



Secretary: Marlea Sheridan

Editor: Penny Esplin

DATE: August 23, 2012

Call to Order: Claudia called the meeting of 2012 to order. This must be vacation time, as only 11 members were present.

Meeting Minutes: Marlea read the minutes from the last newsletter from July.

Treasury Report: Joe gave us an update on the treasury. We will welcome any items for use in our club raffles.

Claims Report: Joe proposed that our club be renamed "Millennium Diggers Association". Members voted and approved this change.

Claudia filed our club Maintenance Fee Affidavit of Labor with Josephine County under the name Millennium Diggers Association. Previously we had members' names that we had to locate each year or sign as an agent of the members. Now whoever is the claim committee chair or an officer of the club can sign as the agent.

The club's Maintenance Fee was waived due to about eleven "strong" members helping to repair the Fossil Flats entry road. **Thanks to everyone who helped haul big rocks on such a hot day!! Whew!!**

New Business: New 49'ers vs. Karuk is going to the U.S. Supreme Court. The miner's side is lead by PLF (Pacific Legal Foundation), a national legal group that deals with issues concerning property rights, limited government, etc. They are taking the case at their own expense. The Foundation intends to file an amicus brief (seeks a legal opinion) to support the petition the New 49'ers intend to file in the Supreme Court, seeking review of the Ninth Circuit's recent decision holding that the Forest Service must engage in Section 7 consultation under the Endangered Species Act when it issues a notice of intent.

PLF is a non-profit group and will accept donations for this ongoing litigation. PLF is asking for other mining organizations to sign on. So far, Waldo Mining District, Eastern Oregon Mining Association and probably Willamette Valley Miners have joined this case. Tom Kitchar talked with attorney James Buchal about other associations signing on and he seemed to think that the more that signed on the better the chance the court will hear the case. Our club voted to join and donate \$100.00 to the cause.

SWOMA (South Western Oregon Mining Association) has received an anonymous tip that the State and Federal agency personnel including OSP, FG, and BLM will engage in a surprise mining equipment inspection and permit check over the Labor Day Weekend. SWOMA says this constitutes a warrantless detainment. They are encouraging miners to know and stand up for their rights.

DSL's new permit will be finalized soon. Eric Metz, a DSL manager, gave us a briefing on the new permit at the WVM meeting on August 16th. There are many things wrong with this permit! It covers ESH, Wild and Scenic, and other waters.

High banking is not allowed in the GA permit. You must apply for a commercial permit. Only dredges 4 inches or smaller will be allowed under this permit. Miners will not be allowed to dredge or high bank on gravel bars.

Too much of this permit is so wrong! It is a real mixed up mess It has been suggested that if you don't buy this permit, you are not bound by its strict limitations, regulations and outrageous fines written into this retarded and restrictive permit. Signing your name on this permit is like signing a contract that gives them the ok to proceed with their master plan using YOU as the pawn.

Other government permits may be coming our way: DSL 404, DEQ 402 and DSL ESH permits! AAHH!

Presentation: Joe Greene presented an excellent and informative slide show on "The Effect of Ocean Conditions on Salmon Survival and Return." This study provided us with information about the variety of other factors that lead to lower (or higher) salmon survival numbers. Who knew?



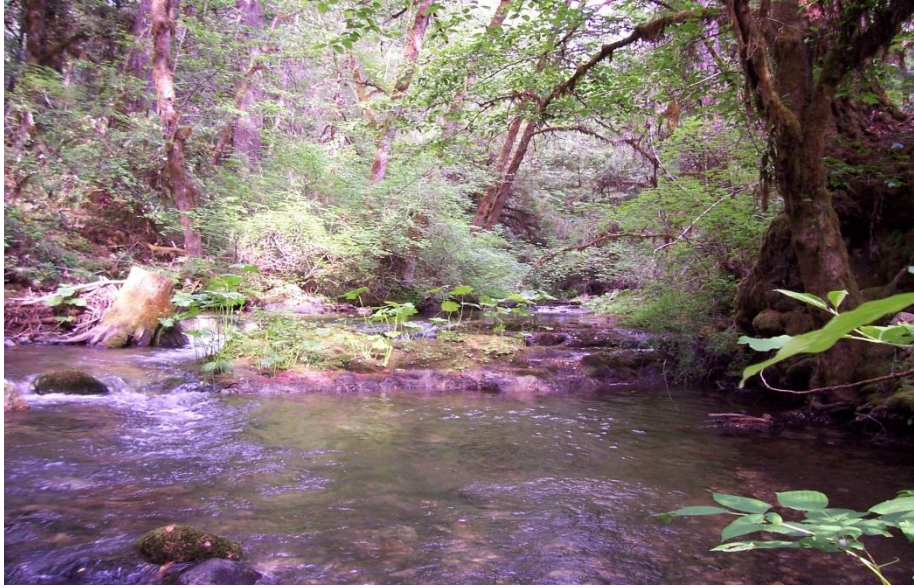
Fossil Flats rough road ruts!!! Much better now!

Rock and Mineral Sharing Letter “E”: Penny shared Epidote found near the town of Gates, OR.

Ken shared about a site in Wyoming where huge trees are petrified! He also shared geodes, polished petrified wood and quartz samples. Delmon shared about his gold finds!



Sherry and Marvin ATVing at Briggs in August.



Briggs Creek



Briggs Creek



"Lodi" Watching over the miners (especially Walt and Penny) at Briggs Creek

Next month's Letter is: **"F"**: Examples are: Fool's Gold, Fossils, Feldspar, Flint, Fluorite, Fire Agate, Fire Opal, Fluorescent Rocks and/or Fantastic Finds! Even Funny Finds!

And, don't forget, we need prizes for our **raffle table!** So, bring in something to donate, so we can keep our members' interest up! A neat rock specimen, a unique find you can part with, a useful tool, a piece of camping equip., gold hunting accessories, books...anything to boost the raffle into becoming an exciting and fun part of our monthly club meetings! –Thank you

Next Meeting is September 27th at 7:00. Be there or be Square!!

Visit our website at <http://www.millenniumdiggers.com/>

The Millennium Diggers Club is a group based in Keizer, Oregon, which is near Salem, Oregon. The club is for people that share an interest in searching for things of value. The club's charter is to provide members with a club that will help promote the hobbies of metal detecting, prospecting, rock hounding, and treasure hunting. Part of our yearly dues pay for mining claims that are available for all club members to use. We use club meetings to share information about locating gold, silver, coins, jewelry, gemstones, fossils and metal detecting. We plan club outings each month where we can help each other learn all aspects

of our hobbies. This is a great family activity, bring the kids! Please feel free to drop in on one of the monthly meetings or outings.

We meet the 4th Thursday of each month, 7:00 p.m, at:

[Clear Lake United Methodist Church](#)

**920 Marks Drive
Keizer, OR 97303**

We meet in the church's Fellowship Hall; a real a nice meeting place complete with tables, chairs and a kitchen. The church is located across the street from the Clear Lake Fire Station. There's plenty of parking in the church's parking lot.



Update on EOMA's case against DEQ

By Guy Michael, August 13, 2012

Our case is moving in more than just the court. The permit litigation group, which supports EOMA's case against DEQ have decided that we need to take a campaign to our legislatures and investigate DEQ's back-room deals with NEDC (an environmental law organization).

DEQ chose to disrupt EOMA's separate case against NEDC of their lack of standing, when they decided to settle with the environmental organization. This allowed NEDC to be dismissed as a prevailing party against DEQ, so they paid NEDC \$7,500 as part of the settlement. EOMA believes that the settlement agreement does affect their case against DEQ as well, because the settlement requires procedures for permit renewal of the current 2010 suction dredge permit, which are outside of the legislative process for open and public involvement. On this basis, EOMA has already filed leave to file an amended complaint against DEQ.

EOMA was scheduling depositions for members of NEDC based on their intervention in the environmental organization's case against DEQ for lack of standing. NEDC was allowed to withdraw from the consolidated case against DEQ over the objections of EOMA. EOMA's case against DEQ is still continuing, however, we feel that we also need to have our legislature investigate DEQ to the end that a Bill be presented that will curb any future disruptions of valid cases based on any settlement agreements.

The judicial review of EOMA's case against DEQ is moving forward as depositions are now being scheduled for DEQ representatives in September concerning this suction dredge case. Some of the topics for the depositions will be the "practice of mining", "impacts" and the "regulatory scheme" of federal, state and the mining laws.



The evidence continues to mount that government employees no longer know their place as servants of the public. Instead, they tend to regard themselves as our masters. Combine this with the Department of Homeland Security militarizing police by beefing up local law enforcement agencies across America, and you get abuses of power on a growing scale. The following events are examples of the kinds of behavior that are a sign of the creeping tyranny we are seeing in law enforcement acting against miners. - JCG



Oregon State Police Senior Trooper Behaving Badly

South West Oregon Mining Association

<http://www.jeffersonminingdistrict.com/legal-news/OSP-Trooper-Jeff-Thompson-Behaving-Badly.html>



For the last fifteen years, independent miner, Eric West of Grants Pass, Oregon has spent his free time in the summers prospecting at Ennis Riffle on the Rogue River.

"I always look forward to spending my one week vacation camping down there each year" says West, who works as an auto parts salesman six days a week.

The gravel bar at Ennis Riffle used to be a small hydraulic gold mine, notes local mining historian Kerby Jackson, who adds that the site was named for Frank Ennis, who was a prominent gold miner in the area during the late 19th century.

Even today this bend in the river is known for carrying much gold.

"There are several lines of gold at Ennis Riffle," adds West, who has a reputation among local miners for knowing this small section of the river better than just about anyone around. "You can actually see the gold in the spongy looking tan clay down there and you can find a lot more in the harder layer of clay under that one. Most of the gold is coated in mercury on one side because there is a ledge of cinnabar out there in the river. You can roll over a boulder and you see it lying down there. It's silver with mercury on top and gold on the bottom. So I take a lot of mercury out of the river, along with a lot of fishing weights and other types of junk."

But West's latest outing to Ennis Riffle was cut short by an unexpected interruption.

"I'd found this nice crack in the bedrock and was starting to clean it out. I had just gotten one nugget that was big enough that I could hear it go into my machine, when someone told me that the State Police were wanting me to shut my machine down and come talk to them," West recalled.

When he got to the bank, West was confronted by Senior Trooper Jeff Thompson of the Oregon State Police, who addressed him by name.

Thompson told West that it was against Oregon State Law for him to mine at Ennis Riffle and that the State of Oregon requires that he purchase a permit.

"I told him that I don't need a permit," West recalled. "I have a right to be on the river and I have a right to prospect. We all do," he said, referring to the 1872 Mining Act which grants a right to all Americans to search for valuable minerals on lands managed by the United States.

Thompson promptly issued West with a citation for 2nd degree water pollution because he refuses to buy a permit from the State of Oregon. The citation carries a maximum penalty of \$25,000 in fines and up to a year in jail.

"I intend to fight this," West said, adding that his rights were violated.

Jackson, who is a past Chairman of Jefferson Mining District, an author and a mining rights advocate, agrees.

"All Americans have a right to prospect for valuable minerals via a public grant from Congress," he says, adding that the right is one protected by the Contract Clause of the United Constitution.

"This right is considered higher than something allowed by a mere license like hunting or fishing and Eric West doesn't need a permit to prospect for minerals anymore than he needs a permit to enjoy his due process rights. This Mining Law is an Act of Congress that disposed of the minerals and the lands in which they are found to the people under the sole condition that they take the initiative to locate and extract the minerals under the provisions outlined in the 1866, 1870 and 1872 Acts. Under its Admissions Act, the State of Oregon and its agents are expressly forbidden to interfere with any rules set down by Congress pertaining to the disposal of this mineral estate, as well as other lands. As far as I'm concerned, Jeff Thompson not only violated Eric West's rights, but he also did so knowingly. That's a felony under 18 USC 242, Deprivation of Rights Under Color of Law, and he should be stripped of his badge and sent to federal prison," Jackson said.

The fact is, this was not West's first run-in with Jeff Thompson.

On September 10th, 2011, Thompson cited West for 2nd degree water pollution for prospecting at Ennis Riffle without a permit. Much of the incident, which lasted nearly two hours, was captured on video by Jackson.

"A couple of us were down there prospecting that day and we were about 100 feet or so downstream of Eric," Jackson recalls. "Since we'd ran out of fuel and the day was wearing on, we pulled our machine out and did a clean up to see how things looked. We did pretty well. There was a lot of gold in our pan. I sent my partner up to his truck for something and when he came back he told me that the State Police were up there. Eric was still in the water and since he was on his own, I made a bee-line up there with the camera rolling."

Jackson says that when he approached the area, he saw three State Police trucks parked on the river bar. "When I saw that, I thought 'That's a lot of resources to throw at someone for digging a little hole in the middle of the river.' I knew then that this was intended to be a show of force against the miners and that they would be looking to make an example of someone to create a chilling effect."

In the September 2011 video, Trooper Thompson displays erratic and threatening behavior within mere moments of making contact with the group of miners, verbally threatening to “throw to the ground and arrest” everyone present.

“If you want my opinion,” Jackson said, “Thompson is a very unstable individual. He walked around with his hand on his gun most of the time and seemed to be trying to escalate the situation. The two guys with him almost seemed to be embarrassed and clearly did not want to be there. As time went on, one of them even wandered off, while the other kept saying 'I don't know anything about this. I was just doing patrol'.”

“Eric and I went back and forth over what the mining law says with Thompson, as well as what Eric's rights were. Thompson didn't know squat and did not want to look at any of the laws we had in our possession. We also demanded that he call Sheriff Gil Gilbertson down there, reminding him that Gilbertson's policy was that not even Oregon State Police were not to contact any miners without him being present. This demand was ignored, even though Ennis Riffle is county property and Thompson had no authority there, let alone on the river. It soon became clear that Thompson had been instructed to make an example out of any miner that he came across. In fact, I was aware of an internal memo between Oregon DEQ and BLM that specifically instructed Thompson to hunt the miners down. When I mentioned that and suggested that he was involved in a conspiracy to deprive miners of their granted rights, Thompson turned white and said 'Look guys, I'm just following orders and doing my job'.”

“I seem to recall that a bunch of people hung at Nuremberg used that same excuse to justify their crimes too,” Jackson said.

Ultimately, when Eric West went to the court to file a set aside based on a due process rights violation in the citation, he discovered that Thompson had not filed the citation.

“I still made it a point to appear for the court date in October,” West recalled later. “Thompson never did turn the ticket in, so I was excused by the clerk after I insisted that she make a record that I had appeared.”

In the Spring of 2012, Curtis Bunch, Jefferson Mining District's Co-ordination Officer to the State of Oregon's Department of Environmental Quality, reported that multiple records request to Oregon State Police regarding West's September 2011 citation were not only denied, but that his requests to obtain insight into Thompson's training pertaining to pollution and mining enforcement were met with obstructive behavior despite multiple attempts to obtain the

records. He also received a letter from the Oregon State Police informing him that the September 2011 incident was part of "an active investigation" despite the fact that Thompson, in violation of state law and his duty, had failed to file the citation with the court.

"Clearly, they are trying to protect Thompson," Bunch remarked.

Regarding his most recent citation, West said that Thompson intimated that he had "screwed up on the dates" on the 2011 citation and wouldn't "make the same mistake this time". He also bragged to West that he had recently helped cite a miner on Grave Creek, probably referring to the recent citation of local miner Ross Painter who was confronted by two employees of Oregon State Police who trespassed on his property on Upper Grave Creek and then issued a citation after being told they were ejected from his property. On August 8th, 2012, Painter appeared in court, only to discover that like West's previous ticket, the citation against him had not been filed.

"I don't think there's any doubt that the State of Oregon is actively working to deprive miners of their rights and property and that that they are instructing people like Jeff Thompson to aggressively hunt miners down," Jackson observed. "Of course, the miners aren't the only ones, as the recent ridiculous rain water case over in Jackson County illustrates. Everyone with property or that desires to self sustain is a potential target, but we miners are certainly the priority target of their agenda. When you consider that it was really mining that built this state in the early years, the whole thing is rather insulting to our ancestors."

At a recent meeting of the South West Oregon Mining Association, West reported that near the beginning of August, Thompson called him at his place of employment while he was at work.

"He told me that he did not want a big deal made out of this and said that if I did not talk about the citation and would buy a \$25 permit from the state, that the judge would not impose any fines or jail time on me".

"They've still yet to prove that I need their permit, so I'm not going to do that," West said.



USFS Terror, USFS Fails To Learn Their Lesson

<http://www.jeffersonminingdistrict.com/legal-news/USFS-terror-usfs-fails-to-learn-lesson.html>

Readers will well remember the debacle in Placer County, California where [employees of the United States Forest Service stole mining incident tools from California miner Mark Hepfner](#). USFS had no warrant for the gear, nor did they give Hepfner notice that his property was under threat. Criminal complaints filed by Hepfner with Placer County Sheriff's Department were ignored, as were legal notices to the United States Forest Service.

Miners from around the country came to Hepfner's aid, promptly applying pressure to the United States Forest Service and the Placer County Sheriff's Department through varying tactics. Eventually, Congressman Tom McClintock's office intervened and after catching USFS in certain "little white lies", was able to force the United States Forest Service into returning Hepfner's property (minus the property they destroyed, of course). It also appears that the Placer County Sheriff's Department ignored Hepfner's criminal complaints for the simple fact that they supplied the helicopter that was used to steal Hepfner's property and had colluded with the USFS to commit theft and to deprive Hepfner of his rights.

One would think that **USFS District Ranger Chris Fischer** would be a bit embarrassed about all of this and would think twice about violating Hepfner's rights again. Instead, Fischer recently fired off a letter demanding that Hepfner "*work with (his) office*", insisting that "*any mining activities, associated equipment or occupancy of National Forest System lands is prohibited*" until Hepfner does so. In other words, Fischer is now prohibiting Mark Hepfner from enjoying his property rights, which are protected by the 1872 Mining Act and by the United States Constitution.

Once again, we are requesting that miners come to Miner Hepfner's aid. **Please call USFS District Ranger, Chris Fischer at: 530-367-2224** and tell him to stop violating the rights of miners.

We also suggest that you contact the office of Congressman Tom McClintock at: (916) 786-5560 or (202) 225-2511 as well as Congressman Doc Hastings, who is the Chairman of the House Committee on Natural Resources: (202) 225-5816 and let them know what the United States Forest Service has been up to.

Visit <http://www.jeffersonminingdistrict.com/> for more information



BLM to Idaho Miner "My authority supercedes the United States Constitution"

<http://www.jeffersonminingdistrict.com/legal-news/BLM-to-Idaho-Miner-We-Supersede-The-Constitution.html>

As reported by the [American Mining Law Forum](#), a miner in Idaho, identified as Nicole Crossman, who is one of the founders of the South West Idaho Mining Association, was arrested on her locatable mineral deposit property for obstruction.

On July 11th, 2012, Crossman was approached at her family's camp by two BLM employees identified as Ann Marie Sharkey and Jeff Weiss.

In the extensive video evidence that was later uploaded to YouTube, what appears to begin as a friendly routine visit by BLM, the situation escalates when Sharkey spots mining incident tools on the site and promptly demands that Crossman produce identification. When Crossman questions Sharkey's law enforcement status, Ann Marie Sharkey responds by immediately calling the Sheriff's Department over her radio and launches into a tirade, where she states that she (Sharkey) owns the minerals on Crossman's claim by way of FLPMA.

When Crossman asks Sharkey "**You are telling me that you supersede the constitution of the United States?**", Sharkey responds with "**Yes, I do.**"

A full account of the incident follows, courtesy of the [American Mining Law Forum](#):

Weiss: Hi! How's it going tonight?

Nicole: Good. How are you?

Weiss: (shakes head) Uh, this is a nice set up here.

Nicole: Yes, it is comfortable.

Weiss: Awesome, how many people can you feed with this set up?

Nicole: When the kitchen cupboards are full, we can feed up to 20 people or so.

Weiss: No Kidding? Wow, that's amazing.

Nicole: Yes, but we haven't fed that many in a while. (chuckle)

Weiss: Alright! Well we were just checking things out, I would say have a great weekend then.

Nicole: Thanks, oh yeah it is Friday, isn't it?

Weiss; Yes, have a good weekend.

Nicole: alright, you too.

Weiss: (backs off and heads to vehicle)

Sharkey: Um! Can you tell me what it is that you are doing here?

Nicole: With what?

(there was our sluice box on the ground, and a pump motor / she points to them)

Sharkey: These here (pointing)

Nicole: oh That is a sluice box.

Sharkey: and this?

Nicole: that is a pump of some sort connected to a little motor...

Sharkey: oh I see. Um what is used for?

Nicole: That is my mineral exploration device. I use it to extract certain minerals from a subsurface source.

Sharkey: oh I see. Can I see your ID?

Nicole: For what? I don't think you need to see that. You are not law enforcement .

Sharkey: Yeah I do, I am a federal BLM AGENT. If you want I can call the sheriff and he can get me your Id?

Nicole: Can you get your supervisor out here?

Sharkey: I'm calling the sheriff. "dispatch... BLM 807.. I need an officer out here just past Alder Creek bridge on the south fork road." I called the sheriff and he can get that info I need from you.

Nicole: Well I want to inform you that you are trespassing on a federal mining claim.

Sharkey: I want you to show me your mining corner posts, signs and notices.

Nicole: No. You are more than welcome to go and find them if you are so concerned of that, but the notice of location is located in that tree over there.

Sharkey: Can I have your ID?

Nicole: No I don't think you need my ID?

Sharkey: Mam, this is public land with a 14 day stay limit on it. How much longer do you think you will be staying? The rest of the weekend?

Nicole: I am not sure. And this is actually public domain once I entered it to prospect. Especially because I have a claim here!

Sharkey: This is public land.

Nicole: It WAS public land it is NOW Public DOMAIN. Are you familiar with laws that have granted me to be entitled to this public domain?

Sharkey: I am aware of the mining laws!

Nicole: Really? Which one?

Sharkey: The 1800 one.

Nicole: There isn't an 1800 mining law.

Sharkey: I own and manage all of these minerals you are trying to mine for. I need to identify who I am speaking with. ID?

Nicole: There is no reason to see my ID. Really? **You are telling me that you supersede the constitution of the United States?**

Sharkey: Yes, I do. I own ALL OF THESE MINERALS here.

Go to the internet address under the title of this article if you want to view the videos.

Nicole: No, you are a surface management agency, and what we are doing is extracting minerals from a SUB-surface area.

Sharkey: I don't think that will fly. You will have to show me an ID or I will make an arrest.

Nicole: You don't have that authority, you are a code enforcement, not a law enforcement officer.

Sharkey: No. I am a federal agent and I get my authority from the FLPMA

The sheriff and BLM agents stopped one mile from our campsite at a chevron station and parked their vehicles anywhere from 30 minutes to an hour with me in the back with tight cuffs on.

Tatilian: dispatch... Blm 807.. I have an unidentified female in custody...

Dispatcher: What's going on?

Tatilian: I have an unidentified female in custody who refused to give me her identification

Dispatcher: Whats the charge?

Tatilian: Obstruction

Dispatcher: For what?

Tatilian: refusing to give me her ID? I think she should go to ADA Co. Jail. Probably til Monday and she can see a judge.

Dispatch OR HIS SUPERVISOR (I WAS UNSURE HERE): Is Annmarie anywhere around you?

Tatilian: Yes. Hang on.

Sharkey: Dispatch... BLM 807

Dispatch: Hey uh, did you get those reports that were due this morning on (my/his) desk?

Sharkey: Ooh... I forgot. I will get those to you as soon as I get back to the desk/office.

(WEISS, SHARKEY AND TATILIAN STAND OUT IN FRONT OF THE HOOD OF SHERIFF VEHICLE TALKING) TATILIAN WALKS OVER TO MY DOOR; OPENS IT AND ...

TATILIAN: ARE YOU WILLING TO GIVE ME YOUR ID YET?

NICOLE: NO, I STILL DON'T SEE A REASON AS TO WHY YOU NEED THAT.

TATILIAN: I AM PLACING YOU UNDER ARREST FOR OBSTRUCTION.

Nicole: For what?

Tatilian: we could keep going round and round about this

(HE SHUTS THE DOOR IN MY FACE.)

(He walks back over to WEISS AND SHARKEY, they are laughing and I am just sitting there waiting)

A FEW MINUTES LATER HE WALKS BACK OVER TO MY DOOR OPENS IT AND...

TATILIAN: LOOK, I CAN TAKE YOU BACK TO YOUR CAMP IF YOU JUST GIVE ME THE INFO I REQUESTED

NICOLE: WHAT AM I BEING CHARGED WITH?

TATILIAN: I TOLD YOU.

NICOLE: I DON'T KNOW WHAT THAT MEANS OR OBSTRUCTION TO WHAT?

TATILIAN: I TOLD YOU THAT I NEEDED TO TELL MY DISPATCH WHAT CALL I WAS ON AND AN IDENTIFICATION.

HE SHUTS THE DOOR AGAIN.

A FEW MINUTES GO BY AGAIN AND THEN HE COMES BACK OVER TO HIS SIDE OF THE VEHICLE GETS ON THE RADIO.

TATILIAN: A NUMBER I CAN'T REMEMBER... I NEED AN AUTHORIZATION...

DISPATCH: WHAT'S UP.

TATILIAN: I HAVE AN UNIDENTIFIED FEMALE IN CUSTODY AND NEED AUTHORIZATION TO ALLOW BLM 807 TO TRANSPORT TO ADA CO. JAIL.

Dispatch: ok. Hold on...

(WAITING)

DISPATCH: Ok! Authorized BLM 807 TO TRANSFER AND TRANSPORT TO ADA CO. JAIL.

TATILIAN: ALRIGHTY. THANK YOU SIR. Tatilian to sharkey: I can't take her because I am off at two am. It would be overtime.

(HE GETS OUT. TATILIAN, WEISS AND SHARKEY GATHER AGAIN AND TALK)

TATILIAN GETS HIS CLIPBOARD AND STARTS WRITING. (THE PAPER TIME HE WROTE WAS 22:17 pm, THAT I RECEIVED WITH MY BELONGINGS AT THE JAIL) He walks to my side of the vehicle opens the door again: (RADIO IN HAND) "UM HAZEL OR BROWN, POSSIBLE HAZEL... APPROX 6FT..."

Nicole: CAN I ASK YOU A QUESTION?

TATILIAN: YES.

NICOLE: WHEN YOU BECAME A SHERIFF, YOU HAD TO TAKE AN OATH TO SERVE AND TO PROTECT, CORRECT?

TATILIAN: Yes and I am very proud to protect and serve!

Nicole: OK. Then why aren't you protecting me from these people who are harassing me for no reason at all?

Tatilian: Because I don't believe they are harassing you. The BLM doesn't have codes or regulations that mandate you to provide an ID AND YOU DON'T HAVE TO; BUT WHEN I ASK YOU TO YOU KEEP REFUSING.

Nicole: because you haven't clearly stated or articulated why I am arrested and clearly explained to me what my charges are!

Tatilian: I told you, OBSTRUCTION.

NICOLE: Of what though?

Tatilian: (this is fuzzy) obstruction of an investigation.

Nicole: nope! Not good enough for me. (he closed the door again)

Again a few minutes later, he comes back and asks me to get out of the vehicle ...

He helped me get one shoe back on and my long leg got stuck in the tiny back seat. As I struggled with really tight cuffs on behind my back, he pulled my legs toward the door releasing the leg. He stated:

Tatilian: Mam. I am transferring you to the custody of the BLM and they will transfer you to the ADA CO. JAIL. WE ARE REMOVING THESE CUFFS AND PLACING YOU IN A BELT AND ATTACHING YOUR CUFFS TO IT.

WEISS PUT ME IN THE BELT AND CUFFS (FINALLY HE LOOSEMED THEM!) He led me to a vehicle that had this seat in a cage and placed my seat belt on. WEISS WAS TRAINING AS HE STATED HE HADN'T DONE A TRANSFER BEFORE. SHARKEY SAID TO MARK MILEAGE AND WHEN CROSSING CO. LINES, HE IS TO RADIO DISPATCH AND LET THEM KNOW. STARTING MILEAGE WAS 5060 AND ENDED AT 5110. WEISS RADIOED THIS TO DISPATCH

WEISS: DISPATCH STARTING MILEAGE AND TIME. NOT A WORD WAS SAID FOR THE ENTIRE TRIP. OTHER THAN SHARKEY TO TEACH WEISS HOW TO OPERATE THE COMPUTER IN THE VEHICLE. THROUGH LITTLE HOLES IN THE CAGE, I PROBABLY WAS SITTING IN THE DOG KENNEL PART OF THE VEHICLE. HEHE Anyway, I saw SHARKEY ENTER IN THE COMPUTER ABOUT THE BLM 807 AT SOUTHFORK AND ALDER, TRANSPORT... THE COMPUTER CLOSED.

THE SILENCE CONTINUED... WE ARRIVED AT THE ADA CO. JAIL, AND SHARKEY INFORMED WEISS THAT THE JAIL KNOWS HER AS "ROBERTS807" AND SLOWLY PULLED INTO THE SALLYPORT. SHARKEY GETS OUT AND OPENS HATCH TO VEHICLE. EXPLAINS THAT WEISS AND HER MUST REMOVE THIGH TACTICAL HOLSTER WITH FIRE ARMS, TAZERS AND ALL MAGS. ... WEISS DOES SO! WEISS COMES OVER TO MY DOOR AND STATES THAT WE ARE READY TO BOOK. HE THEN WALKS ME

OVER TO THE DOOR WITH A SIGN THAT SAYS: HAVE ALL FIRE ARMS REMOVED AND PAPERWORK COMPLETED!"

The voice over the intercom stated agent Sharkey (they know her well apparently) please remove your mags. Is your paper work done?

Sharkey: No! Hold on.

Weiss: (to me) mam, please have a seat here. (on a bench)

Sharkey fills something out and then takes off her mags

Weiss: (to me) Mam, come we are ready.

Nicole: Ok, I stand up and electronic door opens and Weiss leads me in with sharkey following.

They stand there and converse with an ADA CO. DEPUTY. I don't know his name. but he was really nice to me and said that we had an option to let the BLM agents go and he can work with me or I could sit in Jail until I see a judge on Monday.

Nicole: Officer, I have no problem working with you and thank you for being so nice to me.

Officer: no problem, LET ME SEND THEM ON THEIR WAY! Just stay seated here and the female officer here will conduct a body search.

Nicole: ...

The two BLM seemed like they left.... The saga continues. I get through another vigorous "pat down" and the question the female officer asked was why are you in here?

Nicole: I still don't know.

Officer: They say obstruction but they don't say what for.

Nicole: I know and that is why I am confused.

OFFICER: I NEED YOUR NAME, SOCIAL AND BIRTHDATE.... ADDRESS PLEASE. PHONE NUMBER AND EMERGENCY CONTACT.

NICOLE: I GIVE IT TO HER. (SHE NEVER ASKED FOR MY ID)

Officer: OK. Well unfortunately it takes a long time to get out of here, are you willing to just bond out?

Nicole: yes!..

Officer: (whispers to me) This is ridiculous...

Nicole: I know.

So I go to make my phone call. Talk to my husband and sit down. The officer wanted to get my prints. I was talking to him about the technology in those things now and he looked at me and said, why are you here? **Nicole:** I don't

know, is finger printing normal? Will this show on my record? **Officer:** no, its just a crime database... it maybe a misdemeanor. But don't quote me....



Raid on Miners Doesn't Go As Planned

Western Mining Alliance Newsletter, August 2012

<http://westernminingalliance.org/wp-content/uploads/2012/08/AUGUST-2012-Newsletter.pdf>

California Department of Fish and Game officers executed a warrantless raid on private property owned by miner Jim Holden. Jim's property, located on the Middle Fork of the Yuba River in Nevada County, California was the target of a Fish and Game operation conducted on private property, without a warrant and without probable cause.

On the morning of May 18th armed officers wearing body armor and wielding shotguns and pistols stormed Jim's camp. Jim believes they were hiding in the brush up the hill when his dog began barking. Believing the dog was barking at a nuisance bear, Jim's mining partner fired a shot into the ground to scare the bear away.

The shot scared more than a bear away. Immediately two armed men pointing a shotgun at the miners ran from the bushes yelling "get down, everybody down."

Jim refused to get down. "Nobody comes onto my private property pointing guns at me and telling me to get on the ground. They're the ones that need to be on the ground." Jim said.

"As they came down the hill I asked them who they were and what the hell they were doing on my property."

"They replied they were 'special police' and they had reports from three years ago that I was dredging."

Jim asked the Fish and Game agents who had filed this complaint three years ago. They replied they couldn't tell him. They also said that a fisherman had reported that Jim was unlawfully dredging. Again Jim asked for a name and again they said they couldn't tell him. "They wanted us to put our hands in the air and to disarm. I refused to and I told them that this was my property and I would tell people what to do on my property." Jim said, "I asked to see their warrant and they told me they didn't need a warrant as they were special

police with authority to go where they wanted and when they wanted." Jim told the Fish and Game agents to leave his property and they refused.

"I again told them, in a pretty loud voice, they were on my private property and they told me that private property didn't mean anything to them." Jim, a Navy veteran and seventy years old told the Fish and Game agents that the United States Constitution protected him from warrantless searches and "they told me the Constitution didn't mean anything to them and if I didn't like it I could take it up with their supervisor."

The Fourth Amendment reads "The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and Warrants shall issue, but upon probable cause..."

"Anonymous tips that are three years old does not sound like probable cause to me, but what really made me mad is when they demanded to see my dredge. I showed them my dredge which hadn't been used for three years and the one agent said 'That's pretty clever to put spider webs on it to make it look like it's not being used.'"

"I told them it wasn't being used. They replied 'We got here to early didn't we? I asked them too early for what and they said 'To catch you dredging.'"

"I escorted them back to the trail and again asked them to leave. They looked around my camp and they asked me 'Where was I growing the marijuana?' Then they asked me if I was running a hippie commune down here. There was four miners, I guess that must be a hippie commune to them. I think they forgot that miners actually work for a living."

The raid ended with the two Fish and Game agents leaving without an apology or explanation. The following Monday Jim went to see their supervisor who said he wouldn't speak to him because he was afraid of being sued. Jim is in contact with his attorney.



New Mexico Sheriffs Standing Tall

Larry Pratt, December 22, 2011 by Personal Liberty News Desk
<http://personalliberty.com/2011/12/22/new-mexico-sheriffs-standing-tall/>

Gun Owners of America member Dr. Ray Seidel alerted me to the stirring of freedom that is taking place in his village of Ruidoso, N.M. I have already reported on the first battle with Mayor Ray Alborn and how he tried to impose an unconstitutional gun ban in the village.

I recently interviewed Seidel on my *Gun Owners News Hour* weekly radio program and asked him about several acts of local interposition in the surrounding counties — all of which underscore the importance of the office of the sheriff and the militia.

For example, near Deming, N.M., is the Gila National Forest. The U.S. Forest Service wanted to make almost all of it off limits for people — until the militia of Luna County intervened. The militia told the Feds that it would resist any effort by the Forest Service to restrict access to visitors. The result? Visitors have continued to access all of the Gila National Forest.

In the Southeast corner of the State, many landowners have working oil wells on their property. The Environmental Protection Agency told the oil operators they would have to stop operating their wells because there was too much risk of harming the environment. At a town hall meeting convened by the EPA, a woman in her 60s rose to address the Feds. She pointed out that her land had been in her family for more than 200 years, and she was not about to let some official from an unconstitutional bureaucracy tell her what she could or could not do with her land.

The woman ended by warning the Feds that her family has many guns and a huge supply of ammunition and they would use all of it, if needed, to keep the EPA off of their land. The locals who had packed out the hearing room jumped to their feet with a shout and prolonged applause. That was in August. So far, oil is still being pumped at full tilt.

In Otero County, villages in the mountains are surrounded by forests. The county commission voted to establish an 80,000-acre plan to manage forest overgrowth. Residents wanted to cut fire breaks to protect their homes in Cloudcroft, but the Forest Service said, "No." The residents responded that they had to for safety's sake and were going to construct the fire break in spite of the Forest Service. Residents were told that if they cut down any trees, they would

be arrested. But Sheriff Benny House told the Forest Service that if they made any arrests, they would be arrested for false arrest.

Not only were the trees cut down with no opposition from the Feds, but the first tree was cut down by Representative Steve Pearce (R-N.M.). I wish there were many more people like Pearce. The folks in New Mexico's Second District are blessed with a Constitution-supporting congressman and a number of Constitutional sheriffs backed by the militias of their counties. This is the way that local governments can push back and help the Feds live within the limitations that have been placed upon them in Article 1, Section 8 of the U.S. Constitution.

As you can see, there's a lot happening in New Mexico. Seidel has been at the center of a lot of it. Two weeks after the people of Ruidoso prevailed in the gun ban debate, the mayor decided to seek revenge. He went to the State capital of Santa Fe and met with Federal officials there. That same week, Seidel got a notice from the Internal Revenue Service stating that he had until a certain date to file his taxes, which he has refused to do for several years.

Seidel makes no secret of his refusal to submit to the IRS, which he considers part of an unconstitutional regime in Washington. The IRS intended to encumber his assets if he did not bend his knee. Seidel visited the county sheriff, who understood what Seidel was trying to do and told him he would have his back. The same was true for the village police chief, the same officer who refused to have his men arrest people who were defying the Ruidoso gun ban by carrying openly in the village council chambers.

Not only were the sheriff and police chief alerted to the possibility of IRS action against Seidel, but so was the militia in Lincoln County — more than 200 men who keep their rifles and battle bags in their vehicles 24/7. They can muster in about 30 minutes at any place in the county.

Seidel visited with the village assessor, who would be the official to place the encumbrances on his assets. Seidel explained (as he does with everyone) that Title 42, Chapter 1, Subchapter 1, Section 1983 of the Federal code would be used to sue her personally for violating his civil rights. That is, he would sue her if any of his assets were encumbered without having first secured a warrant from an Article III court.

Seidel has frequently argued that he will gladly submit to a Federal court (authorized under Article III of the U.S. Constitution) as opposed to a mere tax court (which is an unconstitutional creature within the IRS). As with many administrative agencies, the combining of legislative, executive and judicial

powers within the same four walls constitutes the very definition of tyranny, which James Madison warned us about in Federalist 47.

Seidel has used Title 42 on other occasions. One involved a state trooper with an anger-management problem who falsely arrested Seidel's son. Since being served with a Title 42 suit, the officer has been able to control his anger.

The deadline is long past and the IRS has done nothing, so the assessor is off the hook for now. But New Mexico is becoming a textbook example of how the Founding Fathers envisioned the States would rein in an out-of-control government.

As stated by Alexander Hamilton in Federalist 28: "It may safely be received as an axiom in our political system that the State governments will, in all possible contingencies, afford complete security against invasions of the public liberty by the national authority."

If there were more sheriffs like those in New Mexico serving around the country, we would be well on the way to safeguarding our liberties against Washington's "invasions of the public liberty." It also might occur to the Congress that more examples of sheriffs interposing themselves might result in shrinking down the Federal government to do little more than just funding the national defense.



If I Owned The Woods

by Jim Beers, August 21, 2012

<http://buchal4ag.com/news/if-i-owned-the-woods-by-jim-beers/>



Suppose I bought all the woods and hills around a thriving valley where farms and ranches abounded and town families prospered from a mix of agricultural support and several small industrial businesses. Suppose further that all the

former owners from whom I had bought the land had been considered part of the greater valley community for generations.

What if I:

- - Went to court and closed every road through my property that I could?
- - Vegetated every closed road so that travel through my property by anyone from hunters to firefighters was impossible?
- - Eliminated all grazing and timber cutting on my property?
- - Closed my property to hunting, fishing, and trapping and any access?
- - Refused to clean up downed timber after a big storm?
- - Refused to spray insect-infested trees, or to remove dead ones?
- - Brought cougars, wolves, and grizzly bears onto my property and released them?
- - Refused to accept any responsibility for human injuries or dead animals resulting from MY predators?
- - Made firefighting access and water availability to fight fires that started on my property unavailable UNLESS the valley residents bought ME airplanes and hired many new employees to work FOR ME when they weren't fighting MY FIRES that could spread to the valley.
- - Went to court and obtained a judgment that because I was not commercial and was considered a charitable, scientific entity that Local and State governments not only could not tell me what to do on my property, they and my neighbors would have to accept any impacts my land use practices imposed on them?

Well, of course:

- - Sawmills would close because timber harvests that had gone on for generations ceased.
- - Sawyers, like ranch-hands, would become unemployed as timber cutting and grazing acreages disappeared.
- - Ranches would steadily dwindle in herd size and then in numbers as forage availability dwindled.
- - Farms would dwindle as part-time work in the valley and in The Woods disappeared.
- - Businesses would dwindle and disappear as transportation into and out of the valley was constricted.
- - Real estate values would plummet as farm land became unprofitable and town homes lacked for buyers since there was no work available and predator problems even in town became endemic. Insurance rates skyrocketed since predator damage was the sole responsibility of the unfortunate citizens damaged in any way.
- - Hunting, fishing and trapping disappeared. Businesses for guiding, housing and feeding such folks also dried up as access disappeared and

predators both reduced game and posed deadly threats to visitors, children, and others considering outdoor activities.

- - Local government and State government revenue of all sorts fell precipitously while demands for government “help” skyrocketed.. My land went untaxed since it was “devoted to a higher ideal”, businesses closed up, agriculture dwindled, families moved away or went on welfare, and vacant and “foreclosed” home sites proliferated.

As all this went on, I became more powerful. I bought up parcels all over the valley. While I closed them to any use by local people, I bought, or rented at a discount, properties that would further close roads and pinch off increasingly isolated private property of former ranchers and farmers and long-time residents of the valley. Local government did only what I ALLOWED and I stacked the State Legislature with the best politicians that MY MONEY COULD BUY!

QUESTION: Who am I?

No, I am not Henry Potter. You remember him don't you? Lionel Barrymore played him in “It's a Wonderful Life”. He was the evil old cuss that made everyone poor and created that gloomy town where James Stewart (George Bailey) contemplated suicide until the angel showed him how important he (and really EACH OF US is) was to his community.

No, I am not some media mogul or Hollywood gazillionaire buying up rural land and then imposing urban standards and fantasies on rural communities.

I AM UNCLE SAM!

I am the US Forest Service. I am the National Park Service. I am the Bureau of Land Management. I am the US Fish & Wildlife Service. I control over 40% of the United States.

I am steadily eliminating all sustainable uses and management of RENEWABLE natural resources on MY LAND. I am eliminating roads and access on MY LAND. I am ignoring enormous fire-fuel accumulations resulting from Wilderness, Parks, storm damage, Roadless Areas, insect damage. I am closing access and roads everywhere to impede firefighting and public access. I am demanding that already-impooverished taxpayers give me more firefighters and expensive equipment to appear to be fighting fires of increasing magnitude and frequency. I accept NO RESPONSIBILITY (exactly as I have established the legal precedence for damage from the wolves and grizzly bears THAT I INTRODUCED AND SPREAD) for fire damage to residences, towns, and businesses resulting from fires STARTED AS A RESULT OF MY ACTIONS AND INACTIONS ON MY PROPERTY! I have spent over 40 years establishing legal precedents that say

State and Local governments cannot tell me what to do or not do on MY PROPERTY.

I have financially and professionally seduced State bureaucrats and State politicians to become my secret mistresses for whatever I want to do. I put millions of rural employees and thousands of rural businesses out of work and then vow to “reduce unemployment” and “support small businesses”. I breed and release wolves on MY PROPERTY to infest State and private “neighbors” and do likewise with even more deadly and destructive grizzly bears and, like Henry Potter, despise and ridicule the ignorant bumpkins he evicts into the snow.

Uncle Sam has exceeded the slumlord Henry Potter in arrogance and evil. I suggest that when they make the movie one day, they consider cutting and pasting Spencer Tracy from the movie “Dr. Jekyll and Mr. Hyde”. The 4 federal agencies cited above go about like Dr. Jekyll daily making scientific pronouncements and seeming good; while in truth killing and spreading evil nightly before reassuming the sweet appearance of a do-gooder.



Why Won't They Leave Us Alone?

The simple answer is – because they can't.

By Eric Peters, August 30, 2012

<http://ericpetersautos.com/2012/08/30/why-wont-they-leave-us-alone/>

Cloverism is a one-way street.

Libertarians, anarchists and others who hew to the philosophy of live – and *let* live – aren't the least bit interested in controlling other people. It does not occur to them. In fact, it goes against their nature. It's an affront to their very core because, after all, if you wish to be left in peace you must also wish that *others* be left in peace, too. And more, you must accept this as *just* – as the right and proper order of things. The liberty of others must be as sacred to you as your own liberty – and require a defense (when necessary) every bit as vigorous.

Otherwise, you're not just a hypocrite – you're a narcissist and possibly, a psychopath.

The freedom philosophy is an outgrowth of empathy. Of a gut awareness of the other as a mirror image of oneself. It therefore deeply troubles the Libertarian and the anarchist to think about someone else, anyone else, being *bullied* – a more honest term than merely *controlling* someone else. It is literally nauseating to contemplate. It makes one physically ill – then angry – to witness blue-shirted

TSA goons degrading old ladies and children (and adult males, too). It is enraging to hear about people who are harming no one being thrown into cages as a result of having offended against some manufactured statute. It is depressing to look about one and see a world in which men feed on men – via the ballot box, via the bureaucracy. In which all it takes to take your neighbor's property – perhaps even his *life* – is a voting majority in the next election.

The Libertarian and the anarchist do not want anything from others that isn't the result of peaceful, free consent. The Libertarian and the anarchist proceed from the old common law idea that for there to be a *crime* there must be a *victim* – and that absent a victim, any harassment or prosecution is *itself* a crime. Where we, as individuals, personally disagree with the choices made by others is insufficient cause for forcible interference. It does not mean approval. It can even mean avoidance – or censure. But it can never mean *force* in the absence of a *victim*. The “greatest good” is *liberty* – free will, free choice – and can never flow from the barrel of a gun.

We accept that we must live – and let live.

Even when it chafes.

Even when we see it as foolhardy.

And even when there will be negative consequences – because we know that it is better for individuals to face the negative consequences of their individual actions than it is to impose negative consequences wholesale on others who have given no cause to warrant it. We know there is no justice in this – and much tyranny.

Clover is the dark matter opposite of this at the core of his being. Though he will speak in terms of “cooperation” and “helping” others, his voluntarism ends when the volunteering does. Decline – and you will face force. Clovers cannot abide agreeing to disagree. If you do not agree to “help” – you will be *forced* to help. If you are not interested in “cooperating,” you will be *compelled* to cooperate.

It is the Clover's way – or much worse than merely the highway.

There is no *yours*. Only *ours*. The collective, with Clover as its arbiter. “Society,” “our children.” The relentless We.

The Clover is like a suffocating parent in being suffused with the desire to control – and to control for the “good” of the “child.” There is the always-present self-

righteousness, the *moralizing*, that accompanies Cloverism. The Clover is possessed of superior knowledge in all things. He knows it. He *feels* it.

And he will make you *do* it.

But he is worse than a suffocating parent because one cannot quit him, ever. A child may have to endure while he is a child, but emancipation is always there on the horizon, a beacon of hope in the midst of temporary oppression. He knows that, come 18, he will be free. That his parents will no longer be able to oppress him – unless he freely consents to be oppressed. He may *leave* – and be done with them. The worst they can do to him is rant and rave, or withhold affection. But they are powerless to control him.

Yet he is not free.

The impotent rage of his parents against his willfulness, his determination to live his life as *he* sees fit is replaced by the *potent* rage of the Clovers all around him. The ones who, like the parents he has left behind, know best about what he *must* believe, with whom to associate (and *not*), under what conditions he shall live his life – and so on – and are determined to compel his compliance to a degree beyond the most hysterical ranting of *Mommy Dearest*.

And who, unlike *Mommy Dearest*, have an enforcement mechanism at their disposal. Not merely the apparatus of the state, but millions of little helpers. The small-fry Clovers who suffer from the same defect of mind and soul. Who are prepared to man the checkpoints, the cubicles, the squad cars and the prison cells. Who are ready – and more than *willing* – to *do their job*.

There is no reprieve, no escape – no light at the end of the tunnel.

Cloverism is eternal, because it is congenital. A defect in the human genome.

Until this cancer can be excised, liberty will be imperfect – and ephemeral. Brief respites, temporary beacons of light – invariably snuffed by the urge to control, the incapacity to live – and let live.



Does “democracy” help the Endangered Species Act?

August 23, 2012, Damien M. Schiff, Pacific Legal Foundation

<http://blog.pacificlegal.org/>

So concludes a new study to be published in the journal *Science* by Emory biology professor Berry Brosi and UC Berkeley law professor Eric Biber. The gist of their analysis is that many species obtain ESA protection thanks to a citizen petition submitted under Section 4 of the Act. Without the petitioning process, the authors conclude, many species would not receive protection. The authors surmise that the Service fails to propose many species for listing because of political concerns. For example, a certain species may not be iconic (and thus not have much of a political constituency) and, at the same time, may pose a significant obstacle to land and resource development if it is protected.

My own anecdotal evidence would support the authors' conclusions. But I would disagree with the authors that combining “democracy” and the ESA is necessarily a good thing. For example, some environmental groups recently have submitted “mega petitions” that seek the listing of hundreds of species at a time. The Service obviously cannot respond to these petitions in a timely manner, so these groups seek judicial enforcement, obtain a friendly settlement, and collect sometimes not-insignificant attorney's fees. Further, I suspect that even the authors would recognize that the ESA petitioning process often leads to “pretextual listings,” meaning that the species is being protected not to preserve some anthropocentric value but rather to impede a productive human activity. I'm quite certain that Congress did not intend the ESA to be the chosen tool of NIMBYS and anti-growth groups, and yet such a fate has befallen the Act, in large measure due to the petitioning process that these authors laud.



Gold mine proposed in Eastern Oregon

July 24, 2012, Daily Journal of Commerce

<http://www.nola.com/newsflash/index.ssf/story/gold-mine-proposed-in-eastern-oregon/98e0a689b4e94ccf8c649f49484b38d0>

One would never know to look at it, but beneath the tumbleweeds and sun-baked rocky slopes outside of Vale in Eastern Oregon is some \$2 billion worth of gold. **Arden “Buck” Morrow** intends to mine it.

“I kind of scratch my head from time to time,” he said, “because when you go out there you don't see anything that just jumps out at you that says, ‘Oh, this may have gold in it.’ ”

But more than 20 years of prospecting and \$30 million-plus of research by multiple companies says otherwise, and Morrow, the president and CEO of Colorado-based [Calico Resources](#), is planning to extract it. This month, Calico became the first company in Oregon in 17 years to receive approval to move forward with permitting of its mining operation.

Permitting will take a couple of years yet, but construction of the mine and processing facility eventually will pump between \$50 million and \$100 million into the local economy.

“We could have used it yesterday – and obviously the sooner the better from the amount of jobs they’re projecting,” said **Dan Joyce**, Malheur County judge and commissioner.

Malheur County’s unemployment rate hovers around 9.5 percent – about 1 percent higher than the state’s. Joyce said the community, which has an agricultural-based economy, doesn’t experience the boom-and-bust cycles of other areas; however, it has a hard time keeping its young adults.

The county’s regional economist, **Jason Yohannan**, said there is an age gap in Malheur. Joyce said many residents in their 20s leave to find jobs – his son, for instance, is working at an oil field in Texas. So, local jobs are appreciated.

“Anything to keep them here,” he said.

Morrow said that when the mine is up and running, it will employ between 100 and 150 people for between seven and 20 years – depending on the yield. Early exploratory drillings indicate a deposit of 1.27 million ounces.

“So if you do the math, there’s a lot of gold there,” Morrow said.

With gold going for approximately \$1,600 per ounce, the lode is worth around \$2.03 billion.

But news of the gold’s existence isn’t new. Joyce has heard about it for the past 20 years and has watched as ownership of the Grassy Mountain land – roughly 25 miles southwest of Vale – has passed hands from owner to owner.

A couple of geologists made the discovery in the late 1980s, and a company named Atlas acquired it shortly thereafter. Atlas conducted a feasibility study and sold the 4,300-acre site in 1992 for \$30 million. But that deal fell through and the land was returned to Atlas in 1996.

In 2003, Atlas evidently fell on hard times and sold the land to [Seabridge Gold](#) for \$600,000, according to the Canadian company's website.

Then, last year, Calico acquired the land from Seabridge in exchange for shares in the company. Calico Resources is an American subsidiary of a Canadian TSX Venture Exchange company called Calico Resource Corp. The objective is to acquire high-quality, advanced exploration properties with near-term production capabilities.

Morrow said the company will perform more exploration work at Grassy Mountain and that it had 9,000 acres of unpatented mining claims.

The plan for the established lode is to dig an underground mine in order to reach high-grade deposits. From there, gold will be transported by truck to a processing facility or mine to produce doré bullion that will be sold to refiners.

Calico will hire a general contractor to build the mine, and Morrow said many skilled workers – metal, iron and concrete tradesmen as well as electricians and plumbers – would be needed.

As for the permanent jobs, Morrow said the average pay will range from \$20 to \$25 an hour for surface workers and \$60,000 to \$70,000 a year for the underground workers. The site superintendent will probably make six figures, he said.

Malheur County's average income for 2011 was \$30,240, so Yohannan said the mining jobs would be significant.

"It's a county that has one of the lowest pay scales in the state as it is, and the numbers you described sound like above-average wages even on a statewide basis," Yohannan said. "So if you're talking about jobs up to \$70,000 a year, it definitely would be an attractive position for that area."

Calico is beginning a feasibility study to determine how best to proceed as well as how to effectively tackle reclamation. After mining ends, Calico will need to replant the area and return it to its natural state.

Morrow also said that none of the chemicals used in the processing plant would leave the facility. He is working with the Oregon Department of Geology and Mineral Industries to craft a plan.

“If you take the mine site, the disturbed area is probably going to be less than a Walmart parking lot,” Morrow said. “I mean, we don’t make money disturbing the ground unnecessarily, and this is driven by economics.”

Morrow is a third generation miner who previously helped set up an \$850 million iron ore mine near Pajala, Sweden. Production is expected to start there next year.

“Mining gets a bad rap a lot of times,” Morrow said, “but it can be done correctly and we know how to do it correctly because we’ve done it correctly in the past.”



Golden Dreams?

If London’s *Financial Times* is right, the Republicans at their convention this week will announce a new “gold commission” to, as the *FT* reports, “look at restoring the link between the dollar and gold.” And that raises a very intriguing question: What would an ounce of gold be worth if, once again, government pegged the dollar’s value to the precious metal?

It’s an easy calculation. Just take America’s national gold holdings and spread them across the Federal Reserve’s current liabilities, since the liabilities are Federal Reserve Notes – i.e., dollars – floating around the global monetary system. For the record, the Fed’s liabilities, as of late-August, amount to \$2.77 trillion, while the Treasury, as of July 31, owns about 261.5 million ounces of gold. A little math and, voila ... the intrinsic value of gold today is \$10,600 an ounce, more than six times gold’s current spot price. That assumes, of course, a gold commission ultimately wants every dollar backed by an ounce of gold. In a system of “fractional money” that the Federal Reserve created in 1913, that’s not likely to be the case. But given the amount of U.S. dollars in the system that need a fundamental anchor, it is likely that the true value of gold rests somewhere between the current \$1,660 price and \$10,600 – and I’ll bet that value is north of \$5,000, which is why I personally own gold bullion and gold-mining stocks.

These kinds of news reports are easy to disregard. But they’re just crazy enough to have a kernel of truth buried in them somewhere. That’s precisely why we hold gold and gold-mining stocks in our *TSI* portfolio. The bullion is insurance ...

the mining shares are a leveraged bet. If nothing comes of the gold commission, gold goes higher over time because the dollar is a fundamentally gutless currency. And, if the commission does link dollars to gold again, gold prices soar quickly. Either way, you need to own gold.



Aaaand It's Gone, This Is Why You Always Demand Physical

by [Tyler Durden](#) on 08/14/2012

<http://www.zerohedge.com/news/and-why-you-always-demand-physical>

We have said it over and over, we'll say it again. For all those who for one reason or another would like to boycott the broken markets, yet trade gold in paper form, please understand that **all** the invested capital is at risk of total loss and can and will be lost, commingled and rehypothecated, not necessarily in that order, with little to zero recourse and the residual claim on liquidating assets pushed to the very end of the queue. Because if Lehman, MF Global, Peregrine, and countless other examples were not enough, here comes Amber Gold: a gold-based investment ponzi scheme out of Poland, in which it is likely needless to say that the gullible investors never had actual possession of the gold. And when they tried, it was gone. All gone.

From the [WSJ](#):

This week's collapse of a gold-derivatives business that Polish regulators say was a Ponzi scheme has hit tens of thousands of customers, shaken confidence in the effectiveness of the nation's financial regulation, and is roiling national politics in the European Union's largest emerging economy.

On Monday, the company, Amber Gold, Sp. z o.o., which sold a gold-indexed investment of its own design and offered higher interest rates than banks, said it was halting operations. It pledged eventually to repay about \$24 million it said it owed to roughly 50,000 clients in Poland.

Amber Gold's 28-year-old founder, Marcin Plichta, who has publicly acknowledged past convictions for misappropriating funds, couldn't be reached to comment. Amber Gold representatives were also unreachable.

Despite three years of warnings by Poland's financial authorities that the company was operating without a license, it continued expanding and spent heavily on marketing. Among its businesses, the company launched

a budget airline this year to compete with state-owned LOT Polish Airlines SA on domestic and European routes.

The airline, OLT Express, ceased flights last month and the gold fund unraveled this month after renewed government warnings prompted commercial banks to close Amber Gold's accounts. The company said "the liquidation process will be spread over time," without specifying when people might get their money back.

On Tuesday, Prime Minister Donald Tusk referred to Amber Gold as "a scheme" and said he ordered his finance minister to convene top financial authorities—including the central bank and consumer protection office—to discuss the company's demise and the effect on customers. "All signs on heaven and earth suggest that people who put their trust in that company have been cheated," Mr. Tusk said. He said it is the duty of the state "to move fast enough to protect people from those schemes."

"I'm shocked at this point and I don't know what to do," said a woman in her 40s, who didn't give her name but said she was an Amber Gold client. "The boss of this company is a very wealthy man and I don't know who will have the authority to block his wealth so he doesn't escape."

Amber Gold has said it has \$45 million in assets, including 100 kilograms of gold. For years it hasn't issued required financial statements, a lapse that draws a small penalty.

What can be said here: same sad story, different day. People preying on the "get rich quick" euphoria (we would call it laziness but the word is just slightly off color) of others, throwing in a symbol of stability (gold), and laundering proceeds to "baffle everyone with bullshit" all the while the regulators confirm that regulation is meaningless, by **not** doing their job (and in America would have likely been part of the ploy - apparently in Poland they are amateurs). Said prey also thought that if things turned sour they would be able to pull all their "gold" which *just has to exist*, because someone else has certainly checked, *right*, after all there are tens of thousands (of confused lambs part of this), ahead of everyone else.

Alas, as with every Ponzi, this "strategy" never works. It didn't work for the original Ponzi, it didn't work for Bernie Madoff, and it won't work for the global capital markets, which are increasingly perceived by everyone as merely the largest and most comprehensive **thoroughly legitimized by their broke host governments and corrupt regulators** Ponzi scheme ever conceived.

And so, as we said in the beginning, anyone who puts **any** amount of money in the market should expect to lose all of it. The US government and the Fed may believe that have eliminated risk but instead they have merely magnified it to a point when even a 10 point drop in the Dow Jones Industrial average feels like the imminent advent of armageddon.

Want to play in a rigged, broken casino? Go ahead - and but don't expect to recovery **anything**.

For everyone else for whom preservation of capital is more important than gambling, buy precious metals. **And get immediate delivery**. Because holding a symbolic representation of a flight to safety "asset" via Cede & Co is simply said, idiotic.



Big Changes Ahead Gold Just Became Money Again

Doug Hornig, Senior Editor, Casey Research, August 17, 2012 10:15am GMT

<http://www.caseyresearch.com/articles/big-changes-ahead-gold-just-became-money-again?ppref=CRX433ED0812A>

On June 18, the Federal Reserve and FDIC circulated a letter to banks that proposes to harmonize US regulatory capital rules with Basel III.

BASEL III is an accord that tells a bank how much capital it must hold to safeguard its solvency and overall economic stability.

It's a global standard on bank [capital adequacy](#), [stress testing](#), and [market liquidity risk](#).

Here's the important bit:

At the top of the proposed changes is the new list of "zero-percent risk weighted items," which now includes "gold bullion," right after "cash."

That's the part to take notice of.

If the proposals are approved by regulators – and that seems likely since adoption of Basel III will be – then this is a momentous change for the gold market.

Now banks will be allowed to hold bullion in their vaults and count it among their Tier 1 assets – in other words, the least risky assets.

That by itself would be bullish for the gold price, as banks that recognize gold's unique characteristics seek to stockpile more of it.

But that's not the whole story...

Gold Regains Money Status

For one thing, Basel III also stipulates that a bank's Tier 1 holdings must rise from 4% of assets to 6%.

That means that banks may not only replace a portion of their existing paper with bullion, but may use it to meet some of the extra 2% as well.

In addition, this vote of confidence from the highest monetary authorities gives further impetus to the remonetization of gold.

In essence, what's happening is that from now on gold will be considered "money" in virtually the same way as cash or bonds.

And banks will be given the choice between holding more of their core assets in history's most reliable store of value vs. paper backed by nothing more than the promises of increasingly wasteful governments.

Finally, there is the impact on individual and institutional investors.

Jeff Clark, in Casey Research's *BIG GOLD* newsletter, has been guiding gold investors for years. In his view, this news looks set to really shake up the gold market, because as regulators and banks increasingly view gold as having safety on a par with the various paper alternatives, it is logical that they will also see the need to beef up their own holdings.

There are a number of positives for gold going forward.

Though it remains speculation on our part, we believe that the net result of Basel III and associated adjustments to US regulations will be an increased recognition of gold's safe-haven status across all markets.

And that translates into higher global demand for the metal next year, and a concomitant increase in its price.



Love Trade Cools as Central Banks' Gold Demand Heats Up

By Frank Holmes, CEO and Chief Investment Officer, U.S. Global Investors

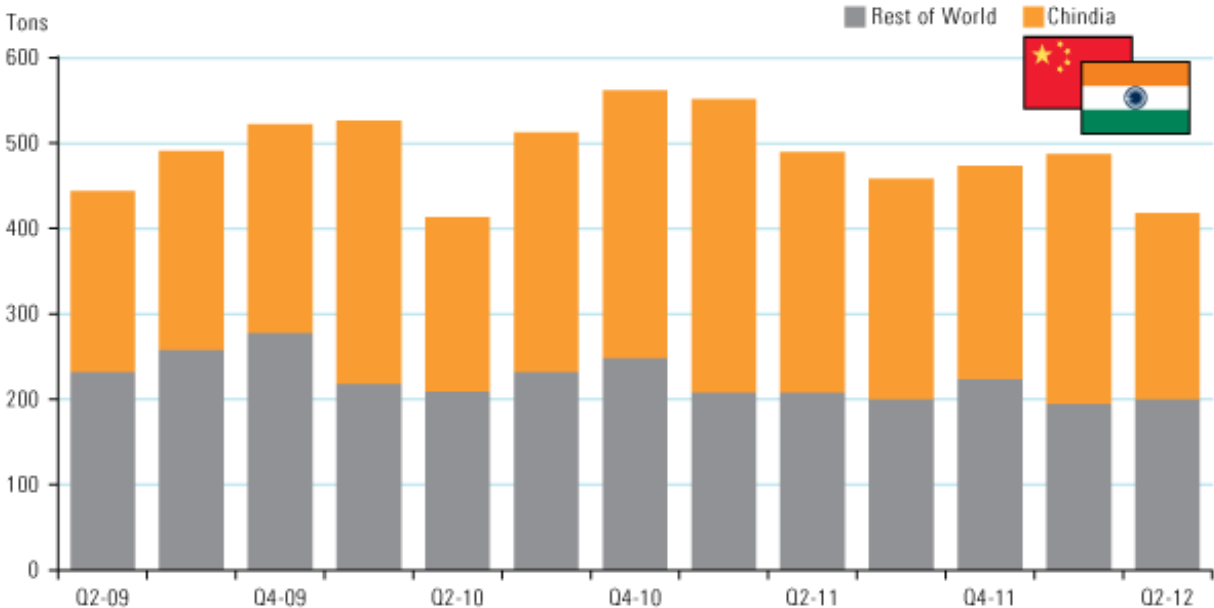
August 17, 2012

http://www.usfunds.com/investor-resources/investor-alert/?utm_source=SubscriberMail&utm_medium=email&utm_campaign=IA-08-17-2012&utm_term=USFunds.com%20Logo%20Link&utm_content=dc14275ca902476f96e5f1a8d1df0917

The two largest gold buyers in the world that largely drive the [Love Trade](#), China and India, underwhelmed the metals market with their subdued demand for the yellow metal during the second quarter of this year.

According to the [World Gold Council's](#) (WGC) quarterly Gold Demand Trends report, total demand was 990 tons, which was about 7 percent lower compared to the second quarter of 2011. When you break down demand and look at the jewelry sector, you can see that Chindia remains about 50 percent of the world's total gold demand. However, this quarter's jewelry demand of a little more than 400 tons makes it one of the weakest periods in two years.

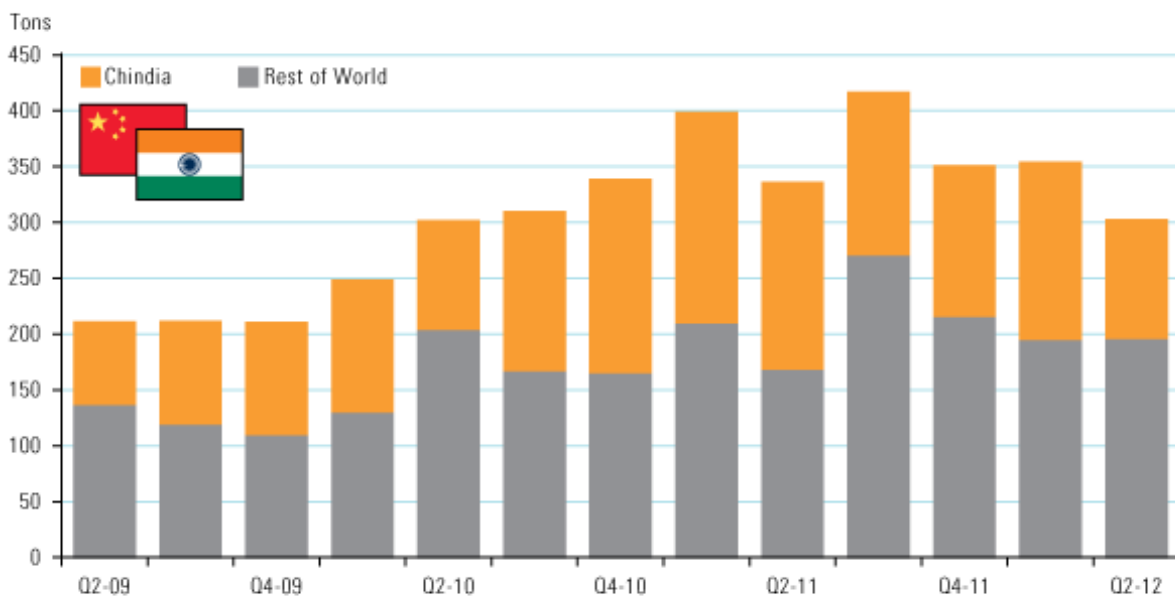
Jewelry Demand: Rest of the World vs. Chindia



Source: Thomson Reuters GFMS, World Gold Council

Total bar and coin demand was also weak in China and India compared with the rest of the world.

Bar & Coin Demand: Rest of the World vs. Chindia



Source: Thomson Reuters GFMS, World Gold Council

As we discussed earlier this year, India has been facing a number of economic challenges, resulting in a dramatic decrease of 30 percent in jewelry demand for the country over the second quarter compared to this time last year. The country's "unsupportive environment" for gold included a slowing GDP growth, record high gold prices because of its currency, rising domestic inflation, high interest rates, and fears of a poor monsoon season, says the WGC.

China's gold demand has been affected by a slowing economy as well as a "lack of clear direction in the gold price," says the WGC. However, during the WGC's conference call, Managing Director of Investment Marcus Grubb said it would be wrong to think that China is entering a period of extended weakness. If you look at Chinese demand for gold over the first half of 2012, the level was 410 tons—about the level that it was this time last year over the same period.

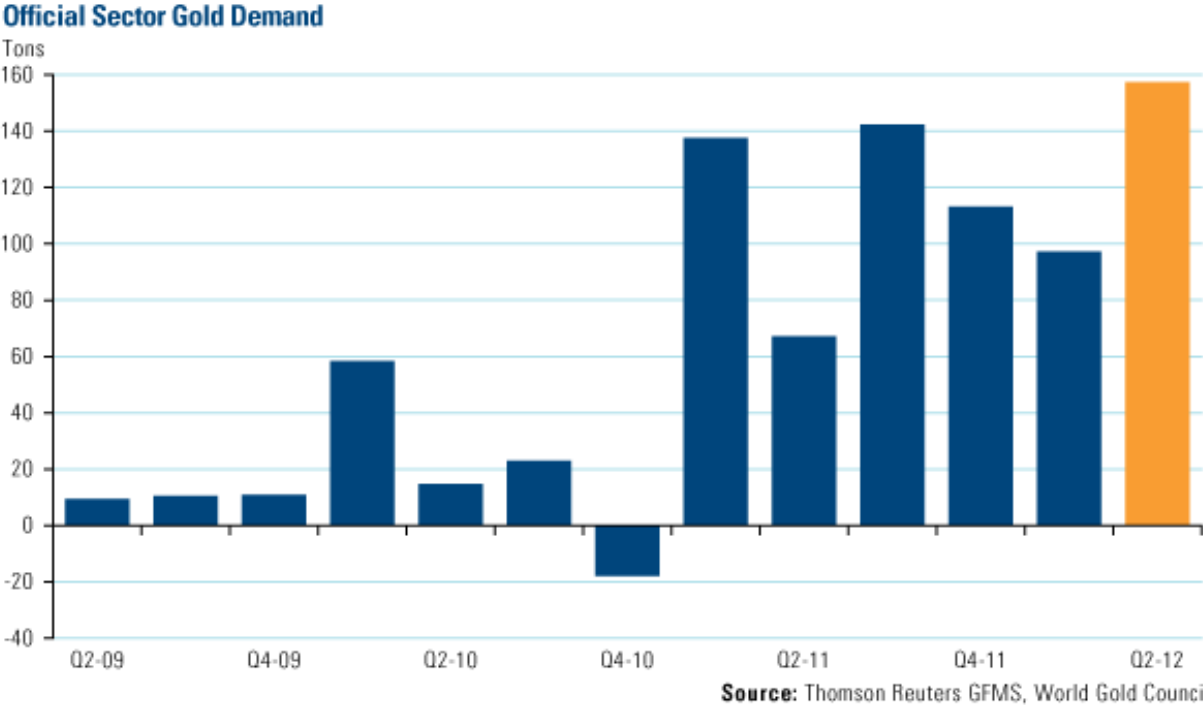
As we enter the Love Season for gold, we'll look for any indications from government policies that might spur the continuation of the long-standing tradition of gold buying for weddings and Diwali in India, along with gold gifts for weddings and births that take place in China during this auspicious Year of the Dragon.

Although the Love Trade is on ice for the period, a relatively new gold buyer has been warming up to gold.

The official sector continued its gold buying spree this quarter. The WGC reported that central bank purchases hit a record high since the official sector became gold buyers three years ago. According to Mr. Grubb, if this trend continues over the remainder of 2012, central banks will be entering a “new territory” of gold buying that has not been seen since the early 1960s and since the end of the Bretton Woods System in 1971.

According to the firm’s quarter-end data, official sector institutions purchased 158 tons of gold in the second quarter—or about 16 percent of the quarter’s total gold demand. During the first half of 2012, central banks have acquired 254 tons of the metal, which is about 25 percent higher than the same period last year, says WGC.

Central banks from developing markets led the buying trend once again. The WGC says Kazakhstan indicated that it is “targeting an allocation to gold of 15 percent of its foreign exchange reserves” and one way it plans to build up its allocation is to purchase “the country’s entire domestic production over the next two to three years.”



Other emerging countries with central banks increasing their allocations to gold include Mexico, the Philippines, Russia, Turkey and Ukraine. According to Mr. Grubb, central banks have been motivated to add gold mainly as a currency hedge. Central banks want to increase their weightings in reserve asset

portfolios and diversify away their dependence on U.S. dollars—and possibly the euro. There's also a belief that sovereign debt is no longer considered to be a "risk-free" asset, says the WGC.

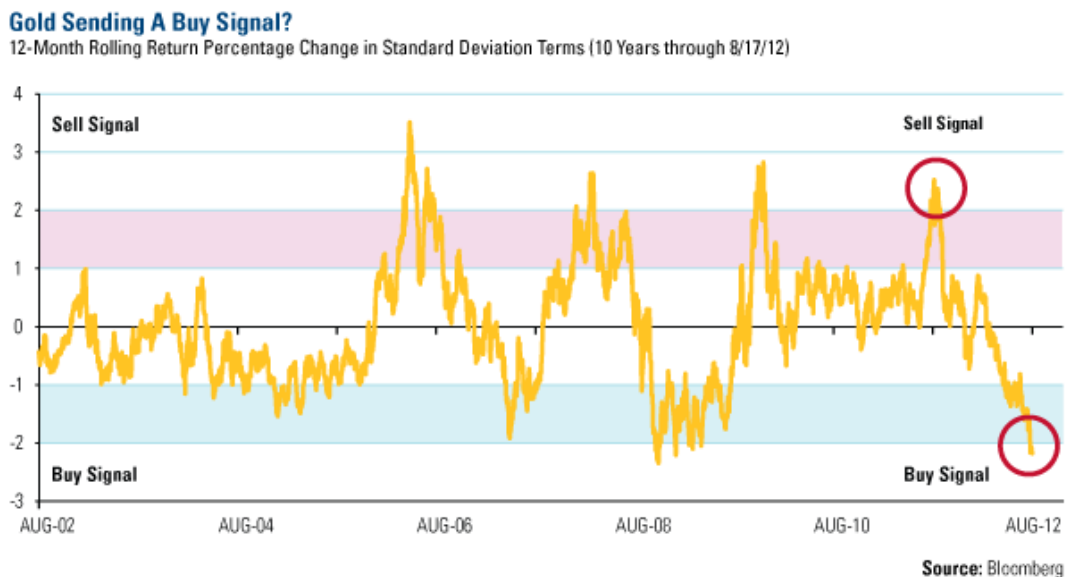
During his quarterly conference call, Mr. Grubb elaborated on this up-and-coming trend that we've been watching take place over the past 12 to 18 months. He believes gold is being "reintegrated into the fabric of the financial system" as a use of collateral. Mr. Grubb noted how "many exchanges are making gold eligible, with a haircut somewhere between sovereign debt and equities, as a collateral asset in all kinds of financial transactions." The CME Group in the U.S. has already accepted gold as collateral, and just today, the European clearing house, the CME Clearing Europe, announced that gold bullion is now considered an "eligible collateral type."

When it comes to collateral and capital requirements, "gold is being brought back into the fold as an important asset,"

Strike While Gold's Not Hot?

There's been a lot of discussion from market pundits wondering where gold is heading. I say investors should use math to their advantage. Similar to card counting strategies used by blackjack players, count historical trends to discover inflection points.

Gold appears to be at one of those inflection points right now. Using the last 10 years of data, if you plot the 12-month rolling return, you can see that gold has reached an extreme low, registering a -2 sigma.



The last time gold reached this point was in August 2008. You can see below the yellow metal's significant climb after hitting that standard deviation low.

Gold Above Its 50-Day and 100-Day Moving Averages



Just recently, the gold price has moved above its 50-day and 100-day moving averages, which is another indication of potential strength for the metal and an additional reason to believe that gold may be an attractive entry point.



Priced For Collapse

Peter Schiff is CEO of [Euro Pacific Precious Metals](http://www.euro-pacific-precious-metals.com), 2 August 2012
<http://news.goldseek.com/GoldSeek/1343933301.php>

Where is the gold price today? If you're like many Americans, you have no idea whether it went up, down, or sideways. Fortunately, I know my readers to be more informed - you likely know that after falling from almost \$1900, gold has been trapped around \$1600 since early May. But you may still be curious why despite continued money-printing and abysmal US economic reports, gold hasn't been able to hit new highs.

Here's the truth: gold is currently priced for collapse. Many investors believe the yellow metal has topped out and are selling into every rally.

Nerves of Tin

Being a gold investor is tough business. The last thing any government or corrupt big bank wants is to have a bunch of people putting their savings into hard

assets - and gold is one of the hardest of all. So we're constantly up against tides of propoganda saying that gold has no value or is the refuge of doomsayers.

The effect of this is that even heavy gold investors are always waiting for the other shoe to drop. When house prices were rising, no one was worried that the market had peaked or prices were unsustainable. No one was asking whether all the thin-walled McMansions going up would actually be worth anything in a generation. But for gold, Wall Street has been shorting it all the way up!

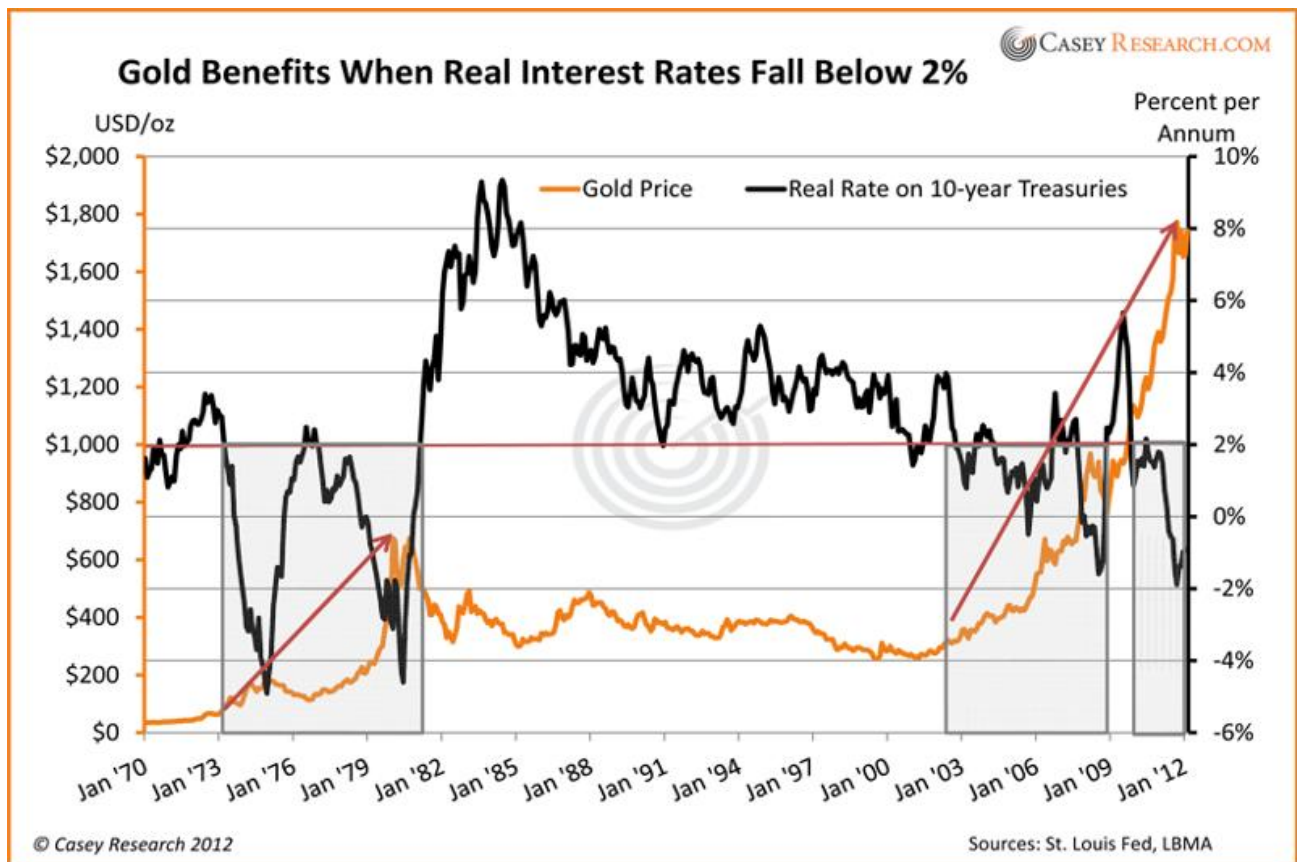
Nowhere is this pessimism more evident than in gold mining stocks. Rising inflation has driven production costs higher, but the mistaken belief that inflation is contained and Treasuries are a safer haven is keeping a lid on gold prices. As such, many of the major producers have missed their earnings projections, and their share prices have been punished. This has placed a cloud over the entire sector. In fact, the P/E ratios of major gold miners are near record lows. Stock prices reflect future earnings expectations, and judging by the low P/Es, Wall Street expects future earnings to plummet. This likely reflects their bearish outlook for gold, which is generally viewed as a bubble about to pop.

Chronic Memory Loss

Unfortunately, there is no public validation for those who have proved the gold doubters wrong. A couple of years ago, I predicted gold would cross \$1500 and even my own staff thought the call was too risky, too extreme. But I knew then, as I know now, that at the end of the day the gold price is not a mystery - it's a proxy for dollar weakness.

Since most investors do not truly understand gold's economic role, they assume the 10-year bull market must be a mania. But manias show parabolic growth detached from any fundamental driver. The definition of a mania is the bidding up of an asset quickly and beyond all long-term justification.

Gold, however, has grown steadily in inverse correlation with real interest rates, as explained by Jeff Clark and Mark Motive in past issues of this newsletter. As a reminder, here's a chart detailing the correlation:



The Opportunity of the Decade

After spending the previous fall and winter testing new nominal highs above \$1800, future investors may come to view spring and summer 2012 as the opportunity of the decade. Gold has shown its strength and retreated. While most investors will take that as a signal that the market has topped, some will take advantage of the general trepidation to add to their positions at hundreds of dollars off the highs.

While I think gold is a bargain at \$1900 considering today's circumstances, the market phobia of a price collapse is allowing us to buy at well under established highs. It's as if you already wanted to go swimming, but you found out when you got there that the pool was heated.

What Happens Next

I've seen markets like this before, and by making some reasonable inferences, I have a good picture of how this could play out. Gold will continue testing the \$1600 barrier until it surprises to the upside. This could be spurred by the announcement of QE III, a calming of fears in Europe, or any shock to the

Treasury market. Treasuries have temporarily overtaken gold as the primary safe-haven asset. Once that dynamic is broken, I believe the counterflow into gold will be tremendous.

Right now, there is a haze over investors. Frightful news from Europe and a slowdown in Asia have shaken confidence in any asset that doesn't have the steady track record of US debt. But as I often remind my clients, past performance doesn't guarantee future results. Any news that wakes investors up to the coming collapse of the Treasury market will likely trigger a rush into the one asset with a track record as long as civilization itself.

Prepare For Collapse

The key to this market is to understand that a price collapse is coming - but not for gold. Instead, the market for US dollars and dollar-denominated debt is headed off a cliff, which will send the price of precious metals soaring.

Now is a time for uncommon confidence. Everyone knows Treasuries to be safe, just as they knew house prices would always rise. Then as now, gold's value and utility are doubted. But my readers know better.



The Hoarding Continues China Has Imported More Gold In Six Months Than Portugal's Entire Gold Reserve

by [Tyler Durden](#) on 08/15/2012

<http://www.zerohedge.com/news/hoarding-continues-china-has-imported-more-gold-six-months-portugals-entire-gold-reserves>

While the highly "sophisticated" traders that make up the gold market continue to buy or sell the precious metal based on whether the Fed will or will not do the NEW QE tomorrow (or just because, like Bruno Baskin, they have a massive balance sheet, and can create margin position out of thin air with impunity), China continues to do one thing. **Buy**. Because while earlier today we were wondering (rhetorically, of course) what China is doing with all that excess trade surplus if it is not recycling it back into Treasuries, now we once again find out that instead of purchasing US paper, Beijing continues to buy non-US gold, in the form of 68 tons in imports from Hong Kong in the month of June. The year to date total (6 months)? **383 tons**. In other words, in half a year China, whose official total tally is still a massively underrepresented 1054 tons, has imported more gold than the official gold reserves of Portugal, Venezuela, Saudi Arabia, the UK, and so on,

and whose YTD imports alone make it the 14th largest holder of gold in the world. Realistically, by now China, which hasn't provided an honest gold reserve holdings update to the IMF in years, most certainly has **more** gold than the IMF, and its 2814 tons, itself. Of course, the moment the PBOC does announce its official updated gold stash, a gold price in the mid-\$1000 range will be a long gone memory.



Melman Minutes - By Leonard Melman

Some of us 'oldsters' out there might easily recall a unique style of news casting from a very special person which took place over several decades. The gent's name was Paul Harvey and his program was entitled "The Rest of the Story."

For some reason, I thought of the late Mr. Harvey when I read an article authored by Frik Els and published on the *mining.com* website entitled, **"Measured against useful assets, 'sterile' gold is at a multi-generation' high. Cash out now."** The reason Mr. Harvey came to mind is that while the article did indeed point out some interesting problems for 'gold-bugs', it failed to properly look at "The Rest of the Story."

The first point discussed, one put forward by Peter Tasker, a Tokyo-based analyst with Argus Research, was that gold "...is now valued at more than the combined market capitalization of all German, Japanese and Chinese stocks, with all the productive capacity they represent versus 'sterile' gold." Our counter to that argument is that gold has never been primarily considered to be a 'productive asset' in the sense that there is industrial demand for lithium for batteries; platinum and palladium for automobile converters; or harvesting of timber for residential construction or production of furniture.

In our opinion, the primary reason for investing in gold has been as monetary protection against the devaluation of currencies' purchasing power over time. On that score, I believe that based on the explosion of debt and monetary creation, gold investments may be more appropriate in this time frame than at any comparable period in history.

Another argument presented is that gold has failed to rally because "stock markets are volatile..." Please note on the above chart of the Dow Industrials that there are very few times during the past forty years when markets have NOT been volatile. During most of that time markets have had strong growth (1982-87), steep and sharp declines (1987), powerful renewed growth (1988-99),

sudden sell-offs (1999), then tidal waves of buying, selling, buying, etc. for the past dozen years or more. Ironically, the most powerful short-term binge of buying in gold (1976-80) took place during a period of relative market calm.

Next, he points out that gold should have rallied because "...central banks have not yet regained credibility." I would answer that the precise opposite is the case as multitudes remain confident that central banks are the only genuine answer to the monetary problems occurring around the globe. Simply note how swift and powerful has been the market reaction when a representative of any of the major central banks including the Federal Reserve Bank, the Bank of England and the European Central Bank, issues proclamations that they have somehow found new resolutions to serious problems.

He also notes that gold should have risen recently because "...inflation is still a concern..." Perhaps it is a concern to monetary specialists or observers of the international economic scene, but the general public is convinced that inflation, at least for the present and near future, is a dead issue. They see most prices for real estate, automobiles, computers and many food items stagnant or even in decline and then, coincident with numerous government assurances that inflation is 'under control', have concluded that inflation is NOT a current worry.

However, in time ahead of us, I believe inflation will become a genuine worry for the 'man in the street' and when that time comes, as it did previously during the 1970's, then the influence on the price of gold and silver will once again be bullish. All one has to do is look at the price charts for commonly used commodities such as grains (see corn chart) and gasoline to see the signs of inflationary troubles to come. However, contrary to the implication of the article under discussion, I do not believe that inflation is a major public concern at the moment.

Another concern Els mentions is that "If gold is falling in a weak economy... imagine how it will perform when the global economy moves from chaos to prosperity..." The implication, of course, is that when people have less to worry about, they will turn aside from gold and concentrate on 'productive' investments.

Perhaps Mr. Els should review the years from 2008 through 2011 when it appeared likely that a high level of prosperity would take place as during those years, gold soared from as low as under \$700 per ounce to a historic high of over \$1,900 per ounce. It has been my experience during the many years I have been writing about the precious metals that anticipations of growing prosperity have been consistent indicators of **rising gold prices** since periods of prosperity have frequently been followed by rapidly rising levels of visible price inflation

and, given the enormous levels of fiat money creation which have already taken place, many believe that future prosperity will actually lead to substantial growth in inflation, resulting in rising rates of interest which would likely, by themselves, have the capacity to abort any substantial improvements in economic activity.

And so, there are two or more sides to each argument relating to the precious metals and the conscientious observer must consider as many as possible before arriving at conclusions.

For myself, I will offer the opinion that conditions have been brought into existence during the past several decades that are cumulative in nature, that undermine concepts of long-term fiscal stability and which will also lead to growing signs of visible inflation in the not-too-distant future. Accordingly, I disagree with the theme of the article that gold is a 'sterile' asset and that it is at a 'multi-generational high'.

Much the opposite...

Along with those considerations, we cannot help but note that prospects for additional increments of monetary stimulation now appear to be building. The Chairman of the Boston Fed has just called for additional stimulative actions in America and just this morning, Bank of England Governor Mervyn King issued a statement that the BOE "...will do its utmost to support the economy...that support will be channelled through a program of quantitative easing..." He also added that the BOE's Monetary Policy Committee would continue to do all it could to bring about recovery and noted that they had just raised their asset-purchasing program by 50 billion Pounds in July and were prepared to consider further stimulus in November.

DISCLAIMER

The information presented on companies herein is based on data and information which we believe to be true and supported from reliable sources. However, the accuracy of this information is not implied nor can it be guaranteed. All objective reports contained herein are those of the editor and are offered for a fee and are to be used for information purposes only.

Any investment decisions should be made only following consultation with registered investment professionals.



E-waste: Annual gold, silver 'deposits' in new high-tech goods worth \$21B; less than 15% recovered

'Urban mining' deposits are 40 to 50 times richer than mined ore, experts tell 1st GeSI and StEP e-Waste Academy in Africa; New PCs, cell phones, tablets, other e-products now use 320 tons of gold, 7,500 tons of silver per year, and rising

Public release date: 6-Jul-2012

Contact: Terry Collins, tc@tca.tc, 416-538-8712, [United Nations University](http://www.unu.edu)

A staggering 320 tons of gold and more than 7,500 tons of silver are now used annually to make PCs, cell phones, tablet computers and other new electronic and electrical products worldwide, adding more than \$21 billion in value each year to the rich fortunes in metals eventually available through "urban mining" of e-waste, experts say.

Manufacturing these high-tech products requires more than \$16 billion in gold and \$5 billion in silver: a total of \$21 billion -- equal to the GDP of El Salvador -- locked away annually in e-products. Most of those valuable metals will be squandered, however; just 15% or less is recovered from e-waste today in developed and developing countries alike.

Electronic waste now contains precious metal "deposits" 40 to 50 times richer than ores mined from the ground, experts told participants from 12 countries at last week's first-ever GeSI and StEP e-Waste Academy for policymakers and small businesses, co-organized in Accra, Ghana by the United Nations University and the Global e-Sustainability Initiative (GeSI).

Quantities of gold, silver and other precious metals available for recovery are rising in tandem with the fast-growing sales of electronic and electrical goods, including the new category of tablet computers (with 100 million in estimated unit sales this year, a figure expected to almost double in 2014).

With respect to gold alone, electronic and electrical products consumed 5.3% (197 tons) of the world's supply in 2011 and 7.7% last year (320 tons -- equal to 2.5% of the US gold reserves in the vaults of both Fort Knox, Kentucky, and the Federal Reserve Bank of New York).

In that same decade, even as the world's annual gold supply rose 15% -- from about 3,900 tons in 2001 to 4,500 tons in 2011 -- the price per ounce leapt from under \$300 to more than \$1,500.

Thanks to the volume and value of precious metals it contains, the percentage of e-waste collected in developing countries is estimated to be as high as 80-90% in countries with an active informal recycling sector.

However, some 50% of the gold in e-waste is lost in crude dismantling processes in developing countries (compared with 25% in developed countries); just 25% of what remains is recovered using backyard recycling processes (compared with 95% at a modern high-tech recycling facility).

The bottom line in rich and poor countries alike: just 10-15% of the gold in e-waste is recovered; at least 85% is lost.

"Efforts such as the GeSI and StEP e-Waste Academy help create networks among policy-makers and other relevant stakeholders for sharing information, ideas and best practices to foster real e-waste solutions and enable the transition to a closed loop and green economy," said Luis Neves, Chairman of GeSI.

"More sustainable consumption patterns and material recycling are essential if consumers continue to enjoy high-tech devices that support everything from modern communications to smart transport, intelligent buildings and more."

"Rather than looking at e-waste as a burden, we need to see it as an opportunity," Alexis Vandendaelen of Belgium-based Umicore Precious Metals Refining told the participants.

He recommended replacing notions of "waste management" with "resource management," to enlarge a focus on the mass and volume of used materials to include the quality of certain waste fractions, and to use solutions appropriate to local circumstances combined with internationally available strengths to pursue efficient, environmentally-sound recycling.

A "best of two worlds" approach is needed for domestically-generated e-waste in developing countries: efficient local pre-processing followed by maximum recovery of materials and proper treatment of residual waste in countries with the best technologies for the job, with proceeds shared fairly and equitably.

Chris Slijkhuis of MBA Polymers, a global firm specialized in recycling plastics, noted that a ton of plastic created through recycling requires one tenth as much water and energy as new plastic, and produces one to three fewer tons of carbon dioxide (CO₂), the greenhouse gas largely blamed for climate change.

Recycling just half the plastics in e-waste from the European Union alone would save 5 million kilowatt hours of energy, over 3 million barrels of oil in feedstock and nearly 2 million tons of CO2 emissions.

"One day -- likely sooner than later -- people will look back on such costly inefficiencies and wonder how we could be so short sighted and wasteful of natural resources," said Ruediger Kuehr, Executive Secretary of the Solving the E-Waste Problem (StEP) Initiative.

"We need to recover rare elements to continue manufacturing IT products, batteries for electric cars, solar panels, flat-screen televisions and other increasingly popular products," said Dr. Kuehr who is also head of the responsible Operating Unit of United Nations University, based in Bonn, Germany.

Beyond the lost opportunity to recover valuable resources -- which also include copper, tin, cobalt, and palladium -- discarded consumer electronics that end up in landfills or are exported to developing countries create potential health and environmental hazards, he added.

Said André Habets, head of research and development at the NVMP Association in the Netherlands, a sponsor of the academy: "We commit a lot of effort to trying to ensure that the e-waste generated in our country remains here and is recycled here, and we advocate tough measures against the illegal export of e-waste. Each of the parties involved needs to take its responsibility to solve the e-waste problem. If an actor doesn't do this voluntarily, the relevant responsibility needs to be established by law."

About the GeSI and StEP e-Waste Academy

The e-Waste Academy for policymakers and small and medium enterprises is a pioneering event that aims to foster and sustain multi-stakeholder partnerships and collaboration on e-waste policy and management, looking at the e-waste issue in its entirety, rather than through the lens of a specific discipline.

In addition to expert lectures and presentations on topics ranging from e-waste related policy and sociology issues to technology and economics, the week-long academy program includes group projects and site visits.

Participants included representatives from small and medium enterprises in West Africa and Latin America -- mostly recyclers and refurbishers -- as well as policymakers and government officials.

Co-organized by the UNU-hosted Solving the E-waste Problem (StEP) initiative and the Global e-Sustainability Initiative (GeSI), the academy was also sponsored by the Netherlands-based NVMP Association, representing six organizations directly involved in e-waste regulation and legislation in the EU, and the UN Industrial Development Organization (UNIDO). UNU's Institute for Natural Resources in Africa (UNU-INRA) hosted www.ewasteacademy.org.

To build on this year's event, organizers plan to conduct an e-waste academy in a different world region in 2013. Several national governments have expressed interest in hosting the event.

###

United Nations University

UNU is an autonomous organ of the UN General Assembly dedicated to generating and transferring knowledge and strengthening capacities relevant to global issues of human security, development, and welfare. The University operates through a worldwide network of research and training centers and programs, coordinated by UNU Centre in Tokyo.

StEP

Solving the E-Waste Problem is a partnership of several UN organizations, prominent industry, government and international organizations, NGOs and the science sector. StEP initiates and facilitates sustainable e-waste handling through analysis, planning and pilot projects.

GeSI

The Global e-Sustainability Initiative (GeSI) is a strategic partnership of the Information and Communication Technology (ICT) sector and organizations committed to creating and promoting technologies and practices that foster economic, environmental and social sustainability. Formed in 2001, GeSI's vision is a sustainable world through responsible, ICT-enabled transformation. GeSI fosters global and open cooperation, informs the public of its members' voluntary actions to improve their sustainability performance, and promotes technologies that foster sustainable development. GeSI has 31 members representing leading companies and associations from the ICT sector. GeSI also partners with two UN organizations - the United Nations Environment Program (UNEP) and the International Telecommunications Union (ITU) - as well as a range of international stakeholders committed to ICT sustainability objectives. These partnerships help shape GeSI's global vision regarding the evolution of the ICT sector, and how it can best meet the challenges of sustainable development.

NVMP Association

Founded in 1999, the non-profit NVMP Association (Netherlands Association for the Disposal of Metal and Electrotechnical Products) represents six product associations with more than 1500 member manufacturers and importers. Its goal is to recover 85% of all e-waste in the Netherlands (doubling the 110 million kilogram volume of e-waste collected for recycling in 2011), thereby providing more material for use in new products and preventing toxic substances from entering the environment.

UNIDO

The United Nations Industrial Development Organization (UNIDO) is the specialized agency of the United Nations mandated to promote industrial development and global industrial cooperation. Competitive and environmentally sustainable industry has a crucial role to play in accelerating economic growth, reducing poverty and achieving the Millennium Development Goals (MDGs). UNIDO works toward improving the quality of life of the world's poor by drawing on its combined global resources and expertise. It provides comprehensive and integrated packages of services which combine its operational activities with its analytical, normative and convening roles, both globally and locally. UNIDO was established in 1966 and became a specialized agency of the United Nations in 1985. It has 173 Member States and is headquartered in Vienna, Austria, but operates worldwide.



41 Years after The Death Of The Gold Standard, A Look at "How We Ended Up in This Economic Purgatory"

by Tyler Durden on 08/15/2012

<http://www.zerohedge.com/news/41-years-after-death-gold-standard-look-how-we-ended-economic-purgatory>

Via Kenneth Landon, JPMorgan... Yes, JPMorgan

Landon Lowdown: "Brother, Can You Spare \$1.37"?

As we await the latest developments out of the Eurozone and Washington, I take a moment to look back on this very important day in history. **If you want to understand current events, then you first have to understand history. How did we get here? More specifically for financial markets, how did we end up in this mess -- this economic purgatory?** The answer boils down to a simple proposition on the philosophical level, which I will leave to the reader to identify because my

doing so would likely ruffle a few too many feathers. So I will keep the discussion on the concrete-bound level. However, I am willing to say that the political philosophy that drove us to the current state of affairs was responsible for the respective concrete measures implemented over the years. The crisis in confidence that we observe today resulted from cumulative effects of those measures.

This being August 15, 2012, students of the history of monetary economics no doubt are aware that this is the 41th Anniversary of the breakdown of Bretton Woods. It was on this day 41 years ago that President Nixon defaulted on the promise to exchange gold for paper dollars presented for exchange by foreign central banks. Aug 15th marks the anniversary of the collapse of Bretton Woods and the gold-exchange standard that was established after WW II. (Notice that dollar debasement has been bipartisan over the years: Republicans Nixon and Bush and Democrats Carter and Obama have all presided over major declines in the value of U.S. money.)

The current crisis in the global monetary system pales in magnitude to the sundering of gold from central banks' fiat paper currencies in 1971. That is, we are not witnessing the wholesale dismantling of an entire monetary system. What we are witnessing is a loss of confidence in the current monetary system, which, of course, is **equivalent to a loss of confidence in central banks' ability to restore stability.** However, the decision to renege on the gold-exchange standard that was made 41 years ago is still reverberating today. In *fact*, many or most of the problems observed today are the direct result of wrong-headed discretionary monetary policies.

What was it that made the current morass inevitable once the paper dollar was severed from gold?

The answer is simple: fiat paper money that is not grounded in any objective standard can be manipulated at the whim of the issuer. Without the requirement to exchange fiat money for gold or some other commodity, the central bank can issue unlimited amounts, thus making its value subject to extreme volatility and, as we have seen, perpetual debasement.



Chart 1 (above) shows the extent of debasement of the value of U.S. money since 1913 when the Fed was established. To summarize in simple terms, a child with 4 cents in his pocket could buy the same amount of candy in 1913 as his descendant could with \$1 in 2012. Today, it takes a quarter to buy what a penny did in 1913. **The dollar has lost 96% of its purchasing power since 1913!** (using CPI statistics) Once the dollar lost all linkage to gold, its value plummeted at an accelerated rate. Since 1971 when Bretton Woods was intentionally dismantled, the dollar has lost 82% of its purchasing power. 82%! Because Nixon sabotaged the last vestige of honest money, a child in 2012 would need \$1 to buy the same amount of candy purchased by children for just 18 cents in 1971.

Monetary debasement has rendered obsolete the expression "**brother, can you spare a dime?**", which was the title of a 1930's Depression-era song that became a common refrain of panhandlers in those days. In 2012, the equivalent would be "brother, can you spare \$1.37?"

An honestly governed gold standard eliminates "discretionary" monetary policy by centralized authorities (i.e., central banks).

Gold is an honest check on the amount of leverage that can build in the financial system and it limits the amount of money the government can borrow. A government that does not have a captive central bank and fiat paper currency cannot borrow massive amounts of money (think Greece). Fiat paper

money managed by complicit central banks remove any discipline of free-spending politicians. Thus, central banking and huge deficit spending go hand in hand.

Let's turn to a former Chairman of the Fed to give some added explanation:

"Under a gold standard, the amount of credit that an economy can support is determined by the economy's tangible assets, since every credit instrument is ultimately a claim on some tangible asset. But government bonds are not backed by tangible wealth, only by the government's promise to pay out of future tax revenues, and cannot easily be absorbed by the financial markets. A large volume of new government bonds can be sold to the public only at progressively higher interest rates. Thus, government deficit spending under a gold standard is severely limited. The abandonment of the gold standard made it possible for the welfare statist to use the banking system as a means to an unlimited expansion of credit.

They have created paper reserves in the form of government bonds which -- through a complex series of steps -- the banks accept in place of tangible assets and treat as if they were an actual deposit, i.e., as the equivalent of what was formerly a deposit of gold. The holder of a government bond or of a bank deposit created by paper reserves believes that he has a valid claim on a real asset. But the fact is that there are now more claims outstanding than real assets. The law of supply and demand is not to be conned. As the supply of money (of claims) increases relative to the supply of tangible assets in the economy, prices must eventually rise. Thus the earnings saved by the productive members of society lose value in terms of goods.

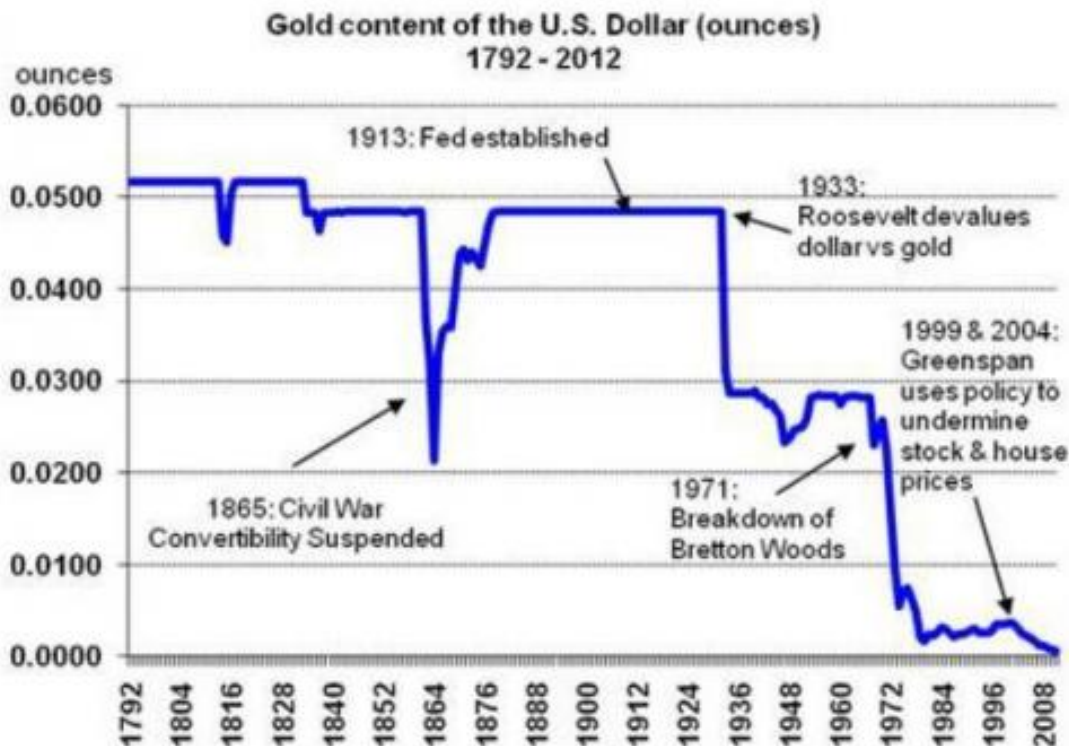
In the absence of the gold standard, there is no way to protect savings from confiscation through inflation. There is no safe store of value. If there were, the government would have to make its holding illegal, as was done in the case of gold [in 1933]. If everyone decided, for example, to convert all his bank deposits to silver or copper or any other good, and thereafter declined to accept checks as payment for goods, bank deposits would lose their purchasing power and government-created bank credit would be worthless as a claim on goods. The financial policy of the welfare state requires that there be no way for the owners of wealth to protect themselves.

This is the shabby secret of the welfare statist's tirades against gold. Deficit spending is simply a scheme for the confiscation of wealth. Gold stands in the way of this insidious process. It stands as a protector of property rights. If one grasps this, one has no difficulty in understanding the statist's antagonism toward the gold standard."

Alan Greenspan, 1966

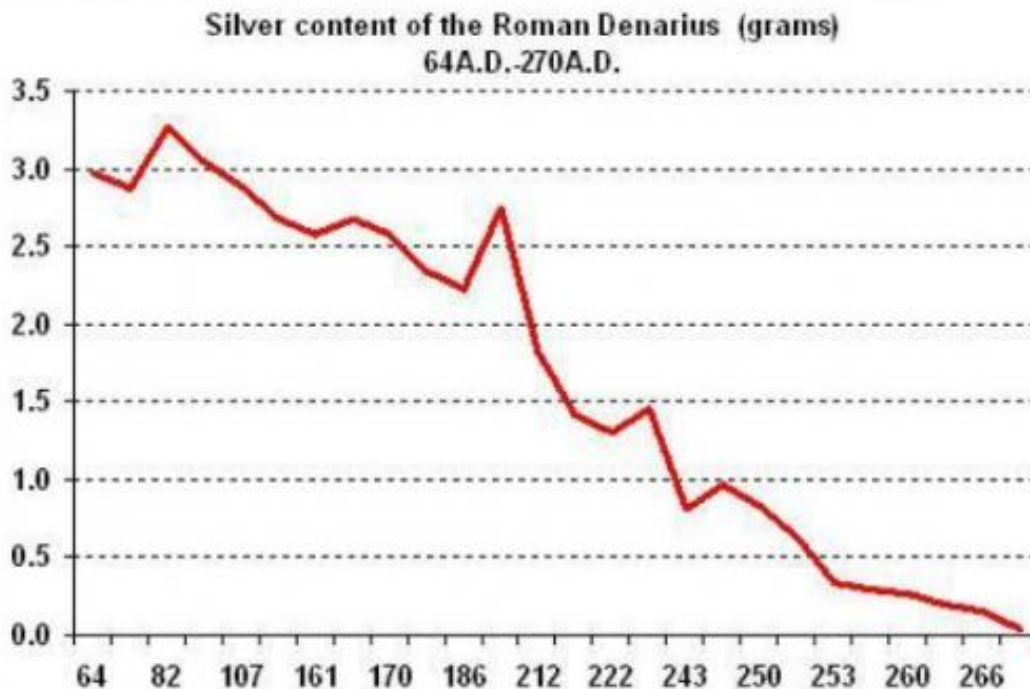
When Greenspan later rose to a position of prominent political power when named Chairman of the Fed, he disavowed his essay about gold. However, that disavowal does not detract from the truth of his written word. His words stand on their own. (What changed since 1966 was Mr. Greenspan and not the truth.)

We are currently witnessing in both Europe and the U.S. a crisis relating to the financing of the modern-day Social Welfare State that goes to the core of the generally-accepted political philosophy upon which they rest. The resolution of the problem is therefore not as simple as coming up with a new policy that is a derivation of previous ones (e.g., using debt to solve debt). The real resolution will come only after a major shift in political power, if seen at all, that results in a significant reduction in spending of the respective governments. Otherwise, it will be more of the same: a continued decline in living standards and individual liberty in countries experiencing this rot. Profligate central banks are a symptom and enabler of the political rot. They are not the cause.



The chart 2 (above) shows the gold content of one U.S. dollar. Today, one dollar buys a pitiful 0.0006 ounce of gold, which compares to about 0.05 ounce a hundred years ago just before the Fed existed. The deprivations that Mr.

Greenspan wrote about are illustrated in the sharp decline in the gold content of the dollar.



For point of historical reference, Chart 3 (above) shows the silver content of the Roman Danarius between 64A.D. and 270A.D. You can draw your own conclusions.

"Paper money has had the effect in your state that it will ever have, to ruin commerce, oppress the honest, and open the door to every species of fraud and injustice."

George Washington, in letter to J. Bowen, Rhode Island, Jan. 9, 1787

Sadly, few people understand the process by which paper money leads to "fraud and injustice" as President Washington accurately warned in 1787. If they did, then perhaps days like Aug 15, 1971 would never have happened.

To end with one last quote, this time from a Socialist who knew the importance of gold:

"You have to choose between trusting to the natural stability of gold and the natural stability of the honesty and intelligence of the members of the Government. And, with due respect for these gentlemen, I advise you, as long as the Capitalist system lasts, to vote for gold."

George Bernard Shaw

Shaw wanted to end the Capitalist system and knew, like Greenspan, that gold stood in the way of a Socialist government from achieving its objectives.

August 15, 1971: A day that will live in infamy.



This Trade Has 10 Times As Much Upside As Downside

By Jeff Clark, August 3, 2012

<http://us.mg3.mail.yahoo.com/neo/launch?.rand=f336ted3bk4l1>

Sometimes you just have to scream.

"Come on!" I yelled at my computer screen as the symbol "GOLD" streamed across it in bright green lettering. "Just a couple more bucks!"

The precious yellow metal was breaking out of [the chart pattern I showed you last week](#). If it could just close above \$1,625 per ounce, it would set the stage for a much larger move higher. And we could finally buy it aggressively – which is what I've been waiting for since gold peaked above \$1,900 last August.

But it didn't happen. Instead of breaking out, gold "faked out" and stumbled back into the consolidation pattern that has trapped its price for the past three months. Here's an updated chart...



Gold did manage to break out of its consolidating-triangle pattern (the blue

lines) last week. That breakout ignited a move right up to resistance at \$1,625. Remember... that's the price I said gold had to get over to shift into "rally mode."

But that resistance proved to be too tough. The breakout turned into a "fake out." Gold

If you're bullish on gold, this is an excellent, low-risk area to buy it. Gold is either going to find support right here at \$1,593 and bounce... or it's going to fall back into its triangle pattern and stop you out of the trade for a small loss.

Here's how I'm planning to trade it...

Buy gold here at \$1,593. If it bounces, it should take another run at \$1,625, and it should be easier to break above that resistance level on the second attempt. That would kick off the rally I wrote about last week, and possibly carry the metal all the way up to the February highs at \$1,775.

On the other hand, if gold falls through support at \$1,593 (on a closing basis), it has more support at the rising uptrend line of the triangle – near \$1,575. If gold can't hold above \$1,575, close your position. The metal will be on its way to testing its May low at \$1,550... And if it can't hold on there, it could lose another \$100 per ounce.

Buying gold here at \$1,593 offers the potential upside of \$182 per ounce. If support doesn't hold and gold starts to fall, you can exit the trade and take an \$18 per ounce loss.

That's 10 times as much reward to risk. And that's too good to pass up.

Best regards and good trading,



U.S. silver output plunges between January and May-U.S.G.S.

The temporary closure of Hecla's Lucky Friday Mine, complicated by ground support rehabilitation work at the company's Greens Creek Mine, negatively impacted U.S. silver production earlier this year.

Author: Dorothy Kosich, 22 Aug 2012

<http://www.mineweb.co.za/mineweb/view/mineweb/en/page32?oid=157430&sn=Detail&pid=102055>

RENO (MINEWEB) -

UPDATED: The U.S. Geological Survey reported Tuesday that U.S. silver production dropped 14% in May.

U.S. mines produced 84,900 kilograms of silver (2,729,600 troy ounces) in May 2012, a 14% drop from the 99,300 kg (3,192,570 ounces) of silver output reported during May 2011. The average daily production rate in May of this year was 2,740 kg (88,903 oz.).

The average Handy and Harman silver price for May was \$29.79 per ounce, a 22% drop from the previous year. The average London spot price for May was \$28.67 per ounce.

Coeur d'Alene Mines produced 151 metric tons in the first quarter of 2012, up 19% from the same period a year. Hecla Mining's first quarter silver production of 41 tonnes plunged 46% from the first quarter of last year. U.S. Silver Corp. produced 17 tonnes of silver during the same period, an 11% increase compared with the 15 tonnes of silver mined in the first quarter of 2011.

Domestic silver production for the period from January to May of this year totaled 411,000 kg (13,214,000 oz.).

U.S. Geological Survey figures show the United States imported 2.4 million kg (77,161,800 oz.) of silver with a value of \$2.58 billion from January to May of this year. The U.S. imported silver bullion, silver dore, silver ores and concentrates, and silver ash and residues from Argentina, Belgium, Canada, Chile, Columbia, the Dominican Republic, Ecuador, Italy, Jamaica, Mexico, Morocco, Nicaragua, Panama and Peru.

~~~~~

# What to Own as Silver Gets Ready to Rally

By Andy Hecht, Commodities Editor

<http://us.mg3.mail.yahoo.com/neo/launch?.rand=aq6477loqc9qb>

Back in 1995, I bought 250 million ounces of silver.

And no, that isn't a typo.

I had high hopes for silver in 1995. It was trading below \$5 an ounce, which was dirt-cheap, but I could see that it was terribly undervalued.

Along with a few other traders at Salomon Inc., we made the purchase of physical silver – actual silver bars. I held 125 million ounces in Brooklyn, New York, and over 100 million ounces in London for safekeeping. What I didn't realize was the stress our buying was about to put on the silver market.

Not long after that purchase, I received a call from the chief regulator of the London Bullion Market.

"Hello Andy, this is Terry from the Bank of England. Rumor has it that you boys own a lot of physical silver here in London. We would appreciate it if you would lend that silver so there are no disruptions in the London market."

*Holy cow*, I thought to myself, *there's not that much silver in London!* The dealers were concerned that they wouldn't be able to meet their promises to their paper silver holders.

I learned an important lesson that day: there was not as much physical silver out there as the banks, dealers and regulators would like us to believe.

My 250 million ounces stretched the limits of the silver market, and it wasn't the first time it had happened. In 1979-1980 the Hunt brothers bought 200 million ounces, causing similar market stress. Two years after my purchase, Warren Buffet bought at least 135 million ounces, again pushing the limits of available silver.

Today, with even more paper silver out there, the situation has only gotten worse. With silver poised to make a major move higher, are holders of paper silver about to be hung out to dry?

## **Paper Silver is a Potential Disaster**

No one knows how much silver is really in the London vaults, but from that phone call in 1995, I learned there is a lot less than the dealers hold on their books.

Today, there is more paper silver out there than there was back in 1995. Much of it is because of the popularity of a new instrument in owning silver: the silver ETF (SLV). SLV has total net assets of around \$8.8 billion.

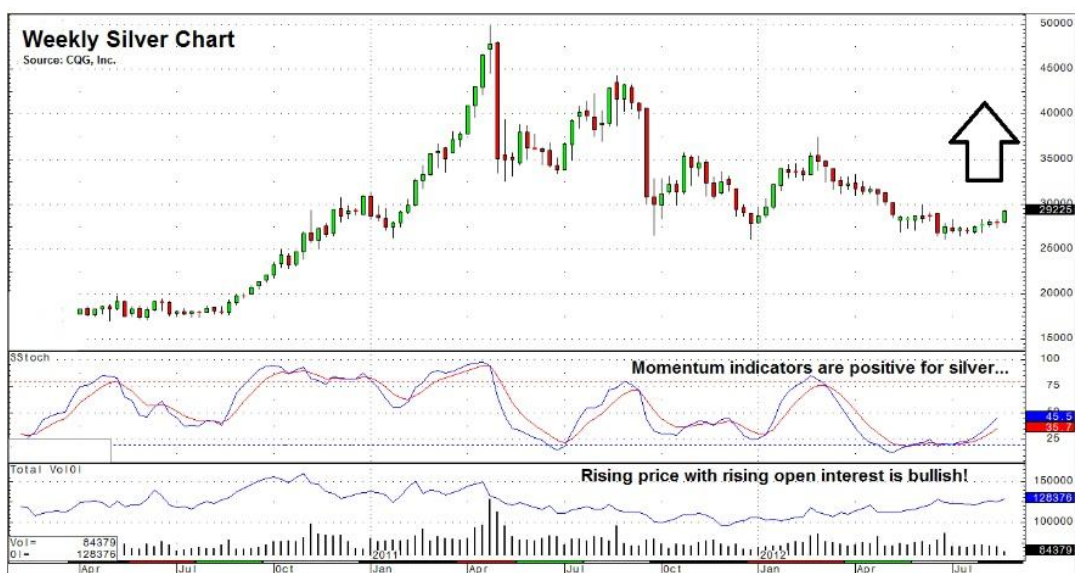
At \$29 an ounce, the ETF represents over 300 million ounces of silver... but it doesn't guarantee it. People holding shares of the ETF are promised delivery of their physical silver if they ask for it, but what happens if those supplies aren't there?

Like in the banking business, dealers manage their unallocated silver liabilities using a method called fractional banking reserves. The theory is that all the holders of unallocated silver out there will not call for physical delivery at the same time; therefore, the dealers need only hold a fraction of the silver on their books in physical form.

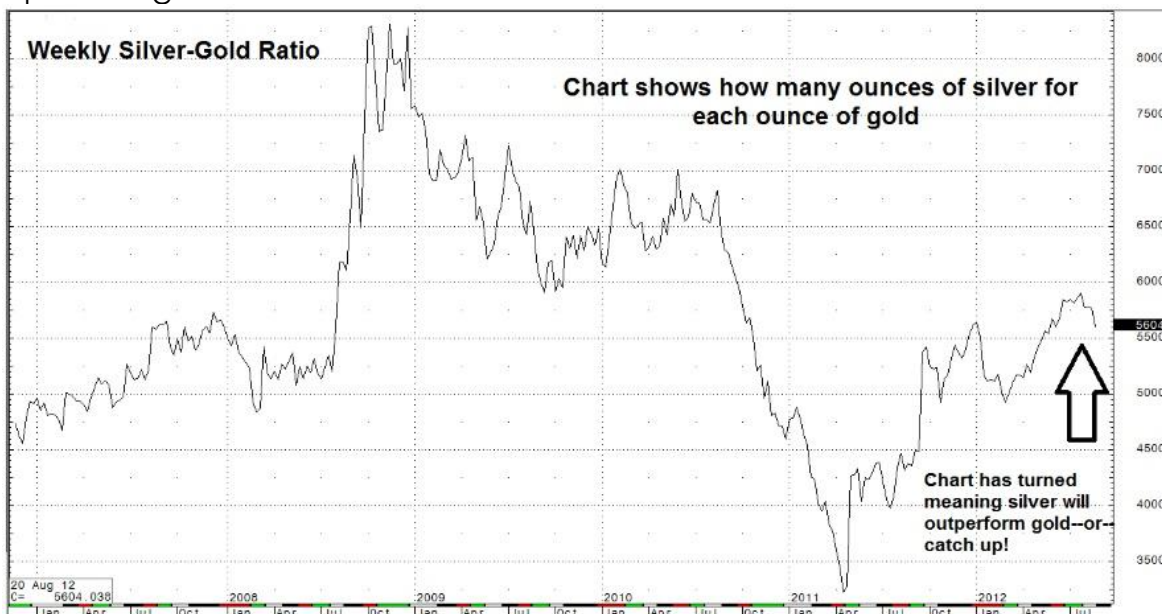
But the silver market has changed over the past decade – there are many more investors in silver today because of products like ETFs and a wider spectrum of portfolios holding paper silver. The higher the price of silver goes, the greater the likelihood of a run on physical silver and a potential shortage. And right now, silver is positioned to head higher...

### **Two Reasons Silver Will Break Higher**

Silver has started to move recently – it's up more than 12% since the end of June. And, technically speaking, it's looking to go much higher. Momentum is in its favor, and the indicators are looking bullish.



The other big reason that silver will follow through is that it's dirt cheap relative to the price of gold.



The gold-silver ratio at 56:1 is way too high. In 1980, the ratio was 16:1, which would imply a silver price of over \$100 today! While we might not get back to those levels, the ratio has started to decrease steadily over the past few weeks. With the ratio dropping and gold rallying, we have a good sign that the price of silver is set to explode!

Once it starts moving, I expect the physical silver price to make a new all-time high above \$50 in the coming months. Beyond that, I can see it trading much higher – perhaps \$75 or more.

### **Avoid Paper Silver – Buy the Real Thing**

The moral to this story is that to get ready for a rise in the price of silver, buy physical silver, not paper. All of the evidence points to the fact that there is not enough silver to satisfy all the holders of paper silver. If people start to realize that their paper silver can't be backed by the real thing, that paper suddenly plunges in value. Physical silver may be clumsier than holding paper, but no regulator, dealer or anyone else can change the value of the actual metal. If there is a run on silver supplies, you'll have the real thing instead of potentially worthless paper promises.

Make sure you buy physical, allocated silver bars and store them with a reputable institution like EverBank, the Hard Asset Alliance, or in your own home vault.

Silver today is still around \$30, but it won't stay there for long... make sure you are holding the real thing when it starts to move.



## **Commodity Super-Cycle will last at least a decade**

**"Commodities have revived because they are real and really useful to the dynamic emerging economies," says global commodities specialist Don Coxe.**

Author: Dorothy Kosich, 06 Aug 2012

Copper miners and gold miners with high-quality reserves in the ground in politically secure regions are becoming more and more valuable, said BMO Capital Markets' Don Coxe in his August edition of *Basic Points*.

"The commodity story is essentially a scarcity story," said Coxe. As global living standards improve, the problem will be finding and producing enough metals and minerals to sustain economic progress.

Noting that gold was priced below \$1,000 an ounce as recently as three years ago, Coxe observed that analysts "are agreed that nearly all gold companies now need at least \$1,250 an ounce to make any money on current production when the costs of new capex are factored in."

"So, is it reasonable to value a gold producer's reserves at, say, \$1,500 an ounce today? A rather minor correction in the gold price could wipe out the company's profits, right?"

"Our answer to all of the above is that high-quality reserves in the ground in politically-secure regions of the world are becoming more-not less-valuable," Coxe declared.

As China seeks minerals reserves almost everywhere, "its companies are unconstrained by SEC rules on deals with dictators and dubious middlemen," he observed, adding the mining industry is now "faced with Chinese competition for mineral rights almost everywhere they look."

"The gold miners have challenges finding new ore bodies in politically-secure regions, but they do not-at least for now-have to fear large-scale competition from China," Coxe advised. "That nation is the world's largest gold producer, and gold, unlike iron ore or copper, is not a necessary input for major Chinese industries."



In his analysis, Coxe observed that gold "has once again become a 'risk-on' asset, which means it tends to fall when the stock market falls, and top raise when the market rises. This is paradoxical and illogical."

He believes, "Gold is a 'Bad News Bull's' commodity."

"This schizophrenic period of gold and gold stock valuation is unsustainable," he declared. "We remain of the view that what might be the only way for the euro zone to assemble enough firepower to give credibility to the markets is for governments which have gold to use it to back very long-term convertible bonds."

In his investment recommendations, Coxe suggested, "The Commodity Super-Cycle will last for at least a decade or more."

Nonetheless, he advised, "Investors should be patient, and await an all-clear for the euro crisis before committing new money to a sector with a bright long-term investment future."



## **One Chart Shows the Dollar's Sad Future**

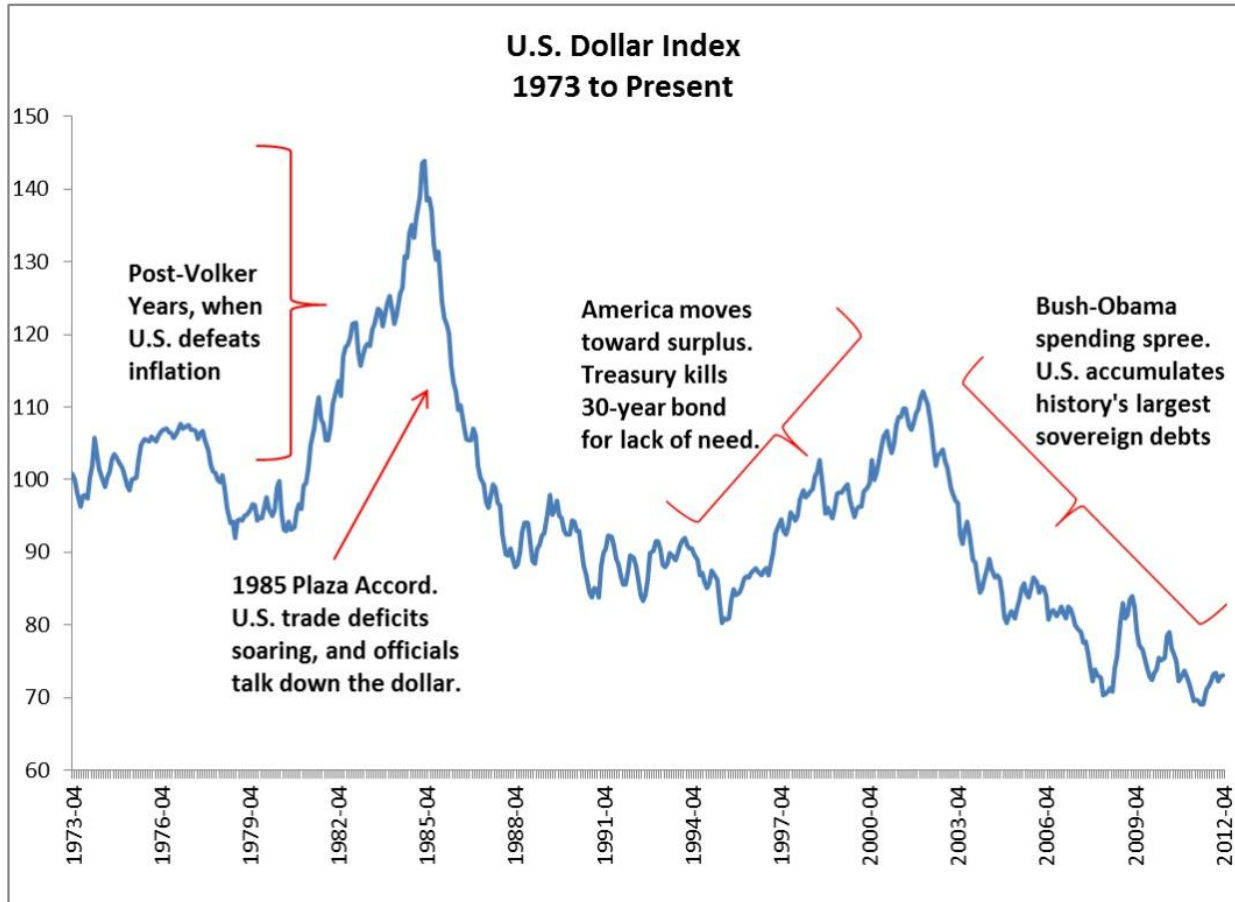
**By Jeff Opdyke, Editor of *The Sovereign Individual***

<http://us.mg3.mail.yahoo.com/neo/launch?.rand=fi41d99tihq9j>

I'm a wannabe chef. I cook all the time for my family – everything from down home South Louisiana fare to Malaysian, Persian and Moroccan. And on nights when I'm pressed for time, I love one-pot meals – makes the clean up so much easier.

By the same measure, I like one-chart investing... it makes the rationale so much cleaner.

And when it comes to the dollar, there's only one chart you need to see to make a decision. I highlighted it recently in a *Sovereign Investor* piece on the potential impact of the [upcoming fiscal cliff](#) at the end of the year. But it offers far-greater insight into the dollar's next chapter as a currency. Here it is:



You look at this chart, based on data provided by the Federal Reserve, and you don't need to be a fortune-teller to see the greenback's future.

It tells you exactly the reasons the dollar rises and falls... and it implies a very clear message about the future: Tomorrow is looking bleak.

### **Today's Dollar Strength is Only Temporary**

The dollar is enjoying a rally right now... but it's a false rally. The only reason – the only reason – the dollar is up is because of globalized fear that the euro zone will implode. Anytime those kinds of big, global fears pervade the market, the dollar rallies simply because everyone wants to be in the theoretical safety of the world's only reserve currency.

There are only two currencies in the world that can absorb all the demand necessary to be a reserve currency: the dollar and the euro. With the euro the source of fear, the dollar, by default, is the only other place investors can hide.

But that won't last. The euro crisis is a temporary phenomenon. It will come to a conclusion, and there's a very good chance that conclusion is positive for the

euro – which means it will be negative for our dollar because of the fundamental fiscal situation that still exists in America.

And that's exactly what the chart above portends...

Here's what I mean:

### **The Only Question that Matters: Is America's Fiscal House in Order?**

Federal Reserve Chairman Paul Volker attacked rampant inflation in the 1970s by hiking interest rates dramatically. Inflation died quickly, and America's fiscal situation as a nation began to improve. The dollar rallied through the mid-80s, as the chart shows.

At that point, the world began bitching about an overly strong dollar. So, America's monetary officials began openly talking the dollar down, publicly torpedoing its strength. At the same time, our imports of foreign goods began to soar, meaning we were shipping more wealth overseas... and the dollar plunged.

Along comes Bill Clinton in the mid-90s, and he begins moving America toward balanced budgets. Remember all the chatter at the time about actually running a budget surplus? The Treasury even killed the 30-year bond. During that period, the dollar rallied strongly.

And then America elected as president a puppet manipulated by war-mongering neo-conservatives – and followed that up with a socialist-leaning president intent on spending unreservedly to attain social and financial equality in a capitalist system not designed for such flighty musings. The result is sadly clear: The accumulation of history's largest mass of debt... and a dollar that has plunged in value.

There's no denying the cause and effect here: When America's lawmakers and monetary officials work honestly to repair budgetary and fiscal weaknesses, the dollar is structurally strong. And when they don't... the dollar transforms into a 98-pound weakling.

### **Where to From Here?**

Today, our finances are undeniably rotten.

Budget deficits stretch as far into the future as we can see. The cumulative debt now approaches \$16 trillion... though when you account for all the off-balance-sheet items, like the unfunded liabilities inside our entitlement programs, the real cumulative debt is right at \$100 trillion – a sum that can never be paid off.

Those facts – and the financial incompetence inside Congress and the White House – are the fundamentals backing the U.S. dollar.

So, tell me: Why it is the U.S. dollar should have any strength today, other than the fact that the euro is weak and global investors have nowhere else to hide at the moment?

As a fiscal entity, America has all the strength of a three-legged dog.

When the euro crisis abates, the focus will again shine on those fiscal fundamentals and our country's many political shortcomings. That will not be a pretty day for the dollar – or for investors who are stashing their entire net worth in the greenback.

When the dollar's downward slide resumes – and it will – which side of the trade do you want to be on? Are you willing to bet that the dollar's future is only up from here? Or do you see the great likelihood that America's fiscal imbalances are destined to kill the dollar?

All you have to do is look at that chart and think about what's most likely to happen in Washington, and you too will be able to see the future of our currency.



~~~~~

Australian Mining Companies Are Desperate For Workers And Want To Hire US Veterans

Robert Johnons, Aug. 21, 2012

<http://www.businessinsider.com/australian-mining-companies-are-courting-us-veterans-for-high-paying-jobs-down-under-2012-8>

With Post 9/11 veteran unemployment hovering near nine percent and the services preparing to drastically cut forces, Australian mining companies have stepped up to grab some of that labor for their short staffed operations down under.

Seth Robson at Stars and Stripes reports the mines are looking for everything from plumbers and electricians, to heavy-equipment operators and project managers with pay ranging from \$65K to 200K to start.

From Stars and Stripes:

Australia would be happy to open its arms to U.S. veterans, Kim Beazley, Australian ambassador to the U.S., said in comments posted by the Australian immigration department. "In Australia, we have a culture of assuming that men and women who have been through the defense forces arrive in the broader community with very great skills discipline and motivation and, therefore, we assume that a similar atmosphere surrounds those who are veterans of American armed services," he said.

The immigration department has posted interviews with U.S. soldiers considering a move Down Under on its website. "The majority of skilled migrants end up taking out citizenship, and we welcome that," Sandi Logan, a spokesman for the Australian Department of Immigration and Citizenship said. "We are not a nation that is reliant on guest workers. When people come to build Australia, we invite them to become part of the nation."

Australian headhunters are looking for new hires at job fairs throughout the US, but Robson mentions Detroit and Houston specifically and that 400 to 500 positions need to be filled immediately.

If interested in an Australian mining jobs: [Australia Info Mine](http://australia.infomine.com/careers/jobs/r5c139/usa.jobs.aspx) (<http://australia.infomine.com/careers/jobs/r5c139/usa.jobs.aspx>), that lists positions and companies, and the [Australian Department of Immigration](#)

(<http://www.immi.gov.au/>) seem like decent places to start.



Odds of Global Recession Are 100%: Marc Faber

Published: 23 Aug 2012, By: Justin Menza, News Writer
<http://www.cnbc.com/id/48768746>

There's still a 100 percent chance the world heads into recession, Marc Faber, publisher of "The Gloom, Boom & Doom Report," told CNBC's "Closing Bell" on Thursday, echoing a call he made in May.

When you look at the major economies, Europe, the U.S., China and the emerging markets that are dependent on China for growth, Faber, aka Dr. Doom, only sees weakness.

"Europe is already in recession," he said. "Germany is still growing very, very slightly, but is likely to go into recession soon."

Growth in the U.S. is also falling off. "The U.S. economy has decelerated and I don't see much growth in the next six to 12 months," Faber said.

There's also little the Federal Reserve and other policy makers can do to turn the U.S. economy around. "I think that if you look at the injection of liquidity and the intervention by the Federal Reserve and the Treasury with fiscal measures, it has already impoverished the U.S. economy," he said.

It would take "massive easing, a huge balance sheet expansion," to boost economic activity in the U.S., according to Faber.

Faber also doesn't expect much change in the U.S.'s finances regardless of who wins the election in November. "The deficit is \$1.3 trillion and, in my view, will go up," he cautioned.

Even corporate profits, the lone bright spot, look to be at risk. "The corporate sector has recovered remarkably since the trough in earnings in 2009 and we are at record high earnings," Faber said, but added, "Corporate profits will disappoint over the next 12 to 18 months."





This cartoon was in the Chicago Tribune in 1934



Stampede to Red Dog, Early Days in Southern Oregon

OREGON NATIVE SON HISTORICAL MAGAZINE

Vol. 11 Dec., 1900 No. 7

W.W. Fidler.

[Article also includes Southern Oregon Indian history]

The recent hegira to the frozen North in search of the precious yellow metal is exceptional experience for this Coast only in one respect, and that is the magnitude of the sudden exodus. The westward course of the "Star of Empire" was long ago deflected northward, and will probably never cease its movements in that direction until it bumps up against the North Pole, as it did formerly against the Pacific Ocean. Frantic scrambling after new placers has been the fashion ever since Sutter dug his memorable mill race. Southern Oregon was long a "storm center" for such excitements, and is not, even now, and probably never will be, wholly proof against them. The best diggings were easily discovered long ago, but people go on rediscovering them, or extensions and additions to them, as the richer claims give out, just to keep their hand in. The Jacksonville diggings were the first to lead off in 1852, soon followed by the Sterlingville and Willow Springs diggings, and live camps they were. Then came in quick succession the rich finds of Althouse, Sailor Diggings and Sucker Creek

to absorb some of the o'er eager seekers after the "golden fleece." Those were days of quickly acquired and quickly spent fortunes, as well as days of quickly hurrying to and fro. In the madness of their devotion to "the root of all evil," the lucky as well as the luckless wayfarers became indifferent to their own safety and fell easy victims to the treachery of savage foes. And here, in Southern Oregon, and especially in Josephine County, was "the dark and bloody ground" of our early territorial existence. As the stampede I have set myself about describing raged over a section of country thickly studded with historical incidents relating to Indian hostilities, I will devote a portion of my space to their rehearsal.

It was in the late '70s [a belated era for placer excitements], that word was passed around among the sometimes sleepy settlers of Josephine County that certain parties were quietly taking out great gobs of gold on Red Dog, a tributary of Briggs Creek. That simple statement, often told in a clandestine manner, was sufficient to awaken every somnolent Van Winkle into old-time activity. Sedate old farmers, who were certainly old enough to have known better, began to gather up their camp fixtures and camp

Not to be wholly out of fashion, a neighbor of mine and myself concluded to join the surging crowd. My neighbor, in addition to being an experienced miner, was a good fellow all around to be out with on such an expedition. He was one of those rare individuals, sometimes met with, who insist on doing all their part of the work and the other fellow's, too. This is something easy to submit to, where a man is mean enough to tolerate it, and some men are constructed on that plan to a grievous degree. My partner also had a penchant for doing more than his share of the talking. This would have been agreeable all round, too, had he only had a better speaking acquaintance with the Queen's English. The trouble was he labored with the serious impediment of prior acquaintance with unmusical Dutch, and the readiness with which he would become entangled in the mixed intricacies of complex English was a credit to his courage rather than to his discretion. It was no use to extend sympathetic assistance to him, for he was no sooner out one linguistical difficulty than he was into another. But there was nothing harmful in his loquacity. He did not, as is the habit of too many voluble beings, burden the atmosphere with wretched profanity. His most impious form of ejaculation was embodied in the mild expression of "By Dorge." "By Dorge," however, did service on all occasions, in season and out. It was the keystone and finish to all his oral architecture.

But this is slow progress towards our intended El Dorado. Our route took us down Applegate to Slate Creek, and up that stream to the crossing of the divide known as Hays' hill, thence past the old Hays place over to Deer Creek, and down Deer Creek to its mouth, where it forms a junction with Illinois River, where

we camped on a bar noted in Indian war history. But there were other spots passed by us that deserve mentioning first. One place on Slate Creek is sometimes pointed out by old timers as the scene of the shameful murder of two Indian women. J.M. Sutton, one of Southern Oregon's earliest and most painstaking historians, makes the following reference to the circumstance. After describing the hanging of an innocent Indian boy at Jacksonville, whom he vainly endeavored to rescue, he proceeds as follows: "No mob ever committed a more heartless murder than this. It is only equaled by the murder of two Indian women and a child ten months old, by a private of Captain Wilkenson's company on Slate Creek, on the 7th day of November, 1855. The women and child had been taken prisoners and entrusted to this man and another to guard in the rear of the company as they marched to Illinois Valley. He wantonly shot them and left them lying by the side of the road."

Further on up Slate Creek, near its forks, was the scene of a genuine Indian ambush on March 23, 1865, that proved the prelude to an attack and prolonged engagement at the Hay ranch. Mr. Olney, a member of Captain O'Neil's company, then stationed at Eight Dollar Mountain, started on that day to return to camp from a trip he had taken to Vannoy's Ferry. He overtook four other men and a boy close to the scene of the ambush with a view of having their company over the mountain. Hardly had they got through exchanging greetings when they were greeted in return with a sudden rattle of firearms. Fifty or a hundred Indians showed up with an evident intention of exterminating the small body of whites. It was no use to undertake to try conclusions with the foe in open fight. But Olney was compelled to dismount and try it afoot, as his horse had come to grief at the first fire. He found his movements greatly impeded by a big pair of spurs, and in endeavoring to free himself from them as he ran, shed one of his boots. He then got tangled up with the remaining spur in such a way that it threw him to the ground. At this the boy, a lad 14 years old named Willie Hay, cried out, "See, he is killed." One of the men named Wright and a genuine hero of the true stamp, said it would not do to leave him that way, and proposed that they go back to his aid. The boy went back with him, and Wright took Olney up behind him on his mule. The mule, thus loaded, naturally fell behind, and, on crossing a gulch, got shot through the flank, which partially upended it, throwing Olney to the ground. Wright, not willing yet to give up his effort to save a newly-found companion, urged Olney to mount again; but the latter refused, and urged Wright to do his best to save himself, for it looked now like Olney's chances were nil. By desperate sprinting and dodging over ridges and gulches he managed to reach a brushy bottom he was aiming for in time to overtake his would-be rescuer once more and see the latter fall from his mule a lifeless corpse. Olney now continued his single-handed game of hide and seek with the Indians all that afternoon and far into the friendly darkness of the

succeeding night. Olney, it should be remarked, however, did the hiding, while the redskins did the seeking with all their customary ferocity and alertness.

But while this part of the play was going on, the boy hero of the engagement, together with the rest of the men, had pushed on over the hill to his father's ranch and notified the soldiers on guard at that temporary fortification of the happenings en route, giving out the report that Wright and Olney were both killed. John Davis, Shellback Smith, John Gould, Charley Abrams and J. Sargent, all messmates of Olney, repaired to the summit of the long hill as rapidly as horses could carry them, and immediately plunged into the fight. But as I am drawing on Olney's narration of the events, I will let him do some of the describing in his own words: "They raise the hill and descent at a rapid pace the steep ridge, down which the trail ran towards the forks of the creek. Half way down and they are saluted by a hundred rifle shots from front and both flanks, accompanied by the too well-known Indian yell. Dismounting and tying their horses to the brush, with the bullets and yells growing thicker and louder, the brave little party boldly went into the fight. Taking each a tree, they loaded and fired with good effect, as was plainly indicated next day when the battleground was visited. Louder and fiercer grew the uproar; the Indians numbering near two hundred, soon gained the rear of the little party, and poured upon them a hail of rifle and pistol shots. "We must get out of this," shouted Gould. "They've got us in a tight place; come on." He ran to his horse, and all followed but Davis, who, seeing a number of Indians running towards them, shouted to his companions: "Hurry up, boys, and mount. I'll keep those devils away until you are ready to start. Charlie, untie my horse and hold him until I come." And almost in the same breath, he added: "Go ahead, boys, I'm shot right through the tummy." With much difficulty the rest of the party extricated themselves from surrounding difficulties, and, as Olney puts it, "holding their guns in the bridle hand, with revolver in the right, discharging rapid shots at the Indians, they streaked it up the hill and down the trail to the ranch, closely followed by the yelling and disappointed Indians, who were but a few rods in their rear when they reached the gate of the palisades surrounding the ranch."

The fighting, instead of being over with now, was just fairly beginning. Olney's narrative continues: "When Willie Hay and his companions made their appearance at the ranch with the news of the Indian's attack upon them and the killing of Wright and Olney, a courier was at once sent with the intelligence to Captain O'Neil's camp, at the foot of Eight Dollar Mountain. As soon as the news was received, O'Neil ordered the horses and pack mules to be immediately brought up and saddled and packed, and at once set out for the ranch, endeavoring to reach it before the Indians did. But in this he failed, as I shall now relate. Calling the roll he found he had but fifty men fit for duty, and with a pack train of fifteen heavily laden mules he must spare three or four for

the special duty of attending to the packs. Forming a vanguard of fifteen men, he sent them forward under Lieutenant Armstrong. The mules followed, and the rear was brought up by the remainder of the company under his immediate command. Away they went at a sharp trot until they had crossed Deer Creek and had entered the heavy timber within two miles of the ranch, when they overtook a pack train passing which with some difficulty, they kept on their way, with the loss of two or three mules which had run into the other train and could not be easily extricated, so they were allowed to remain and come away with the train, which was put to its utmost speed, when the packers had been told that the Indians were ahead. On they go through the heavy pine woods, the bell on the "bell mare" tinkling out hasty music to the loaded train mules behind, while the "Huppah Mulah," "Cahambo," and the everlasting string of Mexican epithets calculated to urge forward the train, were being bellowed and hissed in hasty and excited way. They have reached within half a mile of the ranch, and they hear an occasional rifle shot. Soon comes a crash of reports succeeded by the usual rattling reverberations through the timber of each separate but continuous report and the near yells of the Indians. On they go, the vanguard at a gallop, pack mules ditto; they are too slow. "Forward faster."

Another train in the road - Jimmy Lowery and Billy Sutherland's train - Billy on the "bell mare." Jimmy driving up the train; trains at this time on the keen jump. "D --- n the train," says the Captain; but it doesn't make matters any better. The train behind is making good time, and its "bell mare" has overtaken the rear guard. So there are two pack trains and a company of volunteers surging together along the road through the woods towards the ranch. They are now within two hundred and fifty yards of the ranch. Volunteers have left their pack mules behind and gone pell mell through and are firing from behind every tree and bunch of brush into the very faces of the men. Each man, with revolver in hand, yelled defiance and sent shot after shot at the Indians, who, in a few minutes, turned their attention to the pack trains."

To follow all the particulars of the general engagement that now ensued would make this article unduly long. It can be abbreviated by simply saying that the fight continued till after midnight, when a temporary lull was obtained by the Indians retiring. Olney showed up at the ranch in the morning, considerably the worse of the wear for his enforced adventures. The remaining pack mules were gathered in and relieved of tumbled burdens. The Indians were heard of right away at Captain O'Neil's camp near Eight Dollar Mountain, where they managed to catch onto another pack train, this time the property of Coyote Evans. A couple of battles were fought around this noted mountain that and the following day, in which the Indians were victorious at first, but finally withdrew with their abundant plunder down Illinois River towards the Big Meadows on Rogue River.

Without stopping for any further long digressions we will now try and get in touch with our original theme - the trip to Red Dog. The foregoing extracts are sufficient to show the contrast between such expeditions now and in earlier days, when the red man had such a fetching desire not only for pack trains, but also for locks of human hair. But if the dangers have been minimized, so too have been the glittering prospects of suddenly acquired wealth.

The remainder of our route took us down the same stream thus renowned in Indian war annals, past the celebrated copper mines and over the mineral-bearing hills to Briggs Creek, thence up that creek to Red Dog. A good-sized miners' village composed of tents was already on the ground. There is no mistaking the character of this sudden aggregation of adventurers - it is the old story, told and retold so often on the Pacific Coast, the same hurrah, the same banter and badgering, the same noisy carousal and midnight drunkenness that are so uniformly characteristic of these wild rushes. That there were no "dead men for breakfast," or supper, as the case might be, was due mainly to the brevity of the excitement. The elements were abundantly ripe for it; but the Red Dog furor eased up nearly as suddenly as it was started. One account of its inception, as told me by J.L. Wilder, is as follows: A man [he thinks it was Melichi Baughman, though he is not positive on this point], was riding along on a mule when he saw something that resembled the copper bottom of a washboiler, but wondering how it could have got up into that terra incognita sort of a region, he concluded to investigate. His investigation soon developed the fact it was nothing more or less than a slab of gold that had become disintegrated from its bed of quartz. Perhaps one of the reasons for the sudden ending of the stampede might be traced to the infrequency of such findings of old washboiler bottoms. Another reason - a reason that must crop out at every new discovery of mines from this on - is found in the unfair allowance of such big claims to be the first men on the ground. Good diggings had been found all right enough, but with twenty acres to the man it does not take many claims to absorb a good-sized stream. Before Congress took a hand in regulating this matter, claims were apportioned more in accordance with common fairness through those usually turbulent assemblages called "miners' meetings." One hundred feet up or down the gulch was the maximum allowance. Congress, it must be confessed, has made a bad mess of it regulating something it did not understand.

Finding everything claimed up and rapidly ripening into that condition when contest and lawsuits would come in fashion, my partner and myself could only re-enact the role of "a looker-on in Venice." We had no occasion, however, to regret our trip. There is a fascinating excitement about these movements that makes recompense for many of their hardships. One seems to live more in a few weeks than he would otherwise in as many months. Let no one then seek to decry this form of hegira on general principles; for experience has shown that it

will not "down." It furnishes the necessary training for those hardy adventurers who have made Pacific Coast development what it is.



Venezuela investigates alleged massacre in Amazon tribal village

Reuters

<http://news.yahoo.com/venezuela-investigates-alleged-massacre-amazon-tribal-village-235024590.html>

CARACAS (Reuters) - Venezuela's public prosecutor on Wednesday said it is investigating an alleged massacre of indigenous people in the Amazon rainforest, after a tribal group told the government that a village of 80 natives was attacked in July from a helicopter.

In a statement, the government said it had received word of the alleged attack by a group representing the Yanomami tribe, an indigenous people native to southern Venezuela.

The area, along the country's long, remote border with Brazil, has a history of violent clashes between natives, gold prospectors, and other would-be developers in the region.

A spokeswoman at the public prosecutor's office said the government could not yet confirm the attack nor how many people may have been killed.

Fellow Yanomami and an international native rights group, however, said only three people, from the village of 80, are known to be alive.

Luis Shatiwe, a leader of the Yanomami group, told a Venezuelan newspaper that the survivors were hunters who had been out of the village at the time of the alleged attack. The hunters, he added, heard a helicopter and gunfire and said a communal hut in the village was destroyed by fire.

Survival International, a London-based organization that seeks to protect native peoples, said in a statement that another Yanomami told the group that tribespeople had found bones and charred bodies in the village.

The group and the government both said that word of the alleged massacre is just emerging because of the remote location of the village, a five-hour helicopter flight, or a five-day walk, from Puerto Ayacucho, the capital city of the southern state of Amazonas.

Like other Amazon tribes, the Yanomami in recent decades have struggled with efforts by outsiders to tap jungle resources or otherwise develop the rainforest. Often, the conflicting interests result in violence, though much of it goes unreported because of the scale and remoteness of most of the Amazon.

In 1993, 16 Yanomami villagers were killed in Brazil during an attack by miners. Brazil eventually convicted several of the assailants.

(Reporting By German Dam and Mario Naranjo; Writing by Paulo Prada; Editing by Sandra Maler)



Draft Russian bill facilitates foreign mining of gold, PGM, diamonds

According to documents published on a ministry website, Russia's ministry of natural resources is considering allowing companies with foreign capital to mine its gold, PGM and diamond reserves

Author: Polina Devitt and Alexei Anishchuk, Posted: Friday , 10 Aug 2012

<http://www.mineweb.com/mineweb/view/mineweb/en/page72068?oid=156774&sn=Detail&pid=92730>

MOSCOW (REUTERS) -

Russia's ministry of natural resources has drafted a bill that will facilitate the access of companies with foreign capital to mine its gold, platinum group metals (PGM) and diamond reserves, according to documents published on a ministry website.

Russia's gold reserves account for about 10 percent of the global volume, second only to South Africa's, according to ministry data. Its share in palladium accounts for 24 percent of global reserves and in diamonds 35 percent.

But Russia lags behind countries such as Canada, Australia and the United States in exploration and development of minerals, Sergei Donskoi, recently named minister of natural resources, has said.

The draft bill would allow foreign-owned businesses to mine deposits of up to 250 tonnes (about 8 million troy ounces) of gold, five times the existing cap of 50 tonnes set in 2008, without facing additional regulation from the state, the documents showed. (www.mmr.gov.ru)

Current Russian legislation classifies gold reserves over 50 tonnes as well as any diamond and platinum group reserves as deposits of "federal significance",

which means the state can ban a foreign-aligned investment that it deems is a "threat to the state defence and security".

Polyus Gold, Russia's largest gold miner, produced 47 tonnes of gold in 2011 and has proven and probable reserves of 2,830 tonnes.

Canada's Kinross Gold Corp, the largest foreign investor in Russia's gold sector, has said Russia could lure more than triple the current level of investment in gold exploration to \$1.6 billion a year by making small changes in legislation and offering better incentives.

The bill would bring Russian practice into line with that of other leading mining countries, Lou Naumovski, head of Kinross's Moscow office, told Reuters on Thursday.

"The fact that no government approval would be required should give more comfort to exploration companies to start exploring again," he said.

"The other important measure is the suggestion that a discoverer of a strategic deposit could proceed to mine development without the threat that the government could withdraw the license with only modest compensation," Naumovski added.



The incredible stretching Endangered Species Act

Marcia Armstrong, Siskiyou County Supervisor

<http://users.sisqtel.net/armstrng/opinion090412.html>

Is the Endangered Species Act being used to protect true declining native species or to exert power and control over privately owned natural resources?

Coho salmon: Regardless of whether you believe coho salmon is native to the Klamath River system, there is a real question as to whether today's coho are native salmon. Figure 2 from NOAA Technical Memorandum 17, (Application of DNA Technology to the management of Pacific Salmon,) indicates that Klamath River Iron Gate Hatchery stocks are genetically related to coho of the South Puget Sound, North Oregon and Washington Coast cluster. Iron Gate Hatchery (IGH) coho were determined to be of an entirely different genetic cluster than the Rogue River and Cowlitz coho, which are in the Southern Oregon Northern California Coho unit.

<http://www.nwfsc.noaa.gov/publications/techmemos/tm17/figures/bermfig2.htm>

This is actually consistent with the history of artificial coho plantings in the Klamath system which are mentioned in Chapter 5 of the Klamath River Basin Fisheries Task Force Long Range Plan (LRP) and Appendix D of the 2002 state listing analysis done by the CA Dept. of Fish and Game: Historical Occurrence of Coho Salmon in the Upper Klamath, Shasta and Scott Rivers.

<http://users.sisqtel.net/armstrng/native%20Klamath%20coho.htm>

A 1994 report called the "Historic Decline and Current Status of Coho Salmon in California" stated:

"Like the Iron Gate stock, the Trinity River stock is primarily of nonnative origin. The first significant planting was of Eel River stock in 1964, followed by Cascade River (Oregon) stocks in 1966, 1967, and 1970. Noyo River (California) stock was planted along with Cascade River fish in 1970, and Alsea River (Oregon) stock was planted along with Cascade River fish in 1970..."

These non-native fish were widely outplanted in our tributaries...According to the LRP: "From 1979 to 1988 the average number of coho juveniles planted was 670,531 annually. Plants ranged from a high of 1,198,696 in 1981 to a low of 156,150 in 1984..."

Proposed Listing of the Gray Wolf: On another front, the federal government has listed the gray or "timber" wolf (*Canis lupus*) as an endangered species and the State of California is in the process of considering it for state listing. Keep in mind that there was a museum search in CA for specimens in 1916 and only two were located. Most of the specimens brought in turned out to be large mountain coyotes. Although early explorers and settlers recorded seeing wolves, it is not clear whether these were actually wolves or the large coyotes that live in our mountains (*canis latrans lestes*.)

In 1922, a wolf was collected from San Bernardino County. It is likely from the description that that this was a Mexican wolf (*Canis baileyi*.) The only other wolf specimen collected was in Lassen County in 1924. The two specimen's that were located were both under 100 pounds in size. The Lassen wolf is the last known wild wolf ever trapped in California, except for an adult male weighing 56 pounds trapped in Tulare County in 1962. (This was assumed to be an introduced wolf of Southeast Asian origin.) Nevertheless, a CA Dept of Fish and Game (DFG) report concludes that: "wolves were not abundant, even though they were widely distributed, in California.

http://www.dfg.ca.gov/wildlife/nongame/wolf/docs/Gray_Wolf_Report_2012.pdf

So the question arises what is the origin of the wolves coming into California that the federal government and the DFG wants to protect as endangered? In 1995-96, sixty eight Mackenzie Valley wolves captured in Alberta, Canada were released in Yellowstone. Historically, the native male wolf (*Canis lupus irremotus*) of the Northern Rockies averaged around 90 to 95 pounds at maturity. These native wolves ranged about 100 square miles, hunting alone or in small packs of four-five at the most. Small pockets of this native species still existed in the Rockies when the Alberta strain was introduced. Mature males of the Alberta Canada sub-species often top 140-150 plus pounds, typically hunt 300 or more square miles, with packs often numbering 20 or more.

The total population of wolves in Canada exceeds 50,000, with a large percentage if these consisting of the Alberta sub-species *Canis lupus occidentalis*. They are not endangered and they are not native. This Canadian subspecies is the gray wolf the federal government has protected as endangered and the one California is currently considering for Endangered Species Act protection.

Social and Economic Impact Spotted Owl Critical Habitat: On behalf of the western counties, a detailed comment has been submitted to the U.S. Fish and Wildlife Service regarding the social and economic impact of the proposed expansion of critical habitat for the Northern Spotted Owl. Siskiyou County is featured. Please note, the comment is large but can be downloaded here: <https://dl.dropbox.com/u/30650836/Sierra%20Inststitute%20Comments%20Final%20Report%208-20-12.pdf>



Things that make you go hmmm

	Government Bonds	Equities	Commodities	Gold
Inflation	SELL	BUY	BUY	BUY
Deflation	BUY	SELL	SELL	BUY
Weak Growth	BUY	SELL	SELL	BUY
Strong Growth	SELL	BUY	BUY	SELL
Fear	BUY	SELL	SELL	BUY
Greed	SELL	BUY	BUY	BUY



Locked and Loaded Guess Which Industry Is Thriving While Everyone Else Teeters on the Edge of Failure

Mac Slavo

<http://www.shtfplan.com/headline-news/locked-and-loaded-guess-which-industry-is-thriv>

As consumer retail giants like Best Buy, which saw a 90% decline in net income in the second quarter of 2012, struggle for survival amid the worst economic crisis to hit the globe since the Great Depression of the 1930's, there's one industry that's not only maintained its growth, but is showing record profits month after month.

This is no doubt a terrifying trend for those who'd prefer to "hug it out" with mass shooters or violent criminals in modern day domestic war zones like Chicago, Illinois. For the rest of us, however, it's a no brainer considering the rising tide of crime, the potential for an economic collapse that drives society to chaos, and a political climate that would like nothing more than to see Americans be forced into defending themselves with sticks and stones.

A large number of Americans see what's coming, and they're taking their personal safety and protection into their own hands, as evidenced by the following chart showing gun manufacturer Smith and Wesson's quarterly revenue growth:



When the final bubble does pop (and here we make the wild assumption that no intelligent extraterrestrial life will be found to bail out the central banks in time), at least everyone will be locked and loaded.

Year over year Smith and Wesson has seen growth of 48% (a number that must have left Solyndra executives and the Obama administration bewildered), and they are showing no signs of a slow-down. Likewise, other gun manufacturers are seeing record growth – and backlogs – as Ruger recently had to suspend new firearms orders citing “overwhelming demand.”

As was previously noted, over 10 million guns were sold in the United States in 2011, and 2012 is going to be even bigger – something that should scare the crap out of anyone who'd ever think to invade or enslave the free people of the United States.

Violent criminals out there should take note – law abiding Americans aren't going to sit back and take this lying down anymore.

