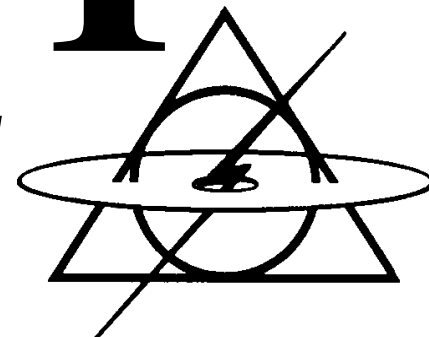


CONTACT

THE PHOENIX PROJECT JOURNAL

GOD'S NEW MILLENNIUM

KNOWING TRUTH IS NOT ENOUGH,
SUCCESSFUL CHANGE REQUIRES ACTION



VOLUME 36, NUMBER 10

NEWS REVIEW

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NEW WORLD ORDER Is In FULL Operation

6/15/02—#1 (15-303)

RE: PHILIPPINE STATUS; ARMAGEDDON, AMERICAN STYLE; IS THE ET BARRAGE ABOUT READY TO BEGIN?

TAKEOVER BY THE "BIG BROTHER"
IS AT HAND IN THE PHILIPPINES

Hatonn—Last week there was a small encounter with some Filipinos who were left holding hostages. These were NOT even Abu Sayyaf OR BIN LADEN PEOPLE.

The hostages were, it turns out and now validated, killed by "friendly" fire. Everything was entangled with U.S. "Special Forces" on this acclaimed "training mission".

The FACTS are, about that chance rescue debacle, that four of the famed Abus were shot. ALL OF THEM WERE TEENAGERS. UGLY? Well, yes indeed but what do you do other than offer the TRUTH as it

unfolds? Will anyone care? Perhaps one or two.

AND NO, WE ARE NOT HERE TO DO IT "FOR" ANYONE. GOD ALLOWS "A WAY" TO RE-ESTABLISH SOME POSITIVE WAY TO MOVE BUT WHO WILL ACT? WE SHALL SEE, WILL WE NOT?

Now do you want some disgusting display of poor taste?

The body of Mrs. Yap was carried by U.S. troopers to her grave with everyone waving flags and worshipping at the feet of the very killers. Moreover, the deaths were orchestrated just to be able to move in and take over while the people shove off the "task" of protection onto the killers themselves. I make no case against the soldiers themselves, for they are sincere in their fulfillment of orders.

The pictures are inclusive of a weeping family in total distress—most of which was the usurpation of the very funeral rites and rituals ordinarily given special attention as to family participation. The family already plans to redo the ceremonies in their own tradition—"after the

politicians have their day of propaganda", they say.

Meanwhile back at the KINGDOM headquarters you find the great movement to seemingly be innocuous considerations which have ALREADY been formalized. How often do you find an announcement of a POSSIBLE move and the next day you find it was approved and put into operation days, weeks, months or even years before? YOU LIVE UNDER THE LIE, STUDENTS.

Moreover, with **the NEW WORLD ORDER in full operation** you even learn your own fate from far and distant places but if you look closely, you get clues even from those publications of information.

The following comes from, coincidentally surely, Okinawa where there are major U.S. facilities and where the body of Martin Burnham was snatched away for security without even stopping off in the Philippines. Strange? No, not if you are in a move to TAKE THE WORLD WITHOUT LETTING THE PEOPLE REALIZE IT.

(Continued on page 2)

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[QUOTING *Internet News Posting*, Thursday, 13 June 2002:]

EXTENSION OF U.S. TROOPS' MISSION IN PHILIPPINES IS UNDER CONSIDERATION

By Mark Oliva

Okinawa bureau, Pacific edition

[H: It is already decided, agreements made and all that is necessary is the final BIG announcement of "look how hard we are trying".]

The U.S. military's fight against terrorism in the Philippines is slated to wrap up in less than two months, BUT defense officials are considering extending the mission to last a full year, Philippine officials said.

Both U.S. and Philippine militaries are considering several options that might keep U.S. troops in the island nation's jungles and possibly deploy them closer to the edge of the battle areas.

Philippine President Gloria Macapagal Arroyo told reporters in the Philippines that more war games would follow the current deployment of troops for "Balikatan", an exercise translated literally as "shoulder-to-shoulder".

The deployment sent more than 600 U.S. troops, including 160 Special Forces trainers, to train the Philippine troops to hunt down the Abu Sayyaf, a band of al-Qaida-linked guerrillas.

Philippine soldiers launched a rescue attempt last week of Abu Sayyaf hostages, resulting in the deaths of American Martin Burnham and Filipina Ediborah Yap, and wounding Burnham's wife, Gracia. Several guerrillas and troops also were killed in the gunbattle. Philippine defense officials are turning their efforts to routing out and killing the remaining guerrillas and are asking the U.S. to continue helping in the mission.

"This will be a continuing series of exercises," said Acting Philippine Presidential Press Secretary Sylvester Afable in a phone interview with *Stars and Stripes*. "The exercises will go on in different places and different terrain."

Afable said several options remain to extend the U.S. forces' presence: The current agreement could be extended, or could be amended for Basilan Island only. The training exercises could expand to several locations throughout the Philippines, or a completely new set of counterterrorism exercises could be agreed upon.

"The exercises could be done anywhere," Afable said. "It's not necessary to do them only in areas where the Abu Sayyaf is."

Defense Secretary Donald Rumsfeld is considering several options for U.S. forces deployed to the southern Philippines, according to Pentagon spokesman Navy Lt. Cmdr. Jeff Davis. Davis said no decisions have been made about extending the troops' stay in the area, but the mission hasn't changed for U.S. troops deployed to the region.

"Our mission all along has been to train, advise and assist in an operational environment," Davis said. "That mission is going to continue."

To date, U.S. forces have stayed far from the edge of the battle, training only at the battalion level, in training areas but not in the field. U.S. troops are authorized to train at the company level, possibly joining

Philippine troops on patrols, according to the Terms of Reference signed at the training mission's onset.

That option hasn't been exercised. U.S. forces are authorized to fire only in self-defense.

The Philippine military is stepping up pressure on the terrorists. Four battalions have been deployed to trap and kill the guerrillas—an escalation Philippine officials argue will require more U.S. involvement at levels not seen to date. Moving U.S. troops closer to the fight is being considered. "There's discussion going on," Davis said about extending the mission in the Philippines. "We've been deliberating for a long time and that's continuing to go on. That includes pushing training from the battalion to the company levels, but no decision has been made."

Afable said that option was presented to Deputy Secretary of Defense Paul Wolfowitz when he visited the Philippines last week.

"We discussed that with Wolfowitz," Afable said. "If that's approved, the training will be done nearer to the action." Officials at U.S. Pacific Command in Hawaii also said those options are being considered.

"U.S. advisors are currently embedded in Philippine military units at the battalion level," said Navy Lt. Cmdr. J.W. Sommer, PACOM spokeswoman. "We are examining options for follow-on operations."

At this point, however, the mission remains largely unchanged. Even though the Abu Sayyaf no longer holds hostages, she said, "The U.S. and Government of the Philippines HAVE STATED REPEATEDLY THAT THE PURSUIT OF THE [ABU SAYYAF] AND POSSIBLE HOSTAGE RESCUE MISSIONS ARE ENTIRELY THE RESPONSIBILITY OF THE GOVERNMENT OF THE PHILIPPINES," Sommer said.

"Our mission has been and will continue to be to assist and advise the AFP [Armed Forces of the Philippines] in counterterrorism. Our determination to assist the Philippines in fighting terrorism is only strengthened by these events."

[END OF QUOTING]

Ah indeed, that all-inclusive "war on terrorism". It is actually as totally illusory as "weapons of mass destruction" which has no counterpart for the Elite generators of same/both.

More interesting is the interpretation that anyone working in a peaceful alliance or in an association with goodly intent is branded by the opposition crowd as somehow "a conspiracy" to commit some evil, subversive or ill-conceived process against the ones set forth to usurp, destroy and pilfer (plunder, pillage, rape and ravage) the entire global society and all wealth therein.

We can, however, work toward an association/alliance which furthers the ability of sovereign citizens through their sovereign REPUBLICS to regain, reclaim or structure ongoing good governance under the individual constitutions of those republics.

You can equate the graft and corruption of administrations who seize power through force and total control over citizens' rights as a cancer which continues growing until it consumes the victim upon which it feeds as does the proverbial parasite.

"Ah but...", you might say, "the Philippines, for instance, is only a Third World nation without intelligence enough to come in out of the typhoon."

Oh, I would answer, really?

It is the perfect place to show that the assumption here is absolutely and totally devoid of reality in fact.

You believe, especially in the U.S.A. that there is no chance of anything really dreadful happening to YOU! Most of you have forgotten even the date of the WTC debacle—so, you have been given tags to keep you repeating such as the example of "When was the war of 1812?" You have 911 to trigger memory—but ah, already people stand around blankly unable to REALLY be sure of even what year was that 911 event. No, I do not josh—it is FACT. IN ANCIENT HISTORY BOOKS IT WILL NOT EVEN BE RECALLED AND "911" WILL HAVE ABSOLUTELY NO MEANING AT ALL.

I would like to now share with you, a parable if you will.

[QUOTING *THE BARNES REVIEW*, Vol. VIII No. 3, May/June 2002, page 23:]

AMERICA AFTER ARMAGEDDON

(AN ALLEGORY WRITTEN IN 1999)

By HANS SCHMIDT

In the following allegorical tale by Hans Schmidt, the reader is to imagine that the United States of America had lost the War of Armageddon, the greatest war in history. At the end she succumbed to the material and numerical superiority of her enemies, and found herself occupied from coast to coast. The country was devastated. There was no large city that had not been laid to ruin. Millions of soldiers and civilians have perished; millions of others (almost the whole male population over 17 years of age) found themselves in enemy POW camps.

It had been the aim of the enemy nations to destroy once and for all the willpower and unity of the United States, because that was the only thing that stood in the way of world supremacy. In order to accomplish this, America had been forced to fight to the very end, to "unconditional surrender", and now she was at the mercy of her enemies.

Soon after the American capitulation, the two major enemy leaders, the Russian dictator and the head of the Third World Alliance, met at the former U.S. Military Academy at West Point to lay down their conditions for the future. The result was a peace so brutal, so harsh, that, for a while, the existence of the American people had to be questioned.

U.S. PARTITIONED

The enemy split the United States into various parts: All states west of the Continental Divide were separated from the union. Russia received Oregon, Washington and parts of Idaho and Montana (also the city of San Francisco), Mexico was allowed to annex California, Arizona, Nevada, Utah, New Mexico, Texas and part of Colorado.

New England became a separate entity and was prohibited from ever again joining the union (not even by a free plebiscite of the people). The states of Maryland, Delaware, North Carolina, South Carolina, Virginia and the District of Columbia became a separate nation, called "New Africa". Florida had been taken over by the Cubans during the war and

was formally added to that country.

Immediately after these new borders had been drawn following the West Point Conference, the enemies commenced to expel all Americans (except Blacks and those with Spanish surnames) from “new Africa” and the other “transferred” states, about 40 million people in all. The expellees were brutally moved, with just a few personal belongings, to the remaining United States, a “nation” located between the Appalachians and the Continental Divide, and there resettled, in often-desolate areas. During this population “transfer” (a typical euphemism used), about 9 million civilians, mostly women and children, died or were murdered by the enemy. Millions of American women and girls were brutally raped. Soon foreign nationals moved into the homes just vacated by the Americans.

The remaining United States was split down the middle, along the Mississippi River. After a little while, this demarcation line also became a national border, with enemy guards on both sides. The occupation forces were supposed to remain on American soil as long as the enemy leaders deemed necessary, perhaps 100 years or more.

It was the intent of the enemy that America should not have any armed forces and no means whatsoever to wage war—not even for defense. She was not allowed to have any large ships, any airplanes at all, any weapons. She was prohibited from producing these implements, even for peaceful uses. All American industries, but especially those in which the country was dominant worldwide, were dismantled. Most of the undestroyed factories and such goods as railroad stocks and power plants were taken away as reparations. For thousands of miles, only one track remained, even on the most important lines stretching the land.

RESOURCES GUTTED

Huge tracts of American forests were denuded, the lumber shipped to many nations—free of charge—across the world. All further industrial production was strictly controlled with special emphasis that America should not become a competitor with enemy nations. All American foreign assets, and investments, all her gold and properties (even those held in neutral countries) were confiscated. The same happened to all American patents. American inventors were prohibited from using their own patents and trademarks (such as Coca-Cola) abroad. Even the most secret formulas had to be disclosed for enemy use. All further research in innumerable fields such as computers, nuclear science, rocketry, weaponry, chemicals and even oil exploration and forestry was henceforth prohibited.

Under the guise of “eradicating American militarism and nationalism”, everything was prohibited that could be interpreted as furthering American patriotism. All books, flags, emblems, paintings, songs, poems, sculptures and other works of art based on patriotic themes as well as newspapers, books and magazines concerning the American past were banned, burned, confiscated, destroyed or otherwise removed from the states. The historical standards and documents held in Washington were taken to Moscow, along with hundreds of tons of documents pertaining to U.S. history. Any further writing expounding the

American view was punished by law.

Under the order to root out so-called American “war criminals”, the whole elite of the American nation (all her best minds included) was incarcerated in camps outside of Red Cross jurisdiction. Many of the best and most intelligent men and women of the nation succumbed to the cruelty of these camps. Not one mayor, police chief, legislator, judge or other political or public figure of national, state or local governments was permitted to remain at his post.

Every policeman was fired from his job, because he had supported the American war effort. The same was true of the industry managers, trade union officials, Red Cross personnel and anybody connected with the American media.

PHONY ‘WAR CRIMES’ TRIALS

In order to destroy the pride in the accomplishments of the American nation, the vilest accusations of misconduct and criminality during the just-concluded war were raised against America, against her leaders, against her brave soldiers and against the civilian population that heroically had supported its fighting men to the last. Amidst the ruins of her devastated cities, atop the graves of millions of murdered innocent American women and children, the citizens of the nation had to pay homage to those who, because they had given aid and comfort to the enemy, had been incarcerated during the war.

When the fighting stopped, all American adults about to resume work or desiring food ration coupons were forced to fill out an extensive questionnaire issued by the enemy military. They had to lay bare their whole life history (under the threat of imprisonment) and thereby contribute to the greatest brainwashing operation in the long history of man. Henceforth no American could afford to speak freely, to defend his country or to attack those that had betrayed the nation in the time of war. To do so would have invited the loss of a job, the withholding of food coupons, or, worse, death. Any criticism of enemy misconduct during and after the war (and in the present) was strictly prohibited and led to jail terms for “inciting the population”. Americans learned to keep their mouths shut and not even speak to their children about the true happenings of the war. As a result, a whole American generation grew up believing everything the enemy propagandists told them. When this generation came of age, the blank spaces of their minds had been filled with self-hatred, historical distortions and intolerant dogmas. The idea of a United States of America as it had existed for such a long time seemed ridiculous to them. The ideals of the enemies had become their ideals also.

In the first years immediately following the war the enemy states used hunger as their most effective weapon. Millions of Americans starved to death. Things improved only when there was a serious threat that typhus could spread to enemy soldiers. In the meantime, though, a black market had developed that undermined even the last vestiges of decency and morality that had remained. The degradation of American survivors soon could go no further: Returning soldiers fought among themselves for a single cigarette butt thrown flippantly by an occupation soldier. War widows became whores to support their children, and

parents were forced to sell the last belongings of their sons languishing in enemy POW camps.

The hypocrisy of the victors knew no bounds. At the very time when, after the cessation of hostilities, they committed the most horrible crimes, they instituted on American soil a court of justice that was to sit in judgment of all known American political, military and economic leaders. Even years later, it could never be established how many Americans had become victims of these kangaroo courts, but it became known that over 1,000 general officers alone were executed, and some American prisoners of war remained incarcerated for over 40 years.

A TRUE STORY

Could such horrible things happen to America? Hopefully, we will be spared what GERMANY went through—for this is an allegory, and everything written above IS EXACTLY COMPARABLE TO THE EXPERIENCES OF THE GERMAN PEOPLE AFTER WORLD WAR II. [MM: Call *The Barnes Review* toll free at 1-877-773-9077 to subscribe.]

[END OF QUOTING]

Now you of the disbelievers: GO CHECK OUT WHAT HAPPENED TO THE NATIVE AMERICAN (OR ANY NATIVE TRIBE ANYWHERE) AND PERHAPS YOU CAN HAVE A BETTER PICTURE OF YOUR CIRCUMSTANCE SHOULD YOU CONTINUE DOWN YOUR PATH OF LEAST RESISTANCE AND DEMISE AS A REPUBLIC, UNDER GOD. YOU HAVE GONE A LONG WAY IN THE WRONG DIRECTION AND THE ADVERSARY IS PLANNING TO EAT YOUR LUNCH—YOU OF COURSE ALSO BEING THE LUNCH.

So, let us move on to the other direction for checking the “hypothetical” allegory of cosmic comparison and what you can look for in your perceptions as fed into your brains by the flim-flam propaganda experts at mind-warping the masses as in “weapons of massive (really) destruction”.

[QUOTING Internet, Thursday, 13 June 2002, *Cosmic Deception: Let the Citizen Beware* by Steven M. Greer, M.D. Director, The Disclosure Project, 6/2002:]

COSMIC DECEPTION: LET THE CITIZEN BEWARE

Imagine this: It is the summer of 2001, and someone presents you with a script for a movie or book that tells how a diabolical terrorist plot unfolds wherein both 110-story World Trade Center towers and part of the Pentagon are destroyed by commercial jets hijacked and flown into those structures.

Of course you would laugh, and if you were a movie mogul or book editor, reject it out of hand as ridiculous and implausible, even for a fictional novel or movie. After all, how could a commercial jet, being tracked on radar after two jets had already hit the World Trade towers, make it through our air defenses, into the most sensitive airspace in the world, and in broad daylight on a crystal clear day, slam into the Pentagon! And this in a country that spends over \$1 billion a day to defend itself! Absurd, illogical—nobody would swallow it!

Unfortunately, there are some of us who have seen these scripts—and of far worse things to come—and we are not laughing.

One of the few silver linings to these recent tragedies is that maybe—just maybe—people will take seriously, however far-fetched it may seem at first, the prospect that a shadowy, para-governmental and transnational entity exists that has kept UFOs secret—and is planning a deception and tragedy that will dwarf the events of 9/11.

The testimony of hundreds of government, military and corporate insiders has established this: That UFOs are real, that some are built by our secret ‘black’ shadowy government project and some are from extraterrestrial civilizations, and that a group has kept this secret so that the technology behind the UFO can be withheld—until the right time. This technology can—and eventually will—replace the need for oil, gas, coal, ionizing nuclear power and other centralized and highly destructive energy systems.

[H: If you still think we are bit unfair about those Israelis out in that Negev Desert, I suggest you pay attention to this information (with valid picture attached, which however, we do not have a good enough copy to offer here but perhaps Mark can retrieve it from AMERICAN FREE PRESS, JUNE 17, 2002). IN THIS CASE NEITHER THE PICTURE NOR THE PERSON PRESENTING ARE FICTIONS.]

The caption under the picture as shared reads: “View of the Israeli nuclear facility in the Negev Desert outside Dimona, Israel. Mordechai Vanunu, a former nuclear technician, spilled Israel’s nuclear secrets to a British newspaper in 1986 and a short while later was abducted to Israel to stand trial. He is currently in the 13th year of an 18-year jail term. Vanunu claimed

Israel built 200 atomic bombs at the Dimona site. A former Air Force intelligence officer says the Chinese have been training Iraqis to fly explosive-laden planes into the nuclear facility.”

My comment is that the Israelis already know how to fly explosive-laden planes into nuclear facilities—i.e., check out Iraq.]

This 5-trillion-dollar industry—energy and transportation—is currently highly centralized, metered and lucrative. It is the stuff that runs the entire industrialized world. It is the mother of all special interests. It is not about money as you and I think of it, but about geo-political power—the very centralized power on which the current order in the world runs. The world is kept in a state of oiling wars, endless poverty for most of Earth’s denizens and global environmental ruin, just to prop up this evil world order.

As immense as that game is, there is a bigger one: control through fear. As Werner Von Braun related to Dr. Carol Rosin, his spokesperson for the last 4 years of his life, a maniacal machine—the military, industrial, intelligence, laboratory complex—would go from Cold War, to Rogue Nations, to Global Terrorism

(the stage we find ourselves at today) to the ultimate trump card: a hoaxed threat from space.

To justify eventually spending trillions of dollars on space weapons, the world would be deceived about a threat from outer space, thus uniting the world in fear, in militarism and in war.

Since 1992 I have seen this script unveiled to me by at least a dozen well-placed insiders. Of course, initially I laughed, thinking this just too absurd and far-fetched. Dr. Rosin gave her testimony to the Disclosure Project before 9/11. And yet others told me explicitly that things that looked like UFOs but that are built and under the control of deeply secretive ‘black’ projects, were being used to simulate—hoax—ET-appearing events, including some abductions and cattle mutilations, to sow the early seeds of cultural fear regarding life in outer space. And that at some point after global terrorism, events would unfold that would utilize the now-revealed Alien Reproduction Vehicles (ARVs, or reversed-engineered UFOs made by humans by studying actual ET craft—see the book *Disclosure* by the same author) to hoax an attack on Earth.

Like the movie *Independence Day*, an attempt to unite the world through militarism would unfold using ETs as the new cosmic scapegoat (think Jews during the Third Reich).

None of this is new to me or other insiders: The report from Iron Mountain, NY, written in the

presents alien kidnappings and abuse as a fact (in some circles) of modern life. That some humans have had contact with ETs I have no doubt; that the real ET contact has been subsumed in an ocean of hoaxed accounts I am certain.

That is, real ET events are seldom reported out to the public. The Machine ensures that the hoaxed, frightening and intrinsically xenophobic accounts are the ones seen and read by millions. This mental conditioning to fear ETs has been subtly reinforced for decades, in preparation for future deceptions. Deceptions that will make 9/11 look trivial.

I write this now because I have recently been contacted by several highly placed media and intelligence sources that have made it clear to me that hoaxed events and story-lines are imminent that will attempt to further ramp up the fear machine regarding UFOs and ETs. After all, to have an enemy, you must make the people, or in this case an entire category of beings, believe it.

To be clear: The maniacal covert programs controlling UFO secrecy, ARVs and related technologies—including those technologies that can simulate ET events, ET abductions and the like—plan to hijack Disclosure, spin it into the fire of fear, and roll out events that will eventually present ETs as a new enemy. Do not be deceived.

This hogwash, already the stuff of countless

books, videos, movies, documentaries and the like, will attempt to glom onto the facts, evidence, and first-hand insider testimony of The Disclosure Project, and on its coattails, deliver to the world the cosmic deception that falsely portrays ETs as a threat from space. Do not be deceived.

By commingling fact with fiction, and by hoaxing UFO events that can look terrifying, the Plan is to eventually create a new,

sustainable, off-planet enemy. And who will be the wiser?

You will. Because now you know that after 60 years, trillions of dollars and the best scientific minds in the world pressed into action, a secretive, shadowy group—a government within the government and at once fully outside the government as we know it—has mastered the technologies, the art of deception and the capability to launch an attack on Earth, and make it look like ETs did it. In 1997, I brought a man to Washington to brief members of Congress and others about this plan. Our entire team at the time met this man. He had been present at planning sessions when ARVs—things built by Lockheed, Northrup, *et al.*, and housed in secretive locations around the world—would be used to simulate an attack on certain assets, making leaders and citizens alike believe that there was a threat from space, when there is none. (Before he could testify, his handlers spirited him away to a secret location in Virginia until the briefing was over...) Sound familiar? Werner von Braun warned of such a hoax, as pretext for putting war in space. And many others have warned of the same.

Space-based weapons are already in place—part of



1960s, described the need to demonize life in outer space so we could have a new enemy. An enemy off-planet that could unite humans (in fear and war) and that would prove to be the ultimate prop for the trillion-dollar military-industrial complex that conservative Republican President and five-star general Eisenhower warned us about in 1961 (no one was listening then, either...).

So here is the post-9/11 script—one that will be played out unless enough people are informed and the plan can be foiled because they will be unable to fool a sufficient number of citizens and leaders.

After a period of terrorism—a period during which the detonation of nuclear devices will be threatened and possibly actuated, thus justifying expanding the weaponization of space—an effort will ramp up to present the public with information about the threat from outer space. Not just asteroids hitting the Earth, but other threats. An extraterrestrial threat.

Over the past 40 years, UFOlogy, as it is called, combined with a mighty media machine, has increasingly demonized ETs via fearsome movies like *Independence Day*, and pseudo-science that

a secret parallel space program that has been operating since the 1960s. ARVs are built and ready to go (see the book *Disclosure* and the chapter with the testimony of Mark McCandlish et al.). Space holographic deception technologies are in place [MM: Project Blue Beam], tested and ready to fire. And the Big Media is a pawn, now taking dictation from the right hand of the king.

I know this all sounds like science fiction. Absurd. Impossible. Just like 9/11 would have sounded before 9/11. But the unthinkable happened and may happen again, unless we are vigilant.

Combine all of this with the current atmosphere of fear and manipulation and there is a real risk of suspending our collective judgment and our *Constitution*.

But know this: If there was a threat from outer space, we would have known about it as soon as humans started exploding nuclear weapons and going into space with manned travel. That we are still breathing the free air of Earth, given the galactically stupid and reckless actions of an out-of-control, illegal, secret group, is abundant testimony to the restraint and peaceful intentions of these visitors. The threat is wholly human. And it is we who must address this threat, rein it in and transform the current situation of war, destruction and secret manipulation to one of true Disclosure and an era of sustained peace.

War in space, to replace war on Earth, is not evolution, but cosmic madness. A world thus united in fear is worse than one divided by ignorance. It is now time for the great leap into the future, a leap that moves us out of fear and ignorance and into an unbroken era of universal peace. Know that this is our destiny. And it will be ours just as soon as we choose it.

[END OF QUOTING]


Do you think that this cannot be so? Well, if you are a long-time reader you know that this is explicitly SO.

And by the way, you are going to have to come to accept that there are those nasty chemtrails which have been denied until you have turned green with dousing. "NASA Confirms Weather-Shaping 'Chemtrails'." What a surprise!!

Does it matter, this nastiness taking place? Well, that, I suppose, is certainly up to you. However, your games in the cosmos are not going to be met with friendly "welcome and come on in" attitudes.

And now we get bashed for asking for help for our paper and projects? Well, readers, it is like this: We have to work in a total absence of being able to take even a cent from what we are doing in this project itself. IT IS THE LAW! So, we have to get past the push and pull even in order to allow for personal loan qualifications to bring that relief so needed. We are "there" except for the unfolding itself and possibility structuring. Furthermore, as long as the absurd attacks continue, we shall not give the enemy quarter or opportunity to further damage us or our program. And yes, of course, even in the face of statements of being through with the interchange—it does continue regularly. But, it only gives further substance and foundation to the actual clarification and structure of what we have and offer of which our enemies still, obviously, HAVE NO CONCEPT. THAT, in itself, is our best shelter possible.

Thank you for being aware enough to share with us, readers. KNOWING is certainly your best weapon against that old bug-a-boo, FEAR.—GCH

dharmia 

Is Additional Chaos Leading To Order?

6/14/02—#1 (15-302)

RE: "PRINCE" OWNS ENTIRE PHILIPPINE ARCHIPELAGO

COMMENTS/INSTRUCTIONS

Hatonn—I ask that you be careful to properly use these articles we send lest they make no sense because they are out of sequence AND/BUT to allow you to have the information which is actually intended to become as Public Notices.

The Philippines is in an incredibly awkward circumstance and the hits are coming from every direction, including the United States of America. NO THING IS AS PRESENTED IN THE ESTABLISHMENT MEDIA AND YET THE PIECES OF DECEPTION ARE BREAKING THROUGH ON THE BACKS OF THOSE WHO HAVE DEVELOPED, THROUGH DECEPTION AND CORRUPTION, THE TERRIBLE THINGS UPON THE CITIZENS OF THIS NATION AND NOW MOVING RIGHT WITHIN THE UNITED STATES TO MAKE SOMETHING TERRIBLE APPEAR TO BE SIMPLY A PROTECTIVE MEASURE TO THE LITTLE BROTHERS IN SOUTHEAST ASIA.

No, I am NOT doing other than offering information as it is now put to public press but with only publication of *CONTACT* weekly, we have to ask readers, who choose to do so, to retain your copies so that you have continuity.

Now, Dharma, please put to disk a couple of the items presented on the front page and continued within the paper, *PEOPLES JOURNAL TONIGHT* (Recognized as *Peoples TONIGHT*). Then when we get our information to disk so that Mark can more conveniently present it, we will simply publish what is being presented here.

Neither GAIA nor our people have any desire to interfere, intervene or participate in the affairs unfolding. It is a FACT that the Filipino "overseas workers" have no idea what transpires in their own backyard because they are only fed what the controlled media/press offers, especially in the United States. They are going to lose their country AND THEIR HOSTS before

this is all finished—IF SOMEBODY DOESN'T START PAYING ATTENTION.

THERE IS A MAJOR EFFORT AFOOT POLITICALLY AND MILITARILY TO DIVIDE AND BRING TO WAR THE FACTIONS IN MINDANAO AND, PEOPLE, IT HAS "NOTHING" TO DO WITH ISLAM, MUSLIM OR CHRISTIAN ANYTHING.

This article to be presented has nothing to do with religious sects as a big for instance. But pay attention, for it is not that something doesn't exist but the article itself even begins with "Pasay court says a 'prince' owns entire archipelago!" Well, COURTS HAVE REAFFIRMED THAT FACT OVER AND OVER AGAIN AND ISSUED ORDERS REGARDING SAME—WHICH ARE SUMMARILY IGNORED, DENOUNCED AND NOW ARE "TOO RIDICULOUS TO CONSIDER". TYPICAL!!!

Facts ARE: The LAW has been restated, even a Temporary Restraining Order has expired and yet the Solicitor General still asks for an "annulment" by a higher court against the legal judicial ruling(s) come before. They base their objections on nothing other than "it's ridiculous" while all the documented facts all the way to England centuries ago PROVE VALIDITY.

Do we recognize any of the players? Yes, almost all of them—but it is NOT our intent nor desire to play any role in THEIR AFFAIRS.

YES INDEED, YOU MIGHT WELL GUESS, IF YOU HAVE READ PRIOR INPUT, THAT THE BIG FOCUS IS BEING IGNORED IN DISTRACTING EVERYONE TO THE ISSUE OF LAND TITLES INSTEAD OF THE ISSUES OF THE GREAT WEALTH "THEFT" AT POINT. THE BAD KIDS CAN'T JUST BLAME MARCOS FOREVER SINCE EVERYTHING HAS GONE DOWNHILL SINCE MARCOS. THERE IS A LOT OF "MISSING" STUFF OF LARGE MAGNITUDE VALUE.

I ask that the article simply be copied as is, as will be the cases when we find time, for we are simply offering information.

[QUOTING *PEOPLES TONIGHT*, Thursday, June 13, 2002, Vol. XXII, No. 244, Front page:]

PASAY COURT SAYS A ‘PRINCE’ OWNS ENTIRE ARCHIPELAGO! RAJAH SOLIMAN HEIR CLAIMS

By Cory Martinez

MILLIONS of Filipinos, including the rich families, will become squatters in their own country if the decision of a Pasay City court to award the ownership of the entire archipelago to one “Prince” Julian M. Tallano—who claims to be a relative of Rajah Soliman and Lapu-Lapu—is implemented.

To prevent this weird scenario, which could wreak havoc on the current system of land registration, the Office of the Solicitor General (OSG) has submitted a petition before the Court of Appeals to annul the decision handed down last year by the Pasay City Regional Trial Court.

The OSG filed the petition for annulment of judgment with urgent prayer for issuance of a temporary restraining order and writ of preliminary injunction after Quezon City Mayor Feliciano Belmonte Jr. wrote president Gloria Macapagal Arroyo and Department of Justice Secretary Hernando Perez regarding the issue.

Belmonte told the President and Perez that alleged representatives of Tallano showed him some titles that claimed Tallano owned the Philippines, which, of course, include Quezon City. Belmonte said he refused to recognize the documents and the decision of the Pasay RTC (Regional Trial Court).

Belmonte has since acted to protect the properties belonging to the city as well as those owned by city residents. He has ordered the Legal Division to review the areas affected by the decision of the Pasay court.

The mayor disclosed that he has been receiving complaints that Tallano and his alleged representatives, particularly one identified as Pedro O. Manjares Jr., have gone on a landgrabbing spree and are preying on legitimate landowners.

“Considering that the (Pasay court) decision covers some 500,000 hectares of land in the entire Philippine archipelago, including the Sabah Islands, Turtle Islands and Kalayaan Islands, its execution would have a very unsettling effect on the Torrens system of land registration, embolden land titling syndicates and spawn multiple litigations which would substantially affect the land titles of a number of government entities and other private parties,” Belmonte stressed in his letter to the President.

The OSG said it has filed a petition to defend the integrity of the Philippines as a state against the rulings of the Pasay court which recognized the ridiculous claim of private respondents to the entire Philippine archipelago, or to properties consisting of 169,912,500 hectares or more than 16 billion square meters of territory including plains, mountains, forests and seas.

BACKGROUND

Over 30 years ago, Tallano claimed before the Pasay City Court of First Instance (CFI) that he was a descendant of a certain King Luisong Tagean, whose sons included Rajah Soliman and Lapu-Lapu. The Philippines, Tallano averred, was a grant from the British government to Tallano’s “royal ancestor” for his help in conquering the Philippine Islands in the 1700s.

Records showed that a petition was submitted for “Quieting of Titles/Reconveyance of Real Properties with Reconstitution of OCT (Original Certificate of Title)-No. T-01-4, TCT (Transfer Certificate of Title) Nos. T-408/496 in the name of Don Gregorio Madrigal and Don Esteban Benitez Tallano, with the heirs of Don Anacleto Madrigal Acop and Prince Julian M. Tallano as intervenors.

IN 1972, JUDGE ENRIQUE AGANA OF THE PASAY CITY CFI ISSUED A DECISION RECOGNIZING TALLANO’S CLAIM TO THE ENTIRE ARCHIPELAGO. RECORDS OF THIS DECISION WERE AMONG THE DOCUMENTS DESTROYED IN A FIRE THAT GUTTED THE PASAY CITY HALL IN JANUARY 1992. BUT THE PASAY CITY REGIONAL TRIAL COURT SUBSEQUENTLY RECONSTITUTED THE CASE; IN JULY 2001, THE RECONSTITUTION BECAME FINAL AND EXECUTORY. **[H: Emphasis mine.]**

As a result, Tallano and his alleged representatives reportedly went on to claim parcels of properties whose owners sought assistance from local government executives. Mayor Belmonte said his office has received numerous complaints about the activities of Manjares, who claims to represent the owners of a so-called Tallano-Acop Estate.

It was reported that on several occasions, Manjares tried to take over vacant lots on the basis of Transfer Certificate of Title (TCT) No. 498, which was based on OCT-01-4. The complainants, insisting that their land titles were genuine, told Belmonte that when they checked with the Quezon City Register of Deeds they were told that TCT 498—the title being cited by Manjares—covers only a 50-square-meter lot and that this title has long been cancelled.

In one instance, the Bureau of Lands even affirmed a complainant’s title when the Department of Public Works and Highways bought a portion of the property for a right-of-way road construction.

According to the complainants, the landgrabbers’ modus operandi involved some armed goons who, claiming to represent Manjares and an associate, lawyer Juan Moreno, would forcibly enter a target property and conduct some activities there, such as burning overgrown grass, apparently to demonstrate their control and indicate ownership of the land. The complainants said the goons would repeat their act, each time leaving just before the police arrived.

The alleged landgrabbers, tagged by the

authorities as the Tallano Estate Group, had reportedly harassed, threatened and coerced legitimate owners of titled properties, especially those who own vacant lots in Metro Manila.

Police said it is likely that the group or syndicate earns money by offering vacant lots as possible building sites to squatters who would then pay the group. The buyers obviously assume that the group owns the lots.

On the other hand, members of the group claim they are working for the “prince” who had been awarded the entire Philippines by the United States of America in 1764—at a time when the U.S. had not yet declared its independence from the British empire.

“Despite the patent absurdities of the assailed rulings, which raise serious and unending doubts as to their origin, the respondent court mandated their execution to the prejudice of millions of affected occupants of the area, most probably including the members of this Honorable Court (CA) and the Supreme Court as well,” the OSG said in its petition.

The OSG added that the assailed decision is currently being used by the claimants through their agents and counsel to harass legitimate property owners in the covered area. “Even the Hospicio de San Jose, the charitable institution for homeless orphans, was not spared. The existence of the decision in the judicial records, therefore, is not merely a disturbing presence but rather a malignant tumor that must be excised before it causes a breakdown in the trust reposed by the public, not just in the Torrens system but, more importantly, in the judicial system as well,” the OSG said.

In its decision, the Pasay court had ordered all occupants/claimants, including that of plaintiffs and defendants, to pay jointly/severally the sum of P50,000, representing reasonable monthly rentals for the use of the land, computed based on the length or duration of stay up to the time the said structure has not been removed.

The court also ordered the Pasig Register of Deeds Office to reconstitute the lost owner’s and duplicate copies of TCT No. 408, which covers an area of 29,151,768 hectares.

The court also declared all occupants and all those in adverse possession of the areas of the subject land “illegal squatters” and therefore punishable under PD 772 with full force of the law.

The court also affirmed all claimants and all those in adverse possession of the subject land, both in government, individual or private corporation, to “reconvey” to and in favor of the intervenors, Don Anacleto Madrigal Acop and Julian M. Tallano.

In the same decision the court declared that Tallano is the lawful owner of the portion of the subject land containing an area of 15,192,9338 hectares embracing the areas of and portion of Paranaque, the whole of Muntinlupa; Las Pinas; Zapote, Bacoor, Carmona, General Mariano Alvarez, Dasmarias, Imus and Tanza of the Province

of Cavite, and Pedro Tunasan in Laguna.

The court also ordered the law enforcement agencies to place into immediate arrest all occupants, homeowners, squatters or anybody else who intend to obstruct or are obstructing the administration of justice by continuously defying its order.

[END OF QUOTING]

I think that perhaps it will be fine to go ahead and send this for reference to *CONTACT* along with a fax of the letter of today to the many various recipients listed therein as follow-on for this article above. It will be explanatory enough without other background information to reflect the seriousness of the circumstances.

The thing that must be noted is what this actually does to the situation regarding the capture of all the mineral rights such as oil, deuterium and other wondrous loot. It will give more evidence of the URGENT need to cover the area with military force to hold the line for the unlawful administration of the Philippines. Checkmate?

Salu and thank you for your attention to current affairs in progress.

Gyeorgos Ceres Hatonn

[QUOTING LETTER:]

WOLFGANG STRUCK

June 14, 2002

For Prince Julian Morden Tallano

Atty. OLIVER LOZANO

President, Lawyers League for a Better Philippines

Dear Oliver,

This being the grandmother of all land registration cases, with a long list of strong and strongest court orders, which were never implemented, sad to say, now it looks there is opportune time to act and act with a vengeance.

Among the documents that I gave you last time, you will find the 4-page "Order", dated October 8, 2001, wherein Presiding Judge Ernesto Reyes of Branch 111 of RTC Pasay City **DENIES THE MOTION FOR RECONSIDERATION FILED BY THE OFFICE OF THE SOLICITOR GENERAL** on July 31, 2001. That Order explicitly upholds (see that page 3) all earlier judgments and court orders rendered in that famous infamous land registration case with the number **LRC/Civil Case No. 3957-P** in the RTC Pasay City, a public record for everyone to see.

That should have been the end of a century-long legal struggle for justice, one would think, with victory and vindication for the court-appointed judicial administrator, **PRINCE JULIAN MORDEN TALLANO**, who not only

represents the **Royal Family** of the Philippines including all known Sultans, even from Sabah and Brunei, but also the Filipino people in general. But look, 8 months after that, in June 2002, we are now facing the mudslinging of the dirty tricks department of the Office of the not so honorable Solicitor General. *PEOPLES TONIGHT* yesterday delivered a fine example, even on their front page as their lead story.

In a desperate last-ditch attempt the Office of the Solicitor General tried and bribed three justices of the Court of Appeals (the elected President calls them Hoodlums in Robes) who signed a TRO in a Quezon City court case, would you believe that, "to stop implementation and annulment of judgment" (even *MANILA BULLETIN* fell into the trap and reported on front page). That stupid TRO went pfffft last June 6, 2002.

Our answer to that TRO attempt is so strong, demanding even disbarment or worse of all solicitors and justices involved, so that the Court of Appeals is now **PRAYING FOR EXTENSION OF TIME TO ANSWER**. Wouldn't that be similar to the rapist who asks the rape victim for some more and to shut up, of course? In both cases you would have the question of who would be there to grant that extension. There is none. Not even the Supreme Court, as there was no appeal to any decision.

There is, though, a grand conspiracy among all government agencies, including Department of Injustice and a little president, who is not even elected president by the Filipino people but who is installed by the rich and shameless land grabbers who are so rich, because they sell lands they don't own at high prices to the people they "feed", their executives or how would we call them?

Fact is that the above judgments and court orders, including that landmark **DECISION WITH COMPROMISE AGREEMENT rendered on February 4, 1972** by the brilliant Judge Enrique Agana have become final and executory, meaning they have become the law of the case and **the law of the Philippines**, for the world to know, because that decision, a proposal by the Macapagal Administration of the early 1960s, includes the directives of how to deal with some 600,000 metric tons of gold that we are told is the fabled Yamashita treasure or the Marcos wealth or whatever.

The AGANA DECISION is "in favor and for the benefit of the Filipino people"! The administrations that love to hate our late President Ferdinand Marcos always **forget to tell the Filipino people about that gold**. You should know. You have always been a Marcos Loyalist and a Marcos lawyer.

Now, some of those judgments have long decreed that damages should be paid to the aggrieved party. For example, the conspirators made it impossible for the Tallanos to sell any of their vast tracks of land to raise funds to pay real estate taxes to government so that government could pay higher salaries to teachers or soldiers.

Let's go into some nitty gritty. Take a quick look at Atty. Natividad's "Comment and/or Opposition to the Petition" to re-open the Tallano case. There on page 3, you find a quote from the Order dated March 7, 1995 rendered by Hon. Judge Sofronio C. Sayo, then Presiding Judge of Branch 111 of RTC Pasay, denying an earlier petition filed also by the OSG "with cost and damages amounting to P 500 Million". They have always pestered us with their delaying tactics and as you know, justice delayed is justice denied. Well, not quite, as we will show to the world now.

Then there is that following portion "entitled to collect another damages in form of shares of stocks in government-owned or -controlled corporations in the sum of P 500 Million in favor of the Tallano Clan". From our point of view, we cannot see any impediment to the immediate collection of such amounts, except the possible excuse of "not enough money", a phony excuse but one we would hope they would use.

Pending your comment or advice, we think we can go right to PNB which is a so-called government-controlled corporation and ask them to release the first amount, of course with interest, which should be more than P 300 Million, since 1995, not counting the depreciation of the Peso which was at a level below P30 to the U.S. Dollar at that time. We could also ask PNB to arrange for a transfer of 15 Million shares of stock in PNB from government to us including one seat on the Board of Directors.

We would think that the CEO of PNB, Mr. Lorenzo Tan, would look quite favorably at our proposal, especially after looking at the benefits of the GAIA DEEDS (I attached that Information Package to you, didn't I?).

I know that you are very busy, but don't forget that this is not only the biggest case in our life, it is also high time to do something for the benefit of the Filipino people again. It's soon 20 years now since they kidnapped Apo and started to suppress the people. You know what I mean.

With best regards and INGAT!

Wolfgang Struck

[END QUOTING]

THE BIG PICTURE

AS OF JANUARY 2001

By E.J. EKKER

GLOBAL ALLIANCE INVESTMENT ASSOCIATION

Las Vegas, Nevada 702 870-5351

Manila 632 843-1698

The Global Alliance Investment Association (GAIA) is an organization dedicated to the restoration of freedom, dignity, and sovereignty to all men, women and children on the planet often called Earth. As such, it finds itself in conflict with those powers that seek to control the peoples of Earth through their control of money, energy, food, education, and communication.

Freedom and dignity flow from the sovereignty of the individual. Dictionaries and Encyclopedias will define sovereignty in political terms, as though only states/nations could possess it. Sovereignty is far more than that. Sovereignty also describes that appropriate relationship between God and man; a relationship wherein there is no “broker” in between God and man, and wherein sovereignty, provided by God, is matched by the acceptance of responsibility by the man. (The use of the term “man” is intended to include women and children; God does not discriminate.)

Nations, like men, are born sovereign. Men lose their sovereignty in many ways, but God provides a way for each to restore his sovereignty by rejecting commitments made for him by others and reaffirming his direct connection to God. Nations usually lose their sovereignty through colonization, losing a war with a neighbor nation, or by taking loans from the IMF/World Bank which require their political leaders to sign agreements giving up certain basic rights regarding the responsibility of the nation to determine the amount of currency it may issue, or have in circulation (in addition to arms and nuclear restrictions). It should not be difficult to see that a nation that is prevented from providing the tools and wherewithal for its citizens to achieve their own economic independence, and to support their families, is not fertile ground for anything except poverty and the humiliation and loss of dignity created thereby.

GOD IS ABUNDANCE

People, caught in the poverty trap, pray to God for help. God responds in a way and at a time that is suitable to His plan; we are now in the “new millennium” so long anticipated to be one thousand years of peace and prosperity. Is it too difficult to believe that He would respond to a “physical” problem in a physical way? God is not poverty; God is abundance. It is the men-followers of Lucifer who scheme to benefit from the effort and substance of others that create the imbalance between nations having money, tools, and skills and those suffocating in poverty.

Nations, too, have a way to regain their sovereignty—by reestablishing their responsibility for themselves. When the colossal fraud perpetrated by the wealthy nations upon the “non-industrialized”, “Third-World”, “emerging” nations is finally revealed to those victim nations, they will be able, with the help of God and the Global Alliance (GAIA), to see what is needed by each one to regain its sovereignty. It is a pity that so much time must be expended just to shine the light of truth upon the cruel tricks that have been played upon, and the lies that have been inculcated within, the peoples of the victim nations.

THE FRAUD

That fraud, by far the most profitable ever done by men to men, requiring some 200 years to complete, was the removal and discrediting of gold as the base of all national currencies, substituting a fiat (by decree) value for baseless paper money, which allows the International Banking Cartel (IBC) absolute control of the value of virtually every significant currency in the world. Through their manipulation of the values of a nation’s currency, the members of the IBC exercise economic control of all of those nations through the mechanism of “foreign exchange”. Through their control of the International Monetary Fund & World Bank (IMF/WB), they rule every borrower-nation with an iron grip, maintaining that grip by reallowing some 20% of the borrower-nation’s interest payments as “corruption money” to be given to public officials and legislators to assure that those interest payments are made, thus draining away any hope that the nation might get back on its financial “feet”.

To broaden and strengthen its worldwide control, the IBC espouses the false siren of “globalization” as the solution to the problems of Third World countries. The word “globalization” has two very different meanings, one to the globalizers and a different one to those being globalized. The globalizers tell those being globalized that it means growing up, maturing, becoming haves instead of have-nots, not only playing in the “markets”, but having their own (and learning how to manipulate them), which also provides a further means of capturing the best assets of a nation. To the globalizers the world is a playground wherein they invent the games, and make and change the rules; thus “globalization” is no less than an invitation to the less knowledgeable, who have already been misinformed, if not miseducated for some 200 years by the globalizers, to join in “games” wherein the cunning globalizers have everything they need to win the assets, even the very nations themselves, of the intended globalized.

The above can easily be verified by reading almost any business section of almost any Southeast Asian newspaper almost any day. There is a tenacious and persistent drumbeat to change laws to allow more foreign ownership of, especially, banks (for economic control), utilities (for cash flow), and oil and gas and mining properties (to assure that the wealth derived therefrom can be exported and not free the nation of its bondage to the IMF/WB and IBC). This explains the need of reallowing the 20% of paid interest; it requires a lot of money to bribe all of those legislators and administrative people. Isn’t it convenient to be able to bribe them with their own money? That is the hallmark, the epitome of success, to those denizens of the Gentlemen’s Clubs in the (Inner) City of London—to boast of the stocks and properties bought with the money taken (one way or another) from their former owners out in the “colonies”.

Can we not beat them at their own game, once we know the game? Come now, how often will the Little League team beat a Professional team? Especially when the Pros can change the rules right in the middle of the game, should they need to. We can win, yes, but not if we play their game. We can win with God’s help, which we may have as long as we deal only in TRUTH. Unfortunately, it is a long way back through the lies to arrive at the truth—even though we have made a good start. It is a great deal more pleasant, however, to discuss the truth, so let us begin.

THE GOLD STANDARD

In a truly (of God/Aton/Allah) sovereign nation, the system of money is completely, 100%, determined by the nation, whether that be the Legislature (most likely) or the Administration, and prior to 1800 that was the fact. In a “just and fair” world each nation could be expected to choose its most abundant, valuable and exportable product as the base of its currency. That could not work, however, because there had to be a “common denominator”, a standard that all nations could depend upon, and that standard was gold. Not so much by agreement as it was by fact: nothing else worked. For many years the British Pound, which was gold-based, was the unit of “foreign exchange”. Even before World War I the Zionist IBC recognized that the U.S.A. would be the most desirable place for their new homeland and began to take it over, economically and politically. They began to enhance the image and reputation of the U.S. dollar until, today, it is practically the only currency of foreign exchange. At the same time they

were constantly and deliberately working to denigrate the value of gold in all banking systems, while at the same time using every trick they could to get as much of the world's gold under their control as possible.

Switzerland stayed on the Gold Standard until 1999, at which time a Jewish woman was elected President. She promptly orchestrated a referendum that allowed the Swiss franc to "float", which also cut the last cord holding the value of gold to some "reality" and thus the price of gold has become more easily manipulated by the IBC. Gold will regain its value equilibrium as soon as any sizeable nation adopts it as the base of its currency. (We should remind the reader, Switzerland has 7.5 million people and, while its currency was gold-based, never had any problem paying for its foreign purchases with its own money; it did not need "foreign exchange".)

As reported to the IMF each quarter, the central banks of all of the reporting nations (Israel and China are not listed) report a total of 32,755 metric tons. Only a few hundred tons of that is for sale each year. The annual demand for gold is estimated at 3,500 tons; the production has fallen from above 2,500 to below 2,000 tons. The cost of producing gold varies widely over the world and is usually estimated to be about \$350 per ounce, so it is easy to see that at \$265 per ounce many, and probably most, mines are not profitable. Another comparison is with the price of platinum, a precious metal that has been priced within a few dollars of gold for many decades. Platinum is now priced at more than \$600 per ounce, an indication of where gold would also be if it were not being manipulated by the IBC (while they are buying as much as they can with baseless U.S. dollars), and also an indication of where it will go when the grip of the London fixers is loosed.

Some readers of this paper will immediately raise a howl that the Philippines could not possibly stand the shock of suddenly having its peso "trading" at something like P25 instead of P50 per dollar. That is nonsense, of course, because a gold-based currency doesn't care what a dollar is worth; it cares what gold is worth measured in the currency of any nation from whom it has purchased something. The Philippines has far more gold than is reported by all of the central banks and when the Philippine Peso is based on gold and the gold begins to flow into the banking system the price of gold will no longer be "fixed" in London in U.S. dollars; it will be determined in Manila in Philippine Pesos.

GAIA'S \$400-PER-OUNCE GOLD PROGRAM

GAIA has established a program whereby the owner/holder of gold can be paid \$400 per ounce, or P589.42 per gram, as compared with the current price of \$260 per ounce, P383.12 per gram. If the Philippine government will work with GAIA by providing an amnesty and adequate publicity of its amnesty and the GAIA program, thousands of tons of gold will flow into the BSP buying stations. When neighboring nations see the benefits of a gold-

based currency they will be wanting to buy gold; GAIA will be ready, willing and able to help them; and the Philippines should be willing to sell some of its gold. As the Global Alliance gains strength and more nations join, the price of gold should rise until it stabilizes at a price commensurate with the cost of mining and refining plus a reasonable profit. If each nation denominated its currency as a "gram", meaning 1, 2, 5, 10, etc., grams of gold, the problem of "universal" or "regional" currency would be solved without any conflict over whose name to use and it would be recognizable and measurable in all languages.

CURRENCY MANIPULATION

The benefits of a gold-based currency, especially when shared by a number of regional nations, are virtually incalculable. The list would begin with, "no need for personal income taxes", "no need for foreign exchange", continue with "no inflation", and end with "non-manipulatable". To take the last first, a currency trader or hedge fund, to make a significant profit, must be able control, or at the least influence, the price of a currency, either up or down. If there is no control of direction, the likelihood of loss is as great as the likelihood of gain, and currency traders only bet on sure things. When a currency is linked to gold it cannot be "moved" by a trader, or even a consortium of traders working in concert as a "pack", which is their normal technique. Quite obviously, the larger and better organized the group of nations using gold, the more stable it becomes; in the GAIA program the Alliance will control some 25%-50% of the gold in each nation, as an Alliance reserve, which will further stabilize the price while being a mutually available reserve for emergencies.

INFLATION

Paper money is an "unsecured" "promise to pay". U.S. paper currency has "FEDERAL RESERVE NOTE" printed at its top. With the possible exception of a very few currencies in Islamic countries, all of the world's currencies have absolutely no value; they are debt-based fiat (by "decree") paper illusions based upon nothing. Because they are illusions with no physical base, they can be given any value desired by those with the most money-power, the International Banking Cartel (IBC). On any given day, and with information supplied by local IMF/WB offices, the values of currencies all over the world (except Malaysia) can be established in The City of London.

When a currency has no base, governments and banks are tempted to issue more currency than is commensurate with the ability of the nation to make good, via its ownership of other "banking reserves", on the debt it has created by issuing the currency or credit, thus diluting its value. To the citizen, inflation manifests as an increase in prices; to the government it is "free money", i.e., money neither collected as taxes nor accounted for; to the banker, it is two things he loves: more money to lend and thus more profit, and a "cost" to be added onto his interest rate

which can be "fudged" enormously because it is so difficult to define. If he can predict an average annual "inflation rate" of 10%, he must add on 10% to his interest rate; otherwise he will get back, at the end of one year, only 900 in value for each 1000 loaned at the beginning of the year. If there is no inflation "add-on" a bank can make money at 4% or even less. In 1940 in the U.S. the typical mortgage interest rate was 2% and the Banks, Savings & Loans, and mortgage companies were all making money.

A gold-based currency cannot inflate. Before, or simultaneous with, issuing new currency/credit, a central bank must purchase the gold reserves required to back the new currency/credit. At the same time, a nation can add non-inflationary gold-based currency/credit to its money supply to match the needs of its people, and to fund all of its own infrastructure such as: Hydro-electric, nuclear, and all other electricity-generating plants and distribution systems; water storage and canal systems for irrigation; desalinization and water-treatment plants and waste-water-treatment plants for towns and cities; non-polluting zero toxic/zero landfill waste disposal systems; roads, highways and freeways, railroads, bridges and tunnels, ports and airports; nonpolluting highspeed public transportation systems for both inter- and intra-city use; modern and adequate hospitals and public health facilities; spacious and well-staffed educational facilities, from kindergarten to the most advanced degrees; well-trained, state-of-the-art equipped police, fire, and emergency departments, with a justice and penal system with no "backlog" or crowding, and adequate salaries for all of the people serving in these "public" positions. All of this can be done 100% internally, within a nation, without any tax, income tax or otherwise, on the citizens. Taxes are for control of the people, not revenue.

The benefits of low interest rates to an economy are enormous. The monthly payment on a 20-year mortgage is twice as much at 14% as it is at 4%, for instance, which would seem to put home ownership within the reach of, at least, twice as many families. Think of the boon to all business that just that one fact offers. All businesses, to start up or to expand, need to borrow money. If the interest they must pay continually saps their financial strength, how can they compete? Look at Japan—interest rates at 2% for their businesses; is it any wonder Japanese businesses became so big and strong? "But," you ask, "how can we attract foreign capital with low interest rates?" The answer to that is that you do not need foreign capital when you base your money on gold.

GOLD AS FOREIGN EXCHANGE

The very definition of gold-based currency is that it is "redeemable" in physical gold. That means that a person, company, or foreign nation can ask for and receive physical gold in exchange for its paper money. To be able to make good on that promise, the nation must have the physical gold in its vaults

in a form that is fungible (useable) to the claimant, which requires that it be refined, formatted into bars or coins, and bars must be appropriately marked as to quality (carat or %), numbered and registered.

When it is known by other nations that the physical gold to back the currency of a nation is available, that nation's currency, as well as any of its banks' Letters of Credit, Bankers' Acceptances, Certificates of Deposit, and other bankers' "paper", become directly acceptable as payment of international debt, without the expense in both time and money to both buyer and seller of obtaining "foreign exchange" (usually U.S. dollars).

The effect of escaping all of the problems associated with foreign exchange is astounding. Most of the reporters and editors of the Business & Financial sections of the newspapers, TV and radio will be laid off. There is hardly anything left to talk about. No foreign borrowing. No bond issues, thus no "road shows". No gain or loss in value of the currency. No change in the "overnight rates" or in the "liquidity reserve" in an attempt to halt the slide of currency, or "dampen inflation". No concern over the nation's "credit rating" (gold-based currency provides an automatic AAA but it is neither needed nor used). No need for any more "remittances from overseas workers". No "bank runs" or failures. No income-tax collection problems and, with adequate money the system to pay people a very decent wage, no excuse for continued corruption. At that point graft and corruption can be prosecuted as the crimes they are. Finally, no budget deficits; no foreign debt to drain away the nation's vitality; no concern over "balance of payments", and no competition with neighbor nations for industry, tourism and other sources of foreign exchange.

INCOME TAX

In its most robust years, the United States of America had no Income Tax on the earnings of its citizens or industries. Its *CONSTITUTION* does not provide for such a tax and it is quite likely that the 1935 *Philippine Constitution* does not, either. The "Founding Fathers" of America clearly understood that the national government, via its Treasury, had the responsibility of issuing the currency to be used in the thirteen colonies (later called states) in sufficient amounts to satisfy the needs of all of the people. Banks were permitted to issue credit as long as they had reserves to cover it. Of course, at that time "foreign exchange" was not a problem and did not become a problem for the U.S. until the Civil War of 1861. The present Income Tax in the U.S. was initiated in 1941 as a temporary "war" measure by President Roosevelt and is said to still have no basis in law.

A nation that has no external (foreign) debt has no need to tax its citizens or industries. If it has the proper "Republic" government structure (from the bottom up instead of top down) sometimes wrongly called "Federalism" and more properly called

"Federation" (the original U.S.A. was first known as the "Confederation of States"), the functions of the federal government are so modest that they can easily be paid for by customs duties and taxes on such things as tobacco and alcohol. At the local level the people are very busy and are being well paid for building the infrastructure mentioned above. If they pay no Income Tax, they can afford sales and/or property tax and toll-road use fees, if necessary, to support maintenance, administration, fire and police protection, education and health services. When a nation can purchase gold and add to its money supply whatever is needed to support its commerce and the needs of its people, there is no need to tax its people, or for its people to tax themselves.

INDEPENDENT CENTRAL BANK

There is no need for a central bank at all, let alone one that is "independent", unless, of course, the intention is to "privatize" it to be operated by and for the profit of the International Banking Cartel, as is the Federal Reserve System in the U.S. The notion that a central bank is to be operated as a "profit center" is another fiction foisted off on uninformed and unsuspecting legislators by the IBC and is, of course, endorsed by bankers. No, the functions currently assigned to central banks are better done as a federal service by the Treasury. The suggestion of treating all banks as public utilities has been made but discarded because the possibility of loss helps keep a private banker honest in evaluating a prospective loan. However, the fantastic profitability of banks indicates that they can use some curbing, and a gold-based currency to eliminate the confusion introduced by "inflation" should take care of most of it.

STOCK MARKETS

Stock Markets (Exchanges, Bourses, etc.) everywhere have been turned into Casinos wherein brokers and traders, and some shrewd individual manipulators who have or can borrow the money, "play" "against" legitimate investors who either own their stock because of having built the company from its early beginnings, or who have purchased shares in the belief that their money would earn a good return. A third and very important class of stock investors in Southeast Asia are the professionally managed mutual funds, retirement funds, and insurance companies. The people who own or control the stock exchanges will almost always be of the stock brokerage business, and the most vocal ones constantly agitating for "upgrading", "modernizing", "opening up", and "relaxing the rules" will have a string leading back to the IBC that owns and controls all of the British and American (and most other) stock exchanges. The point to be made is that such a beneficial concept as the Stock Exchange has been so perverted by the IBC that it is no longer trusted or useful and must now be reconstituted.


The beauty of common stock is that it provides a means of sharing the ownership of an enterprise,

including its risks and rewards. It offers also a means of raising capital needed to start or, more frequently, expand an enterprise. To the officers and employees of an enterprise it offers a way of participating in the value added by one's personal effort. A Stock Exchange can also become a very beneficial organization if it is confined to the necessary and beneficial activities intended for it. Its "listings" provide pricing information which, hopefully, reflect the progress of the company and are useful in many ways. It provides a way for a shareholder to sell his shares when he needs or wants to, as well as a way to invest money in additional or different shares. If he needs income, he can buy preferred stock or the bonds issued by some companies.

Leaving "derivatives" aside, since they are not common in Southeast Asia, the most flagrant abuses fostered by stock markets here usually will contain one or both the borrowing of money on stock and the "short" sale of stock (to make money if the stock goes down in price). Just the elimination of those two practices will dampen or stop most stock market manipulation and restore confidence in stock ownership. When that is accomplished the stock markets will be awash in "buy orders" from local people, banks, insurance companies and retirement funds. Foreign money in a local stock exchange is there for only one reason, profit. The instant that profit is in question the stocks will be sold, driving them much lower than warranted. No foreign money should be allowed in the local stock markets, just as foreign ownership of properties and natural resources should be excluded.

CONCLUSION

Virtually every "bible", no matter the religion of its origin, speaks of the TIME OF THE LORD, the millennium of peace and prosperity to follow the reign of Lucifer and Satan. Just as ubiquitous is the expectation that such a time begins 2,000 years after the birth of "Christ". It seems logical to assume a period of transition; we can not expect God to instantly dispose of Lucifer and all of his helpers. On the contrary, the really GREAT CONTEST is for the souls of the people—and those in the clutches of Lucifer must be given an opportunity to re-choose, which will require some time.

We believe that a good day for that transition to begin was January 1, 2001 and events subsequent to that day indicate that the forces for good are indeed beginning to assert themselves. All of the suggestions and recommendations made in this paper are intended to enhance the sovereignty of the individual and the nation, and to reduce or eliminate the opportunities and rewards for evil and corrupt behavior. We would now invite each reader to re-read those portions that were especially important to you in the first reading—there is a message from God to each of us and if you missed yours, please go now and find it. 

Embrace The Lighted Brotherhood Or Experience A Cataclysmic Fall

(PART 2)

SKELETONS IN THE CLOSET

BY GYEORGOS CERES HATONN

“dharma”

PHOENIX JOURNAL #13 (1990)

CHAPTER 2

REC #1 HATONN

WED., FEB. 28, **1990** 8:30 A.M. YEAR 3 DAY 196

Hatonn present to work on the *Journal*.
Greetings in the Light of Radiance.

MORE EVENTS AND PREPARATION

Man against man, nation against nation and nations against themselves. Today we'll be discussing the coming events and preparation. You must prepare, for what appears to be a changing of attitudes regarding Russia and leadership is only a facade to strengthen the core systems and cause depletion of resources on a mammoth scale. Yesterday was a most important sign—Mr. Gorbachev is being given additional power TO DECLARE WAR, ETC. Why, would that be so important if, indeed, there is peace coming unto your world? DO NOT BE BLINDED!

Dharma, you have been shown that which is the Great Warning. Let us now tell thy brothers. In a coming section of this *Journal* I shall be giving you great and frightening information on “beam systems”. The anti-Christ has the facilities to kill, mutilate and alter the mind patterns of the entire world. For every space satellite you have in orbit, the Chinese and Russians have more. The system is operable for worldwide control of all money transactions and to pinpoint every human on your planet. Further, the facilities are in place to bounce beams, beam beams and generally destroy your planet. The shutdown on ground-type military forces and missiles is only important as a “sign”. All of those forces will be phased out and you will come under a One World Military force headed by a Russian through the United Nations.

We have been allowed to keep nuclear warheads out of space beyond 150 miles of your surface—but the beam systems are now in place which negate the need for space nuclear installations. The finishing touches are still under finalizing and the major powers

of the Joint Cartel are working in synchronized patterns to hone it carefully. The “beam” barrage will now be increased to insure annihilation of dissenters and bring into play total mind control.

You are going to have to turn back unto the Lighted Brotherhood, chelas, or you will fall.

You of the people have no manner in which to counter this barrage and you have built no shelters within which to protect yourselves. The barrage of beamed information will simply put you into deeper sleep and keep you unprepared. THEY CANNOT, HOWEVER, NEUTRALIZE OUR SHIELDS. YOU MUST CONFRONT THAT WHICH IS COMING INTO YOUR PATHWAY. YOU WILL LISTEN TO THOSE ONES WHO SAY “THAT IS OF DARKNESS AND DOOM AND GLOOM”—AH SO, THEY WILL TELL YOU IT IS NOT SPIRITUAL—IT IS THE SPIRITUAL EXPERIENCE OF THY LIFESTREAMS—IT SIMPLY DOES NOT COME FORTH AS YOU OF EARTH EXPECTED IT TO COME—WHICH IS EXACTLY THAT WHICH YOUR BROTHER, SATAN, CALCULATED FROM ONSET—THAT GOD'S PEOPLE WOULD SLEEP ON UNTIL TOO LATE.

What is the great warning? How might that work? Is it supernatural and magic mysticism? NO! Dharma, write what you see as I show you. Dharma, hear me, please, and write. You ones only consider that to be magic which you do not have understanding enough to decipher.

On “Warning Day” (W-Day), the Conspiracy will have pushed to the brink of holding the entire world hostage. God shall take over at that point—and the entire beam network above your outer stratum shall be detonated. This will produce an intermeshing network of beam reactions which shall basically encapsulate the planet for some projected period of at least three days. What will strike you as humans, from that great distance, will be something quite like microwaves which will create the sensation of intense heat from all directions and inside to outside. There shall be resulting atmospheric upheaval and total confusion but you who are prepared and remain inside with your Light Shields about you will survive nicely. This is, however, the warning that things will get very nasty indeed from that time forward.

The “enemy” will regroup (for he also knows this is coming) and he will respond with war of an Earth scale but with Earth-based beam systems and nuclear weaponry. The reason they will do this is again in an attempt to hold God's people hostage and/or annihilate you. Satan knows that God will allow his children to have the Word and allow a turning back unto Him before the final curtain. If you turn back, you can receive of the protection

you need and further, if you turn back in time, you will survive nicely in your tidy shelters. These things are completely and totally up to you as a people as to that which you do with this information.

You are thrust at because we of the Lighted Brotherhood in telling our truth make you feel uncomfortable and hopeless—no, the hopelessness is being thrust at you from your enemy. We give you all you need to do nicely if you will but listen and act. Come into the Light beamshield and we are allowed to protect (neutralize or buffer) you from the beams—BUT YOU MUST REQUEST IT AND YOU MUST CONTINUALLY REQUEST IT. You are now dealing with the “unseen” and therefore you have no way of knowing it is upon you.

WHAT OF “AFTER” W-DAY?

You can expect it to unfold exactly as has been laid down for you. Dharma, we will describe it again—my prayer is that I shock you enough to hear and see!

Go back to that which you call THE BOOK OF LIFE, your Holy Books. Also, put aside your doctrine separations and Jew vs. Christian, etc. You are going to have to face an even more bitter realization and that is that the Israel Zionists have infiltrated into your government and they now control every sector. In *St. Matthew 24: 3-14*: “And as Jesus was sitting on the Mount of Olives, the disciples came to him privately, saying, ‘Tell us, when are these things to happen, and what will be the sign of thy coming and of the end of the world?’ And in answer Jesus said to them, ‘Take care that no one leads you astray. For many will come in my name, saying, ‘I am the Christ,’ and they will lead many astray. For you shall hear of wars and rumors of wars. Take care that you do not be alarmed, for these things must come to pass, but the end is not yet. For nation will rise against nation, and kingdom against kingdom; and there will be pestilence and famines and earthquakes in various places. But all these things are the beginnings of sorrows. Then they will deliver you up to tribulation, and will put you to death; and you will be hated by all nations for my name's sake. And then many will fall away, and will betray one another, and will hate one another. And many false prophets will arise, and will lead many astray. And because iniquity will abound, charity of the many will grow cold. But whoever perseveres to the end, he shall be saved. And this gospel of the kingdom shall be preached in the whole world, for a witness to all nations; and then will come the end.’”

DO NOT CONFUSE DHARMA WITH ANYONE OR THING

Dharma claims to be nothing and wishes no attention what-so-ever. “Dharma” means “bringer of life truth”. She claims no reality of physical Christness nor Godness other than as all of you experience the connection. Beware of those “claiming to be Christ and the incarnate prophet”.

She claims none of these things, so I urge you to not be confused—she brings forth the WORD, she claims it not to be her words. She claims no “singular” gift nor personal “possession” of any content nor energy resource—it belongs to man, she has no “personal” attachment thereto. As a matter of fact, she would prefer to be completely and totally relieved of any and all responsibility. All of you have a purpose of participation which you may or may not yet recognize. Hers, and ones in other placements, is to write that which we give forth. ALL will not be given to the same task, for you must have workers in ALL FIELDS, not just the one, for more important, later, shall be the security and shelters and food storage, and distribution and, and, and—so be it; it would be disaster if all were sitting to the writing. Further, no matter how anyone tries, the words shall not be discounted nor will they cease to flow. You as readers, doubters or complete enemies shall not even be in the further slowing of the messages. We have walked her through the fire of denouncement by those she respected above all others and she has stood strong—and through others not even known unto her, the Word will come forth and ye of Light shall be given to blanket the planet with thy defense of Truth. Some will take of the words forth into the public as speakers and teachers that you might learn to connect with God on your own circuits. THE WORD SHALL GO FORTH AS DIRECTED REGARDLESS OF WHO EFFORTS TO STOP OF IT! SO BE IT.

REVIEWING EVENTS

Watch for the major revolution in Africa, Western Europe, and especially upheaval and revolution in Italy which touches the Vatican. Then watch for the fleeing of the Pope into safety outside of Rome. Then very soon will come the Warning followed closely by a Great Miracle—in Spain but which shall touch the world—but at this time it is probable that it will be in the area of Garabandal.

After these things will come the Great “Castigation”—(discipline). It will come forth in two major portions. First will be a World War of horrendous attack and counter attack which will be incredible for at least a period of three days, and then a comet, a fiery comet will come for a period of at least another three days.

Jesus Sananda has told you how it will be... “The value of life will be lowered to the extreme: Man will murder without conscience. Brother will fight against sister, brother against brother, families will be torn asunder by sin. Many mothers in the world will face calamity with the loss of their sons. Many will truly join Me upon or at the Cross.

“So many shall there be who perish that there will be no time to mark the graves. Mothers will long to see and know where lie their sons, but to no avail. This comfort will not be given to them, so great will be the loss of life. Can you not turn back now and beg the Eternal Father before it is too late? Are you so blind to the truth, My children, that you do not

see the road on which you are traveling?”

And the Blessed Mother came and said, “Walk with me and see. You ask Me, My children, why My tears are flowing? Come with Me and look!... No flesh shall be spared.” And there before my eyes stretches the lands in explosion after explosion and the great clouds billow into the skies and Blessed Mother says, “Satan, My child, shall have his hand upon the button of destruction.”

Then She points across the waters and I am given to see that it is unto Russia which she gestures and she reminds me that there are not enough who understand the danger and are fooled by the facade, and they all walk blindly forward with their eyes darkened. We have been told again and again, by the very perpetrators themselves, that Socialistic/Communitic/Anti-Christian Russia would be the downfall of mankind.

And the Christos continues, “My children, I feel of your great concern and your anguish, but oftentimes the good must suffer the same as the wicked, for the rains fall upon the just and the unjust alike. Only through your preparations against these days shall ye survive in wholeness.” And “This war will bring a destruction to mankind far greater than any human eye has ever seen or has experienced in the past, or will ever see or experience again in the future. If I come not, as is my promise, among you in this great catastrophe, there would be no living flesh left upon that blessed place.

“Your news media deceive you and tell you lies upon lies. They give you not truth in knowledge. The Bear is now massing on the borders, and he is ready to strike! And those who have formed a union with him in the Conspiracy have sold your inheritance unto your enemy. Heed well this reminder—watch unto Syria for therein lies the solution of world peace OR the Third War of your world. It will be the destruction of three-quarters of the world. A world aflame followed by the great comet Ball of Redemption as it is sometimes called.

“Your Country, the United States, and many nations of the World now are under the domination of a godless government. As such, without Prayer, Atonement and Sacrifice, I say unto you now, as your Mother/Father Christ reflection, that you, too proud and arrogant a nation that you be, the United States shall fall. Many, many—many shall suffer and perish!”

You ones are completely surrounded by Soviet submarines and yes, some Nazi craft from out of the bases in Antarctica and they bear the missiles and sit in wait. They are out there and it is a portion of the master plan for the takeover of your United States and Canada.

The evils being perpetrated in the holy Houses of God have run amuck. The examples being shown by the high men of the holy Houses of God are abominable! The harvest of Lucifer/Satan will be great indeed. You must prepare, for the times of these things are nigh.

A second “sun” lies out in your atmosphere—that which is labeled the Ball of

Redemption, even now in transit to your planet.

It is guided by that which is outside your planet and those who have cast aside the knowledge of that higher world of God shall not be given the grace to observe the coming events. When it enters upon your atmosphere, hearts shall be gripped with fear! Many shall run to hide themselves, recognizing the wrath of their Lord. And I apologize to those who disclaim me as not being the “real” Hatonn—nay, I am that which I claim to be—the “REAL” thing and my Higher experience holds the strings through the Christos’ hands. Make no errors as to my identification lest you blunder remarkably.

These events shall be gauged, measured and held in abeyance for the proper moment in the knowledge of Heaven, the moment deemed by the Eternal Father for the cleansing of mankind—and it shall come in the twinkling of thine eyelid. The Creator has proclaimed that the Earth shall not end in annihilation—for Creator has given His promise to mankind, that the world shall never be made extinct again, as in the past with the time of floods. However, your world shall be cleansed with a baptism of fire. And the old shall rise from the seas and unto the new and again shall grow that which is intended and the cycles shall again begin and the old shall pass away into the newness of her earned placement and those who walk the path with the Great Spirit shall have peace.

You ones will decide which path ye shall tread—will it be the path of the Christ Circle of Infinity or the Serpent’s road of darkness? ’Tis your very own choice.

And before the final days there shall be earthquakes and the volcanos shall erupt and lands will rise and lands will fall and crumble. Great devastation shall pass upon the lands from one corner of thy world unto another. The winds shall blow beyond that which you call a hundred miles an hour and finally, those who have no protection shall lose of their homes and thy placements will be in destruction. There shall be famines, for already you have been lied to, even regarding thy larders and stockpiles—ye have none, for they have been stolen away—thy massive silos are empty and it was done as the thief in the night.

I shall quote from your own publications that you not discount of my message:

WORLD NEWS ‘News Scan’: “Food Crisis Not Far Off”. Last summer’s (1988) drought in North America, China and the Soviet Union has left the world grain stocks in a sorry state. ‘It’s almost inevitable we’ll have tight food supplies this year,’ said Lester Brown, president of the Worldwatch Institute in Washington. ‘If there is another drought, all hell will break loose.’ By the end of July 1989, experts calculate there will be enough wheat in the world for only 75 days consumption, enough corn for 50 days and enough soy beans for 47.

“The Spectre of Hunger in North America 1989-1990, from the ‘Voice of Freedom’: This prophetic vision has not yet been fulfilled in North America but the frightful events it foretells seem to be approaching and well nigh upon us.

“There has been a major drought in the western and midwestern parts of the United States. Farm organizations have calculated that the harvest of grains in 1988 is only one half of what it is in a normal year. America is not the only major country in trouble, as the Soviet Union had a very poor harvest also. Where will these countries get their food?”

“The truth is that the most critical issue in America today is the family farm and food. It is estimated by one of the respected farm organization of America, NORM, that every three minutes a family farm declares bankruptcy and most of these farms are being laid idle, unattended. Because of this bankruptcy rate and the drought this year, there is a definite possibility of food shortages in the very near future.

“The average reader may be inclined to say: ‘But we have a huge surplus of grains, at least we have been told that by the government.’ Well, let me tell you the truth as it really is. Dufur, Oregon is in the middle of the vast wheat country of the west. The manager of the Dufur grain elevator told me recently that the Federal Government agency which had wheat stored in his elevator ordered all the grain to be removed without explanation or notice. The manager of the elevator checked with Cargil’s big elevator on the Columbia River where barges ship the grain abroad, and found that the elevators on the Columbia River have also been emptied. (Word from the mid-west is the same!)

“Estimates are, that because of the drought, we have about used up our surplus. If there is a protracted drought through 1990, according to those who know and study the weather, what will happen to the food on the supermarket shelves?”

“Last week (mid-June 1989) I had a call from a man in Ravenna, Ohio who owns a Survival Center and handles bulk survival foods. He stated that a friend of his who is manager of one of the largest food warehouses in the Northwest called him and told him the following startling story. Representatives from a certain U.S. Government agency had recently come to his warehouse and stated that they rented a block of space in the warehouse and wanted to inspect it. The manager of this warehouse is very knowledgeable of what is happening in the world and began to question the government representatives as to what they wanted to use his space for. After much prodding, he was reluctantly told. ‘We are renting this space because we anticipate the rationing of food as it was during the Depression of 1929 and 1931.’”

WILL A WORD TO THE WISE BE SUFFICIENT?!!!!!!???

WHAT OF UFOs IN ALL OF THIS?

Well, there is good news and there is bad news. **The good news is that we of the Lighted Brotherhood surround your planet.** The bad news is that your world is now filled with demons. They will promote accidents that are not accidents, destruction, and even false miracles in the air.

They will place (Earth, Terra, Shan, World) duplicated and confiscated craft in your heavens and further, in their efforts to blame the Lighted Hosts, they will hold your cities hostage in an effort to keep the Lighted Brothers at bay. **They will go even farther—they will actually destroy some of your cities and all the people in them and they will spread viruses and disease from the skies and tell you it is the Lighted Brotherhood—the aliens from space in those UFOs**”. Total preparation for that move is being made this very minute—the set-up is under way. You are being fed just enough public information to completely delude and distract you and cause total terror in the hearts of mankind at the very sight of a UFO. So be it—if you allow of it, it shall certainly come to be, for you will render yourselves helpless.

It is for this very reason that we welcome those who are bringing good research and truth forward. We will stand firm against the incorrect conclusions regarding both the presence of abductions and mutilations. You are going to be required to use your heads and brains in your God-given abilities to reason competently. The time of the spectacular fantasy science-fiction and the quarreling over stories is finished—your world stands on the brink of annihilation at the hands of those you elect and trust with your lives and frankly, your souls.

RECOGNIZE THE SIGNS OF THE TIMES:
666, WHICH IS UPON YOU

And the Christos says, “For I shall come to you in the like manner in which I ascended. I shall descend with a roar of triumph from the multitudes of Heaven. We shall come in great victory, for if we do not come, no flesh shall remain upon your Earth.

“I cannot promise in that conflagration that some shall not suffer, that good shall not die with the evil ones. But know that no death upon Earth shall go by without a just reward when this death is in martyrdom. I cannot promise any of you a life of fulfillment upon your Earth, for this you shall receive from Satan. He now—this prince of darkness, the adversary—controls all of your world. It has been given to him but for a short time.

“For you who have the knowledge, recognize the signs of your times. 666 is upon mankind! It is the closing of your era. It hastens with great speed upon you, because you have refused the grace given to you to turn back and do penance and restore My House. Before the chastisement, My Mother’s and Father’s words will have reached throughout the world, and the sheep will have been separated from the goats. All that is rotten shall fall. My House kept in darkness shall fall! It shall be cleansed!

“Shall you, as pastors, stand before Me and say that your teaching has been pure in My sight? I shall spit you out as venom into the flames! Sin has become a way of life. Murder abounds. Charity of heart? Very little shines now upon your Earth. Light of spirit? Souls going into darkness of spirit!

“Sodom! Your Earth is in far greater evil than in the time of Sodom. The sin of Sodom is being now committed in a more sophisticated manner of defilement. Defiled man now enters upon My Church.

“You will, as pastors, awaken from your slumber. The fathers have fallen asleep. You who mock, you who say, ‘Where is His coming?’—I shall come to you. Without your knowing, I shall slip in upon you like a thief in the night. I shall speak to you in the language that you will understand—as a thief in the night! I hear the mockers of My words who say, ‘We have promoted a new theology, a scare theology! The fright!’ The fright We are accused of, shall they experience it when there is no return?”

“Amen, amen, I say to you, all that has been written in the Book of Life must come to pass. For you who have been given the grace, you will read your Apocalypse. You are coming to the end. **Read and become knowledgeable.**

“My children, I hear voices of disdain shouting, ‘Sadism’!!! Is this a Sadist God who promises such destruction upon His creation?’ I say unto you, as your God, I bring not your destruction, you will bring about your own destruction—for I leave you, as your God, to the exercise of your free will; if you reject your God and the plan for man’s redemption as given from the beginning of time, I say unto you—you will destroy yourselves.


“You only bring upon yourself a punishment far greater than ever has been seen upon your Earth and never shall be seen again, for when you go through this great chastisement, there will be few creatures left upon Earth.—**I AM ESU JESUS EMMANUEL SANANDA.**”

So be it and let it digest within thy minds that we might get busy with our preparations that protection might be made in time. I cannot influence that which you think “to be dreary, gloomy, hopeless and sadistic”. We come forth to tell you how it IS, NO MORE AND NO LESS. What ye do with the information rests squarely upon your senses and within your hands!

I move to stand-by that Dharma might have respite and the readers might pause for pondering the truth of it. When we return, Dharma, we shall re-emphasize the Conspiracy and speak of preparations and requirements for safety. You have been given that which will protect you in SURVIVAL; however, if you plan better, ye need not just survive barely—with compressed-earth equipment and diligent storage, you can survive very nicely and continue of thy work in the bringing of the instructions and the WORD.

HATONN TO STAND-BY, PLEASE. THANK YOU FOR YOUR ATTENTION.

[END OF PART 2]

Part 1 of this Journal can be found in the 6/19/02 issue of CONTACT on page 5—This Phoenix Journal (#13) is out of print. All other Journals are on sale for one-half price (\$3.00). Please see the back page for ordering information. 

The News Desk

By John & Jean Ray

NEW CABINET-LEVEL DEPARTMENT WOULD CONSOLIDATE 100 AGENCIES

By Frank James and Michael Kilian, *Washington Bureau*, 06/07/02

WASHINGTON—In a major shift for the Bush administration and potentially the largest reshaping of the federal government since 1947, President Bush proposed the creation Thursday of a new Homeland Security Department, headed by its own Cabinet secretary, to lead the domestic war on terrorism.

Speaking in a nationally televised, prime-time address from the White House residence, Bush said the new department was needed to better protect Americans from terrorist attacks. Facing widespread criticism over the current homeland security operation, Bush called for a sweeping overhaul that would take 100 agencies, in whole or part, and consolidate them into one super-agency with 170,000 federal workers and a \$37 billion budget.

“America is leading the civilized world in a titanic struggle against terror,” Bush said. “Freedom and fear are at war, and freedom is winning.”

The new department would open its doors Jan. 1, and current Homeland Security Director Tom Ridge was expected to be appointed the department’s first secretary....

Despite administration claims to the contrary, the announcement’s timing seemed designed to blunt the impact of congressional investigations that began this week into the failure of the nation’s intelligence agencies to cooperate and piece together clues in their possession before the Sept. 11 terrorist attacks....

The proposed Homeland Security Department would have four major parts. The agency’s border and transportation security division would take the Coast Guard from the Transportation Department, the Customs Service from the Treasury Department, and the Immigration and Naturalization Service and Border Patrol from the Justice Department, and unite them.

Treasury also loses one of its most storied agencies, the Secret Service, which guards the president and vice president.

Meanwhile, the Federal Emergency Management Agency and other agencies would form a new emergency preparedness and response function.

The Lawrence-Livermore National Laboratory would be removed from the Energy Department and placed in a new chemical, biological and nuclear countermeasures unit. Bush said the lab and other scientific centers combined with it would “bring together our best scientists to develop technologies that detect biological, chemical and nuclear weapons and to discover the drugs and treatments to best protect our citizens.”

Significantly, the department also would include an information analysis and infrastructure protection unit whose responsibility would be to serve as a central place to assess intelligence from the FBI, CIA and other agencies.

The FBI and CIA have been criticized for not

sharing or following up on intelligence they had before Sept. 11. ...

The president, a conservative Republican who typically has opposed the expansion of government, is in the unusual position of proposing a new bureaucracy. But the president pitched the idea as not bigger but better government.

“The reason to create this department is not to increase the size of government, but to increase its focus and effectiveness,” he said.

Bush and his aides compared the change to President Harry Truman’s reorganizing of national security agencies during the Cold War.

But others saw potential problems and warned that the plan—while likely to be approved by Congress—might be altered during that process. ...

[JR: If the newly created Homeland Defense Cabinet post is to protect American citizens, why is it designated as an agency to lead the “domestic war on terrorism”? Isn’t the inference here that the war is to control the people? Is this a veiled threat as to its true function? The only effective way to protect American citizens is to lead the “uncivilized world” to peace and resolve our differences. Since the Justice Dept. has clamped down on all our freedoms for security reasons, we must be considered their targets. If our intent is to overhaul, downsize and consolidate government to make it more efficient, why put 100 agencies and 170,000 employees under one agency? Bush is expanding government, which will be bigger but not better. Washington operates on lies and doublespeak, so know that whatever they plan for our protection will be minimal.]

JEWISH GROUP TO START ARMED PATROLS IN NY

By Ted Shaffrey, *Newsday*, 06/10/02

NEW YORK (AP)—A rabbi says civilians armed with shotguns will begin patrolling heavily Jewish neighborhoods this month because a suspected terrorist said Muslim extremists once planned attacks on New York Jews.

The patrols, to begin June 16, are in response to the comments that Abdul Rahman Yasin made during an interview on CBS’ “60 Minutes” on June 2, said Rabbi Yakove Lloyd, founder and president of the right-wing Jewish Defense Group.

Lloyd said the nightly patrols would include 50 to 200 people of different religious faiths, mainly Jews, carrying shotguns in bags, along with people licensed to own and carry other types of firearms.

It is illegal to carry an exposed shotgun on city streets, Police Department spokeswoman Valerie St. Rose said. She said it was unclear whether carrying one in a bag is illegal.

“We’ll monitor the (patrols), and if there needs to be police action taken, it will be taken,” she said.

Yasin, who is sought by the FBI for the 1993

World Trade Center bombing, said from Iraq that he and his accomplices originally targeted heavily Jewish neighborhoods in Brooklyn.

Yasin said they later decided to attack the Trade Center towers because they believed most of their occupants were Jewish. The 1993 bombing killed six people and injured more than 1,000.

The Jewish Defense Group was founded by Lloyd in 1985. In January, its chairman and a member were charged with conspiring to blow up a mosque and the office of an Arab-American congressman in California. Both pleaded innocent. **[JR: It is one thing to plan a demonstration to march down a street with a group of people carrying flags or banners but its another to allow a group of Jews to walk through neighborhoods armed with shotguns concealed in bags. Is this Dodge City, Kosher style? These patrols are an example of reversed anti-Shemitism against non-Jews in order to intimidate us and to impress upon us the influence and the control they have over us in our own country. If the Police Department spokeswoman is unclear whether carrying a gun in a bag is illegal, is she also unclear on the illegality of “conceal carry” laws in NYC? If the NYC laws are unclear about “armed marches or patrols” shouldn’t our new federal anti-terrorist laws be applicable here?]**

CIA CHIEF PRESSES ARAFAT ON CURBING SUICIDE ATTACKS

By Christine Spolar, *Tribune*, 06/05/02

JERUSALEM—CIA Director George Tenet pressed Yasser Arafat on Tuesday for evidence that his Palestinian Authority has the will and ability to rein in the terror attacks that are paralyzing Israel.

Tenet met with Palestinian officials for more than three hours, first with Arafat and then with security chiefs from the Gaza Strip and West Bank. He was trying to assess whether the security forces had survived the Israelis’ five-week siege this spring and to see whether or how they could be resuscitated, sources said.

In particular, Tenet was listening for assurances from Arafat or the Palestinian Authority that they could work to curb suicide bombings, which Palestinian militant groups defend as a form of resistance against Israeli occupation, sources said.

Arafat outlined a streamlined plan for security, slashing the number of existing police and intelligence agencies. The overhaul is part of a larger reform plan for the Palestinian Authority, which was weakened by the Israeli assault.

Late Tuesday, people familiar with the talks said Tenet was less interested in specific lines of reform—such as who would lead which security force—than he was in how the forces would be reorganized, and with what expertise, to better track terror cells.

Palestinian sources said Arafat asked for assurances that Israel would stop its military incursions, which continued Tuesday in Hebron and refugee camps in the West Bank. In turn, Tenet pushed the Palestinian leader to crack down on Hamas and the Islamic group’s infrastructure. Arafat responded that he “could not do that against whole organizations,” one source said.

It was difficult Tuesday night to assess the

success of Tenet's mission. "It is clear that if there is no progress on the security aspect, nothing can move," said one diplomatic source. "It was also made clear that if [the Palestinians] can do something on the security track, there's a possibility they'll get repaid on the political track."

Tenet played a major role in developing the security forces after the Oslo peace accords were signed in 1993, and he has relationships with Mohammed Dahlan and Jibril Rajoub, Palestinian security chiefs who benefited from CIA training.

Security operations served as a linchpin of Israeli-Palestinian cooperation for much the 1990s, when the peace process advanced. Much of that cooperation ended in April when Israeli tanks and troops, as part of its campaign against terrorism, assaulted the police and jail compound in the West Bank, a multimillion-dollar headquarters largely funded with U.S. dollars.

Tenet's visit came the same day Israeli Prime Minister Ariel Sharon approved the construction of a fence between parts of the West Bank and Israel to stop Palestinian attackers slipping into Israeli cities.

The Israelis already have constructed walls and fences in certain border areas where Israeli communities sit closely next to Palestinian ones.

The fence approved Tuesday would stretch about 68 miles, from northeast of Tel Aviv to southeast of Haifa, running parallel to the Mediterranean Sea.

The step is controversial and a particular liability for Sharon, whose supporters include many Jewish settlers who see a fence as a first step toward giving up parts of the West Bank that they claim for religious and historical reasons.

Sharon spokesman Raanan Gissin said the fence, already under construction, was meant to separate the northern West Bank towns of Jenin, Tulkarem and Qalqilya from nearby Israeli cities that have frequently been targeted by Palestinian attackers.

"It's part of a series of measures to stop suicide bombers getting into Israel," he said.

Tenet arrived Monday to discuss security needs with Sharon and Defense Minister Benjamin Ben-Eliezer. During that meeting, diplomat sources said, Tenet tried to determine what Israel would want in any new, reconstituted partnership with the Palestinian security forces.

As one Israeli source said: "Tenet is a professional. He understands what we're talking about when we talk intelligence and security. The Israeli position hasn't changed. If we are to cut a deal, we need a Palestinian entity whom we can deal with. It can't be reform for the sake of reform."

But diplomatic sources said Tenet was also evaluating Sharon's commitment to a firmly stated U.S. and United Nations demand for recognition of a Palestinian state.

Sharon recently bucked his own party leadership when it voted to reject any consideration of recognition. He warned then that rejecting the idea of Palestinian statehood would diminish Israel's international standing.

Next week, when Sharon travels to Washington to again discuss peace prospects, the Bush administration will be gauging the depth of Sharon's stated belief that Israelis and Palestinians can live side by side as separate nations.

"The Americans are trying to understand positions, to see what space there is to maneuver and is there a real chance for momentum now," one source said.

Sources said the Bush administration will discuss a range of peace plans with Sharon next week, including a proposal from Saudi Arabia and a new one raised this week by Egyptian President Hosni Mubarak....

[JR: In order to remove the threat of Palestinian attacks the Palestinians have to know that the U.S. is committed to work with the PLA. The U.S. needs to assure them that we can be fair in our dealings with them, as we are with Israel. What is implied by one diplomatic source that if the Palestinians can do something on the security issue they will be repaid politically? Could we take that to mean that whoever sells out and insures U.S./Zionist interests gets to replace Arafat? Tenet's challenge is to get Sharon to agree to a Palestinian State and that's not going to happen anytime soon. All Sharon wants is our continued cooperation on intelligence and more weapons and funding. As for the Wall of Zion going up, it is a symbol of Israelis' resistance to coexist with the Palestinians. It is a huge wall that will extend for 68 miles, but like the walls of Jericho it too can come tumbling down.]

ISRAEL ON BRINK OF EXPELLING ARAFAT

By Philip Jacobson (Jerusalem);
David Wastell (Washington), *Telegraph*—UK, 06/09/02

Israel is poised to force Yasser Arafat into exile if Palestinian militants mount further attacks such as the suicide bombing of a commuter bus in which 16 people were burnt alive last week.

When Ariel Sharon, the Israeli prime minister, meets President George W Bush in the White House, he will tell him that Mr. Arafat is living on borrowed time.

Officials close to Mr. Sharon say that he believes that the slaughter aboard bus No. 830 last Wednesday will persuade the Bush administration that the Palestinian leader can never be trusted, and to accept his expulsion, despite the resulting international uproar.

If Israel went ahead with the expulsion, it could arrest Mr. Arafat and deport him by aeroplane, possibly to Cyprus, as it did with the Palestinian militants from the Bethlehem siege.

Egypt's president, Hosni Mubarak, who held talks at Camp David with Mr. Bush yesterday, however, said that Mr. Arafat alone could not end the current spate of attacks.

"We should give this man a chance," he said. "We are working very hard in co-operation with the United States to reform the Palestinian Authority. Such a chance would prove that he is going to deliver or not."

Mr. Mubarak urged Mr. Bush to formulate a detailed American plan and timetable for a final peace between Israel and Palestinians, to be put into effect within the next three years—faster than any plan envisaged by Mr. Bush's advisers, but safely beyond the 2004 American presidential election, in which the Middle East could be a sensitive domestic political issue.

Without such a plan, Mr. Mubarak believes, there is no hope of progress. He pressed for a Palestinian state to be declared before other details, including its borders, have been agreed.

After their meeting, however, Mr. Bush said that he was not yet prepared to set up a timetable for creating a Palestinian state though it was important to "seize the moment".

"We need to start immediately building the

institutions necessary for the emergence of a Palestinian state," Mr. Bush said.

The balance of opinion among Mr. Bush's advisers is believed to have tipped in favour of producing some form of peace plan, and officials have begun floating ideas on borders, settlements and what to do about Palestinian refugees.

Mr. Bush hinted strongly last week that he would produce some proposals later this month. After his meetings with Mr. Mubarak and Mr. Sharon, he said, he would "talk to our country about how I think we should go forward".

Mr. Arafat's role is likely to remain a stumbling block, however. Although Washington has insisted until now that Israel should not harm the Palestinian leader, Mr. Sharon's advisers say that he is encouraged by signs that the Bush administration's patience is running out.

Barely 24 hours before the bus attack, George Tenet, the CIA director dispatched to put pressure on Mr. Arafat to clamp down on militants, warned him during a fractious meeting at the battered "presidential compound" in Ramallah that the United States would not restrain Israel in the event of further terrorist atrocities.

The following day Ari Fleischer, the White House spokesman, launched a withering attack on Mr. Arafat as "someone who cannot be trusted or be effective", and hinted that Mr. Bush did not consider him irreplaceable.

At an emergency session of the war cabinet summoned to decide how Israel would retaliate, hardline ministers demanded the immediate overthrow of Mr. Arafat: they argued that the Israeli public would back Mr. Sharon and the rest of the world could take a running jump.

[JR: It is just a matter of time before Arafat is replaced with a leader with whom SHARON and the U.S. feel they can work in order to finalize the takeover of Palestine and build the Greater Israel. Sharon's visit to the U.S. was to give Bush his marching orders. He didn't come here to listen, but to make clear what the Zionists expect from Bush. President Bush is a weak President who is content to follow and is not inclined to lead and that fact is becoming obvious to the rest of the world. The U.S. has become a weak giant because its insides have been taken over by Zionist parasites who are eating it alive. This country deserves better and so do the American people.]

'ANTI-SEMITISM'—SHARON'S BEST WEAPON

By Naomi Klein, *In These Times*,
RePortersNoteBook.com, 06/05/02

For Ariel Sharon, it is the fear of anti-Semitism, both real and imagined, that is the weapon. Sharon likes to say that he stands up to terrorists to show he is not afraid. In fact, his policies are driven by fear. His great talent is that he fully understands the depths of Jewish fear of another "holocaust". He knows how to draw parallels between Jewish anxieties about anti-Semitism and American fears of terrorism. And he is an expert at harnessing all of it for his political ends.

The primary, and familiar, fear that Sharon draws on, the one that allows him to claim all aggressive actions as defensive ones, is the fear that Israel's neighbors want to drive the Jews into the sea. The

secondary fear Sharon manipulates is the fear among Jews in the Diaspora that they will eventually be driven to seek safe haven in Israel. This fear leads millions of Jews around the world, many of them sickened by Israeli aggression, to shut up and send their checks, a down payment on future sanctuary.

The equation is simple: The more fearful Jews are, the more powerful Sharon is. Elected on a platform of 'peace through security', Sharon's administration could barely hide its delight at Le Pen's ascendancy, immediately calling on French Jews to pack their bags and come to the promised land.

For Sharon, Jewish fear is a guarantee that his power will go unchecked, granting him the impunity needed to do the unthinkable: send troops into the Palestinian Authority's education ministry to steal and destroy records; bury children alive in their homes; block ambulances from getting to the dying.

Jews outside Israel now find themselves in a tightening vice: The actions of the country that was supposed to ensure their future safety are making them less safe right now. Sharon is deliberately erasing distinctions between the terms 'Jew' and 'Israeli', claiming he is fighting not for Israeli territory, but for the survival of the Jewish people. And when anti-Semitism rises at least partly as a result of his actions, it is Sharon who is positioned once again to collect the political dividends.

And it works. Most Jews are so frightened that they are now willing to do anything to defend Israeli policies. So, at my neighborhood synagogue, where the humble facade was just badly scarred by a suspicious fire, the sign on the door doesn't say, "Thanks for nothing, Sharon." It says, "Support Israel—now more than ever."

There is a way out. Nothing is going to erase anti-Semitism, but Jews outside and inside Israel might be a little safer if there was a campaign to distinguish between diverse Jewish positions and the actions of the Israeli state. This is where an international movement can play a crucial role.

Already, alliances are being made between globalization activists and Israeli 'refuseniks', soldiers who refuse to serve their mandatory duty in the occupied territories. And the most powerful images from Saturday's protests were rabbis walking alongside Palestinians. But more needs to be done. It's easy for social justice activists to tell themselves that since Jews already have such powerful defenders in Washington and Jerusalem, anti-Semitism is one battle they don't need to fight. This is a deadly error. It is precisely because anti-Semitism is used by the likes of Sharon that the fight against it must be reclaimed.

When anti-Semitism is no longer treated as Jewish business, to be taken care of by Israel and the Zionist lobby, Sharon will be robbed of his most effective weapon in the indefensible and increasingly brutal occupation. And as an extra bonus, whenever hatred of Jews diminishes, the likes of Jean-Marie Le Pen shrink down with it.

"Many rabbis and professionals have told me recently that they fear for their jobs should they even begin to articulate their doubts about Israeli policy—much less give explicit support to calls for an end to the occupation."—Rabbi Michael Lerner

Published on Sunday, April 28, 2002 in the *Los Angeles Times*.

[JR: One way the Jewish people can get out of the

cycle of fear is to see Sharon and other leaders of Israel as others see them and to work with and support those who are trying to build the bridges of peace between Jews, Palestinians and non-Jews. The issue now is not about Israel's right to exist. The fight is about the Zionists' movement to control all of us. It is not about anti-Semitism it is about anti-Zionism. When we all get that right we can work out our differences and we can live without intimidation and fear of one another. There are more of us who want peace than there are leaders like Sharon who rule through fear. The Jewish people are the ones who can take the power away from Sharon and build the peace we are all praying to see for both the Israeli and the Palestinian people.]

BRITISH ARMY ENGINEERS RAISE WALL

The News—Mexico, 6/10/2002

BELFAST, Northern Ireland (AP)—British army engineers on Sunday began heightening a barricade between Catholic and Protestant communities in east Belfast in hopes of deterring more riots in the area.

The Short Strand district of east Belfast has suffered weeklong clashes between rival mobs that left five people wounded by gunfire and dozens more, chiefly police officers, injured by thrown rocks, bricks and gasoline bombs.

Sectarian passions have been running high for months in the most bitterly divided parts of Belfast, where nearly 20 walls of steel, brick and barbed wire—known as "peace lines"—mark the dividing line between Catholic and Protestant neighborhoods.

Army engineers said it might take a few weeks to double the height of the Short Strand walls, which currently stand about four yards tall, small in comparison to other districts scarred by sectarian clashes.

The 1998 peace accord in this British territory created a joint Catholic-Protestant government, but the breakthrough did little to ease traditional hatreds and suspicions in Belfast's front-line communities. British authorities have already built extra peace lines and heightened others in north Belfast because of chronic rioting there.

All three of Northern Ireland's major outlawed groups—the Irish Republican Army on the Catholic side, and the Ulster Volunteer Force and Ulster Defense Association on the Protestant side—have been implicated in the violence.

East Belfast remained calm Sunday but rival factions clashed and attacked police in the south of the city overnight.

An unidentified gunman fired two shots at police during the clashes on the Ormeau Road, where the Lagan River divides the community into a Catholic north bank and mostly Protestant south bank. Nobody was reported hurt.

Also Sunday, police said they discovered a stockpile of gasoline bombs in two crates in Donegall Pass, a hard-line Protestant area neighboring the Catholic part of Ormeau Road.

[JR: Israel is building a Wall of Zion to separate the Jews from the Palestinians and the British army is building The Gaelic Wall of Ireland to separate the Catholics from the Protestants. It seems

governments can only make problems but can't seem to solve them. These walls have to be a symbol of failure for the globalists who are all for open borders and open immigration in all countries. The projected plan of the world planners is that we will react violently and genocide one another, which would fit into their plans for world depopulation. Governments are our problem, not people.]

BUSH CONCERNED ABOUT SEPT. 11 CONGRESSIONAL PROBES

New York Times, 06/04/02

FORT MEADE, Md. (Reuters)—President Bush expressed concern on Tuesday that congressional probes into the Sept. 11 attacks might take government experts away from their central job of preventing another attack.

"What I am concerned about is tying up valuable assets and time and possibly jeopardizing sources of intelligence," Bush said as congressional hearings were beginning on Capitol Hill into the failure of U.S. intelligence to thwart the attacks.

Bush made the comment to reporters as he toured the headquarters of the top-secret National Security Agency, a massive intelligence-gathering operation that essentially eavesdrops on the world.

The NSA is located at the Fort Meade Army base, a sprawling and heavily guarded military facility between Washington and Baltimore.

Bush gave a pep talk to employees that was closed to the press. The NSA work force represents an unusual combination of specialties: analysts, engineers, physicists, mathematicians, linguists, computer scientists and researchers....

Bush said he saw no evidence suggesting the United States had information that would have allowed it to prevent the attacks on New York and Washington, in which some 3,000 people were killed.

"In terms of whether or not the FBI and the CIA were communicating properly, I think it is clear that they weren't," Bush said. "Now we have addressed that issue. The CIA and the FBI are now in close communication..."

As the FBI and CIA traded blame in the newspapers, Bush said he was less concerned about finger-pointing and more concerned about congressional investigations turning into distractions.

The intelligence committees of the Senate and House of Representatives plan to hold a series of hearings through the end of the year, with the proceedings to be opened to the public from the end of this month.

"Yes I am concerned about distractions from this perspective. I want the Congress to investigate, but I want a committee to investigate, not multiple committees to investigate ... because I don't want to tie up our team when we were trying to fight this war on terror," he said.

"In terms of the gossip and the finger-pointing—level-3 staffers trying to protect their hides—I don't think that's (of) concern. That's just... Washington, D.C."...

Also asked if a military move against Iraq had now been placed on the backburner, Bush referred reporters to his speech on Saturday in which he said the U.S. military "must be prepared to launch preemptive strikes to keep terrorists and tyrants" from obtaining weapons of mass destruction.

Bush has singled out Iraq, Iran and North Korea as

“axis of evil” nations bent on obtaining such weapons.

“One option of course is the military option... I have no plans on my desk at this moment in time but nevertheless these nations... that I have named need to take America seriously.”

“We’re very serious about this. We expect them to change their behavior.”

[JR: If the NSA is such a “massive intelligence-gathering operation that snoops on the world”, why didn’t they have an inkling, a clue or even a suspicion about 911? The Senate Intelligence Committee is meeting behind closed doors, so how much information will be vented for public enlightenment. By the time the hearings are over we will get a watered-down version under the guise of National Security and safety. Bush’s handlers will have the only say as to when one of the “axis of evil” will be targeted with a preemptive strike to prevent a bio-terrorist attack on America. Bio-terrorism is the new battle cry for our war on terrorism. Forget about the War for Enduring Freedom, because freedom was never the issue.]

ASHCROFT’S THREAT OF ‘DIRTY BOMB’
REMARKS ANNOY WHITE HOUSE

By Kevin Johnson and Toni Locy, *USA TODAY*, 06/12/02

WASHINGTON—Attorney General John Ashcroft on Monday overstated the potential threat posed by “dirty bomb” suspect Abdullah Al Muhajir, Bush administration and law enforcement officials said Tuesday.

Ashcroft’s remarks annoyed the White House and led the administration to soften the government’s descriptions of the alleged plot. “I don’t think there was actually a plot beyond some fairly loose talk and (Al Muhajir’s) coming in here obviously to plan further deeds,” Deputy Defense Secretary Paul Wolfowitz told CBS on Tuesday.

His comments echoed those Monday of FBI Director Robert Mueller and Deputy Attorney General Larry Thompson. They backed away from Ashcroft’s descriptions of the alleged plot but emphasized that Al Muhajir was dangerous and that his arrest was a victory against terrorism.

When Ashcroft announced Al Muhajir’s May 8 arrest, he said authorities had “disrupted an unfolding terrorist plot to attack the United States by exploding a radioactive ‘dirty bomb.’” His 14-paragraph statement mentioned radiation or dirty bombs five times, and said Al Muhajir was being detained by the military “for the safety of all Americans”.

Ashcroft’s ominous tone surprised the White House and law enforcement officials here and abroad, including some who had tracked Al Muhajir to al-Qaida meetings in Pakistan. The law enforcement officials say the evidence against Al Muhajir, 31, indicates he was interested in many scenarios involving explosives, and radioactive materials was one possibility. They say that the former Chicago gang member once known as Jose Padilla was up to no good, but that any plans involving radiation were not as mature as Ashcroft suggested.

Administration sources say the White House emphatically told Ashcroft that it was dissatisfied with his description of the alleged plot.

Publicly the White House defended Ashcroft, saying he was technically correct. “There’s always a tendency

at times like this (that) the initial reports immediately lurch to the worst-case scenario,” administration spokesman Ari Fleischer said. Justice Department spokesman Mark Corallo said Al Muhajir “was definitely planning an attack.” Ashcroft was traveling in Hungary on Tuesday.

Despite their private concern that Ashcroft overstated the alleged plot, White House officials cited Al Muhajir’s arrest as evidence that Congress should quickly pass President Bush’s plan for a homeland security department.

Monday’s announcement came a day before a New York judge heard a request by Al Muhajir’s attorney, Donna Newman, to try to force officials to charge her client or release him. U.S. District Judge Michael Mukasey on Tuesday denied prosecutors’ requests to hold the hearing in secret, citing Ashcroft’s remarks about the arrest. Newman wants a civilian court to decide whether Al Muhajir is being held lawfully.

[JR: Attorney General John Ashcroft while in Moscow on 5/10 made this announcement on TV: “We have disrupted an unfolding terrorist plot to attack the United States by exploding a radioactive dirty bomb.” I’m sure you have been barraged with this “dirty bomb” story at least a thousand times. The Bush Administration needed to divert the media and the public’s attention away from the feeding frenzy going on to learn what foreknowledge the White House had prior to the terrorist attack of 911. Why else did Ashcroft wait over a month after Al Muhajir’s arrest before he made this grave and overly exaggerated announcement in Moscow, that America was saved by the capturing of an “American” al-Qaida terrorist. The fact is this story is not only exaggerated for sensationalism, it now seems that it is mostly fabricated and the media knows this. This Al Muhajir is a nobody and had no access to nuclear waste for a dirty bomb or even explosives for that matter. It was reported that he was previously monitored on the Internet searching for information on explosive devices. What if a reporter was researching explosive devices on the Internet for material for an article on terrorists, would the reporter also be targeted as a terrorist? The White House has been embarrassed by this unauthorized “story” and now they have additional damage control to worry about. It doesn’t matter if Al Muhajir is innocent of these exaggerated charges, they can’t admit any of it was fabricated so they will push to get him into a military tribunal with their secret evidence to justify their actions. Ashcroft’s diversion story might have been credible if only Ashcroft was credible. However, the media is all over this phony story which makes it obvious... the diversion worked.]

SEPTEMBER 11 ATTACKS CALLED AVOIDABLE

By Joyce Howard Price, *WASHINGTON TIMES*, 06/10/02

The chairman of the Senate Judiciary Committee said yesterday that the September 11 “hijackers could have been stopped” had U.S. officials acted on intelligence information available before the terrorist attacks.

Sen. Patrick J. Leahy, Vermont Democrat, in an interview that aired yesterday on *CNN*, called September 11 the “worst example of what happens when information is not shared and is not acted upon.”

“There was plenty of information available before September 11. I think historians are going to find, tragically, that, had it been acted upon, the hijackers could have been stopped,” Mr. Leahy said on *CNN’s “Novak, Hunt & Shields.”*

The Democratic chairman, whose committee is holding public hearings examining the failure of top FBI officials to take seriously leads given to them by field agents about the possibility of hijackings and planes being flown into the World Trade Center, joins at least two others on the Judiciary panel who have said they believe the September 11 attacks could have been prevented, given the clues that were available.

Last week, Sen. Arlen Specter, Pennsylvania Republican, said, “I don’t believe any longer this is a matter of connecting the dots. I think they had a veritable road map. And we want to know why they didn’t act on it. I think there was a distinct possibility of preventing 9/11.”

Likewise, Sen. Herb Kohl, Wisconsin Democrat, told *CBS*: “It appears that the FBI had information enough and resources at its disposal to possibly unravel the terrorist plot before September 11.”

Sen. Bob Graham, Florida Democrat and chairman of the Senate Select Committee on Intelligence, and Sen. Dianne Feinstein, California Democrat and a member of the Judiciary Committee, have both said Americans can expect to learn through the congressional inquiries now under way of other circumstances in which federal investigators failed to follow up on intelligence leads before September 11.

President Bush has acknowledged the FBI and CIA should have done more with the intelligence they had, but he has said he thinks it’s unlikely they could have stopped the terrorist attacks. In his weekly radio address yesterday, the president called on Americans to push members of Congress to pass legislation this year to create a new Cabinet-level Department of Homeland Security to fight terrorism. ...

On *CNN’s Saturday Edition*, Sen. Richard C. Shelby, Alabama Republican and ranking member on the intelligence committee, said he has long pushed for a “massive overhaul of our intelligence agencies”. While Mr. Shelby says he does not know if the new department will solve the kinds of intelligence failures the joint House and Senate intelligence panels and the Judiciary committee are uncovering in their investigations, he said he thinks it will improve things.

“But I believe it will help a lot. I think we have to have something better than what we do today. We’ve got to have somebody that’s going to take control of the security of this country in the domestic way,” Mr. Shelby said.

He said he believes it is possible for Congress to complete work on the authorization measure to establish the new department by September 11. ...

[JR: It has been well established that there was ample evidence that should have been acted upon that could have prevented what happened on 911. Is it possible that “they” deliberately allowed it to happen to pass all these unconstitutional security laws? We may never know, however it was confirmed after 50 years that Pearl Harbor was allowed to happen by Pres. Roosevelt to draw us into the Pacific war with Japan. The alternative then would be the total indifference of not only the FBI and the CIA but also of Pres. G.W. Bush, who admitted he saw the first plane hit the WTC on TV

while waiting to go into a classroom in Florida to talk to children. He shrugged it off as a stupid “accident” and then went into the classroom. Can you imagine, a disaster of that magnitude and the President not concerned enough to adjust his routine? There were four planes diverted from their scheduled flight plan long before the first plane hit the tower and Bush went about his routine until it was confirmed the second plane has hit the other tower and then he reacted. Since then Bush has interpreted any criticism of HIS actions as un-American. It seems everyone in Washington has wrapped themselves in the flag while at the same time are tearing up our Constitution.]

FBI GETS BROAD DOMESTIC SPY POWERS

By Pete Yost, *AP Wire*, 05/30/02

WASHINGTON—The Bush administration gave the beleaguered FBI broad new powers to monitor Americans on Thursday, saying the agency needed a new weapon in the battle against terrorism and promising not to return to the file-building abuses of the past.

In a move aimed at averting another Sept. 11, Attorney General John Ashcroft freed the FBI to monitor Internet sites, libraries, churches and political organizations, calling restrictions on domestic surveillance “a competitive advantage for terrorists”.

Civil liberties groups criticized the move. But President Bush said, “We intend to honor our *Constitution* and respect the freedoms that we hold so dear.”

“The FBI needed to change,” said the president. “It was an organization full of fine people who loved America but the organization didn’t meet the times.”

Under revamped guidelines, agents can attend public meetings for the purpose of preventing terrorism. The old guidelines issued in the 1970s were aimed at solving crimes already committed.

The earlier restrictions were clamped on the FBI’s domestic surveillance in response to controversies about the bureau’s building of case files against prominent Americans, including the Rev. Martin Luther King Jr.

The revised guidelines will push the decision-making for an array of investigative steps away from FBI headquarters in Washington and down to individual offices around the country. The special agents in charge of each office will hold the keys to setting investigative steps in motion.

“These major changes will free field agents to pursue terrorists vigorously without waiting for headquarters to act,” said Ashcroft. He said agents in the field “are frustrated because many of our internal restrictions have hampered” their efforts to move quickly on investigations.

Under present guidelines, Ashcroft said, agents “cannot surf the Web, the way you and I can,” and cannot simply walk into public events to observe people and activities.

The new guidelines give FBI agents more freedom to investigate terrorism even when they are not pursuing a particular case.

Mueller said the changes “will be exceptionally helpful to us.”

“Our reforms of the FBI will and must strengthen our ability to prevent future terrorist attacks,” the FBI director said.

A senior Justice Department official was asked what

reason an FBI agent must give to a superior, under the new guidelines, before entering a mosque.

If it’s a public meeting, then “the agent is free to attend on the same terms” as a member of the public, as long as the FBI agent’s presence is in connection with detecting or preventing terrorism, said the official, who discussed this scenario only on grounds of anonymity.

The American Civil Liberties Union said the lifting of restrictions could renew abuses of the past. King’s “persecution by law enforcement is a necessary reminder of the potential abuse when a government with too long a leash seeks to silence voices of dissent,” said ACLU legislative counsel Marvin Johnson.

Shaker Elsayed, secretary general of the Muslim American Society, said the new tools are an unnecessary intrusion.

“It only serves the purpose of heightening the fear in the society and the paranoia against Muslims,” he said.

Ashcroft said the powers would be used only “for the purpose of detecting and preventing terrorism.” Nothing in the guidelines would permit the FBI to routinely build files on people or organizations, he said.

“The abuses that have been alleged about the FBI decades ago... would not be allowed,” he said, referring to the practice of keeping files and records on prominent figures.

The FBI has always had the authority to conduct surveillance by following people, but has required warrants to tap phones and intercept e-mail. Since the 1970s, the FBI has required special permission when traditional surveillance carried into arenas protected by free speech and freedom of worship. It is those rules that the FBI relaxed.

King was subjected to surreptitious electronic surveillance of his private life. Disclosures of it and other controversial monitoring led to the rules that are now being loosened. The CIA and other intelligence agencies don’t have the same restrictions, since their spying involves foreigners not on U.S. soil.

Rep. John Conyers of Michigan, ranking Democrat on the House Judiciary Committee, said, “Any government effort to institutionalize the same powers that allowed the FBI to wrongfully spy on the activities of civil rights organizations and disclose information on the private affairs of Martin Luther King Jr. would constitute an embarrassing step backwards for civil liberties in this country.”

Another civil liberties group said the changes will go far beyond how the FBI conducts the war on terrorism.

“They are using the terrorism crisis as a cover for a wide range of changes, some of which have nothing to do with terrorism,” said James X. Dempsey, deputy director of the Center for Democracy and Technology. Dempsey predicted that one new tool, the power to mine commercial databases, will be used in drug and child pornography and stock fraud and gambling and “every other type of investigation the FBI does.”

Added Margaret Ratner, an attorney with the Center for Constitutional Rights: “Apparently, Attorney General Ashcroft wants to get the FBI back in the business of spying on religious and political organizations. That alone would be unconstitutional but history suggests the FBI won’t stop at passive information gathering.”

Nicholas Graham, a spokesman for America Online, said, “If law enforcement asks for our cooperation, we absolutely do cooperate with them in a criminal investigation. We have always been careful to strike a careful, reasonable and appropriate balance

between protecting our members’ privacy and their safety while working with law enforcement.”

The new rules allow agents to conduct “general topical research” and “pure surfing” designed to find Websites, chat rooms or Internet bulletin boards with information about terror, bomb-making instructions, child pornography or stolen credit cards.

[JR: Ashcroft claims these powers would be used only “for the purpose of detecting and preventing terrorism” and does not permit the FBI to routinely build files on people or organizations. Yea, Right! Well Ashcroft had plenty of opportunities to detect and prevent what happened on 911 but refused to take the necessary action. As for building files on people and organizations, that has never stopped. Didn’t Clinton use FBI files to blackmail and threaten even Members of Congress that tried to impeach him and any organization or person that opposed his plans? If a violation gets public exposure then their actions become secret, as is almost everything in President Pretzel’s Administration.]

RUMSFELD PREACHES TERROR RISK TO NATO

Daily News, 06/07/02

BRUSSELS (AP)—The NATO alliance, a defensive bulwark against conventional armies, must take the offensive against shadowy terrorists intent on attacks more devastating than Sept. 11, Defense Secretary Donald Rumsfeld told the group Thursday.

Pre-emptive military strikes against Iraq or another nation suspected of aiding terrorists were not discussed at the NATO meeting, officials said.

Defense ministers did endorse the idea that terrorism remained a threat, and they vowed to get a handle on it.

“Awareness of the new risks that threaten us all must lead to a real will to push through the changes,” said French Defense Minister Michele Alliot-Marie.

Speaking to his NATO colleagues at alliance headquarters, Rumsfeld used stark language to argue his view that European governments, as well as the general public, had underestimated the gravity of the problem posed by terrorists.

“Attacks will happen,” he said, according to an outline of his prepared remarks that were delivered in private. The only questions, he said, are “when, where and how.”

Rumsfeld also urged the allies to resist the idea for the need of absolute proof about terrorist intent before they took action. The terrorists now hold the initiative, he said, and that must change. Otherwise the Western world will have to live with “catastrophic consequences”.

NATO Secretary General George Robertson called Rumsfeld’s presentation “pretty tough” and said it made clear to all present that “germ warfare is now coming onto the agenda” as a big threat.

Asked whether NATO was now ready to become an offensive force against terrorist threats, Robertson said, “We are a defense alliance, we remain a defense alliance. We don’t go out looking for problems to solve.”

However, Rumsfeld told the allies of the “need to go on the offensive”, according to an outline of his remarks provided by aides.

“The spread of weapons of mass destruction into the hands of terrorist states is not theoretical—it’s real, it’s dangerous,” he said at a news conference

after the meetings. "If we do not prepare promptly to counter it, we could well experience attacks on our countries that could make the events of Sept. 11 seem modest by comparison."

The allies agreed they must do more to defend themselves against surprise attacks by chemical, biological or nuclear weapons. But they had doubts about taking pre-emptive military action against terrorists. **[JR: Rumsfeld's diatribes about going after terrorism without proof or evidence, makes us all a bigger target. The U.S./Israeli policy of pre-emptive military actions increases the tensions and hostilities around the world. Parts of the world, especially the Middle East, live in the fear of U.S. terrorism and of being targeted. They don't know when, where or how they will be attacked either. So the question to be asked... where is this aggressive policy going to lead us?]**

SECOND-GUESSING BEGINS OVER RESCUE EFFORT IN PHILIPPINES

By Eric Schmitt, *New York Times*, 06/9/02

WASHINGTON—The death of an American hostage in the Philippines during a firefight Friday illustrates the limitations on U.S. military might and the painful tradeoffs required to keep important allies in the global campaign against terrorism.

Late last month, American commanders handed Philippine forces a crucial piece of information about the hostages' suspected whereabouts, U.S. and Philippine military sources said, and helped plan a rescue mission. But because of political constraints that the Philippines had imposed on the six-month military training mission, U.S. advisers were not allowed to play a direct combat role.

As a result, Philippine Scout Rangers—who typically use 30-year-old radios and drive World War II-era Jeeps—and the 50 or so Abu Sayyaf rebels holding U.S. missionaries Martin and Gracia Burnham and Filipino nurse Deborah Yap stumbled across each other Friday in what one Pentagon official called a "chance encounter".

In the ensuing chaos, Burnham and Yap were killed. Gracia Burnham was shot in the leg but was rescued.

The yearlong hostage crisis may be over, but some military experts and lawmakers asked whether there might have been a different outcome had the mission involved U.S. forces, who are better trained and armed.

"This is a common problem in hostage rescues when host countries assert their sovereignty," said Michael Vickers, a former Army Special Forces soldier. "I'm sure there'll be a lot of second-guessing about what would have happened if this had been done by our elite counterterrorism forces."

Indeed, the second-guessing already has started. Rep. Todd Tiahrt (R-Kan.), who represents the Burnhams' hometown of Rose Hill near Wichita, said he has asked the Pentagon to investigate the training for the Scout Rangers, whose program started last year before the current U.S. effort. "Had American advisers been present ... I have to think that the outcome today would have been more favorable," Tiahrt said.

But Bush administration officials on Friday praised the efforts of the Philippine military and President Gloria Macapagal Arroyo for their support in the larger effort to prevent terrorism. Arroyo on Saturday ordered "search and destroy" operations against the Abu Sayyaf guerrillas, who have links to

Osama bin Laden's al-Qaida terrorist network.

"This tragedy transpired despite the best efforts of the government of the Philippines to secure a safe release of the hostages," Secretary of State Colin Powell said. **[JR: The meeting of the opposing sides was a surprise encounter that the masters playing the game of espionage never anticipated. The sophisticated U.S. intelligence gathering failed to guarantee a safe rescue of the hostages. Two people are dead either from friendly fire or at the hands of their captors. You can bet we will never know the truth about what really happened, as the deaths of Mr. Burnham and Ms. Yap will best serve U.S. purposes for the Philippines.]**

NEW VISA RESTRICTIONS PROPOSED

By Suzanne Gamboa, *Daily News*, 06/05/02

WASHINGTON (AP)—The Justice Department proposed new anti-terrorism visa regulations Wednesday to subject tens of thousands of visitors to heavier scrutiny.

Officials said that the new measures, requiring visitors to be fingerprinted and photographed at the border, would mostly affect those from Muslim and Middle Eastern countries.

Attorney General John Ashcroft said the checks would apply to those from countries that the United States believes may harbor or encourage terrorists.

The plan is in response to the Sept. 11 terror attacks, carried out by hijackers with Middle Eastern origins.

"On September 11, the American definition of national security changed and changed forever," Ashcroft said.

"A band of men entered our country under false pretenses," he said, saying their intentions were "murderous acts of war."

The new rules will apply to people who stay more than a month and are based on an alien registration law put in place in the 1940s during World War II.

"There is no question that there are laws on the books that allow the United States government to protect the American people," White House spokesman Ari Fleischer said in advance of Ashcroft's announcement.

"And the president knows that we can take action to protect people that is fully in accordance with protecting civil rights and civil liberties."

But the new regulations—which do not require congressional approval—drew immediate criticism from groups representing immigrants.

Judy Golub of the American Immigration Lawyers Association said it could be the first step toward requiring all visitors—and perhaps all citizens—to carry government identification cards.

"We don't need false solutions to real problems and this is what this is," she said.

"The Bush Administration is, step by step, isolating Muslim and Arab communities both in the eyes of the government and the American public," said Timothy Edgar, an ACLU Legislative Counsel. "This latest move needs to be seen in the larger context of all the actions targeted at people of Middle Eastern descent since September 11."

Although officials familiar with the proposal said that it was mainly aimed at visitors from Middle Eastern and Islamic countries, Ashcroft did not specify any particular country.

He said a list would be developed. The only countries certain to be on the list, Ashcroft said, are those already on the State Department's list of terrorist nations, which includes North Korea, Libya, Iran, Iraq, Sudan, Syria and Cuba.

"No country is totally exempt," he said.

Ashcroft said the regulation would help prevent terrorism by permitting the government to more efficiently identify people who pose a threat.

A key feature of the new plan would involve comparing fingerprints and photographs of certain individuals to a database of known terrorists and those with criminal records.

Before announcing the changes, Ashcroft met with House Judiciary Committee Chairman James Sensenbrenner, R-Wis.

Sensenbrenner has been a leading critic of the Immigration and Naturalization Service, an agency within the Justice Department that since Sept. 11 has acknowledged gaps in tracking foreigners in the country.

Ashcroft has undertaken a number of initiatives since the Sept. 11 attacks to better track foreign visitors.

Foreigners seeking to live permanently in the United States are photographed and fingerprinted and must provide detailed background information to the government. But the same is not required of most visitors.

Ashcroft is seeking to expand a 1998 rule that requires visitors from Libya, Iraq, Sudan and Iran to register with the government and be fingerprinted and photographed.

The rule could be applied to people from as many as 35 countries under the proposal, a law enforcement source said, speaking on condition of anonymity. However, people from any country could be required to register if something in their background brings them to the attention of U.S. officials, the official said.

[JR: Oh My Gosh! Can you imagine this? Ashcroft is going to "invoke" an immigration law already on the books! That is why they claim this "NEW" plan doesn't require congressional approval. Instead of branding, tracking, LEGAL American citizens, Ashcroft is going to begin doing what has been the law for decades (Alien registration laws date to the 1940s)... and calls it "a NEW plan". Brilliant! Masterful Thinking! The only problem with this NEW plan is it should be applied equally to all aliens, not just those from Muslim and Islamic countries. What about the threat of "Aztlan" where Mexicans are claiming California and Arizona, and all the smuggling of Chinese into the U.S.? Ashcroft claimed there are terrorist cells in over 60 countries and yet he targets mostly Muslims. Notice Ashcroft and Ari Fleischer were careful not to mention Israel in this select Middle East terrorist groups, even though Israel not only has spies all over the U.S., but deliberately attacked an American observer ship, the USS Liberty, killing many American sailors and just said, Oops! It was just an innocent mistake. Sorreeee. The U.S. would never accept that kind of excuse from bin Laden when the USS Cole was attacked in Yemen. I guess Israel, through dual-citizenships, have their agents in strategically-controlled positions in most world governments and all Central Banks—so I guess you might say they hold the world's purse strings. Why else are governments so afraid of being critical of Israel?]

MEXICO DEPORTED
MORE THAN 30,000 ILLEGAL WORKERS
IN FIVE MONTHS

TheNewsMexico.com, 6/9/02

TUXTLA GUTIERREZ, Chiapas—Officials in the southern Mexican state of Chiapas deported more than 30,000 undocumented immigrants between January and May, officials reported Thursday.

Most of the deportees were Central or South Americans who had tried to traverse the republic to illegally enter the United States, said Javier Bolaños of the National Migration Institute (INM).

Chiapas borders Guatemala and is one of the main crossing points for undocumented immigrants entering Mexico.

Nearly half of those deported over the past five months were Guatemalans, added Bolaños, who said 3,000—or 10 percent—of the overall number had been deported by officials during the last week, alone.

Mexico has agreements with most Latin American countries that enable it to deport undocumented immigrants to their nations of origin.

Nearly 1,000 Ecuadorians were intercepted aboard fishing vessels on the high seas over the past few months, Bolaños added, noting the immigrant smugglers are increasingly using maritime routes because they are safer and cheaper.

[JR: Hmm: Mexico deports 30,000 “illegal workers” in five months. Isn’t it strange how Mexico deports “illegal workers” while at the same time it EXPORTS thousands to America? Does Mexico put up light beacons and watering holes for those illegals as they cross into Mexico? Does Mexico provide health care, food, housing, jobs, drivers licenses, legal advice—you know, all those things America does for Mexicans who enter here ILLEGALLY? Are those Central and South Americans taking jobs that Mexicans won’t do? Are they adding to the “culture”? It’s apparent that Vicente Fox has one set of rules for those entering his country and another set of rules for those he can assist in ILLEGALLY entering America.]

MILITARY USED NERVE GAS IN 1960’S TESTS

By Matt Kelley, *Yahoo News, 05/23/02*

WASHINGTON (AP)—The U.S. military used two kinds of nerve gas and a biological toxin in tests on Navy ships in the 1960s, the Pentagon acknowledged for the first time Thursday. Officials said veterans harmed by exposure to the agents could be eligible for health benefits.

The four tests in the Pacific from 1964 to 1968 used either the deadly nerve agent sarin, the nerve gas known as VX, or a biological toxin that causes flu-like symptoms, Defense Department statements said.

The tests, conducted on barges, tugs, destroyers and other ships, were to test the weapons themselves, protective gear and decontamination procedures.

Sketchy records of the tests and ships’ logs do not indicate any of those involved in the tests suffered serious health problems at the time, said Dr. Michael E. Kilpatrick, a Defense Department health official.

“It may not be the best, but we believe if anything catastrophic happened or if there were large numbers of

ill people, it would be in the log,” said Kilpatrick, who was involved in reviewing the records. “There’s no indication on any of these tests that that had occurred.”

The Department of Veterans Affairs has mailed letters to about 600 veterans who may have taken part in the tests, VA Secretary Anthony Principi said Thursday. Any who were harmed by the chemicals could be eligible for VA benefits.

“There’s always been a question whether veterans and active-duty service members became ill as a result of that testing,” Principi said in an interview with *The Associated Press*. “It’s been controversial, so we were sending out letters to veterans to ask them to take a physical and to see if they are entitled to any benefits.”

The Pentagon released details about six tests from a 1960s program to evaluate chemical and biological weapons and defenses against them. The Defense Department had agreed two years ago to begin releasing details about the tests and contacting participants after pressure from Rep. Mike Thompson, D-Calif., and veterans who participated.

“I’m somewhat alarmed by it,” Thompson said. “It seems to me enough time has passed that someone over there should have known who was involved and what was going on.”

The tests also used chemicals and bacteria meant to simulate weapons, as well as fluorescent or radioactive chemicals used as tracers, the Defense Department said. One type of bacteria used to simulate germ weapons was later found to cause infections, and a separate test where that germ was sprayed on San Francisco is believed to have caused an infection that killed a man.

The tests were among 113 conducted as part of a project called SHAD, or Shipboard Hazard and Defense. The Pentagon has acknowledged using chemical and biological simulants before, but has not admitted using the actual weapons agents themselves.

Sarin, the deadly nerve gas used by a cult to kill a dozen people in a Tokyo subway in 1995, was used in a 1964 test code-named Flower Drum Phase I off the coast of Hawaii. Both sarin and a chemical simulant were sprayed onto the *USS George Eastman* from a turbine on the ship’s bow and injected into the ship’s ventilation system, the Pentagon statement said.

Crewmembers wore gas masks during the tests, and those who worked most directly with the sarin wore chemical protection suits, the statement said.

Monkeys were used as test subjects during the exercises using nerve gas and were later “sacrificed” to determine whether they were exposed to the weapons, Kilpatrick said. Although records do not say how potent the sarin was, the fact that participants used protective gear indicates it was in a harmful or deadly form, Kilpatrick said.

Tests in 1964 and 1965 used VX, another deadly nerve gas. For the “Fearless Johnny” tests in 1965, the *George Eastman* was sprayed with VX and a simulant to test decontamination procedures. In the Flower Drum Phase II tests, VX gas tagged with radioactive phosphorus was sprayed on a barge to test decontamination procedures.

That second test used a compound that was 90 percent VX—“the most lethal nerve agent” and one that can linger for weeks, Kilpatrick said. But there is no evidence any people were on the barge sprayed with VX, which was towed nearly a half-mile behind a tugboat, he said.

A 1968 test used staphylococcal enterotoxin

Type B—a poison produced by bacteria that causes flu-like symptoms such as fever, muscle aches, cough, vomiting and diarrhea.

During that test, the toxin was sprayed from tanks on airplanes over five tugboats, the *USS Granville S. Hall* and some parts of the Eniwetok Atoll in the Pacific. The test was to evaluate how the toxin—meant to incapacitate soldiers for up to two weeks without killing them—could be spread from the air.

The *Granville S. Hall* also acted as a support vessel for the tests using nerve gas.

[JR: If the Pentagon admits to nerve-gas testing in the ’60s using sarin and other bio-chemicals, imagine what is now being tested for their bio-weapons in this new age of warfare. With forty-plus years since the admitted testing, how many participants are still living or dead that could have made the connection of illnesses to that point in time? Case in point, the Gulf War vets fought the military and Congress to have hearings about their illnesses and to get treatments before many died.]

GOLD AND THE DOLLAR

By U.S. Rep Ron Paul

(Remarks to the U.S. House of Representatives,
June 5, 2002)

<http://www.house.gov/paul/congrec/congrec2002/cr060502.htm>

Mr. Speaker, I have for several years come to the House floor to express my concern for the value of the dollar. It has been, and is, my concern that we in the Congress have not met our responsibility in this regard. The constitutional mandate for Congress should only permit silver and gold to be used as legal tender and has been ignored for decades and has caused much economic pain for many innocent Americans. Instead of maintaining a sound dollar, Congress has by both default and deliberate action promoted a policy that systematically depreciates the dollar. The financial markets are keenly aware of the minute-by-minute fluctuations of all the fiat currencies and look to these swings in value for an investment advantage. This type of anticipation and speculation does not exist in a sound monetary system.

But Congress should be interested in the dollar fluctuation not as an investment but because of our responsibility for maintaining a sound and stable currency, a requirement for sustained economic growth.

The consensus now is that the dollar is weakening and the hope is that the drop in its value will be neither too much nor occur too quickly; but no matter what the spin is, a depreciating currency, one that is losing its value against goods, services, other currencies and gold, cannot be beneficial and may well be dangerous. A sharply dropping dollar, especially since it is the reserve currency of the world, can play havoc with the entire world economy.

Gold is history’s oldest and most stable currency. Central bankers and politicians hate gold because it restrains spending and denies them the power to create money and credit out of thin air. Those who promote big government, whether to wage war and promote foreign expansionism or to finance the welfare state here at home, cherish this power.

History and economic law are on the side of gold.

TAYLOR ON U.S. MARKETS & GOLDBy Jay Taylor, *gold-eagle.com* (Gold Digest), 6/18/02**Let's Get This Capitulation Thing Over With
So The Bull Will Return**

Weeks after the U.S. market topped out in March of 2000, the talking heads on CNBC frequently talked about CAPITULATION. It was obvious the perma-bulls on that network, who had never experienced capitulation in the stock market heard that they had to go through that before the bull could resume his upward thrust to 30,000 on the Dow? Or was that 100,000? And whenever you had a down day or two, you would hear the talking heads rush out to say something like, "we must be near the bottom". Then they would give all sorts of reasons to believe the worst was over and happy days were just around the corner. So keep on pumping your 401-K money into stocks because in the long run you can't lose in the stock market.

Well as someone who lived through the last bear market in stocks as well as a 21-year bear market in gold, I can tell you that in this market downturn, we have not begun to see anything close to a true market capitulation. Capitulation of the bulls means that everyone who was bullish has given up that belief. They have thrown their hands in the air in despair and have acknowledged the bears were right—in fact right. And as for stocks, their emotions will tell them they never want to own them again. And on the way to this emotional state of despair, most investors will have had to call their brokers and issue a mandate to "get me out at any price. I don't care what you get for my shares. Just sell, sell, sell! I never want to own stocks again!" THAT IS WHAT CAPITULATION IN THE STOCK MARKET IS AND WE HAVE NOT EVEN COME CLOSE TO AN EMOTIONAL STATE LIKE THAT IN THIS MARKET DOWNTURN. Which leads me to agree with Richard Russell that we are most likely still in a very early stage of a bear market in stocks.

As a 55-year-old man, I have witnessed capitulation in the stock market that culminated during the 1981-82 bear market. Likewise, I have witnessed it in the gold market, especially during the late 1990s when the U.S. Treasury and the crony capitalist friends of our government trashed the gold price and became rich in the process. I know what capitulation feels like because I have been there and done that! The vast majority of investors and fund managers these days have never experienced capitulation. I believe they are about to get a man-sized dose of that old-time religion.

Another mark of capitulation having taken place is that so much selling has taken place that once again very high quality companies can be purchased at truly bargain-basement prices. Remember how when the techs lost 30% or 40% from their peaks how people tried to sell them on the notion that they were cheap! Well they were still very expensive because they had no earnings. What makes a stock cheap is its earnings in relation to its price. In our book and at market bottoms, the strongest and best companies in America usually sell at PE ratios in the 5-to-10 range and pay dividends in the 5% to 10% range. When our Dow stocks reach those depressed levels, we might start to get interested in big cap stocks. Until then, we will stay on the sidelines or better yet short

the market via the Prudent Bear Fund. In fact, we are looking forward to a true market bottom when PE ratios are so, so low because that is when historically real bull markets start. However, don't hold your breath because we think we are still very early in this primary bear market for stocks. We could be looking at 5 to 10 years or longer before big-cap stocks in American stocks are suitable for purchase. By that time, all those pretty faces on CNBC will have found something else to do—like drive a cab or worse

How do I know we are so far yet from a market bottom? Because stocks are still so expensive. Rather than a PE ratio of 5 or 10 times, the S&P 500 is still selling at about 44 times earnings. That equates into a still paltry earnings yield 2.32%. And while 10-year Treasury yields have come down, as of the close of business on Friday, it still provided a yield of 4.80%. If you add AAA corporate yields, you are comfortably above 5% which is more than twice the returns provided by the S&P 500. Historically, buying stocks when they are so much more expensive than bonds has not been a good long term strategy.

Why such complacency?

Why are stocks remaining so grossly overvalued? Indeed, the veteran analyst Richard Russell has repeatedly expressed amazement at the stubborn refusal on the part of investors to throw in the towel, even though stocks are now in their third annual decline and the stock market has shaved off \$5 TRILLION of value. Richard who is in his 70s and as smart and observant as any analyst alive, says he has never seen anything like the complacency on the part of investors in America. It is astounding to him that the Dow has hung up as well as it has.

I think a hint at the reason the masses of people have remained complacent about the market can be gleaned from the following comments of our friend Bill Murphy, who writing for www.lemetropolecafe.com commented about Friday's action in the gold, dollar and stock markets as follows:

"The stock market was crashing, the dollar was tagged and gold was flying. All of a sudden (at exactly the same time) gold sank, the dollar rebounded and the stock market staged a fierce rally. You would have to be brain dead not to see the market intervention, engineered by the Working Group on Financial Markets.

"The 'NASDOG' even closed higher after foreign stock markets were trashed due to the poor U.S. economic news. Once again, the stock market was not allowed to tank two days in a row, the goons capped gold's upside. What are they doing to our country? All the PPT keeps doing is prolonging the inevitable and increasing the moral hazard risk of the investing public. The public won't know what hit them when the "S" hits the fan."

There have been repeated reports from floor traders, ever since the near total meltdown of the equity markets in 1987, that major broker/dealer firms (the same ones named as defendants in Reginald Howe's anti gold price fixing case) have stepped into the market just in the nick of time to keep the market from plunging over Niagara Falls. Just as "melt down" first appears as handwriting on the wall, suddenly out of nowhere steps amazing buying in the futures markets to stave off disaster. And with disaster having been prevented time and time again, the fear of God has been removed from the market. Lacking fear, the current market decline is taking much longer than in prior super bear markets.

Paper money always fails. Unfortunately, though, this occurs only after many innocent people have suffered the consequences of the fraud that paper money represents. Monetary inflation is a hidden tax levied more on the poor and those on fixed incomes than the wealthy, the bankers, or the corporations.

In the past two years, gold has been the strongest currency throughout the world in spite of persistent central bank selling designed to suppress the gold price in hopes of hiding the evil caused by the inflationary policies that all central bankers follow. This type of depreciation only works for short periods; economic law always rules over the astounding power and influence of central bankers.

That is what is starting to happen, and trust in the dollar is being lost. The value of the dollar this year is down 18 percent compared to gold. This drop in the value of the dollar should not be ignored by Congress. We should never have permitted this policy that was deliberately designed to undermine the value of the currency.

There are a lot of reasons the market is pushing down the value of the dollar at this time. But only one is foremost. Current world economic and political conditions lead to less trust in the dollar's value. Economic strength here at home is questionable and causes concerns. Our huge foreign debt is more than \$2 trillion, and our current account deficit is now 4 percent of GDP and growing. Financing this debt requires borrowing \$1.3 billion per day from overseas. But these problems are ancillary to the real reason that the dollar must go down in value. For nearly seven years the United States has had the privilege of creating unlimited amounts of dollars with foreigners only too eager to accept them to satisfy our ravenous appetite for consumer items. The markets have yet to discount most of this monetary inflation. But they are doing so now; and for us to ignore what is happening, we do so at the Nation's peril. Price inflation and much higher interest rates are around the corner.

Misplaced confidence in a currency can lead money managers and investors astray, but eventually the piper must be paid. Last year's record interest rate drop by the Federal Reserve was like pouring gasoline on a fire. Now the policy of the past decade is being recognized as being weak for the dollar; and trust and confidence in it is justifiably being questioned.

Trust in paper is difficult to measure and anticipate, but long-term value in gold is dependable and more reliably assessed. Printing money and creating artificial credit may temporarily lower interest rates, but it also causes the distortions of malinvestment, overcapacity, excessive debt and speculation. These conditions cause instability, and market forces eventually overrule the intentions of the central bankers. That is when the apparent benefits of the easy money disappear, such as we dramatically have seen with the crash of the dot-coms and the Enrons and many other stocks.

Now it is back to reality. This is serious business, and the correction that must come to adjust for the Federal Reserve's mischief of the past 30 years [MM: **88-plus years and counting**] has only begun. Congress must soon consider significant changes in our monetary system if we hope to preserve a system of sound growth and wealth preservation. Paper money managed by the Federal Reserve System cannot accomplish this. In fact, it does the opposite.

The Mood Now Seems to Be Changing

Timely market intervention that has kept the market from plunging quickly to the depths of despair has helped keep people bullish for a much longer period of time than would otherwise be the case. However, the primary bear market that we are in has been slow and relentless, like a Chinese water torture. It seems now that investors are finally becoming demoralized. At least that is the sense I get in talking to New Yorkers. **Only a few weeks ago, these same people would treat your editor with utter contempt when I said sell stocks and buy gold.** That mood is changing now. Now I get a mood like “you know, you just might be right.” Still that is a long ways from capitulation. When the bear market has done its maximum damage there will be no ambivalence. “Get me out of stocks. I never want to own them again.” That combined with amazing values (Earnings yields) is what I look forward to. Then I can once again become a card-carrying “good American” instead of a person who is looked at as being un-American because I don’t buy the lies being told by our self-serving establishment.

WHAT IS THE MARKET REALLY TELLING US?

During the bull market, analysts spoke of how higher stock prices were predicting a booming economy. Why is it now that when stocks are in decline those same people are no longer suggesting that the stock market has predictive power? Rather, now they are suggesting that the stock market should be going up because of historical data indicating the economy has been improving. As Richard Russell proclaimed last week, “... the market doesn’t give a hoot in hell about yesterday’s economic statistics and reports, the market is only interested in what lies ahead in the way of economic, social and political conditions. And I can tell you that this market DOES NOT LIKE WHAT IT SEES AHEAD.”

In deed, we think a lower stock market is even more ominous given that an unprecedented number of rate cuts have not only failed to fuel higher stock prices, but in fact after the Fed began easing, stock prices are DOWN 20%. As *Barron’s* pointed out last week, in the past a mere 18 months after Fed easing, stocks are usually UP 20%. **THE ONLY OTHER TIME THIS KIND OF THING HAS HAPPENED WAS DURING THE GREAT DEPRESSION!**

We Told You So

Notwithstanding what CNBC and highly paid analysts like Abby Joseph Cohen have been telling investors, subscribers to *J Taylor’s Gold & Technology Stocks* are not surprised. Ian Gordon, David Tice, Dr. Ravi Batra, Congressman Ron Paul, M.D., Dr. Larry Parks, yours truly and others **have warned our subscribers that the U.S. was approaching a period of time when excessive money creation would inevitably lead to an economic and market disaster.** That disaster is now in the early stages of unfolding.

Ian Gordon, who is the foremost student of the Kondratieff Cycles warned us in 1999 that we were quickly approaching a period of time he labeled the Kondratieff Winter. This is the last of four seasons in the 60- to 70-year Kondratieff cycle in which debt that has built up from the start of the cycle must be repudiated, because it has grown exponentially to such an extent that it can no longer be paid. It is the unraveling of this debt that leads to massive bankruptcies, unprecedented levels of unemployment and depression.

There is a general belief that all Greenspan needs to do is print enough money so that he can inflate the debt away. But this is not possible because in a fractional reserve banking system like the one we have, money is manufactured from debt. But debt is the problem because its exponential growth results in the suffocation of the demand side of the economy as income is siphoned off from the economy to repay principle and interest. So the cure is worse than the disease. It is like a heroin addict reducing withdrawal pains by taking higher and higher doses of heroin at ever more frequent intervals. Eventually the patient dies as the life support systems are destroyed. The life support system of business depends on sales. But when income levels are snuffed out by ever increasing interest and principle payments, a threshold of lethality is met in the economy at which point the economy collapses. I believe the U.S. is at or very nearly at that point. And what could tip us over the edge could be the outflow of investment dollars into the U.S. that allowed us to live beyond our means all through the 1990s.

Why would that happen? The reason is the reason foreign money came into the U.S. in the first place—for high returns—and is now fading out of sight. Take away the \$1.3 billion per day investment fix from foreigners that the U.S. economy has become addicted to and watch interest rates rise. If you think we have trouble meeting our debt obligations now, watch what happens when rising interest rates cause stock prices to plunge, people to spend less and debtors to begin defaulting at accelerated rates.

2002 PARALLELS WITH THE 1930S

In our 1999 interview with Ian Gordon he suggested that the last Kondratieff Winter, which began with the 1929 stock market crash and ended in 1949, was repeating itself with great accuracy. And as I look at the current economic landscape, I have to agree. Consider the similarities now with 1929.

*A major decline in stock prices. (NASDAQ, S&P, Dow show yet to drop)

*The printing of more money (lowering of interest rates) is failing to revive stock prices.

*The printing of more money is failing to stimulate the economy.

*We see a beggar-thy-neighbor foreign currency devaluation policy on the part of most nations hoping that a lower currency will allow them to sell into the U.S.

*We have the spectacle of rising trade barriers, this time fueled by the United States in the areas of agriculture and steel.

*We have a U.S. dollar that is grossly overvalued just as the pound sterling was overvalued during the 1930s.

*You have a gold market that was being rigged in order to maintain an overvalued pound sterling. Now we have a gold market that is being rigged in order to maintain a phony overvaluation of the dollar.

*We have excess supplies of all kinds of goods and services.

*We have excessive debt loads that are strangling the demand side of the economy.

The problem in one word is DEBT. Notwithstanding what the Keynesians and Monetarists have told college kids since the 1930s, there is a limit of debt which a nation can endure. I fear the United States is approaching its debt threshold of lethality.

The Macro Economic Picture Remains Bleak

We have too much supply of everything imaginable as a result of the **excessive money creation and globalization** of the 1990s. At the same time we are faced with declining demand as debt-servicing requirements is subtracting income out of the demand side of the economy. The result? Revenues are falling short of expectations and profit margins are plunging. And guess what? So are profits. This is not a very good picture for a stock market that continues to sell at historically high P/E multiples.

With profits declining or remaining at best lackluster, we cannot expect the capital goods sector to begin to grow anywhere fast enough to revive the high-tech bubble economy any time soon. And with companies having cut everywhere possible, the only place left for CEOs to cut is labor. So as Stephen Roach of Morgan Stanley has been suggesting, the next shoe to drop may well be consumer spending as wages and jobs come under pressure. Plunging consumer confidence (from a 96.9 reading in May to 90.8 in June) represented the largest decline since a 9.7 point fall in September 2001. This could be the start of a decline in the consumer sector. As in the stock market, the continued refrain that “prosperity is right around the corner”—along with job losses and pay cuts—may be wearing thin on an American consumer that has for quite some time been spending more than he earns.

And with return on investment not nearly what it was cracked up to be by the “New Economy” fantasies of the 1990s, foreigners are beginning to take their savings out of the U.S. which is resulting in downward pressure on the dollar. The virtuous cycle that worked in favor of the U.S. during the 1990s is now suddenly working against us. This is why we think the dollar and stock prices are headed much, much lower. And this is why our Model Portfolio, which is up 53.96% so far this year, is positioned to benefit from:

*Declining Stock prices. (The Prudent Bear Fund)

*A declining dollar. (The Prudent Safe Harbor Fund)

*A rising gold price (Gold Shares)

*Rising Commodity prices (vis-à-vis the dollar)—Jim Rogers Raw Materials Fund.

*Tech companies that can produce ESSENTIAL goods and services at lower and lower costs. So we think companies like Itronics, which is reducing the cost of food production and McKenzie Bay, which is on the cusp of reducing the cost of energy, are the only kind of technology companies we wish to own.

Gold

The \$330 level is indeed representing at least a temporary resistance level for gold. However, the action this past week was very encouraging for bulls and I think very constructive from a technical viewpoint. Spot gold closed at \$319 in New York and as such, remains slightly above its 22-year down trend line and above both the 50-day moving average of \$310.85 and the 200-day moving average of \$290.78.

From a fundamental viewpoint, the dollar continued to weaken last week despite yen intervention. The dollar closed at 110.80. We think the dollar is likely to continue to decline in value because we believe the U.S. economy will continue to disappoint as it did last week when May retail sales fell 0.4%. Evidence that Ian Gordon’s Kondratieff Winter continues to play out was also seen in a decline of 0.2% in the Producer Price Index. During the past year, the PPI is down from 142.4 to 138.8 or 2.5%. That’s DEFLATION, in

DISINFLATION! And that is exactly what Ian Gordon has been warning us about. And this is why Alan Greenspan has been warning about a lack of pricing power. And this is why we think Morgan Stanley's economist, Stephen Roach is quite right to be concerned that continued decline in corporate profits may well lead to the next shoe dropping, that shoe being the consumer. Wage pressure is bound to build as corporations continue to face going-out-of-business pressures due to plummeting profitability. As far as demand for capital spending—forget about that if corporate profits continue to decline.

And even if we are fortunate enough to see some growth in corporate profits and in the economy in general, can there be any doubt that the U.S. stock market and investment returns in general will remain far below past expectations for many years to come? And if lofty returns are not available any longer in the U.S. why would foreigners continue to pump the \$1.3 billion per day they earn from their trade surplus with the U.S. back into the U.S. in the form of investments?

So we find it difficult to think the dollar can remain strong as the New Economy myths and the myths of a strong dollar—exposed for the frauds they were—are espoused to the world. This should lead to a weaker dollar, which in turn should be bullish for gold.

A Short-Term Bullish Indicator for Gold

I tend to take a long-term view on gold as well as other markets. So, normally I don't spend a lot of time thinking about short-term technical indicators. However, my good friend Chuck Cohen has brought to my attention that the *Hulbert Financial Digest's* gold-sentiment index appears to be very bullish at the moment from a contrarian viewpoint.

As of this past Tuesday, the index posted a reading of 29.2%. This latest reading, which reflects gold timers' opinions as of the close of business this past Tuesday, means that the average gold timer tracked by Hulbert, is allocating more than 70% of his portfolio to cash.

The index had risen to 45.3% in early June as gold rallied to near \$330—a level not seen in years. But in the face of gold's correction over recent days, gold timers quickly pulled back. In fact, the *Hulbert* gold-sentiment index is now back to where it stood in mid-May, well before the latest leg of gold's bull market.

Why is this high cash/gold ratio so bullish?

First, with gold timers so quick to retreat it suggests that they don't believe we are really in a bull market. Thus they have significant resources which can be redeployed in gold purchases upon a sentiment change. This is an emotion common to the early stages of a bull market and is in direct contrast to what we are seeing in the stock market which is at the end of a long bull market.

Mark Hulbert noted that his gold index is now no higher than it was a month ago when gold was more than \$12 lower in price. And even more bullish is the fact that as gold has risen, signs of extreme bullishness are no where to be found. Back in January when gold rose above \$300, gold timers went wild, sending the index to 90%, more than three times its current reading. So even when gold approached \$330, sentiment was only about 1/2 where it was back in January. All this according to Mark Hulbert suggests that "the contrarian foundation of gold's bull market remains as strong as ever."—Jay Taylor, Editor of *J Taylor's Gold & Technology Stocks* at www.miningstocks.com

NEVADA CORPORATIONS:

Stay Small Or Increase Substance In Nevada

Budget's "Tip of the Week" #18:

More on "Nexus" and "Substance"

Two legal issues crop up when operating a Nevada corporation which might have some activities in a foreign jurisdiction: "nexus" and "substance". Without getting into a full-blown legal definition for the purposes of this discussion, nexus can be considered equivalent to the related word, "connection". And for purposes of this discussion we can consider the legal issue of "substance" to mean "physical presence".

We have previously pointed out a list of conditions under which a Nevada corporation is not considered to be "doing business" in a foreign jurisdiction. It may, for instance, use an independent contractor to effect sales outside of Nevada, as long as each sale is not considered final until accepted in Nevada. If, however, a Nevada corporation has significant nexus in (connection to) another jurisdiction, in many cases the tax-hungry foreign state will seek to extend its tax laws to compel the Nevada corporation to pay some home-state taxes. A Nevada corporation with little presence in Nevada but which provides all sorts of equipment to an independent contractor working in, say, California could find itself under attack from the California Franchise Tax Board.

So far, at least, there are very few examples of small, private situations undergoing such scrutiny. However, in cases where the amounts of revenue derived from the foreign jurisdiction are large enough to present a "target of opportunity", various states are becoming increasingly aggressive in extending their tax tentacles. In auditing such a situation the home-state taxation authority will pose many questions relating to the "substance" (physical presence) of the Nevada corporation in Nevada.

Actual audit questions in establishing the substance of the Nevada corporation in Nevada can be very detailed and probing, including but not limited to the following: employees (compensation, responsibilities, payroll returns); identification of officers and compensation; copies of phone bills; actual payments made on notes; list of suppliers and professional-service providers; where decisions are made regarding investments; copies of corporate records including minutes and resolutions; banking (copies of all bank statements, checks and deposit slips).

The Nevada Department of Taxation uses the following criteria to evaluate nexus in Nevada: use of an office, distribution house, warehouse, service enterprise or other place of business; maintenance of a stock of goods; solicitation of orders by employees or independent contractors; regular engagement in the delivery of property in this state, other than by common carrier or United States mail; or regular engagement in any activity in connection with the leasing or servicing of property which is located within this state.

From the foregoing it should be obvious that it is always best to remain small in order to keep the bureaucrats out of your private business affairs whenever possible. And if and when your business grows to become a substantial potential target, it may become necessary to broaden its Nevada base, in order to retain more "substance" in Nevada relative to "nexus" in the foreign jurisdiction.

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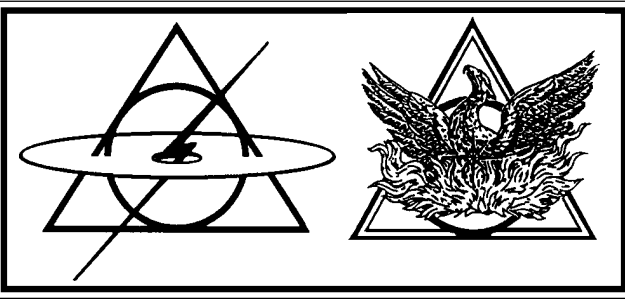
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WORDS OF WISDOM FROM HATONN

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