of the sunrise—do not look into the sunrise or unto the sky or into the flash! Close your windows and you who have prepared, move within your cave-like bunkers and seal your windows. **REMAIN INSIDE!! DO NOT VENTURE OUTSIDE YOUR DOOR—DO NOT GO OUT ONCE CLOSED WITHIN, FOR IF YOU HAVE PLANNED AND PREPARED THOSE ONES OF YOUR OWN WILL BE IN SHELTER ELSEWHERE AND YOUR HERDS AND FLOCKS WILL HAVE BEEN PLACED IN PROTECTION AS THE WARNING BEGINS. DO NOT GO OUTSIDE—STAY WITHIN—FOR IF YOU LEAVE IN THE MIDST FOR ANY REASON, YE SHALL NOT RETURN.**

In the midst of the blazing blast, prostrate yourselves as flat against the foundation of the floor or earth and stretch out your extremities while protecting your eyes between your arms—for the light will penetrate unto the darkest corners and the energy waves will impact the body while passing through most of the housing material. Some of the beams will most readily be directed through the Earth itself but you can shield yourselves. During the warning, do not struggle to bring your animals within your actual dwelling bunkers, for this warning shall be as a warning to the human and the animals of those who remain of well spirit will be taken care of quite nicely. The warning might well come without pre-warning and if so, go within your houses, do not look up to the sky and shield your eyes from the flash! Close your windows! Draw your blinds! **AND REMAIN INSIDE!! DO NOT VENTURE OUTSIDE YOUR DOOR, OR YOU WILL NOT**

RETURN! GET FLAT ON THE FLOOR ON THE LOWEST LEVEL OF YOUR DWELLING AND WITHIN THE DARKEST PORTION, AND FLATTEN YOURSELF AGAINST THE FLOOR IN THE FLATTEST MANNER POSSIBLE.

I FURTHER SUGGEST THAT WHILE YOU ARE PROSTRATE UPON YOUR FLOOR THAT YOU CONTINUALLY PRAY AND PETITION MERCY OF YOUR GOD, THE FATHER, FOR WE SHALL BE ALLOWED TO SHIELD THOSE OF YOU WHO ASK IN GOD'S NAME FOR PROTECTION.

Now dear ones, you can disallow all of this to the limits of your narrow little worlds—***BUT THESE ARE INSTRUCTIONS! DO YOU HEAR ME? THESE ARE INSTRUCTIONS AND IF YOU HEED THE INSTRUCTIONS, YOU WILL BE IN PROTECTION AND NOTHING IS HOPELESS. CONTINUE TO IGNORE THE HELP AND ALL YE SHALL HAVE IS “WISHES”. TO “HOPE” AND ACT IS NOT THE SAME AS “WISH” AND WAIT.***

I WARN YOU AGAIN—STAY WITHIN, DO NOT EVEN GO OUT TO BRING IN THY ANIMALS, FOR THEY SHALL BE TENDED AS TO THE PLAN. OH, DEAR ONES, HOW MANY WILL TRY TO GO BACK AND RESTORE THEIR HOMES WHEN IT IS TOO LATE? STAY WHERE YOU ARE, FOLLOW THESE INSTRUCTIONS AND WAIT FOR NEW INSTRUCTIONS—GOD NEVER LEAVES HIS CHILDREN WITHOUT INSTRUCTIONS IF YOU WILL BUT LISTEN!

Keep candles which are of quality in that you ask blessings upon your choices and actually mentally or verbally, sanctify them, have water set aside for thy needs—within your dwelling place where it can be pulled forth for use without going without your dwelling. Have blankets, quilts or coverings, for you will need them for protection first from the heat and then from the frigid chill. And, of course, you will need food to survive for a period of some several days. Later, within this document, we shall outline that which you will need, in greater measure. However, if you are caught, just make sure you have the above items and you will pass through the warning.

As a sign unto you, the candles of those who have remained in the state of Grace shall not be extinguished, but the candles in the homes of those who have given themselves unto Satan shall not burn!!! Children, I say unto you, as night follows day, a great and void of darkness shall descend upon mankind. I ask you to return to the story from your Ancient Holy Book in the *Old Testament of Hebrews Chapter 11, verse 7*: “By faith, Noah, having been warned concerning things not seen as yet, prepared with pious fear an ark in which to save his household.” That means—in respect and knowledge of that which would be forthcoming. Of course onlookers laughed and ridiculed and persecuted him—but guess who had the last laugh!

In your 1978 strong words and warnings were coming forth upon your place from these realms of God. You were told to review the lives of your teachers (which some call “saints”) given forth throughout the world to every creed, color and race. All were asked to unite against the common enemy of your God (WHICH IS YOU!). Yet you do not seem to come into understanding in large numbers and many who began quite wisely did not cling only to God and therefore were pulled down and discounted as leaders. Lucifer (Satan) seeks to destroy all that is based on

Christ/Creator/Creation. He seeks to destroy this by taking the Word of God from among you by substituting a life, a way of life, that is pure and simply, insanity. Will you destroy of thy own children—thy own flesh and blood? That is that which is happening from one generation unto the next—destruction of the very souls of your own creation. WE shall continue to call out unto you for as long as any will hear—turn back, for you are falling in great masses, into the abyss! It has naught to do with “religion” or “doctrines” as set forth by man—it is the returning into the direction of God and The Creation; I did not say ye would be judged upon your perfection—but ye must be turned about and in the asking for, else we are asked, we may not intervene, for it is the law of the cosmos that free-will man shall have free-will until his individual gifting back unto God, that gift.

If you cannot simply remember to stay in communication and contact by simple thought—then do something which calls your mind to focus—be it a trinket, a rosary, a feather, a string about thy finger—whatever calls thy mind into focus on God and Light and it must be constantly brought into your conscious mind in sincere intent. Empty words will produce naught but empty response. This is the sorting time and you are choosing—you will now get off thy fences and roadway middles—you shall be in the choosing of thy pathway.

Stay in communication with God and the Hosts, gather your children and friends about you and remain in touch and closeness, for you will be guided in appropriateness as the time comes upon you—you will be in the proper placement at the proper time for that is the way of God. Confusion and helter-skelter terror are the way of Satan—BUT YOU MUST LISTEN WITHIN AND HEED THE NUDGES AND THEREBY YOU WILL BE GIVEN INTO THE “KNOWING”.


This “Warning” will bring many back unto the Lighted Path, for they shall be turned back from their road that leads into the void.

The Warning which will be sent upon many must be effective. And in the mercy of the Father, a great spectacle will then be placed in the sky for all to see. However, the agents of Hell will try to prove/disprove the hand of the Father in this Miracle. And brothers, herein will be massive tinkering of your evil technicians and discernment shall be rested squarely upon your shoulders. The evil Conspiracy has laid in stores, weapons and yes, spacecraft in order to discredit the Lighted Brotherhood and dupe the masses. The efforts are greatly underway in the terror tactics of misrepresentation of truth by partial truths which produce incorrect conclusions. **I REPEAT; THERE IS NAUGHT TO FEAR FROM THE LIGHTED BROTHERHOOD OF SPACE—THE DANGER AND DESTRUCTION IS ALREADY RAMPANT UPON YOUR PLACEMENT! SO BE IT.**

Dharma, allow respite, please, for we begin to have computer problems at about this point in a given program. We do not want to need repeat the work involved by over-extending the quantity of a given writing. Thank you, chela, and I now move to stand-by that we might continue after rest.

Hatonn to clear, please.

[END OF PART 1]

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The News Desk

By John & Jean Ray

MILITARY COOLS TALK OF COMBAT WITH IRAQ

The Washington Post, 05/24/02

WASHINGTON—U.S. military leaders believe they have persuaded the Pentagon's civilian leadership to defer an invasion of Iraq until next year at the earliest and perhaps not to do it at all, Pentagon officials said.

The Joint Chiefs of Staff campaigned behind the scenes to prod the Bush administration to reconsider its aggressive posture toward Iraq in which war was regarded as all but inevitable.

Part of the fight was a secret briefing at the White House earlier this month for President Bush by Army Gen. Tommy Franks, who as head of the Central Command would oversee a military campaign against Iraq.

During the meeting, Franks told Bush that invading Iraq to oust Saddam Hussein would require at least 200,000 troops, far more than other experts had calculated.

The estimate concurs with views of the Joint Chiefs, who have repeatedly emphasized the lengthy buildup that would be required, concerns about Hussein's possible use of biological and chemical weapons, and worries about casualties, officials said.

The Bush administration still appears dedicated to removing the Iraqi leader from power, but partly in response to the military's advice, it is focusing more on undermining him through covert intelligence operations, two officials added.

In addition to skepticism from within the military ranks, Bush faces concern in Europe about the wisdom of expanding the war on terrorism to Iraq.

The debate inside the Pentagon is part of a larger discussion of Iraq that also involves the White House, the State Department, the CIA and others.

The disclosure of the efforts by the uniformed leadership to slow the drive toward war suggests that a military confrontation with Iraq may be further away than has been suggested by administration officials. Some of the chiefs' concerns were first reported in Thursday's editions of *USA Today*.

However, the situation is still fluid, and Pentagon insiders say intense pressure is being brought by advocates of military action within the administration to get the chiefs on their side.

Sources familiar with the discussions held by the Joint Chiefs in the secure Pentagon facility known as "the Tank" say it is premature for the military brass to declare victory. **[JR: It is not the military that will decide on a war with Iraq because civilian leadership in the Pentagon can override the military and the JCS. Deputy Sec. Wolfowitz and Pearlle of the Defense Dept. who both have very close ties to Israel have been campaigning since 911 to engage the U.S. in a war with Iraq. They will make that decision, with the unofficial approval of the Bush Administration. Another incident like 911 is anticipated because of the weekly terrorist warning from Washington. Iraq will be the logical target because of the long campaign to rid Iraq of Saddam.]**

JOURNALISM SHOULD NEVER YIELD TO 'PATRIOTISM'

By Robert Jensen, *Counterpunch*, 05/30/02

Unfortunately that question—posed to a journalists' meeting in Salt Lake City in April by distinguished newsman Bill Kovach—is necessary after Sept. 11, as

the few who dared critique the rush to war were attacked for being insufficiently patriotic. Too many journalists responded to the post-9/11 hyper-nationalism by waving the flag, literally and figuratively.

Even Dan Rather, perhaps the most vocal journalistic patriot after the tragedy, has had second thoughts, confiding in a *BBC* interview May 16 that "patriotism run amok" has led to self-censorship by journalists, himself included.

Kovach's challenge and Rather's confession are compelling, but unfortunately formulated in a way that diverts journalists and citizens from a more crucial question: Are you an American first, or are you a human being? That's the question for everyone after Sept. 11.

The answer depends on the meaning of patriotism. Two definitions competed after the terrorist attacks. One was the patriotism of President George W. Bush: "You are with us, or you are with the terrorists," meaning "get on board with plans for war, or ..." Or what? The implication was that real Americans rally around their government and traitors raise critical questions.

This poses an obvious problem for journalists, who get paid to raise questions. But for anyone—journalist or not—such a crude patriotism abandons moral responsibility. What if a war violates international law or is prosecuted using immoral tactics? Nations—including ours—are not benevolent institutions, and U.S. history is replete with inhumane acts. If patriotism requires we support such acts, then patriotism becomes inhumane.

An alternative, kinder-and-gentler patriotism is offered by others, especially war opponents: patriotism not as reflexive support for a policy or leader, but allegiance to American ideals of freedom and democracy.

Freedom and democracy certainly deserve our allegiance. But what makes them uniquely American? Is there something about the United States that make us better able to achieve freedom and democracy than, say, Canadians or Indians or Brazilians? Are not people around the world—including those who live in countries that do not guarantee freedom—capable of understanding and acting on those ideals?

If the justification of this notion of patriotism is that these values are realized to their fullest extent in the United States, then there will be questions from the people of Guatemala and Iran, Nicaragua and Vietnam, East Timor and Panama. Victims of U.S. aggression—direct and indirect—might wonder why our political culture, the highest expression of the ideals of freedom and democracy, overthrows democratically elected governments, supports brutal dictators, funds and trains proxy terrorist armies, and unleashes brutal attacks on civilians in war.

Before claiming America is the fulfillment of history, the ultimate expression of liberty and justice, we might think a bit about our history—the near extermination of Indians, for instance.

At its worst, patriotism can lead people to support brutal policies. At its best, it is self-indulgently arrogant in its assumptions about our uniqueness. But rejecting patriotism isn't moral relativism. We should not be afraid to judge systems and societies, using principles we can articulate and defend—so long as they truly are principles, applied honestly and uniformly, including to ourselves.

And we should maintain a bit of humility. Instead of claiming, "America is the greatest nation on Earth," we might say, "I live in the United States

and have deep emotional ties to its people, land and ideals, and I want to highlight the many positive things while working to change what is wrong."

We can say that without suggesting other people are less capable of understanding democracy or defending freedom. We can believe that and encourage spirited debate about policy.

In such a world, the question by Kovach, chairman of the Committee of Concerned Journalists, would be irrelevant; there would be no conflict between being an American and a journalist. Journalists would simply pursue professionally—with the extra time, training and resources they have—what everyone would pursue privately: questioning those in power and challenging ourselves.

Everyone, including journalists, needs to ask themselves: Can we move beyond being American?

Given the destructive capacity of the United States—and our history of using it in the interests of power, not people—never before has our answer been more important. **[JR: The American people would have benefited more to hear Dan Rather's candid comments regarding the slanted news on CBS instead of on the BBC. To say Rather is a journalist is being too generous. If you look up the word journalist, Dan Rather no longer fits the meaning. He is a news anchor who is paid very well by his masters to just read the news and the propaganda out of Washington. When Mr. Rather retires he may write his memoirs and tell it like it was, but by then the world would have changed too drastically for his words to matter much. The U.S. no longer holds to the ideals on which our republican form of government was built. America doesn't have the answer to all the world's problems nor does it have the right to interfere or be the sole authority as to how the world should be run. Patriotism doesn't only come in red, white and blue. It also comes in many other colors. Hitler and Stalin and other despots hid their evil plans behind patriotism in order to gain the support of the people for their wars and genocide. Americans are programmed with the belief that because America is a superpower, she can do no wrong. There were many superpowers throughout history, so where are they now?]**

NATO PACT LEAVES CHINA COLD

By Brian Rhoads, *The Moscow Times*, 05/30/02

BEIJING (*Reuters*)—Beijing is watching warily as Moscow cozies up with its old foe NATO, concerned that Russia's newly forged alliance could in the long run bring the U.S.-led coalition right up to China's borders.

Analysts and diplomats say Beijing has taken the formation of the new NATO-Russia security council very quietly—perhaps resigned to having little say on Russia's bear hug with Europe and the United States in the wake of the Sept. 11 attacks.

But as the relationship was still in its early stages, and NATO remained largely focused on Europe, they said China was unlikely to be too concerned in the short term.

China would, however, keep an eye on how far Russia pursued its military cooperation with NATO, and whether the U.S.-dominated security grouping makes any moves to expand to Central Asia.

And Beijing would seek to mute the impact of the NATO deal through other avenues of consultation and influence such as the Shanghai Cooperation Organization, which links China, Russia and four Central Asian states....

"The founding of this forum is essentially different from Russia joining NATO. It's just a start for the two and it is very hard to predict how far Russia will go in military cooperation with NATO," said Guo Zhenyuan of the China Institute for International Studies....

China was eager to see where Moscow's motives lay—was it truly cozying up to NATO or would President

Vladimir Putin use the relationship to pursue a long-term goal of a more independent foreign policy?

Before Sept. 11, China and Russia had been forging a new strategic relationship based mainly on their opposition to Washington's planned missile defense systems and their opposition to international meddling in other countries' affairs.

Chinese President Jiang Zemin and Putin signed a friendship treaty last July that was supposed to cement that partnership. But that changed after Sept. 11.

China was caught by surprise by Putin's swift backing of the war on terror, and was disturbed months later as Russia made only mild protestations against U.S. plans to abandon the Anti-Ballistic Missile Treaty and pursue missile defense.

Beijing worries a U.S. missile shield could neuter its small nuclear arsenal and be stretched to cover Taiwan, which China regards as a wayward province.

China also watched warily as the war on terror brought U.S. troops into its backyard—in Afghanistan, other Central Asian states and the Philippines.

Russian participation in the NATO forum was the latest turn and Chinese officials are struggling to understand it.

"There is some confusion here about what the Russians really want," said a Beijing-based diplomat.

Some in China view Russia as "firmly tying its colors to the mast of the West" and eventually shifting significantly to the Western camp, the diplomat said.

Another camp sees Putin pursuing a long-term goal of returning Russia to a more significant international role with a separate and independent foreign policy.

That would be preferred in Beijing, which has courted Moscow less out of economic and trade interests than as a balance to the United States, he said.

China-Russia trade remains a trickle—except for Beijing's imports of military hardware from Moscow.

The real test for China would come should NATO seek to expand even further east—perhaps into Kazakhstan, in its Central Asian back yard. A few years ago, Chinese officials told skeptical Western diplomats that "NATO will border China very soon."

"They are trying very, very hard to make sure that never happens," one diplomat said.

Meanwhile, analysts expect Beijing to court its neighbors to counter the U.S. presence, and attempt along with Moscow to breathe some life into the Shanghai Cooperation Organization.

In the wake of the Afghan conflict, China embarked on a flurry of diplomatic activity with its neighbors to shore up ties and balance the uncomfortable U.S. presence in Central Asia.

As for the NATO deal, Russia was largely motivated by its economic interests and it was highly unlikely Moscow would see eye to eye regularly with its newfound allies, analysts said.

"Leaning West or leaning East, Russia bases its relations with NATO upon its national interests," Guo said.

"There is no denying that Russia is bettering its links with the West. But the process is bound to be rife with all sorts of ups and downs."

[JR: The U.S. is building a presence in Southeast Asia to checkmate China and is using the Philippines as a strategic base of operation. The Philippines could be made vulnerable again and risk invasion by the Chinese as she was in WWII by the Japanese. Russia's participation with NATO is necessary to protect her borders and it is to her advantage to be in on NATO's plans for the independent Baltic States. The Chinese may see Russia as a team player but she only sits as an observer on NATO's bench and has no say on how NATO's games will be played. The backdoor to her security might well be the agreements she made with China last July at the Shanghai Conference. A reasonable guess would be

that Russia is building her own position in world affairs so she will no longer be ignored and excluded as a power. As in the art of war, the goal in world politics is to understand the opposition, to know its strengths and to take advantage of its weaknesses in order to win. This might be Putin's plan for now but it could change. It all depends on how unfairly Russia is treated by her adversaries.]

PHILIPPINES TO ALLOW U.S. FORCES TO EXPAND SCOPE

By Bradley Graham, *Washington Post*, 06/04/02

Philippine authorities gave a green light yesterday for U.S. forces to intensify operations with Philippine troops scouring the dense jungles of Basilan island for Muslim extremists who have two American hostages.

About 160 U.S. Special Forces advisers and more than 800 other U.S. troops arrived in the Philippines in February to start training soldiers fighting the Abu Sayyaf guerrillas. But the U.S. advisers have been confined to military bases, conducting general programs at the battalion level, while a plan to push the Americans out into the field to work with company-level units was delayed.

"There was a consensus that training will be intensified and pushed forward to the company level," Philippine presidential spokesman Silvestre Afable said yesterday after talks in Manila between Deputy Defense Secretary Paul D. Wolfowitz and government officials, according to *Reuters*.

At the Pentagon, a spokesman said Defense Secretary Donald H. Rumsfeld had yet to approve the expanded operation. But the final approval could come as early as today after Wolfowitz's scheduled return to Washington, the spokesman added.

The U.S. operation, which also involves intelligence cooperation and construction projects, goes beyond hopes of rescuing American missionaries Martin and Gracia Burnham, who have been held on the remote island for a year. Pentagon officials regard the effort as a key part of their global strategy to wipe out al-Qaida-linked groups and ensure that Southeast Asia does not become a new base for terrorists flushed out of Afghanistan and Pakistan. The Abu Sayyaf, a ragtag band of self-proclaimed Muslim separatists, has kidnapped dozens of people in recent years and is alleged by Philippine officials to have funneled ransom payments to al-Qaida.

Philippine officials have been concerned about the domestic political repercussions of U.S. forces operating alongside Philippine troops, even in an advisory role—and particularly if the Americans end up in a firefight with the guerrillas. Under the Philippine constitution, foreign forces are forbidden to take part in combat.

Plans for the joint patrols call for U.S. soldiers to carry weapons but fire only in self-defense, according to U.S. officials.

Rumsfeld said last week that he was awaiting a recommendation from the new head of U.S. forces in the Pacific region, Adm. Thomas B. Fargo, on whether to proceed with the intensified operation. Fargo is understood to have recommended going ahead.

[JR: When you have the top gun Wolfowitz in the Philippines, you know major plans are being made to establish a lengthy U.S. presence in Southeast Asia. What do the leaders of the Philippines hope to gain by allowing the U.S. and "others" to take over and run their country? The ones selling out have enough wealth and prestige to satisfy their bloated egos but are too selfish to have concern for the welfare of their country and their people. The only thing the Filipino people are getting out of this sellout is more poverty, debt and the loss of their country. When things get too hot the Elite will make for the exits faster than you can say... Ferdinand Marcos—right, Mr. Wolfowitz?]

KEPT IN THE DARK ABOUT THE WAR ON TERROR

By Steve Chapman, *Tribune*, 06/02/02

It's been said that the first casualty of war is truth, but the adage doesn't apply to the war on terrorism. What took the first bullet this time was knowledge.

Ever since Sept. 11, our government has made secrecy the highest value, insisting that public ignorance is essential to the fight against al-Qaida. The Bush administration not only doesn't want us to know many things—it doesn't even want us to know what it is we don't know.

Openness is a basic requirement of a system based on the consent of the governed. We can't have any idea whether our elected officials are carrying out policies we favor if their actions take place out of sight.

But when it comes to the government's mass arrest and detention of foreigners, Atty. Gen. John Ashcroft has taken the view that an informed public is a dangerous public. And the American people, systematically deprived of information about what the government is up to, can't find many grounds to complain about what the government is up to.

In these "special" cases—noncitizens taken into custody for suspected terrorist ties—the Justice Department has insisted on conducting immigration hearings in total secrecy. Visitors, reporters and even family members of the accused are barred from the courtroom. For that matter, the government refuses to even make public the fact that one of these cases is being heard.

Ashcroft and Co. are nothing if not nervy. It's not enough for them to hide from the American people what happens in a given judicial proceeding. They go further and hide the mere fact that there is a proceeding.

But last week, a federal judge in New Jersey ruled that the government can't impose complete silence just because it wants to. Judge John Bissell said that as a general matter, constitutional protections require immigration hearings to be open. If the Justice Department thinks that opening a particular hearing creates serious dangers to law enforcement, it has to convince a judge to close the proceeding—something the law already allows.

The Justice Department denounced the verdict, warning that it may yield "valuable information to terrorist organizations or others who wish to harm Americans." But that's exactly backward. If there is information of potential value to terrorists that may be revealed, the government can get the hearing closed. The only hearings that must be open are those that pose no discernible risk to national security.

This policy illustrates the administration's habit of denouncing the guilty to justify its mistreatment of the innocent. After the terrorist attacks, the government rounded up some 1,200 people. Normally, the names of people in law enforcement custody are a matter of public record. But the Justice Department refused to release the names of those detained on the theory that if al-Qaida knew which of its operatives were in jail, it could make adjustments to facilitate future attacks.

But today we know that few, if any, of those locked up were involved in terrorism. We know because the Justice Department admits as much. By its count, 117 detainees were charged with any violation of federal criminal law. Only a handful have been charged with anything related to terrorism. And the only person charged in connection with Sept. 11, Zacarias Moussaoui, was arrested before the attacks. We may one day learn that the whole dragnet was a complete failure.

Several hundred of those rounded up have been let

go and, in the words of the government, are deemed “not to be of current interest regarding the investigations emanating from the Sept. 11 attacks.” That’s a bureaucratic way of saying that they had as much connection to Sept. 11 as Kermit the Frog.

Even these names, however, remain secret. The Justice Department insists that if al-Qaida finds out which of its confederates were arrested, it can revise its plans, activate other terrorist cells and slip messages to those behind bars. But how does it help al-Qaida to learn the name of a detainee who had never had anything to do with al-Qaida?

The government’s argument doesn’t even make much sense for any actual terrorists it arrested. If Terrorist A has been out of contact with his superiors for the last eight months, they can probably deduce that he hasn’t been lying on the beach in Cancun. It’s only American people who are being kept in the dark.

So, after months of detaining and interrogating hundreds of people rounded up because someone suspected they were involved with terrorists, has the Bush administration accomplished anything that will make us safer? You don’t want to know.

[JR: An informed public presents a danger in the mangled minds of the Shadowmen that run D.C. Those who are informed and question government’s actions are considered truth terrorists. The secrecy in government and the abuse of its authority has gone too far and is finally being questioned by the media. The Justice Dept. defends its position of withholding any information on the detainees as being part of national security. This “legal authority” has been passed down ever since Roosevelt issued his directive on Sept. 6, 1939. That directive allowed spying and domestic surveillance on U.S. citizens during times of war. This abuse even extended to include the internment during WWII of U.S. citizens of Japanese, German and Italian descent. The difference today is that the present detainees are being held without a declaration of war voted by Congress. The question is... was it right then and is it right now? Lets just keep our borders open and our minds closed and go on pretending that everything is as it should be.]

PAKISTAN, AFGHANISTAN, TURKMENISTAN
SIGN PIPELINE DEAL

NewsMax.com Wires, 05/31/02

ISLAMABAD, Pakistan (UPI)—Pakistan, Afghanistan and Turkmenistan signed a \$2 billion deal Thursday to bring natural gas from Central to South Asia.

Starting from the Daulatabad gas field in Turkmenistan, the nearly 1,000-mile pipeline is to pass through Afghanistan before entering Pakistan. The \$2 billion project will bring Central Asian natural gas to a Pakistani port for export.

The Pakistani towns of Gwadar and Karachi are the nearest warm water ports for Central Asia’s vast energy resources. Major oil companies have shown interest in bringing Central Asian gas and oil to the Pakistani ports ever since the collapse of the communist regime in Kabul in 1993.

The U.S. oil company Exxon even signed a deal with the regional governments for this purpose, but infighting and civil strife in Afghanistan prevented it from being implemented.

The collapse of Afghanistan’s Taliban regime last November and the presence of U.S. and international forces in the country have once again revived hopes for the project. The Afghan government headed by Hamid Karzai is backing the deal.

On Thursday, Karzai, Pakistani President General Pervez Musharraf, and Turkmenistan President Supermurat Niyazov signed the agreement in Islamabad.

Addressing a joint news conference after signing the agreement, the three leaders said they hoped the deal would bring progress and prosperity to the region....

Musharraf said on completion, the project would provide the shortest route for the export of hydrocarbon resources from Central Asia to the Far East, Japan and the West. He said construction of road and rail links from Central Asia to Afghanistan and Pakistan would also open opportunities and increase people-to-people contact and boost economic activity.

He said Pakistan, Afghanistan and Turkmenistan would form three working groups, each dealing with the gas pipeline, road and rail links and trade and economic ties....

[JR: With the war heating up between India and Pakistan there might be a delay in building the pipeline and a future of hope and prosperity for all. Afghanistan is still an unsettled country and may continue to be a problem and also envy could move the other “stan”-republics of old Russia to want a cut of the profits. After all, aren’t all the world’s problems connected to money?]

UN ACCUSED OF KOSOVO FAILURE

By Nicholas Wood in Mitrovica,
The Guardian—UK, 06/03/02

Almost three years after the end of the war in Kosovo, the United Nations is being accused of failing in the province and effectively allowing it to be split into separate Serb and Albanian entities.

A report by the International Crisis Group, a respected political thinktank, says the UN has let the Serb government extend its grip on Serbian-speaking areas of Kosovo, leading to its partition.

The report focuses on the ethnically divided town of Mitrovica in the north of the province, which has been the scene of frequent inter-ethnic violence and clashes with police and peacekeeping troops.

It says the UN has failed to establish its authority there and in other Serb-speaking areas, and it suggests that the French troops who patrol Mitrovica should be replaced by a more robust force.

Ever since Nato soldiers entered Kosovo, a self-styled security force known as the bridgewarters has been allowed to patrol in Mitrovica.

The group sees itself as the defender of the Serb-dominated north of the town, which is divided from the Albanian-dominated south by the River Ibar. Frequent battles have broken out close to the city’s two main bridges.

The report says Serbian central government expenditure in Kosovo has recently been unusually high, considering that the province is meant to be entirely under the UN’s control—and some funding goes to members of the bridge-watchers, who reportedly come under the authority of the Serbian secret service.

[JR: The UN and NATO forces are expected to be peacekeepers or referees in the ethnic conflicts in the repartitioned areas of Yugoslavia. If you were stationed in a foreign country would you risk getting in the middle of a dispute between local rivals? The French troops are being criticized for not being robust or aggressive enough to handle the violent clashes between the Serbs and Albanians in Kosovo. Is the inference here that the French troops should be replaced by “RoboCops” or paid mercenaries? Lethal reaction is the standard method of operation used to maintain order in a world of disorder. Minding one’s business is never an option.]

RELIEF AGENCIES SAY 10 MILLION
ON BRINK OF STARVATION

By Mildred Mulenga, *Daily News*, 05/31/02

LUSAKA, Zambia (AP)—With his people ever more desperate, Zambia’s president has become the latest southern African leader to declare the regional food shortage a national disaster.

Two UN food agencies estimate 10 million people are on the brink of starvation—a number that does not take into account the 4 million in jeopardy in Zambia.

In an address broadcast nationwide late Wednesday, President Levy Mwanawasa appealed for immediate international aid, saying Zambia would run out of its staple, corn, by August.

In some areas, people have resorted to eating wild roots, and most children go hungry.

The United States announced Thursday that it was donating 8,500 tons of food aid to Zambia worth \$2.3 million.

But far more is needed, said Judith Lewis, regional director for the UN World Food Program.

“We urgently appeal to other donor nations to provide assistance and help avert a major humanitarian crisis,” she said.

The food shortage has been attributed to droughts, floods and other weather-related disasters that have ravaged two successive harvests. Government corruption and mismanagement have exacerbated the crisis, according to relief agencies.

Precise numbers for those needing help in Zambia and Mozambique, a neighboring country facing a similar crisis, were not available.

But about 10 million people in four other southern African nations—Malawi, Zimbabwe, Lesotho and Swaziland—are at risk of starvation, the World Food Program and the Food and Agriculture Organization announced Wednesday.

Though crops were harvested in April and May, the food agencies worry that the small supplies could be depleted in the next few weeks.

“It could turn [into a famine] if adequate measures are not taken immediately,” said Liliana Balbi, the FAO official responsible for southern Africa.

The region needs 1.2 million tons in emergency aid and about 4 million tons to make it through the year, according to the UN agencies.

Relief officials also are worried the food shortages would worsen the effects of HIV, which infects an estimated 5 million people in the six countries.

“In a food crisis, the people that die first are the weak. The weak in southern Africa are people with HIV/AIDS,” said Brenda Barton, a WFP spokeswoman.

Some of the suffering has been self-inflicted.

Malawi declared a state of disaster in February. Yet the government inexplicably sold its 167,000-ton emergency grain reserve last year—just before the crisis started. It is still investigating what happened to the proceeds.

In Zimbabwe, a nation used to selling crops to its neighbors in times of need, the food shortage is exacerbated by the government’s seizure of White-owned farms for redistribution to landless Blacks, the WFP said.

[JR: It is possible that the droughts and other weather-related disasters in Central Africa are being artificially manipulated in order to decrease the population. The predictions of 15 million affected by famine and AIDS probably fits well into the UN’s goal for the depopulation of Africa. The relief organizations will be hard pressed to get the food to the starving people because of interference by corrupt government officials. These same conditions and circumstances were allowed to continue for years in Sudan, Somalia and Angola before the world responded to the plight of the starving populations. Hopefully history won’t repeat itself and that the world has become more sensitive and caring towards the needs of others.]

BILLIONS LOST BY FEDS

By John Crudele, *NY POST*, 05/28/02

WASHINGTON complains about deceptive corporate accounting. But the government last year misplaced an incredible \$17.3 billion because of shoddy bookkeeping, or worse.

Let me put that into numbers so you can fully appreciate the amount. It's \$17,300,000,000—the price of a few dozen urban renewal projects, a nice-size fleet of warships or about half the tax cut that everyone made such a fuss about last summer.

Disappeared. Gone. Nowhere to be found.

In fact, the government's accounting was so atrocious that the General Accounting Office—another Washington agency—refused to give an opinion about the honesty of the government's books.

Did someone steal all that money? The government doesn't know. Was it simply misplaced? Dunno. Misspent? Your guess is as good as anyone's.

There's a certain bit of irony, of course, that Congress is raking companies like Enron, Arthur Andersen and others over the hot coals for falsified books when D.C.'s own records are pathetically inadequate.

As I mentioned in this column a couple weeks ago, the government made an incredible admission a little while back in something called the *2001 Financial Report of the United States Government*.

In that report, Treasury Secretary Paul O'Neill revealed that when the government uses the same accounting method that corporations are required to use, the federal deficit in 2001 was \$515 billion. Last fall the government said the budget actually had a surplus of \$127 billion.

Ah, yes, the good old days!

The huge deficit is mainly, the government says, the result of health benefits to military retirees. That's a cost the government conveniently forgot to include in its old accounting method, which had more to do with winning votes than providing a true financial picture of the country.

And that \$515 billion deficit doesn't include all costs, especially Social Security. But we'll leave that alone because I don't want to depress anyone—especially myself.

I also said in that earlier column that the information on the deficit wasn't easy to find. O'Neill's letter was buried on the Treasury Department's Website and the press release put out by the agency didn't mention the \$515 billion until paragraph 5.

(Treasury says all the press in Washington got a copy of the report and that it was adequately disclosed. It also said an undersecretary of Treasury had reported the numbers to a congressional subcommittee.)

Well, I sent my scavengers back into that Financial Report of the U.S. for another look and that's when we discovered the unaccounted for \$17.4 billion.

Follow me on this and I'll lead you to the still-missing treasure.

Go to www.USTreas.gov, click on Treasury Bureau on the left, then click on "financial management services".

If you've made it this far click on "Financial Report of the U.S. Government" for 2001 and download it.

Now find page 49. Look at the line that says "Unreconciled transactions affecting the change in net position." The figure in the 2001 column next to that is \$17.3 billion.

What that means is that when the accountants tried to balance the government's books they came up \$17.4 billion short. Note 16 on Page 110 sort of explains.

That footnote says that the accountants had to pencil in \$17.4 billion that didn't exist (or was missing) in order to achieve a balanced government ledger.

The footnote adds that the mistake could simply be bad government record-keeping or "improper recording of

intragovernmental transactions by agencies."

Poor record-keeping! Isn't that a gem.

I spoke with some of the folks at the General Accounting Office who audited the government's report. They were puzzled by the discrepancy and wouldn't sign off on the government's accounting because of that and other things.

"The left and the right side didn't equate," said one GAO auditor. When such a thing happens in the private sector, people go to jail. And a company's stock would fall by about 99 percent if its auditor didn't trust the books—just ask the felons-to-be down at Enron.

It is good that Washington must now adopt a corporate-like method of accounting for where it spends taxpayers' money.

But it would be even better if there were some recourse to the sort of sloppiness, arrogance or criminality that allows the government to come up \$17.4 billion short of balancing its books.

At the very least, maybe some corporate exec—as he's being hauled off to jail for accounting fraud—will hold aloft page 49 of the government's financial statement and footnote 16 and demand equal treatment.

[JR: The missing funds might have been diverted for "Black Ops" operations or to finance all the underground cities for the Elite. The government's job is to always spend more than it takes in and always covers its deficit spending by adding a few more zeros to its accounts at the Federal Reserve banks. Wall Street accountants created profits out of debt for government-connected companies like Enron and Dynergy so whether the government adopts Wall Street's practices or Wall Street adopts government's bookkeeping practices they both add up to fraud and criminal accounting. The bottom line is the government is in deep debt and the dollar is sliding and so is Wall Street and its stocks. Woe to the taxpayers and the stockholders.]

THE PERFECT STORM IS GOING TO HIT

International Forecaster, Rense.com, 06/04/02

We don't hear any more about how long the average bear market lasts. In fact denial is such in Washington and in the corridors of brokerage houses, banks, investment banks and on *CNBC* that in spite of a recession we are told there is none.

There has been no recovery and there will be none.

It will be difficult for any positive facts to take hold. We have a falling dollar, a real estate bubble, debt bubble and derivative bubble. We have war on terrorism that is causing horrendous debt and perpetual war for perpetual peace. A government deficit that is far larger than has been admitted by government. Business investment is off 70%. Inflation fears are rising. Interest rates are soon expected to go higher.

The DOW is 50% higher than it should be due to market intervention by "The Working Group on Financial Markets" known as the Plunge Protection Team. Oil prices are rising and basically remain at higher levels due to the declared policy of the Bush Administration to continually have wars. A balance of payments deficit that shortly will cease to be financed by foreigners who are removing funds from dollar-denominated assets. That means the FED and Fannie Mae and Freddie Mac, as they have done in each of the last two years, increase aggregates of \$1.2 trillion annually.

When will we have our next terrorist attack take place or when will Napoleon Bush attack Iraq or some other country? In this climate how can business and investors invest? All the cheap gains are gone. How do you replace the 50% losses in pension and profit sharing lost in the market? What happens to retirement

with a DOW of 4500? How can the public have faith in a system where corporate crime is endemic and no one goes to jail? They just buy their way out.

We have a government run on fear, which every day strips us of our privacy and freedom under the guise of terrorism. Corporate earnings are not going up they are going down. Who would be insane enough in today's economic environment to pay 35 to 100 times 2002 earnings for a stock? You have to be unhinged. Is anyone ready for single-digit returns over the next decade? How can anyone invest based on pro-forma earnings?

Do investors really believe the price of their home is going up forever just as their stocks were supposed to do? Don't they realize they are being conned again? This is why there is a slow movement of funds into precious metals. Some people realize they need safety. Considering all of the above except for very special situations you want to be in precious metals and their stocks and Treasury paper.

[JR: If you relate this "Perfect Storm" to the movie, you will know that it certainly wasn't a happy ending. They were willing to risk everything, including their lives because they were driven by desperation and greed and could not control their situation. Isn't that what is going on with investments on Wall Street that is being manipulated by both the bankers and government? The big players like to see low interest rates, but how do retirees survive that have already lost over half their savings and pensions and derive their incomes through interest rates that are down by 50-plus percent and some dividends that become non-existent because of the loss of corporate earnings? Where is the furor of the American people over the sad state of this economy? Remember the old slogan? "It's the economy, stupid!" Are the American people so programmed to accept their fate that they just shrug their shoulders and sigh... "What can WE do?" Well you CAN make your feelings known to Washington and if enough people speak out then maybe it will make a difference. Also, gold is up over 20% this past year and is expected to continue its rise, maybe even double or triple, especially after this *Perfect Storm* hits.]

THE SQUEEZE ON GOLD—
WORLDWIDE SCANDAL ABOUT TO BREAK

By Maree Howard, *rense.com*, 06/01/02

The price of gold and gold stocks is skyrocketing with Central banks across the world coming in for severe criticism for the way they have sold official gold reserves, although in a disguised form.

One of the biggest financial scandal stories, on the level of Enron, is about to break.

Central banks are said to have lent their gold for about 1% per annum—the cheapest borrowed money on Earth. They have not reported these loans as sales meaning their official gold reserves remain constant. But the leased gold is gone.

It has been borrowed by large trading companies called bullion banks. They borrowed at 1%, sold the gold, took the money they earned by selling the gold and invested it at 5% or more.

It was sweet multi-billion-dollar deal. But now they are in a squeeze.

They owe billions of dollars of gold bullion to Central banks but to get it back, they must buy gold bullion in the open market, which is now a rising market.

They are losing money, big time.

What has saved them so far is that the Central banks are not demanding repayment. Meanwhile the public doesn't know that the leased gold is gone. The Central banks do not publish these figures.

Then there are the "direct" sales of gold by the Central

banks. The most recent sales were made by the Bank of England. It sold off at least half of its gold reserves over a 3-year period ending in March. The man responsible for the decision to sell the gold is Gordon Brown, the Chancellor of the Exchequer. He has now come under fire for having made horrendous investment decisions.

The British *Independent* newspaper published the story on May 26.

In part that paper says "Gordon Brown has 'lost' 400 million pounds by ordering the sale of part of Britain's gold reserves by the Bank of England..."

"Figures obtained by the *Independent* on Sunday also show that his decision to order the Bank of England to part with some of its gold reserves and switch into Euro and yen was also not a good bet for the taxpayer. The value of gold has soared on world markets as investors have switched to gold."

Of course, major Central bankers have a real problem. When the public learns that the Central bank's gold leasing programme has turned into an unannounced gold sales programme, with the bullion banks in cahoots with the Central banks, and the bullion banks can't repay the central banks, heads are going to roll.

A rising price of gold threatens to bankrupt the bullion banks who dare not go into the market to buy gold for fear of what this will do to increase gold's price.

So it's a waiting game. The bullion banks are hoping the price will go down and so are the Central bankers. But, at some point, the Central bankers will have to demand repayment. At that point the gold-leasing game will end.

The bullion banks will go bust, the Central banks won't be repaid and the public will find out—once again—that they might not be able to trust Central banking.

Will gold's price fall back below the bottom of \$U.S. 256? This now seems highly unlikely given the head of steam under which gold is now rising.

Of course, this all depends on whether Central banks go for one last sell-off to again artificially keep the price down.

With the Federal Reserve system expanding credit money in the U.S. to push down short-term interest rates, and with a recession in capital investing still in force, the question is: Where can I make a better rate of return than in gold?

This year, gold has beaten all other investment categories. Gold investors have to search long and hard to find a better rate of return.

Only if they think the price has peaked would they want to sell. But there is little evidence yet that gold's price has peaked. In fact, the scene looks set for a dramatic price increase.

Even the predictable threat of the Bundesbank in early April to sell gold—no amount specified—in 2004 has had no downward effect on gold's price.

Are investors likely to sell now than in the past? No. Because there are no clear-cut alternatives. Not selling, of course, reduces the supply of available gold at any price.

One of the biggest buyers of gold traditionally is the Indian fathers (Patel not Tonto) who has been in the market for a thousand years buying gold for the daughter's dowry. Why would he now want to sell traditional gold in order to buy conventional rupee "paper-money" investments in such a war scenario which exists on that sub-continent?

Then there is Japan with its increasing demand for gold. And the Central bank of China has been accumulating more gold in recent months than was believed likely.

So the upward pressure on gold's price seems to be from the supply side—i.e. reduced supplies of ready sellers are leading to higher prices.

Gold mining firms burdened with forward contracts set at a lower price see losses ahead when they have to sell a commodity on the back of rising prices. This is really going to hurt those mines that are loaded up with obligations to sell at a fixed price. They will face a profit squeeze and are less likely to add to their positions of forward sales.

I don't expect a gold-rush on Wall Street. They are too conventional and too closely allied to the highest levels of Central banks and bullion banks. Wall Street is the Establishment. In fact, I expect to see a propaganda campaign to try and take the head of steam out of gold and to prop up their ailing financial system.

There is a long-term re-education process ahead because gold has been under attack ever since 1914 when European Central banks ceased to redeem their gold certificates and their Government's authorised this massive confiscation of private wealth. The U.S. joined in but it re-established convertibility after the war ended. Europe didn't, except Britain in 1925, at a pre-war price that could not be maintained without deflation—which the economy got. Britain went off the gold standard in 1931 and the U.S. followed in 1933.

As the truth about the one-way direction of the Central banks' gold leasing programmes becomes clearer to the public and they recognise the statistical fraud—that the gold is gone and won't be coming back—the upward pressure on gold's price will accelerate. The chickens are finally coming home to roost!

BE PREPARED FOR A SLUMP IN DOLLAR

By Tim Howe, *Gulf News*, 05/27/02

DUBAI—If some experts are to be believed, then there is every chance that the mighty dollar is about to stop defying gravity and fall in value. If that happens, there would be a direct impact in the UAE as the dirham is pegged at a fixed rate to the greenback.

Therefore any reduction could have repercussions on the local economy and could also adversely affect both expatriates' remittances and any dollar-based investments.

For example, if the dollar is trading at \$1 to A\$2 then for an Australian to send say A\$1,000 back home he will need \$500. As the dirham is fixed at \$1 to Dh3.675 then he will need Dh1,837. If the U.S. dollar were to weaken 5 per cent, so that \$1 would buy A\$1.90, then \$526.31 or Dh1,934 would be required.

There are many reasons why the dollar is expected to fall, the main one being the fact that the country has spent more than it has earned in the recent past. The huge U.S. current account deficit requires the equivalent of \$400 billion in net capital inflows every year just to cover the shortfall. In other words, they require about \$1.5 billion every working day just to stop the dollar falling.

It is expected that this deficit will soon be the equivalent of 5 per cent of the country's gross domestic product (GDP). It does not take a rocket scientist to see that trouble lies ahead if no early action is taken.

Overseas investors will only continue to pour money into the U.S. so long as they are confident in the ability to have a return. It is of little use to have say a 6 per cent return only to find that when the money is converted back to local currency any gain has been wiped out by a fall in the dollar.

One suggestion is that the U.S. is failing to attract overseas funds because its asset markets are performing worse than those from overseas. This is borne out by the fact that both the NASDAQ and S&P 500 have performed dismally so far in 2002.

To exacerbate the already delicate situation, there is a feeling that U.S. shares are still overvalued and are set to fall even more. The final nail in the coffin is that overseas shares are selling at lower price earnings multiples than their counterparts in the U.S.

Another worrying sign can be seen by looking at the mergers and acquisitions sector. April was one of the slowest months in the past five years with global mergers and acquisitions announcements dropping to \$14 billion.

A year earlier, the U.S. accounted for 30 per cent of all activity in this sector; this year only 14 per cent. A sure

sign of a smaller slice of a much smaller cake.

On the global stage, the U.S. appears to be having an image problem not helped by the antics of a weak president. Because U.S. equities have been recently performing worse than other countries' markets, there has been a cutback in foreign buying.

One just has to note that the equity and fixed-income securities market fell by more than 70 percent in the first two months of this year as compared to the previous period in 2001. Almost \$100 billion of securities were sold in the first two months of 2001 whilst a year later this figure stood at \$26.7 billion.

Although some economic data emanating from the U.S. indicate that recovery is well under way, it presents a false picture. The annualised growth of 5.8 percent in the first quarter (January-March) of 2002 came about largely as a result of inventory adjustments and government spending, both regarded as low-quality economic growth indicators.

But a worrying drop in consumer confidence, a marked reduction in consumer spending and a slowing in the housing market all present a gloomier outlook.

A much weaker U.S. dollar could spell bad news with no country immune from its effects. For example, oil is universally traded in dollars so any diminution will result in a reduction in revenue in that sector. A lower dollar would see money currently being spent overseas redirected to U.S. production.

Further casualties would be those companies that rely on exports to the U.S. for domestic growth with Japan and European Union topping the list.

All is not bad news though. Investors should look at U.S. companies that generate much of their income abroad. A weaker dollar would see the technology and energy companies benefiting as well as industrial companies, such as steel and automobiles, that currently have a tough time competing in the global arena.

There is no doubt that the U.S. dollar, having appreciated by over 30 percent since 1995, is due for a fall. Having already dropped five percent this year, the feeling is that it will fall further over the next twelve months.

Whether this occurs as a nosedive or a gradual weakening remains to be seen but the general consensus is that the dollar is currently overvalued.

The dilemma facing those Gulf-based investors, who have dollar-based investments, is whether to jump ship now or sit tight and weather the inevitable storm. The day of reckoning is fast approaching.

[JR Japanese monetary authorities confirmed they had intervened in the foreign exchange market, for the fourth day in two weeks. The Japanese Central Bank is actually buying U.S. dollars to slow down momentum of the slide of the dollar. With the dollar in a potential free-fall many countries are not only concerned about trade tagged to the dollar but their central banks also have U.S. dollars as their currency reserves. If the dollar drops, so does the value of their Central Bank reserves in the eyes of the international community. It's a slippery slope that will effect everyone. It will however make American products more attractive and affordable—that is, if the rest of the world survives the inevitable. All fiat paper currency will lose much of its artificially propped-up value and gold will rightfully gain back its luster. In this new economic environment... the only thing that glitters IS GOLD!]

NEXT CROP OF ALTERED GENES ADDS PROMISE... AND FEARS

By Julie Deardorff, *Tribune*, 05/23/02

Super algae designed to suck pollution out of Lake Erie. Fish that flash fluorescent red and green when exposed to toxic chemicals. And on Thursday, scientists will unveil malaria-free mosquitoes.

All are spectacular new promises from the controversial world of biotechnology, a young science loathed by environmentalists since its first products, genetically-modified corn and soybeans, were planted in the mid-1990s.

Increasingly, however, scientists are turning to genetic engineering to solve complex environmental and public health problems with imaginative applications that could have broad commercial appeal.

From bacteria that help detect land mines to bananas that carry the hepatitis B vaccine to the revival of the American chestnut tree, genetically-modified organisms in the pipeline are targeting not just farmers but the public and the planet.

The skeptics remain fearful about the unintended consequences of releasing genetically-engineered creatures like mosquitoes into the wild and say the technology creates food-safety and environmental risks.

"This is a tool, that's all it is. It's capable of good applications and capable of bad," said Michael Rodemeyer, executive director of the Pew Initiative on Food and Biotechnology. "As some of the new products come out, like goats that make spider silk in milk, we need a regulatory system that makes sure if it's released into the environment, it won't cause harm."

In a study published in Thursday's edition of the science journal *Nature*, researchers reported developing a genetically modified mosquito that was largely unable to transmit malaria, which kills more than 1 million people a year.

A team led by Marcelo Jacobs-Lorena, a geneticist at Case Western Reserve University, put a gene into mosquitoes that kept the malaria parasite from moving from the mosquito's stomach to its salivary glands.

Others are creating plants and trees to detect or clean up toxic messes. Ohio State University biologist Richard Sayre has altered algae, which have a high capacity to bind to heavy metals, to pick up trace metals such as mercury, cadmium and zinc that accumulate in sediment.

Building on earlier research, Sayre and his colleagues have attached a gene from a chicken protein that binds heavy metals to the outside of the algae cell. They found the enhanced cell picked up five times more metal than a regular cell and absorbed them three times as fast when surrounded by high concentrations of heavy metals.

But concerns are still high. In February, genetically-modified piglets in Ontario, designed to excrete environmentally-friendly manure, were mistakenly turned into poultry feed.

"We are messing with the building blocks of life," said Matt Rand, campaign manager for biotechnology for the National Environmental Trust. "We are playing Mother Nature and rolling the dice."

A World Health Organization report issued this month found that while genetic research might eventually save millions of lives, the breakthroughs could carry dangerous risks and ethical dilemmas.

"Manipulating the genetic makeup of certain animals such as designer mosquitoes might offer tremendous benefits to mankind but also poses potential hazards, such as toxic effects on the environment and adverse effects to other animals in the ecosystem," the report warned.

To prevent the genetically-altered algae from escaping into the environment, the algae have mutations so they can't live outside the lab or reproduce. They've only been used in water treatment plants, not lakes.

If they did escape and had no built-in controls, they might have the potential to bind more metal and that could be dangerous, said Sayre, chairman of the department of plant biology.

"If they're out swimming in a lake, reproducing and accumulating more metal, fish or other organisms that eat the algae also accumulate more metal, and that could enter into the human food chain," Sayre said.

For many, though, biotechnology offers new applications that, if viable, would be hard to resist.

Genetically-engineered trees are being developed to resist pests, to remediate toxic wastes and to reduce the lignin concentration in wood to make it easier to process pulp and paper products.

Biosensors that can detect land mines were developed by engineering bacteria for sensitivity to TNT, a common part of explosives. The bacteria were further modified to contain a jellyfish protein that glows when TNT is detected.

Scientists Michael Carvan and Dan Nebert created zebra fish that glow after swimming in water tainted with certain toxic materials by splicing a human gene usually activated when PCBs are present with a jellyfish protein or a luciferase gene, which helps fireflies glow.

At least 400 projects looking at plant-based vaccines and pharmaceuticals are underway, said Bruce Chassy, associate director of the biotech center at the University of Illinois.

Food technologists have engineered "golden rice," rich in beta carotene that humans can convert to vitamin A. And vaccines in fruit that would be much less expensive, safer and easier to administer than conventional vaccines are only 5 to 10 years away, Chassy said.

But despite the potential benefits some believe genetic modification brings, Americans are skeptical in general about the new uses of genetic engineering, especially when it involves altering insects or animals, according to a poll by Pew Initiative on Food and Biotechnology.

More than half of poll respondents (53 percent) objected to genetically modifying insects, even when told the outcome could be a mosquito incapable of transmitting malaria.

[JR: There is a lot of biotechnology research going on that could solve our manmade pollution problems and improve living conditions. The science that explores and delves into the uncharted regions of genetic engineering may create more problems for humanity and also in the animal kingdom. Bioscience is promising in its potential but is the research done to gratify man's ego and move beyond the natural Laws of Nature? The research and manipulation of the genetic DNA could also emerge from the mind of scientists with a Dr. Moreau or Dr. Frankenstein complex. We can't afford to allow science to play Russian roulette with Nature for those who only want to gain huge profits from these types of research.]

CLEAN 1ST FOR FUEL CELL CAR: S.F. TO D.C.

By Nedra Pickler, *Daily News*, 06/05/02

WASHINGTON (AP)—A hydrogen-powered car completed a cross-country trip Tuesday, a first-of-its-kind journey designed to prove that cleaner-burning fuel can be a viable alternative to gasoline.

Fuel cell vehicles won't be mass-produced for at least eight years, but DaimlerChrysler says the trip by its NECAR 5 vehicle shows the promise of fuel cell engines.

"I will not tell anybody how much doubt we had when we started 16 days ago," said Ferdinand Panik, head of DaimlerChrysler's fuel cell group, after the car pulled up at the Capitol at the end of its journey. "It runs much, much better than we believed."

Fuel cells can run on hydrogen or other fuels, such as ethanol, methanol and gasoline, that can be converted into hydrogen. Hydrogen is combined with oxygen from the air in a chemical reaction that produces electricity that powers the vehicle.

Pure hydrogen-fed fuel cells produce only water—no harmful emissions—but hydrogen is a flammable gas that poses safety questions, especially when crashes occur, and engineers are working on safe onboard storage systems. Those using other fuels pollute less

than gasoline engines but have some emissions and produce less power than pure hydrogen.

The NECAR 5—"New Electric Car, 5th Generation"—is a subcompact Mercedes-Benz A-Class that ran on methanol converted to hydrogen. Because methanol is not available at gasoline stations, it had to be delivered along the route for refueling every 300 miles.

The trip began at the Golden Gate Bridge in San Francisco and spanned 3,262 miles, which DaimlerChrysler says is a record for a fuel cell vehicle on public roads. Traveling time was 85 hours over a span of 16 days, an average of about 38 m.p.h., but the car reached speeds of more than 90 m.p.h. and averaged 40 miles per gallon.

Converting the nation's automobile refueling system to hydrogen or other convertible fuels is among the largest hurdles for fuel cell technology. Other problems will keep the technology from reaching the mass market for at least a decade, experts say, including onboard storage of flammable hydrogen, reliability, durability and cost.

Most major automakers plan to begin making some fuel cell vehicles powered by convertible fuels available for limited fleet sales within a year, such as to government buyers who can carefully monitor performance.

Daimler Chrysler plans to have 30 buses working in 10 European cities next year. Ford Motor Co. has a fuel cell Focus aided by a battery for acceleration that it plans to lease for fleet customers in early 2004. General Motors Corp. demonstrated a Chevrolet S-10 pickup last month that converts gasoline to hydrogen.

More manufacturers also are offering the public hybrids that save fuel with an electric motor that helps the gasoline engine power the vehicle.

[JR: What ever happened to those prototype experimental cars tested in the late '70s, '80s and '90s that were supposed to get over 40 mpg and reduce our dependency on foreign oil? Yea, like the Alaskan pipeline! Remember there is a considerable tax write-off on energy-saving research. I'm afraid this prototype NECAR 5 (5th generation) will be shelved like all of its predecessors. When oil companies (cartel) are threatened with alternative energy sources, they either buy up the patents or reduce the price of oil so it's not economically feasible to produce these hybrids for the general public. And so the cycle begins again and again, but it continues to give us all something to look forward to, doesn't it.]

THE SCAFFOLDING OF A POLICE STATE

By the Editorial Board, *WSWS.com*, 06/08/02

The sudden announcement by President George W. Bush that he will seek the creation of a huge new federal Department of Homeland Defense, to control most federal domestic policing and security programs, must be understood on two levels. In its timing, it is a transparent attempt to distract public attention from the revelations of advance warnings to the government about the terrorist attacks on the Pentagon and the World Trade Center. In its substance, the proposal represents an acceleration of the moves towards presidential dictatorship that have characterized every step taken by the Bush administration since September 11.

The consolidation of agencies such as the Coast Guard, the Immigration and Naturalization Service, the Transportation Security Agency and others—22 in all, from five separate government departments—represents an unprecedented concentration of police powers at the federal level. The new cabinet level department would become overnight the third largest in the federal government, in terms of manpower, with 170,000 workers, behind only the Department of Defense and the Department of Veterans Affairs.

As outlined by Bush, it would carry out four main

functions: border and transportation security, emergency and disaster preparedness, the development of countermeasures for nuclear, biological and chemical warfare, and the centralized storage and analysis of information on potential threats, to be supplied by the FBI, CIA, NSA and other government spy services.

The Bush administration presented the plan as a measure to protect the American people. But it would be more correct to say that the new department will concentrate the police forces of the government for the purpose of surveillance and repression against the American people.

As the *Washington Post* noted, the agencies to be combined in the new department “go well beyond policing the borders”. The newspaper continued: “They reach deep into American life, doing everything from coordinating disaster relief to tracking down foreigners working illegally in restaurants. Some experts said this could prove controversial, because it blurs the boundaries between gathering intelligence on foreigners and doing the same with American citizens.”

Perhaps the most ominous measure is the inclusion in the Department of Homeland Defense of the Federal Emergency Management Agency (FEMA), now headed by Bush’s former campaign manager, Joseph Albaugh. FEMA was designated as the lead agency in plans developed 20 years ago under the Reagan administration to impose martial law in the event of a new and unpopular Vietnam-style war in Central America. FEMA’s brief included the establishment of prison camps at mothballed military bases for the detention of hundreds of thousands of U.S. citizens and foreign immigrants.

Similar moves are now being considered against the Arab-American and Asian-American population, and all other potential opponents of a new U.S. war against Iraq or elsewhere in the Middle East—or in Colombia, the Philippines, Georgia, or some other target of U.S. aggression. This has already been foreshadowed in the roundup of thousands of immigrants after September 11 and their ongoing mistreatment in jails and detention facilities.

Only three months ago the American media was filled with reports about the Bush administration’s decision to establish a “shadow government” in the wake of September 11, with the dispatch of designated executive branch officials to secret bunkers, without the knowledge or approval of Congress. ...

Not a single voice in Congress opposes what amounts to a gross violation of fundamental U.S. constitutional principles: separation of powers, checks and balances, congressional oversight of the executive branch, and the right to privacy and freedom from government prying. Congressional oversight of the new behemoth agency will be far more limited than the current supervision of 22 separate smaller agencies. Bush cited the lessened congressional scrutiny as one of the main advantages of his reorganization plan.

The White House plan was greeted enthusiastically by former Democratic vice presidential candidate Joseph Lieberman, Congresswoman Jane Harman, and other influential congressional Democrats, as well as by Senate Majority Leader Tom Daschle and House Minority Leader Richard Gephardt. All pledged speedy action on the plan, and endorsed Bush’s appeal for passage before the end of 2002—a flagrant attempt to steam-roll the changes through Congress without any serious public discussion or debate.

The centralization of all federal domestic security forces into a single agency parallels another major action by the Pentagon, which in April won White House approval to set up a new four-star command, dubbed the Northern Command, covering the North American continent. For the first time in U.S. history, all troops, planes and ships on the territory of the United States and Canada will be under the command of a single officer—an action always rejected in the past, even during World War II, for

fear of its dangerous implications for civilian control of the military and democratic governance.

These measures are combined with constant alerts, warnings and sensationalized publicity of alleged terrorist threats, aimed at keeping the American population off balance and creating the conditions where some new catastrophe—perhaps on an even more terrible scale than September 11—can become the occasion for an outright suspension of democratic rights and the imposition of martial law.

The secretive manner in which the plan was drawn up, and the sudden and improvised manner in which it was released, have their own significance. The process bespeaks an administration in enormous crisis, concerned that its political support is eroding, that the U.S. and global financial situation is balanced on a knife edge, and that emergency powers may be required to deal with domestic social unrest.

Less than two months ago, top White House officials dismissed Democratic Party proposals for a new cabinet department for homeland security, calling it, at best, a possibility for the distant future. Budget Director Mitch Daniels told the Senate Governmental Affairs Committee April 11, “The president has said from the outset that the structure for organizing and overseeing homeland security may evolve over time as we all learn more and as circumstances change.” The only circumstance that has changed significantly since then is the credibility of the administration, shaken by the wave of revelations of advance warnings of September 11 that were ignored or suppressed.

The *Washington Post*, in what purports to be an inside account of the decision, described what it called “a seven-week deliberative process secretive even by the standards of [the] Bush administration”. To call this process “deliberative” is surely misleading. Who was deliberating? Only four top Bush aides reportedly discussed and drafted the proposal: Bush’s present homeland security adviser Thomas Ridge, Budget Director Daniels, White House chief of staff Andrew Card and White House counsel Alberto Gonzalez. The plan then went to Bush and Cheney for ratification.

The reorganization plan was unveiled with virtually no advance notification to Congress, or even to the cabinet officers whose departments and responsibilities would be radically altered. The House and Senate Republican leaders were reportedly informed on Wednesday evening, 24 hours before Bush gave his nationally televised speech. Democratic congressional leaders learned of the plan the same day it was presented to the country.

Bush’s nationally televised speech Thursday evening was true to form: a string of platitudes, non-sequiturs and lies delivered in a barely literate fashion. ...

Bush declared his support for “the important work of the Intelligence Committees of Congress,” which are now engaged in a closed-door investigation into the performance of U.S. intelligence agencies before September 11. The administration, however, stalled the investigation for nearly nine months, finally agreeing to cooperate only after it became convinced that the joint House-Senate panel was committed to a whitewash....

Bush stated: “I do not believe anyone could have prevented the horror of September the 11th. Yet we now know that thousands of trained killers are plotting to attack us, and this terrible knowledge requires us to act differently.”

The first assertion is an absurdity, the second is pure sophistry. Bush says that nothing could have prevented September 11: actually, routine enforcement of air travel security precautions would have sufficed, since the 19 alleged hijackers boarded planes armed with box-cutters, in many cases after buying one-way first-class tickets—something that in and of itself is supposed to arouse the

suspicious of airport security. At least some of the alleged hijackers paid cash—another occurrence that is supposed to prompt special attention from security personnel. ...

As for the claim that we “now” know “thousands of trained killers are plotting to attack us”, this would suggest that the government was unaware of such terrorist threats prior to September 11. This canard is in line with the basic pretense that everything the Bush administration has done since that day—both abroad and at home—was entirely unpremeditated.

But on September 10, as the White House recently admitted, a National Security Decision Directive calling for all-out war on al-Qaida, including an invasion of Afghanistan, was sitting on Bush’s desk awaiting his signature.

All the evidence suggests that, far from September 11 being unpreventable, it was foreseen by the U.S. intelligence apparatus and permitted to happen. The most innocent explanation—although not the most plausible—is government negligence on a colossal scale, rising to the level of criminal negligence. The more plausible explanation is deliberate complicity. A significant faction within the American state viewed a major terrorist atrocity as a reasonable price to pay to obtain the necessary pretext for a war in the oil-rich regions of Central Asia and the Middle East.

BUGGED BY GOLD: A SIMMERING DEBATE ON THE ECONOMICS OF GOLD HAS TAKEN A TURN

By Jane Bussey, *Miami Herald*, 06/09/02

As Gold Fields Ltd. moved up in the world last month—debuting on the Big Board—the South African mining company tapped anti-apartheid crusader Nelson Mandela to help ring in what they hope is a new era in the world of gold.

Once the source of the riches of kings, in recent years gold had ceded its spot as a financial hedge in troubled times to the mighty dollar and bubbling NASDAQ. Those championing gold were not the go-go traders on Wall Street but more like Mandela, partisans fighting a long, uphill battle to shine the spotlight on the precious metal.

Enter the Gold Anti-Trust Action Committee, a group of financial advisors and gold market participants, who have waged a three-year effort to prove that the unusually low gold prices since 1995 were not the result of market forces, but instead the product of price rigging that included governments and big commercial banks.

The charges are hotly denied by those involved and dismissed by other analysts as the stuff of conspiracy theorists.

GATA, as the group is known, lost a round when a lawsuit against the Bank of International Settlements—the central bank of central banks—several Treasury and Federal Reserve officials, and a number of commercial banks was dismissed in late March by U.S. District Judge Reginald Lindsay in Boston.

“This case involves allegations of ‘an unholy alliance of high public officials’ and ‘large bullion banks,’” Lindsay wrote. But he dismissed the suit on the grounds that Reginald H. Howe, the attorney who filed the GATA-supported complaint in December 2000, lacked antitrust standing and that Treasury and Fed officials had qualified immunity.

GATA has gained supporters and exposure on the Internet as well as mining, monetary and investment circles, where its chairman, former Miami entrepreneur turned financial analyst Bill Murphy, gives speeches.

Suddenly gold and the falling dollar have become hot issues—talk for Main Street and not just Wall Street.

To the delight of gold partisans, gold prices are on the rise. The precious metal, which hit a low of \$252 an ounce

in July 1999, has risen by 20 percent since Jan. 2, closing at \$325.40 on Friday. Share prices in mining companies and gold funds have soared: an 81 percent jump in the Tocqueville Gold Fund and a fivefold increase in Durban Rooderpoort Deep's share price so far this year.

As a corollary to the rise in gold, the dollar has fallen, losing 7 percent against the currencies of its major trading partners this year. The dollar index closed at 111.58 on Friday, still overvalued against other major currencies since 100 is considered par, but down from former highs of 120.

Chief among those celebrating are companies like Gold Fields, which brought the 83-year-old Mandela to New York to ring the opening bell on May 9, the day the stock moved from the NASDAQ to the New York Stock Exchange.

"We believe the gold price was very undervalued. The dollar is overvalued," said Cheryl Martin, vice president of North American investor relations for Gold Fields, which has headquarters in Johannesburg, South Africa.

Martin said the company does not comment on "the conspiracy theories" in the market.

But few dispute that the gold market has behaved abnormally for several years. Historically gold rises when interest rates go down, and vice versa. For seven years or so, it has dropped along with the Fed rates.

The explanation given by many Wall Street analysts is that gold is a monetary relic and simply stopped being the haven worried investors ran to as protection against price inflation and political and economic uncertainty.

The listless gold price became a tenet of the New Economy, which said that inflation was a problem of the past, and the strong dollar and rising stock market offered higher returns than a piece of metal better suited to jewelry.

The Howe lawsuit claims the low gold price stemmed from the practice by some central banks of leasing gold to commercial banks at low rates (around 1 percent), which then sold the borrowed gold and invested the proceeds.

Mining companies, faced with declining prices, sold future gold production on the forward market to hedge against a price drop. They used leased gold to make up the short fall, flooding the market and driving down the price further.

But such hedging becomes risky when the market turns, as it appears to have now, and companies or banks are forced to buy gold at a higher price to fill contracts—cover their shorts—at a lower price. The Office of the Comptroller of the Currency reports that commercial banks and trusts held \$63.3 billion in gold derivatives on their books as of Dec. 31, with two-thirds of this amount on the books at JP Morgan Chase.

The big banks deny there is evidence of such a pricing scheme.

"There is no basis to infer the existence of a conspiracy to fix gold prices from the simplified statistics alleged by the complaint," said a court filing by Citigroup, one of the banks named in the suit.

The lawsuit alleged the gold price was manipulated to keep interest rates low and the dollar strong.

This attracted international funds to the United States, where the money poured into the stock market, not only fueling the boom but also financing the ever widening trade deficit and allowing Americans to live beyond their means.

"We're saying part of the strong dollar policy was to rig the gold price," said Murphy, who lived in Miami from 1993 to 1996.

"They (government officials) wanted to have a strong dollar to get people to invest in the United States, to keep Wall Street strong and to keep the interest rates here lower than they would be," Murphy said.

Many on Wall Street disagree that gold prices are unusually low. Analyst Daniel McConvey of Goldman Sachs issued a report to clients last week predicting gold prices would not rise over \$324 levels because the demand for gold jewelry was weak.

Some financial experts say they are intrigued by the lawsuit, but not totally convinced.

"It's undeniable that gold had strange price movements during its period of sub-\$275 weakness," said Walker Todd, a monetary expert who formerly served with the Federal Reserve Bank of Cleveland.

"Every time during that period when gold seemed to make a move above \$275 along came massive moves with selling into the market to bring down the price," Todd said.

"Did the government intervene in the market along the way?" Todd said. "It has not been proven to a certainty but the plaintiffs have some interesting evidence."

GATA argues that governments admitted they regulate the gold market with the "Washington agreement" in September 1999, when central bankers announced they would limit the amount of gold leased to 400 tons a year.

The Federal Reserve and the Treasury have insisted that the United States does not lease or sell its gold reserves, the largest in the world, and this has been one of the government's chief defenses against the lawsuit.

But Murphy insisted that the gold industry is finding it harder to dismiss their charges as wild claims.

"Over three years, not one person in the gold industry has analyzed our evidence and said we are wrong," Murphy said. "Yes, they say that 'it is conspiracy' and 'you are nuts.' But one of the big gold companies donated \$70,000 to GATA. You don't donate that kind of money to conspiracy nuts."

CONTROLLING GOLD WITH PAPER

By Jason Hommel, *gold-eagle.com* (Editorial), 6/10/02

On Tuesday, June 4th, the spot price of gold plunged from \$329/oz. to \$325/oz. during after-market hours, and over the course of the next day, declined further to \$321/oz. Less than 24 hours later, it was quickly reported by www.theminingweb.com and GATA that this was a result of a large sale of paper futures contracts of a relatively illiquid date in a relatively illiquid market because of the odd time, which pushed down the price.

It's tricky to see how the price of gold is, and has been, manipulated downward with paper contracts. The question is raised, "How can they knock down the gold price if they are not selling any gold?" I'll do my best to try and simplify and explain this con game and cover the major factors that are so bullish for the gold market right now and are causing this current bull market in gold. This essay might also help you to convince your friends, relatives and loved ones, who don't read *gold-eagle*, of the benefits of gold investing.

If you go to your local coin shop to buy gold and silver (which I strongly recommend doing as soon as you can), the dealer will look up the price of gold in New York. This is the "spot market" or "spot price" that changes throughout the day. Based on this price, he will sell you (at a small mark up) his physical metals if you give him your paper dollars. He is willing to accept your inherently worthless paper (amazingly!) because he has the confidence that he will be able to quickly buy gold and silver with the cash you gave him. Thus, the spot price in New York affects real prices anywhere in the world, because of the confidence people have in the market in New York. They have confidence (key word) that they can wire their money to a metals dealer in New York—and have gold or silver shipped out the next day. If this confidence did not exist, a dealer in a local coin shop would have to find another source of supply that he could rely upon and have confidence in, and the prices set by this other source would then be "the price".

I would love to go into the precious-metals business and start dealing in bullion. This would be an excellent business because as we enter this bull market, more and more people will want to buy metal, and business will be booming. Additionally, I sincerely believe in the moral benefit to owning gold and silver coins, so I would feel very good about getting gold into the hands of people—and out of the clutches of the **evil central bankers who stole it in the first place**. I believe I would be providing a genuine service to humanity by helping people protect their wealth, and I would be fighting the good fight against central banking, which is a cause of much misery in the world. [MM: **Directly or indirectly, I believe the International Banking Cartel (IBC) is the cause of ALL "misery in the world"!**]

Unfortunately, I know default is coming. I knew that eventually, the time would come when I would take larger and larger orders, and then, I would try to buy gold and silver in New York, and I would get nothing after having placed the order. I believe the coin dealers in this country are real heroes to continue their business in the face of such danger. Essentially, I know that the situation is like a con game. Confidence keeps the game going, and I do not have confidence in the New York price, unlike our heroic coin dealers. I've talked to coin dealers about this, and they shrug it off, saying that's just the normal risk of doing business, just as there are risks in any business. I think that's an amazingly heroic attitude to have.

In a similar fashion to the coin dealers who look to the spot price, those in New York who set the spot price have confidence in another market, and this is the futures market. If they see that the price of gold for "December delivery", or some future month, is at a certain price, there are market makers who are confident enough in the futures market price to sell gold now, and wait all the way until December to replenish their supplies. In this way, the futures market price can affect the prices today. Or, looked at another way, a drop in the price in the futures market gives a so-called valid pretext for dropping the spot price today accordingly.

Thus, to manipulate markets downward, you don't actually have to have gold to sell. All you need is to be able to create and offer the paper gold-futures contracts. Then, after you sell the paper contract and before the delivery date comes, all you need to do is convince some other person to take the short end of your futures contract, and you can walk away, having transferred your obligation (to deliver gold in the future) to someone else.

Of course, that's all very simplistic, and the players are not anonymous buffoons. Real gold is coming to market from central banks who lend out their gold at 1%, and then continue to act as if they still own gold that is long gone. Thus, nations report as if they still have their gold, but they no longer have it. Many people, such as myself, have called such a practice nothing less than fraud, because first of all, the gold belongs to the people—and the people are being lied to. Second, it was "sold" for less than 1% of its value. And third, it is reported as if it never left the vaults, but it has. It is certain that the huge amount of gold that has been sold this way is utterly lost to the central bankers, because to go into the market to buy up that much gold to pay it back would drive the price to the sky, and bankrupt the institutions who leased it from the central banks in the first place.

A minor debate comes in because the “official” amount of gold that has been admitted to being sold in this way is about 4000-5000 tonnes, while those who have studied this in depth realize the figure is far more likely to be about 15,000 tonnes. I believe the latter number is closer to the true figure.

Either way, this gold is largely owed by the bullion bankers, such as JP Morgan and Goldman Sachs. A small part is owed by the gold miners of the world who have “sold forward” up to 2700 tons of gold all together in total, but who are now increasingly scrambling over themselves to buy this gold back, before the price to pay back these obligations continues to increase. So, unfortunately for the bullion bankers, they have not been able to transfer as much of the risk as they would probably like, and the con game has turned against them as the mines stop hedging.

The con game is ending because gold investors discovered the dangers of hedging and central bank leasing in September 1999. At that time, the *Washington Agreement*, which was an agreement by the European central bankers (not Washington) to limit gold sales to 400 tons a year for the next 5 years, caused the gold price to quickly rocket to \$337/oz, which, in turn, caused the near bankruptcy of two gold miners, Ashanti and Cambior, who had hedged, or sold forward their gold. Thus, the gold world began to wake up to the truth and the danger of gold hedging, and began to learn the truth of central bank gold leasing.

All those figures dwarf the figures at the COMEX, the gold futures market, which has reached figures as high as 200,000 contracts recently. Since a gold contract is for 100 troy ounces, that’s 20 million troy ounces. To convert to metric tonnes, divide by 32,152 troy oz./metric tonne, so that’s about 622 metric tonnes.

Now the gold mines bring to market 2500 real tons, and the market consumes 4000 real tonnes of gold each year, and the difference is being supplied by the central bankers who lease out gold that is never being reported. Once the central banking leasing stops, a 4000-tonne demand with a 2500-tonne supply is going to raise the price a lot. Additionally, if you were the bullion bankers who owed 5000 or 15000 tonnes, there’s no way you could go into a market and buy up that much gold to repay your gold loans. To repay that much gold over the course of a year, that would be 4000 tonnes plus 15,000 tonnes on the demand side, and only a 2500 tonne supply. Imagine the price rise in that scenario, and imagine the investment demand as the gold price soars and proves overwhelmingly its status as the only safe haven there is.

Obviously, this will end badly for the bankers who will default, and will cause the gold price to skyrocket. These are the essential details that all gold investors need to know.

The next biggest issue for gold investors to digest is that there is a potential demand for gold that is equal to all dollars, and all other fiat currencies that have ever been created. This money creation is the inflation that will drive the gold price to the Moon. It’s not future inflation that’s the worry and it’s not *future* inflation that will be the cause of the gold bull market, it’s the inflation that has *already* happened. M3 represents the dollar liquid money supply held by U.S. Banks, and has now crossed \$8 Trillion. All the gold in the entire world is only about 120,000 to 130,000 tonnes—at \$330/oz., that’s only \$1.1 Trillion worth. Of course, the Japanese have buying power in excess of \$10 Trillion worth as well. All these factors mean great things for gold owners, and for owners of gold and silver mining stocks.

Now, this whole scenario raises a lot of questions. How and why would the bullion bankers engage in such dangerous business practices that threaten their own existence? Well, the bullion bankers are partners with the central banks, and in many cases are even their owners!

Basically, the undisclosed central-bank gold loans were the method whereby they have been able to hold the gold price in check for the last 22 years since 1980, which has allowed those governments to get away with massive money-creation inflation during that time. The money creation has gone unnoticed because the gold price was declining or flat. That’s the con.

I believe that Goldman Sachs and JP Morgan no longer represent the real owners of the central banks, but rather, they are empty shells of their former selves. Both are publicly-traded companies that have issued Billions worth of stock. Therefore, when they default, and go bankrupt, the shareholders of these doomed banks will suffer, just like the shareholders of Enron, not the people and powers who orchestrated the coming fiasco. It’s no wonder that JP Morgan was Enron’s largest partner.

Quite literally, it has been the greatest con game in the history of the world. Don’t let yourself continue to be conned. There is no sane reason to maintain confidence in such a system. Gold is roaring to life, and will continue its relentless bull market to the Moon as people wake up and see through the lies.

Disclaimer: I am not a licensed investment advisor. I am not a broker. I hold positions in precious metals and mining stocks, which are subject to change without notice. I am biased against what I consider to be the fraud of fiat money, which are false weights and measures, and an abomination. I am biased against the fraudulent practice of creating money out of nothing. I am biased against debt, particularly when money is lent at any interest rate whatsoever, a practice called usury.

For a list of many reasons why I believe now is a good time to buy gold and silver, see my Website at www.goldismoney.com

I will do my best to reply to all questions and comments on this essay or the subject matter, and I would love to hear from those who thought this piece was helpful to their understanding of the gold market.

GOLD OR SILVER?

By Don Stott, *gold-eagle.com* (Gold Digest), 6/09/02

Every day, Monday-Friday anyway, I get the question asked of me, “Which should I buy now, gold or silver?” I am aware of the silver advocates’ continual urging of silver over gold—and I can’t disagree with their information and predictions. We must consider several things when we decide which inflation hedge to buy and hold. We should also consider when to unload.

We all know that gold and silver are going up in currency prices for several reasons. First of all, silver cannot be mined for its current price, but gold can be produced for its current \$328, in some places anyway. Cost of production, makes silver a runaway good buy, if only cost of production is considered. However, even though gold can be produced at its current level in some places, demand far outstrips production. It is estimated that 2500 tons of gold are produced each year, and demand is twice that. This indicates more gold will have to be produced, and indeed it will be, as the price goes higher, allowing less efficient mines to re-open. Mines that are closed because they cannot produce gold for less than \$350, will reopen, if they can, when gold reaches that point. Many mines, once

shut, can never re-open, as all equipment has been removed, they are flooded, or the bureaucrats won’t allow it. The same goes for silver. As the dollar price per ounce escalates, it is like an elevator going up in a building. As it reaches each additional higher priced floor, the doors open, and more mines get on the car for its trip to the top. More production of both gold and silver will occur as prices go up.

At the same time, as prices go up, the demand will increase, and already has. My volume increased sharply as gold went past the \$300 mark, and when it went past \$325, it went up even more. It’s like the NASDAQ. The higher it went, the more demand there was for those absurd stocks. The higher gold and silver go, the more people want to get in. Higher consumption feeds on itself, driving prices ever higher, allowing more mines to re-open. Is there a top for gold and silver? There was with NASDAQ. In 1980, when gold and silver reached their heights of \$850 and \$54, that was the top then. Why? Because the prices had gone up far in excess of the dollar’s going down. It became a 1980’s preview of 2000’s NASDAQ, only metals went down slower after their peak. My friend Adam Hamilton, in his latest offering to his subscribers, says that a sudden radical increase in metals prices would not be good, and he is right. We would want gold and silver to go up steadily, but not suddenly. Gold and silver are in for a nice run over a period of at least a few years, and maybe permanently, if the world and U.S. governments continue on their unbridled expansion of paper currencies, which they are likely to do. **Currencies have no value**, and no one can tell me what any currency is “worth”. You can compare one with another, but that is a comparison between worthless pieces of paper, and in no way gives value. It’s all Monopoly money. Selling our metals might be wise if the dollar goes down at say 10% a year, and metals go up at 1000% a year. Eventually, a point will be reached, when it is time to sell... assuming we still have an economy and haven’t been treated to what history has always served up to governments that pay their bills via the printing press... totally worthless currency.

As an aside, the stock market went to hell, because it was way overpriced and lacked profits. Will housing do the same? A lot of people think so. It is way overpriced and increasingly is unobtainable by the average guy. Will housing follow the NASDAQ? It’s possible. I think buying overpriced housing now is similar to buying the NASDAQ at about 4,000.

Getting back to gold vs. silver. When worried people “flee to safety”, be it a bomb shelter, or precious metals, most immediately think of gold. It’s just a simple fact: Worried people firstly think of gold, not silver. If the war between Pakistan and India turns nuclear, gold may go up faster than silver, because of huge demand. Japan’s economy is in the dumps, and the Japanese are buying gold, gold, gold... not silver. Gold is far more compact than silver, and is most people’s first thought of a “flight to safety”. Gold is what most people turn to in times of trouble.


Silver, on the other hand, is older than gold as true money, and is in far shorter supply than gold. There are over 80 million ounces of non-existent silver committed on futures contracts alone. Silver cannot be mined at its current price, and one must look at historic ratios between gold and silver. Before 1893, the ratio was fixed at 16 to 1—so 16 ounces of silver equaled one ounce of gold. In 1980, when both metals went through the roof, the ratio was almost exactly 16 to 1. In practical terms, during my 25 years experience as a precious metals broker, I have always found

that 35 to 1 was a more accurate, normal ratio, with an unfixed, government dictated market. If the ratio was under 35 to 1, buy gold, and if it is more than 35 to 1, buy silver, has always been my feeling. Today's ratio is close to 65 to 1, a strong indication in favor of silver. Silver is not only beautiful, a virtually perfect conductor of electricity and heat, but is used in many places industrially, and it seems to be getting scarce. I have no idea where it has been coming from, but from whatever source silver has been emanating, it can't last forever. It defies the laws of basic economics, that there be a continual supply of something at below its cost of production. Silver requires a vastly larger storage space than does gold.

If one goes up, the other is likely to follow, as happened in 1980.

Richard Russell, in his latest *Dow Theory Letter*, has a unique method of comparing the price of gold to the Dow, and according to these ratios, gold is headed for a much higher price. Russell doesn't chart or mention silver. I have no crystal ball. I am not able to foretell the future, other than in great generalities. The world's situation looks pretty grim to me, and the buck is sliding. If the Palestine-Israel, or Pakistan-India enmities erupt violently, gold may outpace silver. If a new, low-resistance wire is produced, it requires a tremendous amount of silver. Silver Eagles and 100 ounce, Johnson-Mathey bars are being gobbled up with amazing rapidity by my clients, and I assume others as well. Gold is doing the same.

There are advisors by the dozens, newsletters and "experts" beyond all tally. I write no newsletter, but it just seems to me that if you have the space, by all means get silver in addition to gold. I think ratios, supply and demand, and history favor silver. Gold will follow it I suppose. However a huge global conflict, nuclear war, or any unsettling conditions both militarily as well as economically might favor gold. Silver will follow it, I also suppose! Does your crystal ball work? If yours does, please tell me what will happen next week, as I will become an instant billionaire by going long or short on whatever is going up or down. If I only knew what was going to happen... but I don't. So by all means protect yourself with both silver and gold. **Whatever you do, get out of dollars.**

I talked to a guy from New York who has 90 silver contracts, and he is at a profit. Suppose he orders delivery of the 450,000 ounces of silver, and a couple of hundred others do the same? There goes the silver futures business. No one will get it, and they will be sorry they didn't get a lot of physical silver. It would be mandatory for the futures issuers to say, "sorry, we are bankrupt." What else could they do? Pay out in dollars? Where would they get either the dollars or the silver? Back up your gambling with physical metals, by all means. Play games with futures if that turns you on, and take a chance. I'd rather go to Las Vegas. I lost far too much in the futures game to ever play it again. I am the voice of experience. Guess what happened Wednesday? Someone dumped 5,000 gold futures contracts, and drove the price down suddenly. Those who had gold futures may have lost their shirts, even though it recovered the next day. It is said that 95% of futures players loose. I don't doubt it. My safe's contents have gone up wonderfully, and if prices go down a bit, it is still there, and I don't owe anyone. Owning something physically, is far better, to me, than playing gambling games with futures. Protect yourself by owning physical, tangible things like a home, car, guns, ammo, food, gold and silver. You'll never go wrong! 

NEVADA CORPORATIONS:

Nevada Vs. "Offshore": Working With Your Capital

Budget's "Tip of the Week" #17:

What About "Offshore"?

"What about setting up a corporation 'offshore'? I've heard that offshore corporations don't have to pay any tax and that I can move my money offshore to shelter it." Up front, there is little that can be done offshore that cannot be accomplished in and through the shelter of Nevada corporations. But let's look at just a few things that this questioner should consider before moving in this direction.

There CAN BE tax advantages, particularly in cases where the offshore entity earns its income in a tax-free jurisdiction from activities in locations that do not tax the income. Such opportunities can be hard to find. On the other hand, if the offshore entity (sometimes called an IBC, for International Business Corporation) is OWNED by U.S. stockholders, the stockholders are still subject to tax on capital gains and on any income derived from the IBC. In most cases offshore shareholding is NOT private, unlike in Nevada. Further, the United States has developed MLATs (Mutual Legal Assistance Treaties) with virtually all offshore locations, allowing for the extension of U.S. law—and the powers of the I.R.S.—into those jurisdictions, at will.

One good solution might be for the offshore entity to be owned by a private Nevada corporation. Just keep in mind that the Nevada corporation would still be subject to taxation on any income or capital gains derived from the IBC. In many cases, however, it might be better to simply extend the structuring of Nevada corporate shelters than to try to operate offshore. The main reasons for this are more immediate control and, of course, privacy. *The Nevada Corporation Manual* sums it up like this:

"Nevada is unique in that it not only offers a high degree of privacy but ready access to your capital that is not likely to be denied in even the most extreme turmoil that COULD develop in the world's financial markets. In these highly uncertain economic times, long-range planning should take into consideration the possibility—even the probability—of extreme turmoil. In that event, there could be some real shock felt by those whose strategies are oriented around offshore structures. It is entirely possible that in a real emergency offshore funds would be totally inaccessible, depriving the owners of those assets the use of their own capital when they need it the most. For any situation where ready access to one's capital is required, and especially if you wish to work with your capital, Nevada corporations are THE answer."

In September 2000, the globalist OECD (Organization for Economic Cooperation and Development) proposed the total elimination of any and all offshore tax advantages. The Bush Administration has withdrawn its support—for the time being—from this initiative, probably allowing time for repositioning by at least some of the Big Boys. Ultimately, though, it seems likely that offshore jurisdictions will be precluded from offering tax advantages to foreigners. When that happens, it will leave the shelter of Nevada corporations as one of the very few true "havens".

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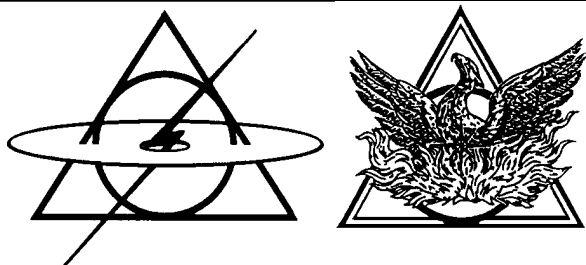
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CONTACT OR SPECTRUM?

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