COVERT WARS AND BREAKAWAY CIVILIZATIONS

The Secret Space Program, Celestial Psyops and Hidden Conflicts

Joseph P. Farrell

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by Joseph P. Farrell

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ISBN: 978-1-935487-83-8

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Published by:
Adventures Unlimited Press
One Adventure Place
Kempton, Illinois 60946 USA

auphq@frontiernet.net

www.adventuresunlimitedpress.com

Cover by Terry Lamb

10 9 8 7 6 5 4 3 2 1

As always, to
Scott Douglas de Hart:
You are a true

For all the shared bowls and walks and talks and so many brilliant
insights in so many conversations through the years,
Anything I could say, any gratitude I could express, are simply
inadequate.

To George Ann Hughes:
Dear and good friend:
You are a constant encouragement; thank you, but again, it seems so
inadequate.

To D.R.J.:
Good friend, who has seen the full implications of the Metaphor,
and given numerous and priceless insights:
Thank you is, in your case as well, inadequate.

To My friends D.E.C. & B.J.K.:
I'm proud of you!

To all the other "extended Inklings" out there:
Many thanks for continued and consistent friendship through the
years.

And to
Tracy S. Fisher,
who with love and gentle prodding encouraged me to write:
You are, and will always be, sorely missed

“ . . .(We) can readily understand why the power elite of America has no ideology and feels the need of none, why its rule is naked of ideas, its manipulation without attempted justification. It is this mindlessness of the powerful that is the true higher immorality of our time; for, with it, there is associated the organized irresponsibility that is today the most important characteristic of the American system of corporate power.”

C. Wright Mills, *The Power Elite* (Oxford, 1956), p. 342.

“. . .(When) men of knowledge do come to a point of contact with the circles of powerful men, they come not as peers but as hired men.”

C. Wright Mills, *The Power* Elite, p. 351.

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PREFACE:
THE MATRIX OF A BREAKAWAY CIVILIZATION:
GEOPOLITICS, NATIONAL SECURITY, NUCLEAR WEAPONS, COVERT OPERATIONS, SPACE, AND UFOS

"It is mandatory to Flash-report Fort Meade on all intercepted foreign-government signals intelligence that pertains to unidentified flying objects; and these installations are required to track and Flash-report on any signals or electronics intelligence that might have an extraterrestrial origin."

Howard Blum[1]

"U.S. historian Carl Oglesby sees the origin of much of the CIA's later sinister record in the alliances it forged almost immediately upon its birth, with the Gehlen/Vlassov organization and, through Operation Underworld, with the Lanksy crime syndicate: 'Everything after this (the Gehlen alliance), on top of Operation Underworld, was probably just a consequence of this merger. How can a naive, trusting, democratic republic give its secrets to crime and its innermost ear to the spirit of Central European fascism and expect not to see its Constitution polluted, its traditions abused, and its consciousness of the surrounding world manipulated ultimately out of all realistic shape.'"

Henrik Kriiger and Carl Oglesby[2]

This book is about exactly what the title and sub-title say it's about: covert wars, breakaway civilizations, secret space programs, and psychological operations. But behind that rather blandly limiting list of concepts, lurks a hidden jungle-overgrowth of a massive amount of details that are bizarre, bewildering, and pregnant with huge implications. Even a brief catalogue of these details is

sufficient to portray just how bizarre, bewildering, and significant those details are, for in this book, you are going to read about concentration camp victims; con men and grifters; industrial scale Nazi counterfeiting; massive postwar financial fraud and hidden systems of finance; stolen computer software that tracks it all; Roman Catholic cardinal archbishops; banksters; secret agents; generals; the Mafia; the CIA; the Gestapo; Imperial Japan's *Kempai Tei;* bullion; precious gems; General Reinhard Heydrich; General Tomoyuki Yamashita; crop circles; machines and technologies that can create earthquakes, weather systems, and mind control machines; economic warfare; psychological operations against humans and "others"; assassinations; secret space programs including a possible actual shooting war between earthly nations (and between them and others); official and secret interest in ancient history, aliens, and artifacts; alchemy; ceremonial magic; rockets; robots; the nineteenth century airship mystery; UFOs; extra- sub- and crypto-terrestrials, USOs, thermonuclear weapons; hidden or little known technologies; possible secret societies; and, most importantly, how all these things are related.

In the predecessor volume to this sub-series of books, *Saucers, Swastikas, and Psyops,* I stated that "This is not an 'exciting' book, but it *is* a necessary one."[3] This book, like its predecessor volume, is not an 'exciting book', but it is necessary. Unlike its predecessor, any objective view of the previous survey of its contents will also reveal this it is not only not an exciting book, not only a necessary book, but also a *messy* book.

Thus, by necessity, any author attempting to write a book proposing to deal with covert wars, breakaway civilizations, secret space programs, and "celestial psyops" is asking for trouble in spades, for consider just the *scope* of merely *one* of those terms: "covert wars". By definition, this term would have to include not only ordinary covert operations of all sorts—psychological operations, financial and economic

warfare, cyber-warfare, assassinations and so on—being waged among various nations, but it would have to take into account how the concept of covert wars is modified and vastly expanded when considered in the context of Mr. Richard Dolan's idea of a "breakaway civilization", and a secret space program, of, perhaps, actual shooting wars being fought right under our noses by dint of technologies capable of manipulating "mother nature", and fought secretly, not only between nations, but between hidden groups, and perhaps between all of *them* and someone from "out there" (extraterrestrials) or "down there" (sub-terrestrials).

Consequently, and by another necessity, this Preface may be one of the longest prefaces in alternative research media history to a book that engages in nothing less than high octane speculation.

The inclusion of the components of (1) breakaway civilizations and (2) space adds dimensions to the problem not normally considered, such as covert operations between hidden factions, extra-territorial states and organizations, private syndicates such as the Mafia and so on, in addition to the sort of covert operations between nation states that one normally considers. Additionally, with space as a component for consideration, yet another new dimension is added, namely, that some of these covert wars and psyops are possibly being waged not only between humans both on earth and in space, but also between humans and non-humans, both in space and possibly here on earth as well.

Such sweeping considerations thus necessitate a primarily thematic, rather than chronological, methodology. In a certain sense, the *case* for a breakaway civilization is outlined here in the preface, the supporting "facts," or rather, perceived footprints and signatures of such an entity, are examined in the text. We are dealing, in the preface, with the skeleton, and in the main text, with the

muscles and organs. It is for the individual reader to decide if this hideous creature is capable of standing and walking.

So what are the basic questions that need to be asked, and which we shall confront in this book?

Among them, are these:

1) Does a breakaway civilization actually exist?
2) What are its footprints? its signatures?
3) Why have a secret space program?
4) What is the size of the secret space program?
5) How far back do the secret space program and breakaway civilization go? And who might be involved?
6) How does one define a breakaway civilization?
7) How is it financed? What are the costs of its maintenance? How does one envision it finances its covert activities and technological developments?
8) Is there more than one such breakaway civilization and secret space program? Or are there competing and perhaps occasionally warring interests within one single entity?
9) Who is running it or them
10) Is this breakaway civilization in contact or conflict with UFOs?

A. Culture, Definitions, and Questions

1. Geopolitical, Strategic, and Technological Imperatives of the Culture of the Breakaway Civilization

a. The Culture of Secrecy, Covert Operations, and Their Implications

With these preliminary thoughts and questions in mind, it is now time to consider the concept of a breakaway civilization as others have envisioned it, and as I envision it here.

It is my contention that within the body of research into this signally important subject, there have been two discrete and distinct approaches, and that neither of these, taken alone, is a sufficient basis by which to comprehend the breakaway civilization and its activities. In short, it is my contention that if one approaches the subject (1) solely from the standpoint of its covert operations and its alignment to intelligence bureaucracies and the international criminal drug trade, or conversely, (2) solely from the standpoint of its technological research, black projects, space activities, or UFO interests, then one will not have a complete picture, for this breakaway civilization is engaged on both sides, and for reasons arising from its culture.

This culture was formed under the historical circumstances of the end of World War Two and the peculiar and tightly interwoven strategic, geopolitical, and technological imperatives that arose from it. The most obvious change to standard geopolitical and strategic planning was, of course, a technological one: the discovery of nuclear fission and the invention of the atomic bomb, and a few years later, the thermonuclear hydrogen bomb. This fact, plus the knowledge that inevitably the Soviet Union would acquire a similar capability, completely changed the nature of strategic calculation. It became necessary for the USA and the West to contrive the means to first contain, and then increasingly to engage, then to roll back, and ultimately to defeat, the Soviet Union, and thereby to impose its own unipolar hegemony and world view upon the globe. And it had to do this without resort to nuclear warfare if possible. It is from this geopolitical circumstance that the twin means of doing so— covert operations, and technological end-runs around nuclear weapons— arose, and with them, the bureaucratic imperatives to create a breakaway civilization.

These circumstances inevitably meant a turn toward covert operations and the use of proxies or cut-outs as a means of avoiding direct and potentially catastrophic

confrontation, *while simultaneously pursuing technologies that would do an end run around the nuclear problem, obsolescing, and eventually rendering nuclear weapons themselves, obsolete by the invention of even grander strategic weapons, weapons moreover that would not have "spillover" consequences on those using them.*

This twin matrix of covert operations and covert research projects forms the more general matrix of the breakaway civilization, and from it, in turn, arose another profound, and early, development, for the marriage of covert operations and covert research also fueled the quest for weapons whose deployment itself could be covertly masked as acts of God, or of nature. To put this point even more succinctly: *The covert operations mentality or "culture of plausible deniability" would seek a technological capacity to wage war against an enemy or its population undetectably and with plausible deniability. Thus, it would seek technologies liable to misinterpretation by their use, i.e., weather war, earthquakes, solar events and so on, or technologies able to directly modify the brain's interpretation of their use, including the eradication of the memory of their use, or of the subject's own use as a "Manchurian candidate."*[4] In short, the technology itself, like covert operations, becomes a product of the culture of "plausible deniability."

This presents also another essential factor in the evaluation of the technological aspects of the breakaway civilization and its covert operations and research activities, for its terrestrial preoccupation—the containment, engagement, rollback and defeat of the Soviet Union—and its "extraterrestrial" one—the UFO phenomenon—necessitates that the greatest effort will be sought to obtain technologies of capable of the greatest utility in dealing with both perceived threats. In this regard one need only think of the utility of spy satellites both to reconnoiter Soviet ICBM sites and other activities, and to monitor and track potential UFO events and activities in nearby space. In other words, this dual matrix implies that *both* motivations were crucial

factors in the development of spy satellites and other secret space program technologies at the outset, and that to explain their development *solely* from the motivation of monitoring terrestrial ICBM and other military activity is a convenient and to some extent diverting explanation for what the ultimate and deeper purpose may have been.

This may be illustrated by the geopolitical context of the Cold War in which the culture of "threat assessment" and its associated technologies—the high altitude high speed reconnaissance airplane, the spy satellite, and the deep robotic space probe—grew. The last point— robotic space probes—may seem unrelated to the first two unless we take into consideration the culture of threat assessment. L. Parker Temple III, in his scholarly and well-documented history of space reconnaissance technologies, stated this need in relationship to the national security structure in this fashion:

> The year 1952 approached without much increase in the danger. The CIA issued a revised NIE 48,[5] "Likelihood of the Deliberate Initiation of Full-Scale War by the Soviet Union." Unlike the contradiction of its earlier estimate, it concluded that deliberate initiation of an offensive by the Soviets was unlikely in 1952. The estimate also stated the conditions under which the Soviets might initiate a conflict: either the Soviet leaders had to believe that a Western attack on the Soviet Union was imminent, or, an irreversible power shift to favor the West was occurring.
>
> Far ahead of projections, the Soviets detonated their first thermonuclear device on 12 August 1953, with a yield of 400 kilotons. Despite U.S. hydrogen bomb yields in the megatons by that time, the detonation served notice that the Soviets could produce an indigenous device. . . . *The surprise was not quite another Pearl Harbor, but it underscored the U.S. need to have some means to learn what the Soviets were*

doing. Once more, Stalin's threat to surpass the United States came to mind. The Soviets were narrowing the gap; when would they overcome it?

The situation, when the year of maximum danger of 1954 had finally arrived, was that the chairman of the Joint chiefs of Staff (JCS) favored a joint military command for air defense. The recognition of the need, however, seemed a bit late in the face of intelligence estimates that had warned of the danger of Soviet attack. The CIA had changed its assessment, saying the likelihood of general war was increasingly unlikely before 1958. *The impact of the U.S. inability to see inside the Soviet Union was readily apparent. The need for reliable reconnaissance seemed to be more important as the predicted threat failed to materialize. Our estimates were wrong, but how wrong were they?* [6]

The advent of nuclear and thermonuclear weapons was the game-changer, for it became essential to estimate any potential capabilities of other nations, and to do so required the development of the appropriate technologies.

As will be seen in the main text, this issue was very early on coupled with the modern advent of the UFO, since these appeared in part to be responses to, or reconnoitering of, terrestrial nuclear capabilities, and thus, in the creation of the technologies and culture of threat assessment, what was true of U.S. responses to the Soviet Union's development was even more true—for both countries—of the UFO and the potentialities it represented.

Note that there are three factors involved *and that each of these, considered alone and apart from the others, would have required enormous funding.* We have the following elements:

1) The need to establish a semi-permanent covert operations capability to engage, contain, roll back,

and eventually defeat, the Communist bloc;

2) The need to develop and deploy the technologies of high altitude and space reconnaissance platforms in the form of spy satellites to assess the potential threat posed by the Communist bloc; and,

3) The need to develop and deploy the technologies of space reconnaissance platforms in the form both of spy satellites and deep space robotic probes to reconnoiter the possible bases of observed UFO activity, and to assess their threat. This would have been seen as a national security issue, apart from any considerations of the *origin* of the phenomenon, since UFO activity was closely associated with American (and presumably Soviet), defense capabilities and installations.

I have written elsewhere of this system of finance, and of the interface it required with the international criminal drug trade. Given the list outlined above, however, such a system by necessity would have to have been supplemented from other sources. Thus, as a consequence of the simultaneous emergence of these three things, enormous pressure was developed not only to create an independent system of finance, but this system had to be both an enormous system, and an utterly hidden and covert one. Since such funding could only be had either by massive increases of taxation—which would have raised inconvenient questions—or by massive fraud, then ultimately, it required—as will be discovered in the main text—the use of new kinds of fraud, on an industrial economy of scale, a scale implying the complicity both of certain prime banks(or at least of certain individuals within their management) and of various organs of intelligence, not only in order to make the fraud work, but also to maintain the system as a steady source of funding . . .

. . . and of profits. This element is also a major contributory factor to the culture of the breakaway

civilization, for it means that its perpetuation will become a matter of vested interest (whether a threat really exists or not), as it is a source of tremendous profits to those participating in it.

Consequently it is this system, with all of its national security implications, that constitutes the ultimate though hidden source of the public culture of corruption so prevalent today. It necessitates likewise, as we shall see, the development of technologies for the covert monitoring of financial activity, and of any potential threat via any form of economic warfare to the fraudulent system being put into place, since that system itself is the lifeblood of the covert operations and technological arms of that civilization.

We may consider the massive scale of financing needed in such an operation by examining its UFO-related component from another perspective. On the view that UFOs would represent extraterrestrial interplanetary craft (or, worse, craft from outside this solar system), then it would appear to represent the achievements of possibly a Class I or Class II civilization on the Kardashev scale. For those unfamiliar with this scale, Kardashev was a Russian scientist who developed a classification system for potential extraterrestrial civilizations. A Class One civilization would be a civilization whose energy requirements were those of an entire planet. A Class Two civilization would be a civilization requiring the energy of an entire star. A Class Three civilization would be a civilization requiring the energy of an entire galaxy. In my previous works, I have slightly restated this, or developed a "corollary," and it is this corollary with which we are concerned here. The corollary may be simply stated as follows: the energy requirements of any particular Kardashev civilization class imply the technological ability to manipulate systems on a planetary, stellar, or galactic scale. It is therefore entirely possible that the UFO, understood as such a technology, requires the economic resources of at least a minimum of a Class One civilization to *produce,* and therefore, would require *similar* resources on the part of a

human breakaway civilization to *study or reproduce.* But since our civilization is only on the cusp of becoming a Class I civilization, its economic and financial resources, in the absence of an efficient energy technology such as fusion-based or zero-point energy based systems, would arguably not be sufficient to the task *unless a means or mechanism were contrived to vastly expand its financial resources by stimulating a vast though hidden expansion of credit, and a "suctioning" of hard assets to in order to emulate technologically the capabilities of UFOs.*

Thus, in addition to these *terrestrial* components, the end of World War Two also found the engagement of a wholly unexpected factor, one having massive technological and national security implications of its own for the emerging national security state: the UFO, or "flying saucer," and the potential it represented for a wholly *different* kind of national security threat: the extra- or non-terrestrial one. With this added factor, the covert operations-covert projects milieu had an additional geostrategic and financial burden to confront, and this factor also became part of the culture of the breakaway civilization.

It is also suggested throughout this book that the basic strategy by which the emerging breakaway civilization dealt with the Soviet Union via covert and psychological operations designed to (1) contain, (2) engage, (3) roll back, and (4) defeat, became also to a certain extent the basic paradigm by which it dealt with the UFO phenomenon. In other words, it is *the culture* of the breakaway civilization that is the crucial component to understanding its policies toward the UFO phenomenon. The Covert War against the Soviet Union to a certain extent also encompassed other potential "enemies," and became a covert war against an unknown target of a very different type. The black research inevitably implied by the UFO phenomenon and its interaction with the breakaway civilization also inevitably implied that it may function as a means of achieving the

very technological end run around nuclear weapons and the strategic advantage sought against the Soviet Union.

Consequently, in any assessment of the nature of the breakaway civilization, or “deep state,” or “secret team,” or “secret government” or whatever one wishes to call it, it is an impossibility to divorce the world of covert operations from that of covert research, from the UFO, and from the covert financing undergirding these activities. This is an important clue as to the culture and structure of the breakaway civilization, for as Professor Peter Dale Scott observes, this means one is not dealing with a “conspiracy” in any classic sense of the term. It is not a structure with activities that are “self-contained” and thus “extrinsic to the basic sociopolitical structure of America, but an integral cause and part of a larger war machine, an apparatus with a settled purpose fixed on achieving and maintaining global American dominance.”[7]

In this, we are now confronting its “total culture” of total power and full spectrum dominance, for by the nature of the case, the covert operations mentality will also give rise to the demand to *understand* the UFO phenomenon in order—if possible—to wage covert operations of containment (minimally), and rollback (optimally and if required) against it. This implies that not only could the UFO phenomenon be exploited for *terrestrial* psychological operations, as outlined in the previous book *Saucers, Swastikas, and Psyops,* but also that *psychological* operations *be initiated directly against the UFO phenomenon,* in addition to more direct technological confrontations.

b. The Total Culture of Total Power and Full Spectrum Dominance

Implicit in the survey of developments outlined above is another cultural phenomenon, indeed, one may view it in some respects as the key or defining cultural meme of the breakaway civilization. That factor is the “Total Culture of

Total Power and Full Spectrum Dominance." It is a "Total Culture" because it is an all-pervasive and steady influence, a constant matrix in which its policies are formulated and its activities conducted. It is a culture of "Total Power" in that, in its effort to contain both perceived threats, it requires the manipulation of perceptions where it cannot control or directly confront the phenomenon (be it the Soviet Union, or the UFO), all the while pursuing the means—technological and otherwise—of doing precisely that. The manipulation of perceptions *of* something is, in itself, a means of acquiring power *over* it. The mentality of engagement, containment, rollback, and ultimate defeat is, of course, a long-term strategy, requiring the institutionalization and "enculturalization" of these goals, and from this arises a perpetual war machine, and a culture of power and dominance, a kind of perpetual warfare/welfare socialism.

Professor Peter Dale Scott, who has approached this phenomenon more or less exclusively from the standpoint of covert operations and the nexus between them and the international drug trade, puts this point in the following way:

> Today everything that has ever been labeled "invisible government" or "shadow government" can be considered parts of that machine—not just the CIA and organized crime but also such other nonaccountable powers as the military-industrial complex (now the financial-military-industrial complex), privatized military and intelligence contractors, public relations agents, media magnates, and even Washington's most highly organized lobbyists.
>
> What we are describing is not just a neutral power apparatus but an apparatus with a settled purpose, a manipulative mind-set fixed on achieving and maintaining global dominance.[8]

While Scott is not writing about UFOs and their relationship to this deep-state, his assessment of its power-obsessed

culture is worth noting since it is equally applicable to its approach to UFOs, for the common uniting feature behind such events as the Kennedy Assassination, or postwar "terrorist" and false flag incidents, to the overwhelming evidence of government suppression of information concerning UFOs, and to its relationship to the criminal underworld, or to postwar Fascists, is a "global dominance machine" or war machine, with resources both within and outside governments, "united not by conspiratorial oaths and handshakes but by a shared mentality and purpose."[9]

This culture not only generates enormous corruption, but also a kind of psychopathological, or sociopathological, approach to the "overworld" with which it is still connected, for the culture of dominance creates an illusion which, as Professor Scott avers, is self-perpetuating; the culture of "dominance," he states, "creates megalomanic illusions of insuperable control and . . . this illusion in turn is crystallized into a prevailing ideology of dominance."[10] This culture, moreover, viewed from the standpoint of the "overworld" civilization with which it is still connected, is "delusional, indeed perhaps insane."[11] This insanity, this

B. Plausible Deniability: Covert Operations and Wars, the Engineering of Perception, and the UFO

As I contend in this book, and as I have suggested here in its preface, the UFO phenomenon affords the best entry into the culture and methodology of covert operations, the method called "plausible deniability" and deliberate perception management, for as will be evident in the main text, when confronted by their inability to completely understand much less control the UFO phenomenon, the breakaway civilization could at least manage *some* degree of control or dominance over it by means of the engineering of the public perception of it. Again, though not writing directly to the relationship of the UFO phenomenon to the national security state, and to its contribution to the

emergence of that state as a kind of “breakaway civilization,” nonetheless Professor Peter Dale Scott’s remarks are equally applicable to this phenomenon, for one of that civilization’s earliest and most consistently repeated denials was that the UFO posed no real national security threat or even concern, even while covertly it was behaving precisely as if it did. Professor Scott has noted that one hallmark of *any* civilization— breakaway or otherwise—is that it is “a great conspiracy of organized denial.”[12]

This “organized denial” is most evident in what Scott calls “Deep events,” namely, those events that are either orchestrated and carried out by the breakaway civilization, or events whose public perceptions are managed and influenced by it. These “Deep Events” are:

> events that are systematically ignored, suppressed, or falsified in public (and even internal) government, military and intelligence documents as well as in the mainstream media and public consciousness. Underlying them is frequently the involvement of deep forces linked either to the drug traffic or to agencies of surveillance (or to both together) whose activities are extremely difficult to discern or document.
>
> A clearly defined deep event will combine both internal features— evidence, such as a discernible cover-up, that aspects are being suppressed—and external features—an ongoing and perhaps irresoluble controversy as to what happened. Some deep events —the 1968 assassinations, the Tonkin Gulf incidents, and 9/11—clearly have both features.[13]

These “deep events,” moreover, are “better understood collectively than in isolation,” for “when looked at together, they constitute a larger pattern,”[14] a pattern that constitutes a “deep history” of that breakaway civilization.

It is evident that the characteristics of such deep events are equally applicable to the UFO phenomenon, and that it indeed qualifies as such a “deep” event, and moreover, one of an ongoing nature. This is a crucial point, for many, in the wake of the collapse of the Soviet Union and an end to the Cold War, have questioned why the national security and military establishment was not ended, or at least dramatically curtailed. The answer must surely lie in part in the fact that that establishment was *not* founded solely to deal with the *Soviet* phenomenon, but also with the *UFO* phenomenon, which shows no sign of abating.

In any case, the nature of ongoing cover-ups and continued controversy over the interpretation of deep events implies that yet another technique and technology that the culture of dominance will want to acquire is the technique and technology of perception management, social engineering, and mind control, for these will afford the quickest and easiest way to dominate the UFOlogical phenomenon in a “soft” fashion, while it eagerly, simultaneously, and secretly seeks the means to engage and contain, and if it perceives it to be necessary, to rollback and ultimately to defeat it by the hard fashion.

In short, the breakaway civilization has been engaged in a cover *war* not only against the Soviet Union, and others, since World War Two, but has also been engaged in a covert war against the UFO phenomenon since World War Two, since both spring from a common cultural matrix and meme: total power, and total dominance.

1. Historical, Structural, and Factional Analysis of Components

In any analysis of the breakaway structure, one must discern its structural and factional components by the historical circumstances that led to their creation. While some of the these components and historical circumstances have already been alluded to previously, we need to take note of the following points. *Historically,* the matrix of the breakaway civilization drew from the following arrangements and events:

1) The nexus or interface between the Anglo-American financial and intelligence elite, and their World War Two Nazi and Fascist counterparts, as exemplified by:
   a) The wartime agreement struck between U.S. intelligence mandarins and German military intelligence general Reinhard Gehlen;[15]
   b) The implicit agreement between the Anglo-American financial oligarchy and the postwar “Nazi International” to launder Nazi plunder through western banks, an agreement implied by the composition and implied purposes of the early Bilderberger meetings and other events;[16]
   c) The ties between American intelligence, the Texas oilmen Hunt and Murchison, and General Gehlen’s organization;[17]
   d) The pre-war German-American business ties that were, for all intents and purposes, resumed after the war.[18]

As I have outlined these components of the breakaway civilization in previous books, they will not be reviewed at any length here save in cases where it is necessary. But in addition to these relationships, this book will outline the following historical circumstances and events in the evolution of the breakaway civilization:

2) A similar interface or nexus of relationships as obtained between the postwar Anglo-American elites and the surviving Nazi and European Fascists also emerged between American elites and the elites of the Far East. This appears to have occurred in two distinct phases:

   a) A pre-war arrangement between Nationalist Chinese generalissimo Chiang Kai-Shek and the American financial oligarchy; and,

   b) a postwar nexus between the Japanese yakuza, zaibatsu, and the Japanese Imperial family. Unlike the corresponding nexus between the American elite and the postwar European Fascists, a nexus that encompassed the whole spectrum of interfaces between the American intelligence-and-covert operations complex, the American military-industrial black projects complex, and the American financial elites, and their corresponding Nazi and Fascist counterparts, the nexus between the Japanese elite was *initially* mediated much more narrowly by contact with the American military and covert operations complex;

3) Additionally, all of these interfaces are in turn linked to the international criminal underground drug trade, and this mediation occurs directly via the involvement of the American intelligence-covert operations complex, but also through the involvement of the Fascist International and Oriental components;

4) Finally, the matrix of the breakaway civilization arises from the vast complex of secret weapons projects that arose during World War Two, particularly in the United

States and Nazi Germany, and with their effective fusion via Operation Paperclip after the war. Effectively this represents the corporatization of advanced research having an impact on military and national security matters.

Consideration of these general factors reveals the basic *structural components* of this breakaway civilization:

1) The *financial* component, comprised of Central Banks and Prime banks in the west, and major brokerage houses. These constitute the *interface* between the breakaway civilization and the “overworld” or public civilization. This component is also comprised of financial institutions deliberately established by the intelligence-covert operations complex in order to enable its activities more directly, and to exercise more direct control and security over them. As outlined previously in this preface and elsewhere in my works, there are at least three major components of the financing of this structure, beginning with the most visible and least secure, to the deepest level:

   a) Black budget financing via budget loopholes and reallocation within the public budget of the host state (the USA);

   b) Financing through criminal activity, including economic warfare activity against various nations, and also particularly via the drug trade; and,

   c) At the *deepest* level, a completely hidden system of finance involving massive securities and bullion fraud and re-hypothecation, in part to create massive leverage for the financial oligarchies, and in part to raise the enormous sums required by the technological components connected to Soviet and UFO threat assessments outlined above;

2) The covert-operations-intelligence-military complex, which uses part of these funds to sponsor massive operations, initially to engage, contain, rollback and

eventually defeat the Soviet Union, and more recently to suborn other nations to become host nations supporting the breakaway structure, literally leveraging a buyout of the world (possibly as a necessary response to a perceived UFO threat); and,

3) a corporate-technological, or military-industrial complex comprising the scientific, aerospace and other technological components.

Before moving to a consideration of the *factional* components of this breakaway civilization, it is worth pausing to note its inherent instability as revealed by the above three *structural* components, for clearly, each component and the elites running them are a potential threat to the others, and the real power in the structure ultimately rests with those who know how to create and manipulate the technology.

This instability is a crucial factor in consideration of the *factions* of the structure revealed in the historical review. We have encountered the following factional interests:

1) The financial oligarchy, represented by
   a) the Central Banks and Prime banks of the nations involved (principally, the USA, UK, France, Japan, Italy, Germany, and other western European, North, and South American banks). Note here not only the continued existence of *national* factional interests, but of *regional* ones, as for example, between the USA for one part, the UK for another, and the continental European for a third;
   b) the “Front” banks created more directly by the covert operations intelligence complex and more directly under its control and influence;
2) The *International* Fascist component;
3) The *Japanese* component; and,
4) The *international* criminal syndicates and drug cartels.

5) The *American* intelligence-covert operations-military-industrial complex.

It is thus evident from a consideration of this list of factions that the structure is thus not only inherently unstable from a *component* point of view, but that there are internal stresses upon those components created by the national, geopolitical, class interest and cultural points of view that each faction brings to the table. Consider for example the second structural component: the covert-operations-intelligence complex. A quick glance at it will reveal that it is comprised of American, European, and criminal underground factions, each interfaced with each other. The best analogy to this overall structure, therefore, is that of the Mafia itself, each *capo* having a jurisdiction or territory, each structural and factional component being a "family." These "families" can gather around one table to discuss business and plan their activities, while at another level, when their individual factional interests are threatened, they can go to war with each other.

Or, to view it in a different and deliberately mathematical way, we are dealing with networks of secret and hidden regions of component interests and organizations, whose interfaces or common surfaces are detectable in the personnel that overlap between them, performing this set of functions in one area, and that set in another. These common surfaces can arise and dissipate between components and factions of the structure according to the dictates of the circumstances of the moment, as the sets of functions and interests of the one overlap with those of another, sometimes creating enormous amalgamations and alliances behind the deep events of history, as with the JFK assassination. And in other cases these common surfaces can remain more or less semipermanent nodes within the structure itself.

Rightly then, this organization is a segmented poly-centric integrated network, and a truly international phenomenon,

organized around a dominant American core in its intelligence, covert operations and research, and military activities.[19] But it can thus give rise to, and has given rise to, serious factional infighting.[20]

2. A Crucial Common Surface, or Interface: The Office of Policy Coordination

As outlined above, one of the crucial defining features of the breakaway civilization, and one that will initially preoccupy us in the first part of the main text, is a vast and *entirely hidden* system of finance, a system, moreover, in more-or-less direct control of the intelligence and covert operations mandarins. This system, once again, emerged in the immediate postwar period with the creation of the national security state, as Professor Peter Dale Scott notes:

> One of the first acts of the newly created National Security Council in 1947 was to launder "over $10 million in captured Axis funds to influence the (Italian) election (of 1948)." This use of off-the-books financing for criminal activity *was institutionalized in 1948 with the creation of a covert Office of Policy Coordination (OPC),* whose charge it was to engage in "subversion against hostile states."[21]

As Professor Scott also notes, the Office of Policy Coordination was established by *direct* order of the National Security Council; no authorization from, or role for, Congress was ever in view.[22] With this action, covert operations, intelligence, and criminal high finance became *directly* intertwined.[23]

The crucial step in this process was the issuance of the National Security Council's directive 10/2, dated June 18, 1948. This directive created the "total culture of total power and dominance" and the criminal culture that went with it, for this directive

> . . . gave the CIA's newly created OPC the task of carrying out "covert operations," among which were listed "subversion against hostile states, including assistance to underground resistance movements, guerillas and refugee liberation groups."
>
> At this moment OPC, authorized to engage in crimes, secured allies in its fight against communism by establishing backdoor links to professional criminal organizations, above all in the drug traffic. Relationships that had been sporadic before World War II became institutional and protected.[24]

European researcher Daniele Ganser, in his masterly survey of NATO's "stay behind" guerilla warfare commando units, puts the role of this crucial national security directive even more forcefully, as we shall discover.

The success of covert operations in the Italian elections of 1948 lead President Truman and his advisors to begin to see covert operations as an effective and more or less *permanent tool of statecraft,* and, in so far as they are related to the breakaway civilization beginning to emerge at this time, they become its *standard method* of operation:[25] the covert operations and wars of a covert civilization. Ganser sites much of NSC 10/2, and the reader, while reading this memorandum, should also note the peculiar ambiguity of its language in certain phrases, phrases that could be equally applicable to the UFO phenomenon:

> NSC 10/2 directed that OPC shall 'plan and conduct covert operations'. By 'covert operations' NSC 10/2 designated all activities 'which are conducted or sponsored by this government against hostile foreign states or groups or in support of friendly foreign states or groups which are so planned and conducted that any US Government responsibility for them is not evident to unauthorized persons and that if uncovered

the US Government can plausibly disclaim any responsibility for them.'[26]

Such methods of integration of covert operations into overall strategic planning and statecraft are heavy with implications for the subject of UFOs, and how these also mightily impelled the organization of the breakaway civilization, for the integration of covert operations created an inherently *long term offensive viewpoint* within that civilization, the viewpoint reflected in (1) engagement, (2) containment, (3) rollback, (4) defeat.[27]

Since direct confrontation of a powerful enemy such as the Soviet Union was not possible, any such confrontation had to be via mercenaries, proxies, and cut-outs, and as will be contended in this book, a similar approach was therefore even more heavily implied for the UFO phenomenon. One cannot emphasize enough once again that the approach to both potential threats emerged from a common cultural view.

With this very high, very speculative overview in mind, it is now time to begin our journey through the fog-filled hall of mirrors, and with its most fundamental component: financing, and fraud.

Joseph P. Farrell
From somewhere, 2012

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[1] Howard Blum, *Out There: The Government's Secret Quest For Extraterrestrials* (Simon and Schuster, 1990), p. 82.

[2] Henrik Kriiger, *The Great Heroin Coup: Drugs, Intelligence, and International Fascism* (Boston: South End Press, 1980), p. 205, citing C. Oglesby, *The Yankee and Cowboy*

War (Sheed Andres and McMeel, 1976),no p. page given pagepage citation given.

[3] Joseph P. Farrell, *Saucers, Swastikas, and Psyops: A History of a Breakaway Civilization: Hidden Aerospace Technologies and Psychological Operations* (Adventures Unlimited Press, 2011), p. vii.

[4] While I do not deal directly in this book with mind control technologies, I do propose a vast extension of the idea for radically different purposes in chapter twelve.

[5] NIE: National intelligence Estimate, ed.

[6] L. Parker Temple III, *Shades of Gray: National Security and the Evolution of Space Reconnaissance* (American Institute of Aeronautics and Astronautics, Inc., 2005), pp. 7-8, emphasis added.

[7] Peter Dale Scott, *American War Machine: Deep Politics, the CIA Global Drug Connection, and the Road to Afghanistan* (Rowman and Littlefield Publishers, Inc, 2010), p. 6.

[8] Peter Dale Scott, *American War Machine: Deep Politics, the CIA Global Drug Connection, and the Road to Afghanistan* (Bowman and Littlefield Publishers, Inc., 2010), p. 21.

[9] Ibid.

[10] Peter Dale Scott, *American War Machine,* p. 176.

[11] Ibid. As an example of the delusional insanity gripping what he calls the “financial-military-industrial complex,” Scott cites the following passage from Carter Administration National Security advisor, and co-founder of the Trilateral Commission with David Rockefeller, Zbigniew Brzezinski, and his 1997 geopolitically delusional book, *The Grand Chessboard:* delusional culture, stems, for its part, from the culture of covert operations and “plausible deniability.”
“For the first time ever, a non-Eurasian power has emerged not only as a key arbiter of Eurasian power relations but also as the world’s paramount power. The

defeat and collapse of the Soviet Union was the final step in the rapid ascendance of a Western Hemisphere power, the United States, as the sole and, indeed, the first truly global power.
"For America, the chief geopolitical prize is Eurasia. . . . Now a non-Eurasian power is preeminent in Eurasia-and America's global primacy is directly dependent on how long and how effectively its preponderance on the Eurasian continent is sustained..
"To put it in a terminology that harkens back to the more brutal age of ancient empires, the three grand imperatives of imperial geostrategy are to prevent collusion and maintain security dependence among the vassals, to keep tributaries pliant and protected, and to keep the barbarians from coming together." (Citing Zbigniew Brzezinksi, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives* [New York: Basic Books, 1997], pp. xiii, 30, 40.)

[12] Peter Dale Scott, *American War Machine,* p. 3.

[13] Ibid.

[14] Ibid.

[15] General Reinhard Gehlen, *The Service: The Memoirs of General Reinhard Gehlen,* trans. from the German by David Irving (New York: Times-Mirror, 1972), pp. 121-123. See also my *SSBrotherhood of the Bell,* pp. 75-79.

[16] For this point see the discussion in my *Babylon's Banksters: The Alchemy of Deep Physics, High Finance, and Ancient Religion* (Feral House: 2010), pp. 64-79; see also my *Nazi international: The Nazis' Postwar Plan to Control Finance, Conflict, Physics, and Space* (Adventures Unlimited Press: 2008), pp. 302-308.

[17] See my *LBJ and the Conspiracy to Kill Kennedy: A Coalescence of Interests* (Adventures Unlimited Press: 2011), pp. 48-58, 151-171, 180-186.

[18] See my *Saucers, Swastikas, and Psyops: A History of a Breakaway Civilization: Hidden Aerospace Technologies and Psychological Operations* (Adventures Unlimited Press: 2011), pp. 141-178.

[19] The financial, drug, and technological aspects may be, and I suspect are, far more internationalized and may no longer be under "American" control. This is a point for discussion among researchers concerned with this topic.

[20] One need only think, regarding this point, of the phenomenon of the split between the Northeastern establishment "globalists" and the more openly Fascist-leaning "American Empire" builders of the "cowboys" of Texas and California, often commented upon by researchers of the American elite. See, for example, Peter Dale Scott, *American War Machine,* pp. 208-209.

[21] Peter Dale Scott, *American War Machine,* pp. 8-9.

[22] Ibid., p. 26.

[23] Professor Scott also points out that Allen Dulles established a private intelligence *corporation* in the postwar world, enlisting British intelligence guru William Stephenson, and American banker and oilman Nelson Rockefeller in the scheme. See *American War Machine,* p. 27.

[24] Peter Dale Scott, op. cit., p. 28.

[25] Daniele Ganser, *NATO's Secret Armies: Operation Gladio and Terrorism in Western Europe* (London: Frank Cass, 2005), p. 54.

[26] Ibid.

[27] For this consequence, see Peter Dale Scott, *American War Machine,* p. 9.

PART ONE:
SEQUERE PECUNIA:

FINANCING FICTION, AND FICTITIOUS FINANCING,OR, COUNTERFEITING FOR FUN, PROFIT, AND WORLD DOMINATION

"In 1946, Tisserant received the Argentine Cardinal Caggiano to organize the escape of French-speaking war criminals to Argentina."
Uki Goni, *The Real Odessa,* p. xv.

"For some days the affair has been in the limelight. Importantly, at the time of the bonds were seized it was not possible to determine whether the US government bonds and US Federal Reserve certificates were real or fakes.

". . . (S)ome were so well made that it was hard to tell them apart from real ones. "Also inside the agents found extensive and detailed original bank documents about the bonds. If the latter were real the two Asian men had in their possession (although not necessarily in their ownership) a big chunk of the US debt which would have made them the fourth largest creditors of the United Sates. "
http://www.asianews.it/news-en/Mystery-surrounding-134.5-%E2%80%9Cfake%E2%80%9D-billion-US-dollars-seized-in-Ponte-Chiasso-remains-15556.html (Asia News is a Vatican-associated News service)

1
COUNTERFEITING, COVERT OPS, AND *KONZENTRATIONSLAGERN:*
THE POSSIBLE POSTWAR SURVIVAL OF OPERATION BERNHARD

"Kaltenbrunner immediately arranged a private interview with Hitler, whom he saw a few days later. He reported the start of dollar production, showed his samples, which the Fuhrer apparently approved."

Anthony Pirie[1]

There is in place, and has existed since World War Two, a vast, and almost completely hidden, system of finance within the world, and this system of finance has been used to fund the breakaway civilization in all its factions and all its activities, activities which include covert operations of all varieties, from overt and covert warfare—of all types—both on this planet, and off, to psychological operations, targeted at those both on this planet and . . . "elsewhere." This vast mechanism additionally supports the research and black projects that make its fantastic technologies possible.

It is a system, however, that at its root is based upon vast fraud and the collusion of public institutions of government and corporations, and more simply, robbery, for the covert financing for the breakaway civilization began as a series of three things, and came about by dint of a combination of those three things through historical circumstance, elitist opportunism and planning, and just plain luck. These three factors are:

(1) a state-sponsored case of industrial-scale counterfeiting during World War Two, which, as luck would have it,

became at least part of the inspiration for the post-war fraud;

(2) several state-sponsored cases of vast looting of the conquered, specifically:

(a) Imperial Japan's looting of Asia;

(b) Nazi Germany's looting of Europe;

(c) America's technology-transfers from a defeated Germany to the USA; and,

(3) the nexus of collusion between post-war American intelligence factions with the financial, military, intelligence, and scientific elites of the defeated Axis powers, and with the financial and corporate world of the post-war West.

Of course, we are far from saying that this breakaway civilization does not have its counterparts in the former Soviet Union, or contemporary Russia or China, but it is our contention that the most advanced form of it took root in the West, during World War Two, and took root on both sides of the conflict, among the Allies, and particularly in the United States, and in the Axis powers of Germany and Japan.[2] After the war, this breakaway civilization took on elements of the elites both of the victors and the vanquished, and, I believe, the outlines of those factions can still be faintly discerned within as the post-war detente between those factions breaks down into "open" covert economic warfare between them. But that is another story.

For the present, we remain focused on the first component of this vast system of fraudulent or fictitious finance, the finance that makes possible the "fiction" of mind-boggling human technologies, technologies which in turn open up vast new vistas of covert warfare. This first component—industrial scale state-sponsored counterfeiting— begins, as most such stories do, in Nazi Germany, shortly after the outbreak of World War Two.

A. Operation Bernhard

1. Naujocks and the Beginning of Operation Bernhard

Economic warfare, including the counterfeiting of an opponent's coins or currency, has always been a form of warfare, and because of its covert nature, one readily engaged in both by combatants in a conflict, and by third parties not wishing to challenge a powerful geopolitical player overtly. With the advent of the printing press and paper money, however, vast quantities of money could be in circulation, and counterfeiting as a mechanism of economic warfare could only be effective if transformed to industrial scale.

This was done shortly after the beginning of World War Two, and on a scale hitherto undreamed of, a scale only outclassed in more modern times by the sheer audacity of the "bearer bonds scandals" of the first two decades of the twenty-first century. Nonetheless, in terms of sheer scale and an audacious, breathtaking vision of what state-sponsored industrial counterfeiting might accomplish, and to what uses it might be applied, the Nazis were there first, even though they had plenty of ancient, mediaeval and more recent precedent.[3]

SS *Sturmbahnfuhrer,* or Major, Alfred Naujocks, a close associate of infamous SS General Reinhard Heydrich, contacted one Dr. Landau to study the feasibility of mass counterfeiting of British pound notes as a response to a clumsy British forgery of German food and clothing ration cards.[4] Because of his close association with Heydrich, it was Naujocks who was tasked with orchestrating the false flag attack on a German radio station with concentration camp prisoners who were placed into Polish military uniforms and executed so that Hitler could use this attack as a pretext for launching the invasion of Poland and the beginning of World War Two.[5]

In any case, Dr. Landau was initially put off by Naujocks' idea of mass-producing counterfeit British pound notes, since the notes were thought to be virtually counterfeit-proof.[6] Naujocks ordered Dr. Landau to make a study of the matter and report back to him within 48 hours:

> In forty-eight hours, Landau reported back that pound notes could be forged virtually undetectable from the original. It was possible but very difficult. Mass-production forgery would be even more difficult. Naujocks thanked Landau, and immediately made an appointment with his chief, Reinhard Heydrich, Head of the all-powerful Security Service and one of the most feared men in Germany.[7]

Not surprisingly, Heydrich, given his "character", was more than interested in Naujocks' industrial scale counterfeiting proposition, and immediately issued a directive, a directive that carried with it profound implications.

SS Sturmbahnfuhrer (Major) Alfred Naujocks: This Picture was taken by Americans after Naujocks' Desertion in 1944

2. Heydrich's Directive

Before issuing his directive, however, Heydrich prepared a memorandum outlining the proposal to present to Hitler, who approved the plan, but with strict handwritten instructions added to Heydrich's memorandum as a marginal note: no U.S. dollars were to be counterfeited, only British pounds, as the Third Reich was not (yet) at war with the U.S.A.[8] This proviso in hand, Heydrich composed an official order for the operation, initially code-naming it *Unternehmung Andreas* (Operation Andrew), detailing quite specific instructions for Naujocks.[9]

> Naujocks read and reread the *Geheime Reichssache* (Reich Top Secret) file,[10] until he knew the main points by heart. Heydrich specifically stated: "This is not to be forgery or counterfeiting in the usual sense, but *unauthorized facsimile* ***production.*** *The notes must be such a perfect copy of the original that even the most experienced British banknote experts cannot tell the difference."* The job was broken down into three separate parts: 1. production of paper identical with the British; 2. preparation of plates to print notes identical in color and design; 3. working out a proper numbering system.[11]

Adolf Burger, who was himself one of the concentration camp inmates who was eventually recruited by the SS to work on the counterfeiting of pound notes, and whose book, *The Devil's Workshop* must be consulted for any true appreciation of the extent of what would eventually be known as Operation Bernhard *(Unternehmung Bernhard),* puts all these points—including the translation of Heydrich's directive—slightly differently:

> The first details were contained in instructions declared 'top secret', which Naujocks received from Heydrich. 'This is not a question of forgery or imitation in the usual sense but it constitutes *unauthorized*

production *(of sterling notes). The notes must be so close to the original that even the most experienced sterling note specialists would not be able to detect any difference.'*

This called for something extraordinary. It was a task that could only be completed with comprehensive technical expertise and with the greatest circumspection. When 'Operation Andreas', as it was first called, started in 1941, it was without precedent.

This production of duds demanded the following:

1. First, paper had to be produced that exactly replicated that on which English notes were printed.
2. Printing plates had to be made up that could reproduce the tiniest details.
3. Mathematicians would be needed to work out the numbering system used by the Bank of England on its notes.
4. *A worldwide distribution network would have to be set up.*[12]

The phrase "unauthorized *production*" says it all, for it implies nothing less than that Nazi Germany was going to become an off-the-books, hidden supplier of banknotes to the Bank of England. In short, Nazi Germany was *at war not only with Great Britain, but more importantly, with the British financial elite.* Germany was attempting to erect a hidden system of finance, one ultimately designed to wreck the British war economy.

3. Industrial Scale Production and the Implications: A Permanent Counterfeiting Bureaucracy

It was indeed industrial scale production, mass-produced, and mass-marketed, counterfeiting, using all the international resources of the German security services. It is important, for our purposes, to note this connection between financial and monetary fraud, and intelligence

bureaucracies, for it is a pattern we will encounter again—on an even larger scale still—in the pages ahead. Nor, as will be shortly seen, was wrecking the British economy the only goal, for once the counterfeiting production apparatus was in hand and in production, the Nazis soon found other uses for the structure.

It is also equally important to notice a second thing about *Unternehmung Bernhard,* or Operation Bernhard, as it eventually came to be code-named, and that is that the SS had established a *counterfeiting bureaucracy* whose task it was to *reverse engineer the process of issuing "legitimate" British pounds sterling notes.* They had created a structure for the *technological examination* of how to counterfeit British currency, and once in place, the *method* could then be applied to any other currency. Like all such government structures, this would become, in effect, a *permanent counterfeiting bureaucracy,* and with the survival of Nazism after the war as a kind of extraterritorial state,[13] it was inevitable not only that the operation could continue under Nazi auspices and the criminal elements that it aligned with, but also that it could form, perhaps, the inspiration for similar undertakings on the Allied side of the war, as will be seen.

4. A Modern Historical Precedent, and Further Implications

Germany was, of course, not the first country to view the idea of counterfeiting as a form of economic warfare. Indeed, Great Britain flooded revolutionary France with facsimile *assignats,* the paper money of the French revolution, from 1790-1796 in an effort to derail the revolution.[14]

More importantly, Germany itself became involved in state-sponsored counterfeiting in the 1920s, before the Nazis ever came to power, when a scheme was devised to forge French francs and Soviet rubles as a mechanism to relieve the crushing burden of war reparations. It is this effort to forge French francs that is connected with another state-sponsored counterfeiting ring, this time, in Hungary . . .

Heydrich's directive establishing Operation Andreas/Bernhard created a huge enterprise. And the production problems of such an enterprise are, as one might imagine, immense, and these will be shortly reviewed. But there is an equal if not even more difficult problem that had to be overcome, especially in wartime: how would Nazi Germany get such "facsimile"[15] notes into circulation? Heydrich was alive to this difficulty, and consulted with an SS security service specialist, Dr. Willi Holten, who in addition to being an historian based in Vienna, was also closely connected to the Vatican (and with that, we have the introduction of another player in the financial aspects of the breakaway civilization). Heydrich, through an intermediary, ordered Holten to produce a paper entitled "An Investigation

into the Hungarian Franc Forgery Affair with Full Details and Background Information."[16]

This little-known affair concerns the attempt by members of the Hungarian elite, many of them conservatives, to counterfeit French francs—again on a massive scale—to fund their restoration in the aftermath of World War One and the forced disintegration of the Austro-Hungarian Empire. Holten, with only a month to complete the task Heydrich had ordered him to finish, consulted old newspaper morgues in the city for information on the affair, and eventually sought and obtained permission to travel to Budapest to consult with his contacts in Hungary.

His friends, however, refused to provide any information, and attempted to dissuade Holten from interviewing the principal figure involved in the forgery scandal, Prince Windischgratz "who had been beggared and disgraced by it."[17] Undettered, Holten sought and obtained an interview with the prince. Windischgratz agreed to answer detailed questions but stipulated that no detail be published "until after the disappearance from public life of the many prominent people involved, such as Admiral Horthy."[18] Lest we forget who Admiral Miklos Horthy was, he was eventually the regent for Hungary, in effect, a dictator, and a virtual puppet of Adolf Hitler for much of the war. In other words, the eventual ruler of Hungary and a former flag officer of the Austro-Hungarian navy, had been involved in a scheme to counterfeit French francs after World War One.

In any case, Holten, who was compiling the secret report for Heydrich, had nothing to lose by consenting to Windischgratz's stipulation, since the report would never be published anyway, and so he agreed to the condition.

The prince told Holten that beginning in 1919, the Hungarian elite had founded a secret society called Eksz, whose goal was to recover "the two-thirds of Hungary which had been lost to it under the Treaty of Trianon,"[19] the treaty which concluded World War One between the Allies and

Hungary. The goals of this secret society, in other words, were political. It funded its covert activities, Windischgratz said, primarily through counterfeiting operations, counterfeiting Czech and Rumanian currencies. Eventually, Windischgratz himself was recruited to oversee the forgery of French francs, and the then-Hungarian primeminister Count Bethlen had "cooperated by supplying official buildings for the purpose."[20]

Unfortunately, the notes were not of sufficient quality to be undetectable, and the first attempt to circulate them not only ended in a complete failure, but the Bank of France was able to trace the forgery to Budapest, where, making its own secret inquiries, it was able to collect enough evidence to force a trial. "Prince Windischgratz and others were asked to sacrifice themselves to save the government."[21]

For our purposes of the moment, it is crucial to note the pattern here: a secret society or faction with close ties to a government was engaged in more-or-less officially and secretly sanctioned counterfeiting in order to fund a political goal, a goal in itself that had to remain covert, since it was a goal that flew directly in the face of the established geopolitical order dictated by the Allies after the end of World War One. This, too, is a pattern that we will see repeated again, on a much larger scale, after World War Two, and again, in conjunction and connection to intelligence agencies and "secretive societies" engaged in secret state-sponsored counterfeiting.

We will return to the problem of distribution in a moment, but now our attention must shift to the other three problems of the operation, the problems of paper, plates, and quality control; we must consider the problems of production.

5. Production and Quality Control

The lessons of the Hungarian franc-forgery episode obviously hovered in the background of Heydrich's directive that the Nazi facsimile sterling notes be undetectable, and this inevitably posed problems for the counterfeiters somewhat different from ordinary counterfeiting. The ordinary counterfeiter wants notes that can pass the examination of an ordinary individual. Heydrich effectively wanted his facsimile notes, optimally, to pass the scrutiny of the Bank of England itself, and, failing that, at least to give it endless headaches and difficulties.

This Naujocks readily appreciated, and hence, he turned to the SS officer who would eventually lend his name to the counterfeiting operation, SS *Sturmbahnfuhrer* (Major) Bernhard Kriiger, who was assigned to the SS's personal documents forgery workshops. Naujocks had wanted Kriger to test the reliability of Nazi forged Swiss passports, and Kriger selected a non-commissioned officer and sent him to Switzerland using one of the passports. Unbenknownst to the "volunteer" for this operation, Kriger himself had alerted Swiss authorities to be on the lookout for him, and told the Swiss he suspected that the man was travelling with a false passport, which, of course, he was. The man was promptly arrested and detained by the Swiss, who sent the passport to Berne, where it was "examined by every known test, and then returned with profuse apologies to the young man,"[22] who was released and eventually returned to Germany.

The SS's forged Swiss passport had passed the thorough scrutiny of the one nation in Europe that most zealously guarded its official documents.

By this time, the decision had been taken to forge British five pound notes, though eventually the operation would expand to cover ten, twenty, and fifty pound notes. This decision taken, the next problem was one of intelligence, for Naujocks now had to dispatch agents to Britain to determine how many five pound notes had been issued during the previous twenty years, and "the date, the designation (a letter and number), the number and Chief Cashier's signature" on every note.[23]

It is worth pausing to consider this very important point, for again, it will become a crucial component to the argument in chapters ahead. Recall that Heydrich's directive specifically required that the facsimiles be "unauthorized production" of notes that were undetectable. They were, in effect, to *be* British pound notes, but not notes that had ever come from the Bank of England's printing presses. Thus, in addition to the normal two components of any counterfeiting operation:

1) Production of the "product"; and,
2) Distribution of the "product";

there was added a third:

3) Accurate *intelligence* concerning the actual amount of *genuine* product issued.

This element of intelligence or "insider knowledge" will become in the chapters ahead a key signature of state-sponsored fraud, counterfeiting, and facsimile production.

SS Sturmbahnfuhrer (Major) Bernhard Kruger, by whose name the counterfeiting operation eventually came to be known

a. Reverse Engineering the Sterling Banknote Paper

The first production problem was the British banknote paper itself. Work on reproducing it proceeded slowly because it "soon became clear that it would have to be made by hand."[24] Nonetheless, Naujocks had assembled a team to reproduce the first samples of paper by early 1940.[25] It was this team that produced a paper that to the naked eye and even under microscopic examination was undetectable from real British banknote paper.[26] But ultraviolet light "revealed a defect,"[27] namely, the genuine British banknote paper under ultraviolet was a vivid lilac color, but the facsimile Nazi paper was a much duller lilac color.[28] Heydrich's directive had called for "undetectable unauthorized production" of facsimile sterling notes, and thus, such paper would never do, since the British bank examiners—if they suspected counterfeit pounds—would certainly subject notes to ultraviolet examination. The search was soon on to clear up the problem:

> At this point, someone discovered that the "pure" flax supplied for linen manufacture by German producers was not 100 per cent pure, and that such pure flax

was unobtainable in Germany. Landau discovered that Turkish flax was “pure,” so a few tons of it were imported.

Paper made with rags from Turkish flax very nearly, but not quite, matched the original (British banknote paper). With the scientific experts helpless, Naujocks solved the problem by common sense. He reasoned that British paper makers almost certainly used second-hand but thoroughly clean linen; the Germans used brand-new material. Was that the trouble? Linen woven from Turkish flax was sent for use as cleaning rags to various factories. When thoroughly dirty, the rags were returned, cleaned and made into bank-note paper. This proved by any known test to be identical with the genuine article.[29]

The paper production problem thus solved, actual production of the paper was handed to Hahnemuhle mill in Berlin.[30]

The next problems to be solved were:

b. The Watermark, the Fonts, and the Plates

British banknotes of the period contained a watermark of wavy lines, of deliberately varied thickness, that required the SS counterfeiting operation to reproduce molds for the watermarks that were made from wires of varying thickness.[31] A glance at actual Operation Bernhard five, ten, twenty, and fifty pound notes will show this feature:

Operation Bernhard Five Pound Note, with Clearly Visible Watermark

Operation Bernhard Ten Pound Note

Operation Bernhard Twenty Pound Note; Again, the Watermark and Its Complexity are Faintly Visible

Operation Bernhard Fifty Pound Note, While the Watermark is barely visible, it is of the same type of style as that on other British sterling banknotes

The watermark problem solved, the final one was that of the fonts, images, signatures, and printing of the notes themselves, and of course these problems were eventually overcome, and facsimile pound note plates were produced. One gains a measure of the industrial sized scale of production by examining the amount of facsimile British pound notes that Operation Bernhard printed during the war:

£5 notes:	£19,729,330	or 3,945,866 notes
£10 notes:	£23,989,800	or 239,898 notes
£20 notes:	£26,746,680	or 1,337,334 notes
£50 notes:	£64,145,000	or 1,282,900 notes
Total:	£134,610,810	or 6,805,998 notes[32]

I have quoted Burger's figures here because they are conservative. Other sources give the total amount of Nazi facsimile pound sterling notes as being around £300,000,000, and there are even higher amounts that are sometimes cited. But even on Burger's amounts, such figures obviously mean that the SS operation was not a typical "hidden office" or "garage" counterfeiting operation, so where was it conducted?

As most people who have studied Operation Berhnhard are aware, the actual forgery was conducted by conscripted counterfeiters—inmates of concentration camps otherwise slated for slave labor and eventual extinction- who were accorded special privileges, increased food rations, and who worked at block 19 at the Sachsenhausen concentration

camp outside Berlin. It was literally “a camp within a camp,”[33] whose privileged prisoners were surrounded and cut off from the rest of the camp by a seven foot high wooden wall and barbed wire, with controlled access subject to the approval of the project’s new head, Major Bernhard Kriiger, who had selected each man from camps throughout occupied Europe for his “unusual skill in composing, engraving, printing or foreign exchange banking.”[34]

Kriger also took elaborate steps to ensure quality control of the “product:”

> The newly printed forgeries were examined nearly a dozen times on glass-topped desks illuminated from beneath, by three groups of inspectors using very high-power magnifying glasses. The first group assessed the note’s printing and color, the second, the watermark, the third, the combined effect of printing, color and watermark. On these criteria, the notes were divided up into three quality classes. Only (Ernst) Kaltenbrunner, (Walther) Schellenberg and (Friedrich) Schwend knew the real significance of the classification. *Quality I notes were used solely for German agents in enemy countries; Quality 2 for collaborators in occupied countries, for dubious business deals and for black market operations;* Quality 3 notes were kept for small deals with unimportant people and for any miscellaneous need which might arise.[35]

Note that the classification of Quality 1 and 2 notes implies that they were of high enough quality in order to be able to pass undetected, particularly by German agents in enemy countries, for passing counterfeit currency in any quantity was certainly to cast suspicion on the passer of such currency, and thus, these notes had to be of the finest quality. Similarly, Quality 2 notes had to be of high quality, since using the black market as a means of distribution

would insure that such notes would eventually pass into British hands and undergo close scrutiny. This is also a clue on the byzantine cunning with which Operation Bernhard notes were circulated, for they were circulated by means and methods *nominally illegal under Nazi occupation.* In other words, the “enemy” and his ultimately underground and “illegitimate” channels of circulation were employed to circulate the notes!

Burger, however, presents a slightly different classification scheme, but one that tends to the same result:

> The finished notes were divided into four categories. First-class forgeries went into the first category. The second contained notes with slight, almost invisible flaws. In the third category were notes with printing errors: these were to be dropped over England by German planes and would serve to devalue English currency. The fourth category was for poor-quality forgeries, which were destroyed. The selected notes were then dirtied and crumpled, to make them look like used notes. Then they were put in bundles of 500 and entered in the register again.[36]

As we shall see however, the Germans never resorted on any large scale to dumping their hard-won forgeries by the simple expedient of drops from airplanes. More effective means of distribution were found.

In any case, it remained to be seen, prior to the first mass distribution of the facsimiles, if the Quality 1 notes would indeed past the scrutiny of the most severe experts.

> . . . Naujocks felt ready for the supreme test. He got Kriiger to provide a sheet of notepaper with the forged heading: “Deutsche Reichsbank, Forgeries Department,” used it for a letter with an illegible signature, sent for a trusted agent, gave him the

letter, twenty brand-new five-pound notes and detailed instructions.

The agent went to a bank in Switzerland where his large account ensured him excellent attention. He produced his bundle of British notes and his letter from the Deutsche Reichsbank asking Swiss help in deciding whether or not the notes were forged. In three days, he got his reply—the notes were unquestionably genuine. Pretending, as instructed, to be still uncertain, the German asked the Swiss to check with the Bank of England if his notes had actually been issued. The Bank replied that they had. Still feigning uncertainty, the customer took back his money and returned to Germany.

This good news made Naujocks say that that date, March 1, 1941, was "the proudest day of my life."[37]

Using a Swiss bank was the next-best choice for testing the notes after the Bank of England itself, for as Swiss banks were then among the world's top international banks, detection of counterfeit foreign currency was a requirement and service of any normal Swiss bank. Once the categorization had occurred, all the forged notes, their quality control category determination, denomination, and serial numbers, were entered into a registry.[38] This, too, is an important point, for as we shall see, it is a hallmark of state-sponsored "facsimile production" that someone, somewhere, *knows* it is a fraud, and why.

B. The International Distribution Networks and Uses of State-Sponsored Currency Facsimile Production

1. Friedrich Paul Schwend

But what of the distribution of this "facsimile fortune"?

Ultimately, distribution fell to Friedrich Paul Schwend, a German businessman with contacts throughout the world, including China, and, of course like so many German

international businessmen, South America.[39] Because of his experience, Schwend came to the attention of, and eventually acted as a consultant, to Reichsmarschal Hermann Goring in his capacity of overseer of the Reich's Four Year economic plans. It was Schwend, in fact, who first proposed that the Operation Bernhard facsimiles be used to fund covert intelligence operations on a worldwide scale,[40] though this was not immediately acted upon.

Freidrich Paul Schwend, Mastermind of the Distribution, here seen with his second wife

Friedrich Paul Schwend Later in life, during the period he was living in Peru

Nonetheless, Schwend persisted, even pointing out that by using such facsimiles as a basis for funding of covert

activity, Nazi intelligence *would be free of any reliance upon state financing; it would have its own independent mechanism of finance,*[41] and to that end, he proposed a vast network of "agencies, sub-agencies, and representatives" all coordinated from a central office, a "sort of international bank"[42] based upon counterfeiting and facsimile money, a shadow "Bank of England, Nazi Branch!" At one point, this network even included Yugoslavia's partisans, from whom the SS would purchase arms, using the forged facsimile notes![43] Schwend also expanded the network to Swiss banks, since the Quality 1 notes had already passed muster, converting the facsimiles to real hard currency.[44] This is also an important point, for it illustrates the necessity, in any "industrial scale" counterfeiting operation: a "neutral point of entry" for the facsimile monies—or, as we shall see later, securities—is needed to ensure their "authenticity" and hence their convertibility into real money. This process was further aided and abetted by seeding *genuine* notes with the facsimiles when being converted to other hard currencies.[45]

Schwend's distribution network was so vast that his agents could be found in Africa, the USA, Argentina, Chile, Brazil, Uruguay, the Honduras, Japan, China, India, every European country, and, under his cover as a technical assistant to the German Embassy to the Vatican,[46] Schwend maintained close ties to that entity, and doubtless to its bank, the Institute for Religious Works. This is, as we shall see, not the only time we will encounter the Vatican's involvement with dubious financial dealings, and Nazis.

2. The Postwar Ties and Possibilities

Schwend's proposition that the Operation Bernhard facsimile money be used to provide Nazi intelligence an independent (and, so long as the scheme went undetected, nearly inexhaustible) source of funding independent of the Reich itself suggests the possibility that the operation continued in some form or fashion after the war, for even though the concentration camp inmates who provided the technical expertise would no longer have been available to the operation, the basic techniques and the hardware of industrial-scale counterfeiting had been perfected. It is additionally a well known fact that the Nazis did indeed hide much of the facsimile money and the plates used to produce it in various places in Europe after the war, indicating at least the *intention* of having the operation survive, presumably as a source of post-war Nazi covert activities. Additionally, Schwend's conversion of the Operation Bernhard facsimiles to real hard currency assets strongly suggests that his role in the operation was to aid in the preparation of the Nazi plans for the strategic evacuation of Europe and continuation underground after the war, by converting the facsimile money to real hard currency.

These possibilities gain additional strength when one considers the odd relationships of Schwend himself. He was, for example, related by marriage to Edouard Bunge,[47] part of the Bunge family corporation, which, of course, did business in Argentina under the company name of Bunge and Born. Bunge and Born was one of the leading companies to profit by massive stock manipulations just prior to the assassination of President Kennedy, suggesting to many (including this author), a connection to that event.

Just how large was Schwend's operation? Just how much, really, did Operation Bernhard and Schwend's distribution network accomplish? Burger, whose "conservative" figures we have cited previously, states that "By the end of the war the forged money would have amounted to 40 per cent of the authentic money in circulation."[48] Forty per cent, or, to put it more crudely, almost *half* of British money in circulation. Indeed, so much was in circulation that the Bank of England was simply forced to redesign all its banknotes completely after the war.

C. Conclusions

An interesting pattern has now emerged, and it is a pattern that will only grow in coming chapters and become more and more evident:

1) State-sponsored counterfeiting, or, to put it with Heydrich's more accurate, and chilling, phraseology, "unauthorized production" of undetectable facsimile banknotes was undertaken on an industrial scale, to the point *that the fraud became a significant part of the circulating money supply, and could only be removed with difficulty;*
2) Initially conceived as a means of economic warfare, Friedrich Schwend changed the motivation and purpose of the operation completely, by suggesting that such industrial scale forgery was a means of the virtually inexhaustible, and *independent,* means of financing Nazi intelligence and covert activities. It is a very short step from this realization, to the realization that it could be an independent funding mechanism for black research projects as well. *It is therefore the funding mechanism itself—via industrial scale counterfeiting—that forms the link between covert operations and covert research projects;*
3) Such independent funding also allowed the possibility that any such intelligence bureaucracy and/or secret

research entity could conceivably, by dint of any such vast “unauthorized production” enterprise, become virtually independent of its controlling state *and its financial institutions, whether public or private.* Indeed, the Hungarian episode of forging French francs after World War One *began* as an effort of a disenfranchised elite more or less independently of the Hungarian government, but quickly came to rely on that government. It is conceivable therefore that, with sufficient *scale,* such a fraudulent enterprise could co-opt or at least greatly influence the financial sovereignty of a nation and its public and larger private financial institutions;

4) In the distribution of such facsimile money, it was crucial to have one or more “neutral points of entry” into the circulation stream, such as would be provided by banks with long practice in international banking. As was seen, this was accomplished through Switzerland and the Vatican.

As we will see in the coming chapters, these two “neutral points of entry” will recur in the story again, but to see how, we must journey forward in time, before, eventually, journeying back in time and half a world away from Europe, where the other Axis partner was constructing the other pillar of the finance of a breakaway civilization. Like Operation Bernhard, which reverse engineered the British pound sterling banknotes, we are having to reverse engineer a vast and hidden system of finance being used for vast and covert purposes. We have seen one of the players in this structure—Nazis. Now it is time to look at other players, namely, banks, and bishops . . .

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[1] Anthony Pirie, *Operation Bernhard* (New York: William Morrow and Company, 1962), p. 233.

[2] This is not, for a moment, to say that Fascist Italy did not form its own vast untold story of "the *real* history" of World War Two, for indeed, this author strongly suspects there is a deeply hidden aspect to the Axis atom bomb project that is centered around Mussolini's Italy, but that is the subject for a detailed examination that cannot be undertaken here. By excluding Italy from this consideration here, however, I mean only to point to the *cultural* implications outlined in the preface, that the other two principal Axis powers, by dint of their black projects and willingness to jettison humane values and utilize slave labor and human subjects in their experiments, and to make genocide (whether against Russians or Chinese) an actual war aim, were forming the *cultural* basis and moral context for the breakaway civilization.

[3] For the ancient and mediaeval precedent, see my *Babylon's Banksters: The Alchemy of Deep Physics, High Finance, and Ancient Religion* (Feral House, 2010), pp. 202-205, and my *Financial Vipers of Venice: Alchemical Money, Magical Physics, and Banking in the Middle Ages and Renaissance* (Feral House, 2013), chapter 8.

[4] The British forgeries were so bad the German authorities did not even bother rounding up the faked ration cards, for the frauds were easily detectable by the average German, who simply turned them into the authorities. (See Anthony Pirie, *Operation Bernhard* (New York, William Morrow, 1962), pp. 12. 5

[5] Adolf Burger, *The Devil's Workshop: A Memoir of the Nazi Counterfeiting Operation* (London: Frontline Books, 2009), p. 124.

[6] Pirie, op. cit., p. 5.

[7] Anthony Pirie, *Operation Bernhard,* p. 5.

[8] Anthony Pirie, *Operation Bernhard,* p. 6.

[9] Ibid.

[10] It should be pointed out that *Geheime Reichssache* literally means “secret state matter”, but it was the equivalent classification within the Third Reich of “Top Secret”(USA) or “Most Secret” (UK).

[11] Pirie, op. cit., p. 7, italicized and boldface emphasis added.

[12] Adolf Burger, *The Devil’s Workshop: A Memoir of the Nazi Counterfeiting Operation,* pp. 128-129, emphases added.

[13] For this idea, see my *The Nazi International* (Adventures Unlimited Press, 2008).

[14] Adolf Burger, *The Devil’s Workshop,* p. 122.

[15] I am adopting the term “facsimile” here to denote the difference between such notes and ordinary counterfeit notes. The distinction will become quite important in the remainder of this part of the book.

[16] Anthony Pirie, *Operation Bernhard,* p. 12.

[17] Ibid., p. 13.

[18] Ibid.

[19] Ibid.

[20] Anthony Pirie, *Operation Bernhard,* p. 13.

[21] Ibid.,

[22] Anthony Pirie, *Operation Bernhard,* p. 16.

[23] Ibid., p. 17.

[24] Anthony Pirie, *Operation Bernhard,* p. 9.

[25] Ibid., p. 10.

[26] Ibid.

[27] Anthony Pirie, *Operation Bernhard,* p. 10..

[28] Ibid.

[29] Ibid. For Burger's much more detailed account of the fiber content of British paper and the reproduction of it, see Adolf Burger, *The Devil's Workshop,* p. 131.

[30] Adolf Burger, *The Devil's Workshop,* p. 144.

[31] Ibid., p. 131.

[32] Adolf Burger, *The Devil's Workshop,* pp. 146-147.

[33] Anthony Pirie, *Operation Bernhard,* p. 29.

[34] Ibid..

[35] Anthony Pirie, *Operation Bernhard,* p. 58, emphasis added.

[36] Adolf Burger, *The Devil's Workshop,* p. 148.

[37] Anthony Pirie, *Operation Bernhard,* pp. 18-19.

[38] Adolf Burger, *The Devil's Workshop,* p. 148.

[39] Anthony Pirie, *Operation Bernhard,* p. 25.

[40] Ibid.

[41] Anthony Pirie, *Operation Bernhard,* p. 38.

[42] Ibid.

[43] Ibid., pp. 30-31.

[44] Ibid., p. 32.

[45] Anthony Pirie, *Operation Bernhard,* p. 34.

[46] Adolf Burger, *The Devil's Workshop,* p. 154.

[47] Ibid., p. 153.

[48] Adolf Burger, *The Devil's Workshop,* p. 155.

2A
Bearer Bonds, Bullion, Bishops and Banksters:
OR
Cosa Nostra Con Men, Counterfeiters and Cardinals, Part One

"Tisserant waved that away. He was not at all concerned, he said, nor were any of those he had discussed this with. They all agreed that the American government would never accuse the Vatican of knowingly dealing in counterfeit stocks and bonds."

Richard Hammer[1]

The burden of the next three chapters will be to argue the case that industrial scale counterfeiting—or to use Heydrich's more accurate description, "unauthorized production of undetectable facsimiles" of money and securities—survived World War Two to become the favored method of the independent financing of the covert research and operations of the breakaway civilization. Like that civilization itself, this mechanism of finance, while deeply fraudulent, interfaces with the "real" world of public institutions to the point that it is part of what Professor Peter Dale Scott would call the "deep politics" of the age.

To put this point more succinctly, Operation Bernhard, at least conceptually, survived World War Two, as did the Fascist ideology which gave it birth. However, as will be suggested in the coming pages, there is also the possibility that it survived World War Two as a component of the post-war Nazi International, and interfaced with similar operations being conducted by quasi-independent or rogue groups within the American military-industrial-intelligence-finance complex, and with counterfeiting operations being conducted by the international criminal underground.

This is to say that the major factional structure of the breakaway civilization, in so far as its *financial* underpinnings are concerned, is composed of the following elements:

1) As noted above, a “rogue” or “deep political” element within the American military-inductrial-intelligence-finance complex. While the national composition of this faction is predominantly American and reflective of the dominant role of the U.S.A. within the global geopolitical situation, this faction has strong ties to similar oligarchical interests within Great Britain, and may be referred to as the Anglo-American elite. As an adjunct structure to this faction, one would also, for completeness’ sake, have to mention that this elite interfaces with the elites of other countries—Japan, Germany, France, and so on—whose geopolitical, economic, and cultural interests are seen to coincide with that of the Anglo-American faction;
2) the international criminal underground, or Cosa Nostra, or Mafia;
3) an international Fascist element, or “Nazi International”.

In this and the next two chapters, this factional structure, representing the major financial interests and commitments, will become clearer by an examination of..

A. The Bearer Bonds Scandals
1. The Japanese Bearer Bonds Scandal
a. General Comment

At the outset of our exploration of the “bearer bonds scandals,” and their vast implications, it is important to bear a few principles in mind.

Suppose, for a moment, that someone is the member of a ring of counterfeiters intent—as all counterfeiters are—at making money by using counterfeit bills to buy a small item, and to receive “real” money in change. The technique is

simple: the group has counterfeited a small quantity of twenty, fifty, or one hundred dollar bills, and has then used those bills to make small purchases, and receiving change from the cashier. Thus do counterfeiters make money.

This short overview contains within it the three essential methodological assumptions of any counterfeiting scheme:

1) One does not counterfeit something that does not currently exist as a medium of exchange, or that is not convertible into it. For example, it would be pointless to go to all the effort to produce a three dollar bill, for while they were once briefly issued by the Republic of Texas for the brief period of its existence, they are not now legal currency. Similarly one would not produce a four pound bill, or a seven yen bill, for such denominations of currency do not exist. *One only counterfeits, or mimics, something real.*

2) Similarly, one does not counterfeit five hundred, one thousand, five thousand, or ten thousand dollar bills, for while such denominations *are* genuine and *were* in circulation, two reasons would preclude the typical counterfeiting ring from making counterfeits of such large denominations. First, since the whole point of counterfeiting is to gain real currency in change for a transaction in which a counterfeit bill is tendered, normal transactions would preclude the use of large denominations for that reason, and additionally, the general use of such large denominations is not widespread and would attract attention. Large denominations are legal tender and have been circulated, but they are not *generally* circulated. Their use would draw suspicion. Secondly, large denominations would lie *outside* the normal affluence of the target group. One would not tender a five hundred dollar bill to purchase a roast and a few vegetables, and expect to get change easily. *One only counterfeits what one can reasonably expect to tender*

in a transaction to a target group, and thus must tailor its counterfeit function to the target's scale of affluence, and do so without raising suspicion.

3) It follows from the two previous considerations that one must produce a "product" that is of sufficient quality to pass the scrutiny of the target group. *One does not go to the expense and effort of producing a fraudulent product that cannot be used because it*

a) *does not exist, or*

b) *is too large a denomination to be traded with the target group, or*

c) *is too poor in quality to be traded.*

To state the point differently, *quality must be sufficiently high to ensure "first sight" acceptance of its authenticity by the target, even though it is not authentic.*

b. Special Considerations of Industrial Scale Counterfeiting

The situation changes somewhat when the context is "industrial scale" counterfeiting, as was seen in the previous chapter, for problems of distribution arise that a typical counterfeiting operation does not encounter. Additionally, the situation changes if the target group is to be the very wealthy. In this instance, instruments of very large denominations, usually securities—stocks, bonds, and so on—become the favored vehicle. But a problem arises. The very wealthy will be much more cautious about parting with their (authentic) money, and the higher the denominated value of the counterfeited instrument, the more cautious the target group is likely to be. Additionally, a wealthy target group is likely to be privy to the existence of instruments most ordinary people do not even know exist, and are also able to call upon private intelligence resources to verify information. Nonetheless, the principles remain the same: one does not counterfeit what does not exist, and every

effort must be made to present the “product” in as genuine a way as possible. There is, however, at this juncture an important additional consideration: since in this case one is counterfeiting much larger denominated instruments, one can only do so by dint of a similar access to information about various securities that is not generally available to the wider public. Trade in instruments of ten, twenty, fifty, or a hundred million dollars, or half a billion or a billion dollars, occurs at a rarefied level accessible only to a very few, and hence, any counterfeiting done at this level must likewise have access to information about that trade and the instruments traded. But the principle remains:

One does not counterfeit what does not exist.

Or to put that point even more subtly:

One does not counterfeit something that the very wealthy do not suspect exists, or know to exist.

With these thoughts in mind, we may now examine the first of the Bearer Bonds Scandals.

c. The Japanese Bearer Bond Scandal

On June 18, 2009, the website *AsiaNews.it-en* ran the following story:

> *Mystery Surrounding 134.5 “Fake” Billion US Dollars Seized in Ponte Chiasso*
>
> Milan (AsiaNews)—US government bonds seized by Italy’s financial police *(Guardia di Finanza)* at Ponte Chiasso, an Italian town on the border with Switzerland, are “clearly fakes,” Stephen Meyerhardt, spokesman for the US Bureau of the Public Debt, is quoted as saying in a news report by the *Bloomberg* agency. *AsiaNews* contacted the divisional headquarters of Italy’s financial police in Como, which is responsible for Ponte Chiasso, asking for an explanation but none has come forth yet.

For some days the affair has been in the limelight. Importantly, at the time of the bonds were seized it was not possible to determine whether the US government bonds and US Federal Reserve certificates were real or fakes.

Right after the seizure Colonel Mecarelli, *Guardia di Finanza* commander in Como, said that for at least some of the securities, especially the 'Kennedy Bonds', there were doubts about their authenticity. As for the others, some were so well made that it was hard to tell them apart from real ones.

The seizure was carried out two weeks ago. The bonds were in the possession of two Oriental-looking individuals in their fifties with Japanese passports. The two men, were travelling from Milan to Chiasso, in Switzerland, on a local train used primarily by Italian workers commuting to-and-from Switzerland for work.

At the customs office both men said they had nothing to declare but a check by financial police agents revealed a false bottom in their respective suitcases, each containing a fortune in US securities.

Also inside the agents found extensive and detailed original bank documents about the bonds.

If the latter were real the two Asian men had in their possession (although not necessarily in their ownership) a big chunk of the US debt which would have made them the fourth largest creditors of the United Sates.

Despite what US Treasury spokesman Meyerhardt said, and until more information is forthcoming from Italy's financial police in Como for *AsiaNews* the mystery is still there.

Under Italian law when law enforcement agencies seize fake bonds or counterfeit money they are under the obligation to arrest the bearers. And in order to avoid misappropriation, the agency seizing the

material, in this case the financial police, must quickly proceed to its destruction (i.e. incineration).

However, in case of real securities, after the securities holders are identified, the financial police must release them immediately after issuing a statement of confiscation and imposing a fine valued in this case at € 38 billion (US$ 53.4 billion). In this case, why were the two men released right away without any fine imposed?

That is not the only discrepancy. It is not clear how statements by US Treasury spokesman Meyerhardt and Italian financial police can be reconciled. For the former the bonds “are clearly fakes”; for the latter, speaking at the start of this whole affair, some bonds were indistinguishable from the real ones when it comes to quality and detail.

Italy’s *Guardia di Finanza* has a reputation for being a highly specialised and expert financial police agency. How could it be so easily duped! And if the bonds are “clearly fakes” why did it take US authorities two weeks to find out.

Another discrepancy is the fact that, along with the securities, original and recent bank documents were seized as proof of their authenticity.

If what Meyerhardt says is true, some major financial institutions have been deceived by the securities carried by the two Asian men. This would be a bombshell and raise serious questions as to how many bank assets are actually made up of securities that for Meyerhardt are “clearly fakes.”

If counterfeit securities of such high quality are in circulation the world’s monetary system, let alone that of the United States, is in danger. International trade and exchanges could come to a halt.

Whether it is counterfeit money or money laundering, what happened is potentially more

> dangerous for the stability of the international system than the results of Iran's elections.
>
> If the bonds are real it means someone with a lot of cash no longer trusts the US dollar as a reserve currency. If this is the case then it would spell the end of the Bretton Woods system and most likely negatively impact world trade.
>
> Unfortunately the international press and main TV networks, with some exceptions, have ignored the whole affair. These days this is actually the real news.[2]

Asia News was not the only media source to pick up the story, as it was repeated throughout Europe, but strangely, it was almost completely absent in the American media. Briefly covered, it was forgotten by the major media, but certainly not in the alternative research community. Interest grew until the point that even President Obama, during a press conference, had to issue bland assurances that the recovered bonds were nothing but fakes. As this and the next two chapters will suggest, there may be deep covert reasons to suspect that they were not.

d. My Own Personal Coverage of the Story

As *Asia News* and others were reporting the story, there appeared to me to be problems, and I began to follow this story on my website where I posted a number of articles on the Japanese, and subsequent Spanish, Italian, and Filipino bearer bonds scandals, which are reviewed here.

In a series of articles entitled "Japan: Connecting Some Dots", I outlined what the anomalies of the Japanese bearer bonds scandal were. As outlined in the *Asia News* and other sources, the basic story is as follows:

"On June 3, 2009, the Italian financial police, the *Guardia di Finanza,* seized two Japanese men who were traveling by an early train into Switzerland at the border town of Ponte-

Chiasso. The two men were travelling on a train heavily populated by Italian workers commuting into the country for work. The two men were apprehended carrying a briefcase with a false bottom, which contained 249 bearer bonds in $500,000,000 denominations, plus ten so-called “Kennedy bonds”, each denominated with the unheard of value of $1,000,000,000 each. Some of the $500,000,000 bearer bonds were dated as far back as 1934.[3] This date, as we shall see later in this chapter and again in chapter 4, is a crucial component to the story.

“As the story unfolded in the press, various U.S. government sources were quoted as stating that no bearer bonds in five hundred million dollar denominations were ever issued by the U.S. government. Yet, according to the media stories, even though these statements were being made, “the Italian authorities at the time of the arrest were waiting for the U.S. Securities and Exchange Commission to make a declaration as to their authenticity.”[4] This, though I did not know it at the time, was an important clue that indeed the Italian authorities may have known something.

“Indeed, the anomalies of the story only grew. Bloomberg and a number of other sources, including *Der Spiegel* in Germany and *Asia News,* reported the almost “Heydrich-like” quality of the bonds “were all so well executed that they were ‘indistinguishable from the real ones.’“[5] Others began to notice the anomalies and inconsistencies in the story, J.S. Kim among them (I reproduce his important internet article here for completeness’ sake):

Strange Inconsistencies in the $134.5 Billion Bearer Bond Mystery

> Here’s yet another huge financial story that has been virtually blacked out by the US financial media. Although on the surface, this story appears to be a non-event, if we consider some of the released facts about this case, you will understand why I consider it

to be a huge story. On June 8th, the Asia News reported the following story:

"Italy's financial police (Guardia italiana di Finanza) has seized US bonds worth US 134.5 billion from two Japanese nationals at Chiasso (40 km from Milan) on the border between Italy and Switzerland. They include 249 US Federal Reserve bonds worth US$ 500 million each, plus ten Kennedy bonds and other US government securities worth a billion dollars each. Italian authorities have not yet determined whether they are real or fake, but if they are real the attempt to take them into Switzerland would be the largest financial smuggling operation in history; if they are fake, the matter would be even more mind-boggling because the quality of the counterfeit work is such that the fake bonds are undistinguishable from the real ones."

Here are just a few fascinating facts about this case (at least they are being reported as "facts" at this current time):

(1) Though the smugglers have been identified in the press as "Japanese nationals" there has yet to be any confirmation if the smugglers were indeed Japanese or of some other ethnicity. How difficult is it to confirm the ethnicity of the smugglers and why is this information being kept secret?

(2) According to a brief Bloomberg article regarding this story, the seized bearer bonds allegedly were dated as of 1934. Since bearer bonds in denominations of $500 million did not exist in 1934, the bonds were deduced as fake, though the Italian police are still waiting for a declaration regarding the bonds' authenticity from the SEC. There is something truly "off" about this declaration. How can the quality of the forged bearer bonds be so meticulous that they "are indistinguishable from the real ones", yet the

people involved in the alleged forgery so ill-informed as to not date the bearer bonds with a more recent year that would not immediately identify them as fraudulent? How hard would it have been to date the bearer bonds with a more recent year? An equivalent analogy would be if an expert art forger meticulously re-created a Picasso oil canvas and then erroneously signed the work with the wrong artist's name. This story just does not add up.

(3) The Bloomberg story also reported that there is no known existence of the alleged 10 Kennedy bonds that were discovered in the smuggler's suitcases, each with a denomination of $1 billion. Again, this discovery defies any logical explanation. Why would expert counterfeiters make 249 bearer bonds with denominations of $500 million apiece, each indistinguishable from the real thing, and then instead of just making 20 more such bonds, decide to make 10 bonds in denominations of $1 billion a piece in a bearer bond design that has never existed? Were the alleged counterfeiters just too lazy to confirm if Kennedy bearer bonds were ever a legitimately issued security? Again, this story makes no sense.

(4) On March 30, 2009, the US Treasury Department announced that USD $134.5 billion remained in its Troubled Asset Relief Program [TARP]. The stated amount of seized bearer bonds was $134.5 billion. Coincidence?

(5) The two well-dressed Japanese men opted to travel to Chiasso on a local train normally full of Italian manual laborers commuting to Switzerland. If they were really intent on successfully smuggling these bonds, counterfeit or real, why would they not take more care to select a travel route in which it was literally impossible for them not to stick out like two

sore thumbs? Again, this part of the story defies all logic.

(6) The bearer bonds were discovered in a hidden briefcase compartment after a customs inspection. Again, if the bonds were indeed authentic and owned by a nation state, they could have been transported in a diplomatic pouch exempt from customs searches that would have guaranteed transport without detection. Thus, all of the above irreconcilable and illogical points, other than the coincidence of the amount of the bearer bonds exactly matching the remaining TARP fund amount declared on March 30th, seem to indicate that not only were the seized bearer bonds counterfeit, but also that the smugglers were intent on being caught. Before I continue, let's review the purpose of bearer bonds.

Here is the Wikipedia definition of bearer bonds:

"A bearer bond is a debt security issued by a business entity, such as a corporation, or by a government. It differs from the more common types of investment securities in that it is unregistered—no records are kept of the owner, or the transactions involving ownership. Whoever physically holds the paper on which the bond is issued owns the instrument. This is useful for investors who wish to retain anonymity. The downside is that in the event of loss or theft, bearer bonds are extremely difficult to recover."

If you recall the Michael Mann movie "Heat", starring Robert DeNiro and Al Pacino, during a daring daytime armored car robbery, the criminals specifically targeted millions of dollars of bearer bonds for theft precisely because of the above qualities of bearer bonds that make them very difficult to trace. Again, due to the properties of bearer bonds, it seems highly unlikely that $134.5 billion of bearer bonds

would be transported, if they were real, by two men with no security, since theft almost guarantees that they would be lost forever.

Thus far, about the only piece of information that appears to be reliable as reported by various news sources regarding this huge mystery is the remarkable authenticity of the 249 seized bearer bonds in denominations of USD $500 million. If any of the other facts, as they are being reported, are remotely accurate, then the bearer bonds were likely counterfeit. Still, the interesting part of this story, at least to me, is that the smugglers seemed intent on being caught with the counterfeit bonds. This leads me back to my previous question. What possible reason would the smugglers have for wanting to be caught? One of the quickest ways to sabotage and usher in the death of a currency is to raise legitimate questions about its ability to withstand counterfeiting efforts. Prove that counterfeiting is not only possible but highly likely, and the world’s confidence in the sabotaged currency will undoubtedly plummet.

In fact, this very tactic was applied during World War II when the Nazis launched Operation Bernhard in an attempt to crash the British economy by producing, by 1945, 132 million expertly counterfeited British pounds, a figure that represented roughly 15% of all real British pounds in circulation at the time. The counterfeit pounds were produced by expert printers and engravers supervised by an SS officer named Bernhard Krueger. As well, historical evidence exists that the Allies considered launching a counter-counterfeit plan against the Nazis as well. During this time, it was also alleged that the Bank of Italy counterfeited their own money by issuing the same securities twice with identical registered numbers and codes in order. The purpose of this counterfeiting was to secretly expand monetary supply without public

transparency or accountability. Perhaps then, this $134.5 billion bearer bond mystery was an attempt of a nation state to shake the world's confidence in the position of the US dollar as the world's reserve currency.

There should be little debate that the world's emerging economies in Russia, Brazil, China and certain Gulf Nations are at economic war today with the world's Western nations and their economic allies. The currency war being fought today is sure to get much uglier in the foreseeable future, in both open tactics as well as secretly executed tactics. Currently, if the currency war were the world series of poker, the US and the UK would be holding a pair of 2s and relying on nothing but bluffs to keep the rest of the world at bay. Conversely, the Chinese and other emerging nations with large surpluses would be holding straight or royal flushes, and likely quietly maneuvering to go "all in" at some point.

Given that the discovery of $134.5 billion of bearer bonds in the suitcases of two Japanese nationals in Chiasso, Italy on the border of Switzerland qualifies as one of the largest smuggling operations in history, and given the various implications of such an act and the possible players involved, the silence regarding this huge story is simply stunning. It is not a huge story, per se, because of the counterfeiting operation, because accusations and revelations of massive money counterfeiting operations have occurred in the past. It is a huge story, rather, due to all the inconsistencies of the story and the potential explanations that could explain these inconsistencies. The larger story at hand is, who are the players (nations) involved, and what was the intention of this likely counterfeiting operation? Maybe the future will reveal the answers to these questions. But maybe not.[6]

As Kim notes, how can one maintain on the one hand that the bonds were so flawlessly executed as to be indistinguishable from the real thing, and yet counterfeit denominations that did not ever exist not according to American securities experts? Moreover, as Kim also notes, the billion-dollar “Kennedy bonds” were never known to exist at all, so a similar problem, though larger, looms with respect to them. The inclusion of the ten fake “Kennedy” billion dollar bonds among a stash otherwise “flawlessly executed” would only serve to draw attention to the possibility that the other bonds were forgeries. Kim asks the logical question:

> . . . (This) discovery defies any logical explanation. Why would expert counterfeiters make 249 bearer bonds with denominations of $500 million apiece, each indistinguishable from the real thing, and then instead of just making 20 more such bonds, decide to make 10 bonds in denominations of $1 billion apiece in a bearer bond design that never has existed? Were the alleged counterfeiters just too lazy to confirm if Kennedy bearer bonds were ever a legitimately issued security? Again, this story makes no sense.

Others quickly pointed out other anomalies. For example, on March 30, 2009, barely sixty days before the Italian authorities seized the smugglers, the U.S. Treasury reported that its Troubled Asset Relief Program had exactly $134.5 billion” remaining, exactly the amount seized in Italy.

At this juncture, I commented as follows:

> This fact led some to speculate that, in fact, the bonds —including the so-called Kennedy bearer bonds—were *real,* but that they had been secretly issued by elements in the American government to keep the economy afloat. Others continued to maintain the counterfeit story. Some began to advance the

argument that the Treasury's announcement in March of 2009 would have allowed two months for forgerers to counterfeit the exact amount of bonds and then allow them to be caught, in a murky economic warfare operation.

There is, however, one fact of the story that is overlooked, and I am surprised no one has mentioned it: the so-called $1 billion denominated "Kennedy" bonds, a denomination that never existed, so we're told. But consider the supreme irony that one of America's last presidents to challenge the "authority" of the Federal Reserve by an executive order to issue $4 billion-plus in debt-free United States Notes during his presidency, was murdered a mere five months after signing the order to do so. We'll get back to the "Kennedy bonds" . . . because in my opinion, they may hold the key to the story.

This raises two possibilities to my mind: (1) if these "Kennedy" bonds were legitimate, or at least, counterfeits of legitimate but secretly issued "Kennedy" bonds, then this means, as others have pointed out, that someone in the American government was issuing securities secretly, *and* it means that whoever was behind this operation had access to that extraordinarily secret knowledge, *and it also means* that someone within the American government had a rather droll sense of irony, denominating such large bonds with Kennedy's image in a bizarre "message"; (2) if they were straightforwardly counterfeit with *no* basis in reality, then again, the choice of Kennedy as the image on the bonds was again a rather droll "message."

These possibilities highlight an inescapable conclusion: If we assume that all these bonds were counterfeit, then the mere fact that they were such excellent—almost "indistinguishable"—exemplars of

> the genuine articles means that whoever was behind the counterfeiting operation *ultimately had to be a nation-state in possession the genuine article.* Only the genuine article could have provided any counterfeiters with an exemplar to imitate, and thus, ultimately, there is a holder of US securities behind this operation at some point. This means, additionally, that the context by which to interpret the Kennedy bonds changes dramatically, for if the counterfeits *are based on secret exemplars* then a *clear* message is being sent to whatever circles in the American parapolitical power structure as secretly issued them: We know the game. And little changes if the Kennedy bonds are totally illegitimate.
>
> The question is, who would that nation-state behind the counterfeiting be? Obviously, they would be large holders of American debt, and with an ability to counterfeit near-perfect bonds, implying technological sophistication.[7]

In other words, whoever was behind the counterfeits had to have “inside knowledge” concerning the originals, and the technological ability to produce “unauthorized facsimiles.”

We may state the possibilities of analysis here somewhat differently than when I first examined the case: if the bonds or any portion of them were real, then why would two men be traveling to Switzerland with them? The answer seems obvious: Switzerland would be the logical place to make a sale, even at discount, to whatever customer waited on the other end, for Switzerland had the international banks familiar with, and able to authenticate, such bearer bonds. If, on the other hand, the bonds or any portion of them were indeed counterfeit, then it would appear the two men were deliberately trying to attract attention. The question is, why? That question must await its answer to a later point in this chapter, after our examination of the Spanish, Italian, and

Filipino bearer bonds scandals, each variations on the theme.

In any case, the most crucial point of my analysis then remains the central core thesis of these chapters: a covert system of finance is represented by the bearer bonds, and this thesis, as we shall discover, only grows in strength the closer one looks at the details of the story. Indeed, in this respect, it is important to note that it took U.S. officials some *two weeks* to make a public statement to the Italian authorities that the securities that they had seized were counterfeit. Why the delay, *unless* the "fakes" were so good that they raised serious questions? Or unless they were *genuine* and a cover story had to be worked out, and a course of action be agreed upon as to what to do with the securities?"[8] Or unless the "fakes", as all counterfeits and facsimiles are, were based upon some real world exemplar, an exemplar that, for whatever reason, the financial powers did not wish known?[9]

e. The Billion Dollar Fake Kennedy Bonds, and a Message from Japan, and from Space

As indicated in the citations from my own articles on the Japanese Bearer Bond scandal quoted above, I believe the key to the story lies, paradoxically, with the bonds that are self-evidently *fake,* the so-called "Kennedy" bonds.

Shortly after the episode, alleged samples of the "Kennedy Bonds" began to be circulated on the Internet:

The Billion Dollar Fake Kennedy Bearer Bond

Before proceeding with reproducing the analysis I offered on my website, it is important to note that no evidence or proof was ever forthcoming on the internet to demonstrate that these were indeed images of the “Kennedy bonds” seized by the Italian authorities. Consequently, we are left with two possibilities, implying two slightly different scenarios and bases of interpretation: (1) the images have no connection to the bonds actually seized in Italy, or (2) the images are images of the bonds actually seized by the *Guardia di Finanza.* At the time I composed my original analysis, I assumed the second case for purposes of analysis:

> Now, on the surface of it, this (Kennedy bond) looks entirely faked. Before we consider this image, let’s compare it to an image of a legitimate $500,000,000 US Treasury bearer bond:

Now let’s compare. (1) The legitimate bond immediately above has the red seal of the United States Treasury clearly stamped on the obverse right side of the header, with the coupons clearly visible beneath the note; (2) this seal is clearly missing from the “Kennedy bond,” lending credence to the publicly stated evaluations of these bonds as plain counterfeits.

But let us consider once again the implication of the view that the “Kennedy bond” is a counterfeit. First, why would anyone issue such a counterfeit bond, with no evident connection to anything real, or place a facsimile of the seal of the US Treasury on the bond itself thus only drawing attention to its potential counterfeit nature? Second, why would anyone issue a counterfeit bond for such an extremely high amount of money, an amount virtually guaranteeing that any potential purchaser would immediately seek to verify the bond?

I submit that there is a *message* being sent by this bond, and it is a message that works regardless if one views this strange securities instrument as legitimate or faked, for note the *reverse* of the bond: we have a clear image of the Moon, a clear image of the space shuttle lifting off, and on the obverse, the image of

President John F. Kennedy, and a red seal of some sort. Consider then the *imagery* and the message being sent here. A red seal of the US treasury only appears on American currency notes—United States Notes—issued directly and debt-free by the US Government. Kennedy was the last president to order the issuance of such money. He was also, of course, the president that set the goal of American space exploration in the 1960s with his designation of the Moon as the target for manned landings before the 1960s had closed.

So to my mind, there is another message being sent in the bearer bonds episode, and that is, it has something to do with *space.* The important question here is: why would a bond-smuggling operation, whether or not the bonds were real or counterfeit, be smuggling such instruments, and *my conclusion is, that we may be looking at a part of the funding mechanism for a vast covert space program, with the "collateral" clearly imaged on the reverse of the bond header itself: space, and whatever might be found out there.* Hence, the use of a red seal—connoting a debt-free money—might be significant. We might, in short, be looking at a funding mechanism for covert space activities and programs, and hence, be looking at a very *real* bond, with, quite literally, the Moon as collateral. We might, so to speak, even be looking at a hidden funding mechanism for Mr. Richard Dolan's idea of a "breakaway civilization." If so, that would account for the virtually total absence of news coverage of the story in American media and its virtual disappearance as a story in the rest of the world's media. If this admittedly wild and radical, not to mention completely speculative scenario is at all true, it may be the hidden reason why the USA has not publicly gone back to the Moon, and why other nations are so intent on getting there.

All this now places the Japanese political context once again in a peculiar perspective, for recently the Japanese Space Agency, JAXA, began releasing images of the Moon . . .

Consider only this strange photo taken by India's Chandrayaan lunar probe:

We can easily imagine that the High definition tv images that Japan's mission gathered were equally impressive.[10]

On the view that the Kennedy billion dollar bearer bonds were faked *by the counterfeiters themselves,* then it would appear that the message might indeed have been that whatever reality as lies *behind* the counterfeits concerns space in general, and more particularly, the Moon and whatever might be upon it (a possibility whose implications are enormous, if the claims of some that there are artificial and possibly ancient structures on the Moon are true). In addition, a more basic message is present, namely, that a *hidden tier of finance* exists, represented by bearer bonds denominated in extraordinary amounts of money, amounts that imply that the owners of such bonds are in an elite circle of wealth, power, and knowledge.

However, on the view that the Kennedy billion dollar bearer bonds were merely images circulated *by someone other than the counterfeiters,* the message would still appear to be the same, and in each case, the one is dealing with people in possession of exclusive, hidden knowledge.

Is there any evidence to corroborate such speculations, reasonable though they may be?

There is, but in order to appreciate it, one must examine the image of the Kennedy bearer bond more closely:

Close Up of Obverse of the Fake One Billion Dollar Kennedy Bond

What concerns us here is the large seal in the center right of the bond's face, which clearly says "Money World" and which in the original image on line, is in red, in a color reminiscent of the red color of the seal of the U.S. Treasury on United States Notes.

A visit to Money World's website at http://www.moneyworld.com.sg/ disclosed the following, which I reviewed in yet another internet article after a friend brought it to my attention:

> MoneyWorld Asia first started as a numismatic company dealing in money collectibles and commemorative products. Our humble beginning has enabled us to forge close relations with major central banks in the world, including the Bank of England, the US Bureau of Printing & Engraving, The Reserve Bank of Australia and New Zealand, as well as the Board of Commissioners of Currency-Singapore (BCCS). "
>
> MoneyWorld Asia is one of the region's most trusted and reliable Foreign Exchange and Remittance dealer, with offices in seven countries and a presence across the Asia Pacific. We are the world's leader in Foreign Exchange and Electronic Funds Transfers, constantly innovating and developing new products and forging new channels for the benefit of our clients.

> A significant milestone was our active participation at the Handover of Hong Kong to the People's Republic of China in 1997, where we co-ordinated the commemorative notes to mark this momentous occasion"
>
> MoneyWorld Asia is a foreign exchange operator, specializing in cash handling services to enable individuals and businesses to conduct cross-border transactions. Our clients include Multi-National Corporations, educational institutions, government agencies, retailers, duty-free concessions and hotels.
>
> Since our inception in 1991, MoneyWorld Asia has enlarged our business focus in the world of money. We have established a two-pronged business strategy: money changing and remittance services, and numismatic products.
>
> MoneyWorld has today entrenched itself firmly in the global forex markets, with the added specialization in niche currencies such as the Chinese RMB (Yuan), Malaysian Ringgit (MYR) and the Indonesian Rupiah (INR). As these are non-tradable currencies, MoneyWorld's correspondent offices in these countries have provided our clients with a constant availability of these currencies, allowing them to transact with their partners in these currencies quickly and without fuss.[11]

In other words, a corporation like Money World, specializing in international currency transactions to nations with non-convertible currency—such as the People's Republic of China—would conceivably know about a hidden system of finance represented by large denomination bearer bonds, and indeed, this is not the only time we will encounter a Chinese component to the story, for there will be an astonishing corroboration of this Chinese component in chapter four (and it will come as corroboration of the

hypothesis that such bonds are indeed based upon *some* form of real life authentic exemplar). In any case, such a company would also possibly be accustomed to handling large bearer bonds. Finally, such a company would also be in a position to *know* about a hidden system of finance represented by such bonds.

Thus, even on the view that the images of the fake Kennedy bonds did not come from the actual instruments confiscated by the Italian authorities, but from someone else, it would appear that “someone else” was very well-informed.

What of the two alleged Japanese men who were detained by Italian authorities? Unbelievably, they were released and made their way back to Japan, a fact that invites its own speculations. Why, after apprehending two individuals with an enormous sum of money in the form of allegedly faked securities, would they subsequently be released? under normal circumstances, those accused of counterfeiting are normally detained until trial, and for amounts of forgery far less than one hundred thirty-four billion five hundred million dollars!

Were they released because they knew something and blackmailed the authorities? or, ultimately, because they blackmailed even the United States? Or were they released because they had diplomatic immunity from the Japanese or some other Asian government? Or, finally, were they released because, in reality, none of the seized securities were counterfeit at all?

Regardless of the answers to these questions, we have then, the following set of facts and tentative conclusions and implications:

1) There is an Asian connection to this first bearer bonds scandal, via

a) the two alleged Japanese men detained, and subsequently released, and

b) via the Kennedy bonds' connection to "Money World," a currency and securities trading company with obvious experience in Asian and Chinese business;

2) The amount of money concerned was large, if not huge: $134,500,000,000;

3) This money was contained in instruments of bearer bonds, denominated in amounts of $500,000,000 and in the case of the Kennedy bonds, $1,000,000,000 each;

4) *Some* of these bonds were dated 1934, a significant date as will be seen, for it becomes part of a consistent pattern in similar episodes, as will eventually be seen;

5) The U.S. government, two weeks after the event, denied that any of the bonds were authentic, and that any bearer bonds in one billion dollar denominations, had ever been issued. Nonetheless, Italian authorities had to wait two weeks before such denials were firm, and finally released the two Japanese men, in itself an inexplicable event *if* indeed they were suspected as being part of a counterfeiting ring or smuggling ring, facts which suggests that at least some aspects of the "counterfeit bonds" were indeed genuine;

6) Finally, on any view, it seems evident that the episode was designed to send messages, namely, that there is a hidden tier of system of finance of very large, though hidden, scale in the world, and that it has something to do with local outer space and whatever may be present in it, and indeed, we have seen the suggestion that outer space has been collateralized as a component of this structure, implying, of course, a means of steadier access to it than chemical rockets and small payloads.

With these tentative implications and conclusions in hand, we may now turn to other bearer bonds scandals.

2. The Spanish Bearer Bonds Scandal

Had the Japanese Bearer Bond Scandal of 2009 been the only one, the forces attempting to deny any substance behind the “fakes” would doubtless have rested easier.

But it was *not* the only such story. In fact, there were repeat performances, in Spain, and later, in Italy once again, and both involved such astronomical sums of “counterfeited” securities that the incidents became national security concerns. This in itself, as we shall discover, raises implications, but before these can be considered, a review of the Spanish and Italisn incidents is necessary, beginning with the Spanish incident which, like the Japanese scandal, occurred in the same year, and the same month: June 2009. I reported on this incident in a paper written on my website for the members’ subscription area, and reproduce it in full, with accompanying pictures, since the arguments made in it are crucial to the case we are building here, namely, that these scandals are based on a real, though covert, system of finance, and that this system of finance is being used to fund black research projects and covert operations:

> The story originated in Barcelona, Spain, in 2009, and of course, was not reported in any mainstream or independent media in the USA, making the rounds only recently on the internet. The story was first reported in June 2009:

Un terrasense de 60 años, entre las víctimas de una estafa millonaria

"El sistema educativo no está pensado para atender la diversidad de las aulas"

Un estudiante de Ingeniería crea una red de radios en Brasil

Spanish Newspaper Article from Barcelona Reporting the Spanish Bearer Bond Scandal of2009

The story was reported in the English language on the following website:

http://upintelligence.multiply.com/reviews/item/28?&item_id=28&view:replies=reverse&show_interstitial=1&u=%2Freviews%2Fitem

Here is the story as reported on that website:

$1.64 Trillion Of Federal Reserve Note Series 1934 Bonds In Spain Seizure (2009) by, Unwanted Publicity Intelligence—Staff Writer

October 18, 2010 08:47:42 Update (Original: October 10, 010 09:42:08)
USA, Washington, D.C.—October 14, 2010—Combining criminal intrinsic and face values of what federal law enforcement authorities seized in Spain, should have stopped counting at $1,664,082,000,000 trillion U.S.

dollars (that-is: $1,664 billion) by June 2009 by what ‘only local news reports’ identified as an investigation that actually began beforehand during March 2009 when federal law enforcement investigators began “Operation Morgenthaus.”

Summarized detailed information highlights of this, the world’s largest ‘face value’ federal law enforcement seizure of U.S. Federal Reserve Bank paper, i.e. Federal Reserve Notes and Federal Reserve Bonds, currency cash, gold coins, microfilm plus what is believed to have actually been ‘multiple serial numbered’ blue colored ‘non-reprographic matte card engraving plates’ recently determined by a private researcher for the Unwanted Publicity Information Group deciphering multiple language translations and conversions [Catalan into English and Spanish into English] extrapolated information from Spain and Catalan news articles (a few of which—but not all—viewed below) then performed further research and analysis surrounding “Operation Morgenthau,” involved:

- Multiple seizure locations:

- Financial institution locations (Terrassa, Spain and Barcelona, Spain);

- Initial detection location (Catalonia, Spain (aka) Cataluna, Espana);

- Other suspected location (Catalan, Spain);

- Believed origination location (Manila, Philippines);

- Target victims wealthy ‘businessmen’;

- 57-year old unidentified businessman (Marbella, Spain)—largest seizure;

- British (UK) unidentified businessman (Ibiza, Spain);

- Millionaire unidentified—imprisoned beforehand—home (Centelles, Spain);

- 60-year old unidentified resident (Terrassa, Barcelona, Spain);

- 5 suitcases (2 metal);

- 1 briefcase;

- $1,500,000,000,000 trillion dollars (USD)—face value—(believed bearing multiple sequential serial numbers) on blue card stock (‘non-reprographic blue’ color ‘matte’ engraving plate card stock used in a printing press);

- $126,500,000,000 billion dollars (USD)—face value—total amongst many U.S. Federal Reserve Note Series 1934 Bonds (interest bearing coupon bonds);

- $20,000,000,000 billion dollars (USD)—face value—total of ten (10) at $2 billion each “International Bill Of Exchange” (bills of exchange /drafts);

- $16,582,000,000 billion dollars (USD)—face value—total amongst many U.S. Federal Reserve Bank Series 1934 Federal Reserve Notes (FRNs); and,

- $1,000,000,000 billion dollars (USD)—face value—total amongst many “JP Morgan Chase Bank” stamped metal holders around stacks of $100,000 (USD) gold seal Federal Reserve Bank Transfer Notes (*);

- Amount unidentified in dollars (USD)—face value unidentified—amongst U.S. Federal Reserve Bank Guarantee Certificates;

- Amount unidentified in dollars (USD)—face value unidentified—amongst gold coins; and,

- Quantity and description unidentified—microfilm.

Source: *Diario Publico* (Madrid, Spain)

The investigators believe that more people could buy false billion bonds

Two Entrepreneurs Fall Into A Millionaire Holy Card Scam by, Albert Martin Vidal (Barcelona)

June 3, 2009 2:00 Updated: June 3, 2009 2:01 At least two [2] Spain people, obsessively raised by the following (immediately below), the same two [2] known victims of a scam that the regional police detected yesterday:

OUESTION: “Would you buy a tattered bag for between 30,000 and 40,000 euros?”

ANSWER: “I would, if thousands of millions of dollars were inside.”

QUESTION: “Do you suspect such a treasure would be sold in exchange for a few thousand dollars?”

The Catalan [Catalonia (also known as) Cataluna] police, in an operation in which they worked with the U.S. Secret Service, warned yesterday there may be dozens of entrepreneurs in Spain victims of this scam.

From detainees, with the operation still open, investigators intercepted three [3] bags with counterfeit currency and bonds worth 16.5 billion dollars.

The scammers, who are still being sought, offered the bags with their fraudulent content to wealthy entrepreneurs. In return, they demanded between 30,000 and 40,000 euros.

The central area chief investigator of organized crime, Jordi Oller, said that fraudsters were in contact with their victims, in most cases economic entrepreneurs,

highly liquid, with staged careful study, to lend legitimatization to their deception.

The thieves explained that they possessed valuable 1934 documents—of the U.S. Federal Reserve—found after World War II in some cases that were sent to the area of Japan, but those had redemption problems. To solve that, they wanted to litigate against the Federal Reserve. They claimed that once the case was won, the bonds would be redeemed generously by the beneficiaries. If the victims agreed to pay, to defray the expenses of the trial, the scammers would give them the aged bags—giving the appearance of authenticity—but then disappear.

In the bags were all suitably-aged certificates of guarantee, gold coins, microfilm, counterfeit bonds plus $100,000 [Series 1934 ‘gold seal’ Federal Reserve Notes] issued by the U.S. Treasury to be used interbank [between U.S. Central Bank branches within the Federal Reserve System].

Wet Paper

The investigators began their investigation after locating in Terrassa (Barcelona) a person who visited various banks asking how he could collect a series of bonds issued by the United States in 1934. Once located, the Catalan police found the businessman had counterfeit bonds, currencies and notes worth $126,500,000 million dollars plus two [2] bills of exchange [international bill of exchange] amounting to $1,000,000,000 billion (USD) and $20,000,000,000 billion (USD) dollars.

Subsequently, in Marbella, investigators found another businessman who acted on behalf of an Englishman living in Ibiza [Spain] with 16,000,000,000 billion in fake paper money, in addition to a stack of blue cards they made him believe were worth $1.5 trillion (USD).

Between one and the other, they had a total of three [3] cases with the same face of astonishment.

The story is accompanied on that site by the following photos of the chest and its contents:

Bronze Dallas Federal Reserve Bank Strong Box

Spanish “Bearer Bonds, “Certificates of Authenticity, and Gold Coins

One of the Bundles of $10,000,000 in 100,000 Dollar Gold Certificate Bills, banded with the J.P. Morgan Chase Bank Bands

One of the Metal J.P. Morgan Chase Bands around the $100,000 Bills; Note the Modernized Stylized Swastika Corporate Logo of the Bank

The Obverse of the Genuine Woodrow Wilson $100,000 Gold Certificate Bill. The Author Has Seen one of these Bills at the U.S. Bureau of Engraving and Printing. The Seal on the Left Face of the bill, and the serial numbers, are printed in a Yellow-Orange color.

Let us pause and take note of a significant, and obvious, fact, but one which is scarcely commented upon. The $100,000 Woodrow Wilson gold certificate note is a *genuine* piece of American currency, *but* it was *never* issued for use in general circulation. Rather, it was used in private circulation between the branch banks of the U.S. Federal Reserve Bank system itself.

This means that while the general public is circulating the Federal Reserve's *monetized debt notes,* privately the Federal Reserve Banks themselves are circulating a wholly different kind of money, a money based on gold certificates. One is looking directly at a different *kind* of money, and therefore, since this was never circulated publicly, at a *different tier, a private tier, of finance.* This important point will become crucial to remember as the bearer bonds story unfolds, to which, in its Spanish version, we now return:

Obverse and Reverse of the $10,000,000 Bundles of Gold Certificate $100,000 Bills Seized in Spain. The back of the $100,000 note, unlike standard American currency, is not printed in the characteristic mottled green of normal American bills, but in an orange-red color, again, denoting the special status of the notes.

As I noted in the members' paper on my website, the cited article on the Internet contained a further expansion to the Spanish Bearer Bond story:

> Source: ElDebat.Cat (aka) Catalunya Diary (Catalania, Spain) Version 'historical' the holy card scam
> The Autonomous recover more than sixteen billion false Catalan businessmen cheated
> Redaccio—ACN
>
> Dozens of Catalan businessmen could be affected by the scam nicknamed 'Morgenthaus' in honor in what was Secretary of the U.S. Treasury Henry Morgenthaus in 1934, the year in which the U.S. Federal Reserve supposedly issued $16 billion that never really existed.
>
> The Police have intercepted three [3] briefcases containing bonds, notes and counterfeit currency worth $16,582,000,000 billion dollars. The agents

have recovered while attempting to be charged by the representative of a company to make big business.

Suitcases, old-looking, period had been characterized by fraudsters, as well as its content, to make believe they were from the 1930s.

The victims, mostly entrepreneurs with significant liquidity, buying convinced that purchased large amounts in dollars and bills that eventually might be charged.

What they did not know is that the U.S. Treasury Department never issued securities of these amounts as high.

Put another way, a version fooled by ‘historical’ and classic wholesale prayer card scam.

One in Marbella [Spain] affected and one in Terrassa [Spain] -

The investigation began in late March when one of those investigated, a 60-yr. old resident of Terrassa, went to different banks in Terrassa and Barcelona to learn and collect on a series of bonds purportedly issued by the United States of America Federal Reserve in 1934 with a value of $20 million.

The investigators were able to recover a ‘metal briefcase’ containing counterfeit bonds, currencies and counterfeit notes worth $126,500 million [$126.5 billion] dollars and two [2] ‘international bill of exchange’ (bills of exchange) amounting to U.S. $1,000 million [$1 billion] and $20,000 million [$20 billion], respectively.

Later the same investigators located a 57-yr. old businessman from Marbella, who had two [2] more suitcases. The man explained that the person with whom he had contacted had assured him within one [2] of the bags was $16 billion dollars while the other contained up to $1.5 trillion dollars. Finally it turned

out that although one [1] of the bags actually contained $16 billion in various kinds of paper money, all fake, the other contained only ‘blue cards’, if the employer even knew because he had not even opened to check its contents.

These two [2] people, who had not initially suspected they were to be victims of a scam, acting on behalf of a British businessman located in Ibiza. This man had purchased the bags of the scammers through middlemen originating in Manila.

“Operation Morgenthaus” Scam -

Scammers come in contact, with their victims, studied very careful staging. Most, assure victims of the great economic potential that come from documents and securities of the United States of America Federal Reserve for the year 1934, allegedly found inside some boxes sent to ‘areas close to Japan’ at the end of World War II.

Scammers kits deliver to their victims in-exchange for large sums of money. The acquired victims are convinced that they contain significant amounts of dollars in bonds and bills of the 1930s for hundreds of thousands of euros that will end-up costing, if not in the entirety, within a period of time soon.

The boxes are well made and even briefcases and paper used are aged to give a credible appearance in the swindle. The bags and boxes contain certificates of guarantee, gold coins, microfilm, bonds, and $100,000 false banknotes, which were only issued by the U.S. Treasury to use within the interbank [central bank] market.

Investigators suspect that there are many employers around Catalonia that keep similar kits, in their home, convinced they have high economic value. For this reason the Autonomous recommends that all those people who have been involved in a similar case

> make that known to the Police of the Generalitat. The investigation remains open and is working to identify and arrest those responsible.
>
> It has the support of the United States Secret Service.

At this juncture, the presentation of the other internet articles concluded, and I began my own analysis:

> For the sake of argument here, we shall assume the story, and the pictures, are real and authentic. In this case, we draw attention to the following facts laid out by the Spanish press:
>
> - The financial institutions involved were located in Terrassa and Barcelona, Spain
> - The scam was initially detected in Catalonia
> - *The believed origin of the scam and its faked securities and monies was in Manila, the Philippines*
> - Two businessmen were apparently involved, one 57 years old and unidentified, and another unidentified businessman apparently of British origin
> - the amount of the bearer bonds was an unheard of $1,500,000,000,000
> - another $126,500,000,000 was apparently in 1934 Federal Reserve bonds with coupons
> - $20,000,000,000 were in international Bills of Exchange $1,000,000,000 was in US 100,000 gold certificate currency notes, banded with J.P Morgan-Chase metal bands of bundles of $10,000,000 each (doing the math here means that there was a total of one hundred such bands)
> - An unspecified amount of the money was in the form of gold coins
> - The haul included documentation and microfilm, the contents of which are not specified, but it may be

assumed that the documents and microfilms constituted some sort of authentication of the various securities.

B. A Brief Speculative Analysis

When one reads the articles and the numerous comments accompanying it, the following points must be stressed:

1. The 100,000 gold certificate was indeed issued by the US government, and some 42,000 were eventually printed, though these bills were only used in circulation between banks of the Federal Reserve System and never in general circulation. This appears to be known by the scammers, since the bills were found in cases and strongboxes purportedly originating from the Federal Reserve Bank of Dallas, Texas.
2. The use of such gold certificates circulating between the banks of the Federal Reserve system, which the money in *general circulation* at the time was *not* gold-backed, suggested that a secret two-tiered money system was put into play ca. the earliest days of the Administration of Franklin Roosevelt. This has two further implications:
    a. The first implication is precisely that we are looking at a hidden system of finance, and thus possibly at the first steps toward the creation of a breakaway civilization.
    b. The second implication is that the scammers—in both the case of the Japanese bearer-bond scandal, and in this instance— were *aware* of this system, and of the fact that a certain upper tier of the world's super-rich were aware of this system as well, thus enabling the possibility that their scam would have some chance of success. To put this point differently, the *market must exist for such frauds to be perpetrated, and that strongly implies that such*

a two-tiered financial structure has been covertly put into place.

3. Points 2a and 2b above thus imply a third implication, namely, that both the Japanese and Spanish bond scandals are in fact sophisticated operations, based upon possible insider intelligence concerning the nature of this two-tiered financial structure—a public one and a covert one—*and upon some specialized knowledge of the nature of the securities issue in the covert one, official US Government denials of the authenticity of such securities notwithstanding.*
4. It is further to be noted that these bond scandals have emerged in a time period coterminous with the move of the BRICS nations— Russia, China, India, and Brazil—away from the dollar as a reserve currency, thus suggesting the possibility that the Japanese and Spanish bond scandals are not isolated incidents from each other, but rather, connected in some deep fashion, perhaps having to do with economic warfare. It is to be noted that in the comments section of the blogsite sited here, that the Philippine connection strongly suggested a connection to the gold hidden there by Japanese general Yamashita toward the end of the Pacific War. This gold in turn represented the looting of China's god stocks by the Japanese during the war, and hence, further enhances the implication that one is looking at a kind of economic warfare, and that, indeed, the possibility arises that this gold was used as backing of covert securities, just as it has been alleged in the open literature that it was also used as a source of covert funding for the US State Department's Office of Policy Coordination under Frank Wisner, and later as a source for the covert operations of General Ed Lansdale. In short, one is looking at a second implication strongly suggestive of a breakaway civilization, namely, the standard mechanisms of secret finance are being

utilized to fund covert operations, as I outlined in *Saucers, Swastikas, and Psyops.*

C. Conclusions

In my opinion, for the above reasons, we may draw the following tentative conclusions:

1. Distinctive and discrete steps were being put into place by the American financial elite during the 1930s to establish a covert two tiered system of finance, with the covert system being based upon bullion-backed currency and securities;
2. This effort was renewed after the Second World War, with the addition of Japanese gold stocks looted from China during the war, thus enabling a vast, though covert, expansion of the American Federal Reserve's credit making ability;
3. These hidden and covert securities were employed in the funding of covert operations and projects, via the Office of Policy Coordination;
4. The Japanese and Spanish bond scandals thus imply that someone else, or some other faction external to this covert financial structure and/or civilization was aware of this arrangement, and have begun operations to obfuscate and interfere with the stability of this structure by issuing false securities, thus calling into question the authenticity of whatever covert securities as actually may exist. This is corroborated by the recent public moves of the BRICs nations away from the dollar, and by my analysis elsewhere that the possibility exists that the *International Fascista* or whatever one wishes to call this group, has possibly also reneged on the post-war detente struck between it and the very same western financial elite.

> With respect to the last point, it is important to note that the US secret Service, in cooperation with the Spanish authorities, code-named the operation to bust this latest forgery scam “Operation Morgenthau” after the 1930s US Secretary of the Treasury, Henry Morgenthau. It is to be noted that Morgenthau was, of course, the originator of the notorious Morgenthau Plan for postwar Germany, which would have de-industrialized that country and split it into two or more nations to prevent its resurgence as a major military power. The Morgenthau plan was apprehended by Nazi intelligence during the war and became a strong weapon in the propaganda arsenal of Dr. Josef Goebbels, who used it effectively to stiffen German resistance by pointing to the fact that the Morgenthau plan would have spelt the end of the German Reich, and caused an untold amount of postwar famine and suffering for the German people. Perhaps, by code-naming the operation “Operation Morgenthau,” a finger is being pointed at the possible real sources behind the two bond scandals, and the nature of what may be transpiring in them. At the minimum, it strongly suggests in my opinion that we are dealing with a full-scale though quite hidden covert financial war. [12]

Lest the reader have missed the basic point here in all the forest of details, the main argument is that ca. 1934 someone in the US government and/or financial elite created a hidden system, or tier, of finance, for whatever reason. As will be seen in chapter four, there are abundant confirmations of this view, and of the details of the bearer bonds scandals, and once again, they take us back to World War Two, and to the Axis powers.

By now the reader will have noticed something very peculiar, namely, the unusual role of people or countries formerly associated with the Axis (Italy and Japan), or with

countries aided and abetted by the Axis and closely associated with them at one point (Spain).

Indeed, it is once again to one of those former Axis powers that we must now return, to examine yet *another* episode of enormous sums of money in the form of “fake bearer bonds.”

3, The Italian Bearer Bonds Scandal

On February 17, 2012, “Tyler Durden” submitted the following article on the Zero Hedge website:

$6 Trillion In US Bonds Seized In Zurich, Said To Pose “Severe Threats To International Financial Stability”

> Back in the summer of 2009, a peculiar story circulated when two Japanese individuals were arrested trying to smuggle $134 billion in US bonds into Switzerland from Italy. The story quickly died down after it was subsequently reported that the bonds were merely fake bearer bonds. Nobody heard much about it since then. Until today, when out of the blue we get a new story which blows that one out of the water. According to Bloomberg, “Italian anti-mafia prosecutors said they **seized a record $6 trillion of allegedly fake U.S. Treasury bonds,** an amount that’s almost half of the U.S.’s public debt.” From here the story just gets weirder: “The bonds were found hidden in makeshift compartments of three safety deposit boxes in Zurich, the prosecutors from the southern city of Potenza said in an e-mailed statement. The Italian authorities arrested eight people in connection with the probe, dubbed “Operation Vulcanica,” the prosecutors said. The U.S. embassy in Rome has examined the securities **dated 1934, which had a nominal value of $1 billion apiece,** they said in the statement. Officials for the

embassy didn’t have an immediate comment.” . . . And weirder: **“The individuals involved were planning to buy plutonium from Nigerian sources, according to phone conversations monitored by the police.”** .And really, really weird: **“The fraud posed “severe threats” to international financial stability, the prosecutors said in the statement.”** Ok great, however one thing we don’t get is just how can $6 trillion in glaringly fake bombs be a **“threat to international financial stability.”**

More from Bloomberg:

The financial fraud uncovered by the Italian prosecutors in Potenza includes two checks issued through HSBC Holdings Plc in London for 205,000 pounds ($325,000), checks that weren’t backed by available funds, the prosecutors said. As part of the probe, fake bonds for $2 billion were also seized in Rome.

HSBC spokesman Patrick Humphris in London declined to comment when contacted by telephone.

Phony U.S. securities have been seized in Italy before and there were at least three cases in 2009. Italian police seized phony U.S. Treasury bonds with a face value of $116 billion in August of 2009 and $134 billion of similar securities in June of that year.

The U.S. Secret Service averages about 100 cases a year related to bonds and other fictitious instruments.

As a reminder, total US debt in circulation is just over $10 trillion. So if the allegedly “fake” bonds were sufficiently threatening to put **international financial stability** at risk, just what is going on here?

Some more from the BBC:

US officials confirmed that the bonds were counterfeit.

Fake US securities have been seized in Italy before and there were at least three cases in 2009.

But this case is on a different scale to previous investigations as the fake bonds have a value equivalent to almost half of the entire US debt pile.

“Everything began with an investigation into mafia clans in the Vulture-Melfese area in the southern Basilicata region,” said Giovanni Colangelo, the head of the prosecutor’s office in Potenza.

Here is what the bonds look like:[13]

Italian “Billion Dollar Bearer Bond”

At this juncture, we must pause again, to observe that the “billion dollar bearer bond” has a number of peculiarities. First, and rather obviously, it is based on the *genuine* Woodrow Wilson $100,000 gold certificate notes that were indeed circulated privately between branches of the Federal Reserve Bank system. But secondly, this “bond” is clearly stated to be a “gold certificate,” in other words, a “bond backed by gold.” Finally, note the serial number—seemingly a dead giveaway that the bond is a fake— of “G11111111G”. With this, we return to Durden’s final few remarks, and the remaining picture. “And here,” he said, “is where they,” i.e., the “bonds,” were “kept”:

Chicago Federal Reserve Bank Strong Box Containing the Woodrow Wilson Billion Dollar Gold-Backed Bearer Bonds

Note again the following peculiarities:

1) The amount of "counterfeit bonds" seized is some $6 *trillion* dollars, an amount, notes Durden, that is almost half of the entire U.S. public debt;
2) The "bonds" were seized in Zurich, an important clue, for Switzerland would be a likely place to sell or trade large denomination securities on the international market;
3) The "bonds" were once again dated 1934;
4) They were supposedly being used to purchase plutonium *covertly,* and this, again, is an important clue, for a vast sum of money of a fraudulent nature was being used *in a covert operation involving technologies linked to weapons of mass destruction;* and, finally,
5) The "bonds" were stated to be a "threat to international stability."

This last point is, again, a significant clue that, while the seized bonds may indeed have been completely fake, they must be based on something *really existent.* Here's why:

The very *enormity* of the amounts involved on just *one* bond—one billion dollars—would restrict any hoped-for return on the counterfeit, even at the *extreme* discount of one cent on the dollar, to a *very* narrow group of targets. The circulation of such counterfeit bonds, again in denominations we're told never existed, is itself interesting, for how could denominations of bonds that never existed pose any sort of threat to international financial stability,

unless, again, *there was a real exemplar?* Once again, the old principle holds true: one does not counterfeit a seven dollar bill. It would be un-spendable, unsellable, and of no use to the counterfeiter to go to all the expense and effort to produce. *Such bonds can only exist if there is a market for them, and such a market, in turn, can only exist if indeed there is some kernel of truth to the existence of such bonds, dated from that period.*

And note one *final* implication. The amount seized in this particular episode of the Bearer Bonds Soap Opera was *six* ***trillion*** *dollars,* and these were in bonds that were *backed by* ***gold.*** So there is yet another implication:

6) Is the amount of gold in existence able to cover such an astronomical amount of money? What *is* the actual amount of gold in existence?

That implication brings us to the strange allegations of Great Britain's David Noel James, Lord (Baron) Blackheath, made almost concurrently with the bearer bonds scandals, on the floor of the British House of Lords in Parliament . . . and to an equally strange comment made decades ago by the president of the German Reichsbank, Dr. Hjalmar Horace Greeley Schacht, on the occasion of a friendly visit to the New York Federal Reserve Bank . . . but first, it's time for an intermission, to catch our breath, and summarize what we have thus far.

Investigative Reporter Danny Casolaro, 1947-1991, Murdered to Keep a Huge Financial Secret?

[1] Richard Hammer, *The Vatican Connection,* p. 212.

[2] http://www.asianews.it/news-en/Mystery-surrounding-134.5-%E2%80%9Cfake%E2%80%9D-billion-US-dollars-seized-in-Ponte-Chiasso-remains-15556.html.

[3] Joseph P. Farrell, "Japan: Connecting Some Dots, Part One: the Strange Case of the Bearer Bonds," April 25, 2011, http://gizadeathstar.com/2011/04/japan-connecting-some-dots-part-one-the-strange-case-of-the-bearer-bonds/.

[4] Ibid.

[5] Ibid.

[6] J.S. Kim, "Strange Inconsistencies in the $134.5 Billion Bearer Bond Mystery," June 16, 2009, http://seekingalpha.com/article/143462-strange-inconsistencies-in-the-134-5-billion-bearer-bond-mystery.

[7] Joseph P. Farrell, "Japan: Connecting Some Dots, Part One: The Strange Case of the Bearer Bonds," April 25, 2011, (see continued footnote next page) http://gizadeathstar.com/2011/04/japan-connecting-some-dots-part-one-the-strange-case-of-the-bearer-bonds/

[8] Joseph P. Farrell, "Japan: Connecting Some Dots, Part Three: More Anomalies About the Bearer Bonds Story," April 27, 2011, http://gizadeathstar.com/2011/04/japan-connecting-some-dots-part-three-more-anomalies-about-the-bearer-bonds-story/

[9] Another difficulty with the story, as I observed in the article, was why the Italian authorities did not allow the Japanese men across the border, and simply place them under surveillance, to see who their contacts might be? In other words, the Italian financial police seemed, for

whatever reason, to violate a cardinal principle of intelligence work.

[10] Joseph P. Farrell, “Japan: Connecting Some Dots, Part Four: Miscellaneous Anomalies About the Bearer Bonds Story,” April 28, 2011, http://gizadeathstar.com/2011/04/japan-connecting-some-dots-part-four-miscellaneous-anomalies-about-the-bearer-bonds-story/

[11] Joseph P. Farrell, “More Information on the Japanese Bearer Bonds,” May 4, 2011, http://gizadeathstar.com/2011/05/more-information-on-the-japanese-bearer-bonds/

[12] Joseph P. Farrell, “More Fake Bonds Found in Spain: A Speculative Analysis of the Implications of the Fake Bonds Scandals,” Feb. 11, 2012,
It should be pointed out that this article first appeared as a paper in a *subscription* area on my website. I include it *here* for the sake of completeness of the argument.

[13] Tyler Durden, “$6 Trillion in US Bonds Seized in Zurich, Said to Pose ‘Severe Threats to International Financial Stability,’ “Feb. 17, 2012, http://www.zerohedge.com/news/6-trillion-us-bonds-seized-zurich.

INTERMISSION

"(Zokosky) explained that the NSA does not have to account for money. The NSA makes a 'profit.He said drugs are called 'gold' and used as currency worldwide. Real gold takes up space and is difficult to transport. "

Cheri Seymour[1]

Distinctive patterns have now emerged when one compares the three bearer bonds scandals reviewed thus far, and with these patterns, deeper shapes and outlines of deep principal actors - the factional components of an international financial, criminal, and military-scientific elite - are faintly discernible. The presentation of the bearer bonds scandals is therefore interrupted here, to review those patterns comprehensively, and to comment further regarding the discernible outlines of the principals of the libretto beginning to appear on stage:

1) One only counterfeits or mimics something real; one does not counterfeit a seven dollar bill, or stocks and bonds that do not exist;[2]

2) One only counterfeits what one can reasonably expect to tender in a transaction to a target group, and thus must tailor one's counterfeiting operation to the target's scale of affluence, and do so without raising suspicion;[3] thus one does not go to the expense of counterfeiting a fraudulent product that cannot be transacted because

   a) it does not exist, or

   b) is too large a denomination to be traded with the target group,
   or

   c) is too poor in quality to be traded. To put this point differently, the quality of the counterfeit must be sufficiently high to ensure a "first sight" acceptance of its authenticity by the target;[4]

3) Trade of fraudulent instruments in the tens, twenties, and hundreds of millions, or billions, of dollars can only occur at a very rarefied level (if it occurs at all), and thus, any counterfeiting of instruments of such a level of trade must be based on inside information not generally or publicly available;[5]

4) *With respect to the Japanese Bearer Bond Scandal the facts and implications are:*

   a) $134.5 billion was seized by the Italian *Guardia di Finanza* at Ponte Chiasso on the Italian Swiss border;

   b) this amount of money was in the form of bearer bonds in the denominated in the amount of $500,000,000, and dated 1934;

   c) some of the amount was in the form of ten *one billion* dollar Kennedy bonds which were clearly faked;[6]

   d) many of the $500,000,000 bonds were so carefully done that the fraud could hardly be distinguished from the genuine article,[7] i.e., one was dealing with facsimiles;

   e) the bonds were accompanied by “authenticating” bank documents;[8]

   f) the bonds were discovered in the false bottom of a briefcase being carried by two allegedly Japanese men on a commuter train from Italy to Switzerland;[9]

   g) The two men were arrested and detained according to Italian law, which also required the imposition of a fine (that would have amounted to $53.4 billion), but no fine was imposed, and the men were released;[10]

   h) The *Asia News* article cited in chapter 2A also notes that it took US authorities some two weeks to

make a determination that the bonds were fake,[11] a story which *does* make some sense when the assertion that some of the "fakes" were barely distinguishable from the general article;

i) If securities of such high quality are indeed in circulation such that it took the issuing authority (the US government) two weeks to make a determination, then "international trade and exchanges could come to a halt";[12]

j) Some of the bearer bonds were dated to the year 1934;[13]

k) Some US authorities and media sources stated that no bearer bonds of denominations of $500,000,000 were ever issued,[14] raising the question of why it would have taken American authorities two to make a determination on their authenticity, an authenticity *otherwise* stated to be so good in quality as to be virtually indistinguishable from the real thing. *This implies that such $500,000,000 bearer bonds were indeed issued, but in such a limited and unusual fashion that they were not generally known and thus a mystery to the US authorities seeking to authenticate them.* They quality suggested recalls the operational parameters of *Unternehmung Bernhard,* namely, that they may have been the products of an "unauthorized production" of facsimiles. The question is *who* committed the fraud. Given the nature of the case thus far, the possibility that the fraud *originated within the upper echelons of America's governmental and financial elite* must be held open;

l) The amount seized by the Italian authorities was exactly the same amount in the U.S.A. Troubled Asset Relief Program;[15]

m) The inclusion of ten self-evidently faked “Kennedy” billion dollar bonds appears designed to draw attention to the status of the *other* bonds seized, and, as reviewed, suggests that a message was being sent by one party to another: all such bonds are fraudulent, and they concern, in some fashion, space issues;[16]

n) the implication that such bonds could only be counterfeited by someone in the know of similar *genuine* bonds appears to be strengthened by the fact that the Kennedy bonds were printed with the seal of “Money World,” an Asian corporation dealing with international currency transactions on a daily basis;[17]

o) thus, an Asian connection is implied by the alleged participation of

i) the two Japanese nationals carrying the bonds and seized by the Italians and

ii) by the presence of self-evidently faked bonds bearing the seal of a known Asian currency trading company, implying other Asian connections (Korea, China, Indochina, and so on);

5) *With respect to the Spanish Bearer Bond Scandal the facts and implications are:*

a) The occurrence of the scandal in Spain suggests an historical and geopolitical connection to World War Two and to the Axis powers, since the Japanese Bearer Bond scandal allegedly involved nationals from a former Axis power (Japan), occurred on the soil of another former Axis power (Italy), and, with the Spanish scandal, on the soil of a nation that had been aided and abetted by Germany and Italy in the installation of the Axis-friendly government of Francisco Franco;

b) The story occurred at the same approximate time as the Japanese bearer bond scandal, in June of 2009;[18]

c) The amount involved was even more astronomical, some $1.64 *trillion* dollars;[19] this haul was in the form of the following:

i) U.S. Federal Reserve Note Series 1934 Bonds, bearing coupons, which claimed to be gold-backed.[20] It should be noted that this has its own implications, for normally, only the U.S. Treasury *issues and sells bonds, while normally, only the Federal Reserve becomes the privileged first buyer.* But it should likewise be observed, *that as a private corporation, the Federal Reserve can sell stock, and has the right to issue and sell bonds just like any other corporation.* Thus, the securities in question are not, at one level U.S. securities at all, but rather, Federal Reserve securities. Thus, the U.S. authorities can legitimately claim that no bearer bonds of $500,000,000 dollar denominations were ever issued by the U.S. *government,* but that does *not* say anything about the U.S. Federal Reserve Bank, a private corporation. *In short, the possibility remains that one is looking at legitimate securities, but ones of a very privileged and confidential nature;*

ii) The Spanish haul was also represented in bundles of $10,000,000 of $100,000 gold certificate Woodrow Wilson notes, notes never issued for general circulation, but only used in exchanges between branches of the Federal Reserve System. These notes, like the alleged bearer bonds, were *gold backed,* and this, as will eventually be seen, is another very significant clue;

iii) These bundles were banded with metal bands stamped with the modern stylized swastika corporate logo of J.P. Morgan Chase bank;[21]

iv) the haul was discovered in bronze strong boxes from the bearing the stamp and seal of the Dallas Federal Reserve Branch bank,[22] along with other authenticating contexts such as certificates of authenticity;

v) the suspected point of origin for the faked securities *and strong boxes* was Manila, the Philippines,[23] a fact that will have enormous significance in the remaining chapters of part one of this book;

d) These points, bearing in mind that one does not counterfeit things (or strong boxes!) that do not exist, allow one to conclude tentatively that:

i) "Distinctive and discrete steps were being put into place by the American financial elite during the 1930s to establish a covert two-tiered system of finance, with the covert system being based upon bullion-backed currency and securities";[24]

ii) This covert system of finance could become the perfect independent vehicle for the funding of covert operations, wars, and research;

iii) It is quite the crucial point to observe what all these tentative implications and patterns mean, for if *one does not counterfeit what does not exist as a real medium of transaction, then to concoct a system of bearer bonds, and then deny their existence, means that there are* ***two*** *levels of fraud being perpetrated:*

1] *the* ***principal*** *fraud, which would be perpetrated by the designers of the system and bonds itself; and*

2] *the secondary fraud, which would be perpetrated by the counterfeiters counterfeiting the original fraudulent instruments of that system!* 6) *With respect to the Italian Bearer Bonds Scandal, the facts and implications are these:*

6 Six trillion dollars was seized;[25]

b) this six trillion dollars was in the form of “US Treasury bonds”[26] an assertion that may be an inaccuracy, for in the *other* cases of such bonds, they are in the form of U.S. Federal Reserve bonds, *not* actual U.S. Treasury bonds;

c) this amount is almost half of the U.S. public debt,[27]

d) the bonds were again dated 1934;[28]

e) and were denominated in amounts of one billion dollars apiece;[29]

f) the bonds were indeed slated to be part of a covert operation to purchase plutonium in Nigeria;[30]

g) the bonds were based upon the $100,000 Woodrow Wilson gold certificate bill used for private exchange between Federal Reserve branch banks, and the bonds were stamped with the same “gold certificate” seal;[31]

h) and *as in the Spanish* bearer bond scandal of the same period, they were found in a strong box of a Federal Reserve Branch bank, this time, that of the Chicago branch;[32]

i) the whole affair was said to be a threat to international financial stability.[33]

A pattern has now become clear, a pattern involving the former Axis nations (in some form or fashion), a pattern of industrial scale counterfeiting of securities with mystifying and mutually contradictory properties, for they are said to be “so good” that they are difficult to distinguish from

originals, and yet, they are so *bad* by implication, since they are counterfeits of something U.S. government officials maintain never existed at all. There is yet another pattern: the securities are for the most part dated 1934, and bear some relationship to *gold.*

With these patterns in mind, we may now resume chapter two, exactly where we left off . . .

A Certificate of Authenticity for Some of the Bearer Bonds

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[1] Cheri Seymour, *The Last Circle: Danny Casolaro's Investigation into The Octopus and the PROMIS Software Scandal* (Trine Day 2010), p. 341.

[2] p. 24.

[3] p. 25.

[4] Ibid.

[5] p. 26.

[6] pp. 26-27.

[7] p. 27.

[8] Ibid.

[9] Ibid.

[10] Ibid.
[11] Ibid.
[12] p. 28.
[13] p. 29.
[14] Ibid.
[15] p. 31.
[16] pp. 33-40
[17] pp. 40-41.
[18] pp. 43-44.
[19] p. 45.
[20] p. 46.
[21] pp. 50-52
[22] p. 49.
[23] p. 54.
[24] p. 56.
[25] p. 58.
[26] Ibid.
[27] Ibid.
[28] Ibid.
[29] Ibid.
[30] Ibid.
[31] p. 60.
[32] p. 61.
[33] Ibid.

2B
Bearer Bonds, Bullion, Bishops and Banksters:
*OR*Cosa Nostra Con Men, Counterfeiters and Cardinals, Part Two

"As to the existence of a 'secret' secondary market, such a notion defies reason. There is no basis for such a market which would add to the costs of all parties, and especially the entity of such funding, while producing ***no explainable gain to anyone but the secret players.*** *That a major issuer of investment grade paper would subject its financial obligations to the vagaries of such a market is absurd."*

Professor James
E. Byrnes[1]

There is another problem with the bearer bonds scandals as thus far reviewed, and the reader will immediately have seen what it is: gold. These bonds, it will be recalled, were in denominations of one billion, or more often than not, a mere five hundred million dollars each, with coupons, and the bonds were, moreover, "gold certificates," i.e., they were allegedly backed by gold, or rather, *issued against gold as the underwriting collateral.* That is to say, the sheer *amount* of all the alleged gold-backed bearer bonds floating around in the various bearer bonds scandals would seem to imply an amount of gold nearly equal to if not exceeding all the gold in existence by orders of magnitude. A moment's reflection on this circumstance reveals that this presents certain enormous "implications" for our emerging scenario, and none of them are entirely pleasant. However, our examination of those implications will have to wait. For the moment, our attention must be focused on this new principal actor on the scene, the gold itself, and upon:

4. The Strange Allegations of Lord Blackheath and Some Strange Behavior from Dr. Hjalmar Horace Greeley Schacht[2]

As the bearer bonds scandals began to make their rounds in the media, another meme was quickly attached to them by various "commentators," who quickly "connected" the scandals to the alleged activities and promises of a secret society or societies based in Asia, waging covert and secret financial war against the abyssally corrupt oligarchs of the Anglo-American elite. Briefly put, according to these versions of the story, this secret Asian oligarchy was literally promising to step in as a kind of institutional "messiah" and pull the West's fat out of the financial fire its own elite had put it in.

While I do not subscribe to these scenarios, it is worth noting what the real underlying memes are:

1) There is hidden or covert economic warfare taking place between an essentially Anglo-American financial oligarchy, and some secret group that has suggestive ties to Asia;

2) The whole story is connected to a hidden tier or system of finance, as represented by the bearer bonds scandals; and,

3) The whole story concerns a vast amount of gold.

These memes reached all the way into the British House of Lords, where David Noel Baron James of Blackheath noted, in comments made on the floor and recorded in Hansard's, that the amount of gold appeared in existence appeared to be obfuscated.[3]

a. David Baron James of Blackheath's Remarks of Nov 1, 2010 to the House of Lords

Lord Blackheath first drew attention to the problem in a round-about way a year after the Bearer Bonds Scandals had broken, in remarks he made late on Nov. 1, 2010 on the

floor of the House of Lords. In his remarks, he also brushed up against the financial aspects of international terrorism. Here is the actual Hasnard transcript of his remarks. I have Italicized the remarks that will concern us subsequently, but I present them here in the original context in which Lord Blackheath stated them. Additionally, I have inserted numbers in parentheses to assist in the analysis which follows this citation:

> At this point, I am going to have to make a very big apology to my noble friend Lord Sassoon, because I am about to raise a subject that I should not raise and which is going to be one which I think is now time to put on a higher awareness, and to explain to the House as a whole, as I do not think your Lordships have any knowledge of it. I am sorry my noble friend Lord Strathclyde is not with us at the moment, because this deeply concerns him also.
>
> For the past 20 weeks I have been engaged in a very strange dialogue with the two noble Lords, in the course of which **(1)** *I have been trying to bring to their attention the willing availability of a strange organisation which wishes to make a great deal of money available to assist the recovery of the economy in this country. For want of a better name, I shall call it foundation X. That is not its real name, but it will do for the moment. Foundation X was introduced to me 20 weeks ago last week by* **(2)** *an eminent City firm, which is FSA controlled. Its chairman came to me and said,* **(3)** *"We have this extraordinary request to assist in a major financial reconstruction. It is megabucks, but we need your help to assist us in understanding whether this business is legitimate".* I had the biggest put down of my life from my noble friend Lord Strathclyde when I told him this story. He said, "Why you? You're not important enough to have the answer to a question like that". He is quite right, I am not

important enough, but the answer to the next question was, “You haven’t got the experience for it”. Yes I do.**(4)** *I have had one of the biggest experiences in the laundering of terrorist money and funny money that anyone has had in the City. I have handled billions ofpounds of terrorist money.*

Baroness Hollis of Heigham: Where did it go to?

Lord James of Blackheath: Not into my pocket. *My biggest terrorist client was the IRA and I am pleased to say that I managed to write off more than £1 billion of its money. I have also had extensive connections with north African terrorists, but that was of a far nastier nature, and I do not want to talk about that because it is still a security issue. I hasten to add that it is no good getting the police in, because* **(5)** *I shall immediately call the Bank of England as my defence witness, given that it put me in to deal with these problems.*

The point is that when I was in the course of doing this strange activity, I had an interesting set of phone numbers and references that I could go to for help when I needed it. So people in the City have known that if they want to check out anything that looks at all odd, they can come to me and I can press a few phone numbers to obtain a reference. The City firm came to me and asked whether I could get a reference and a clearance on foundation X. For 20 weeks, I have been endeavoring to do that. **(6)** *I have come to the absolute conclusion that foundation X is completely genuine and sincere and that* **(7)** *it directly wishes to make the United Kingdom one of the principal points that it will use to disseminate its extraordinarily great wealth into the world at this present moment, as part of an attempt to seek the recovery of the global economy.*

I made the phone call to my noble friend Lord Strathclyde on a Sunday afternoon-I think he was sitting on his lawn, poor man-and he did the quickest ball pass that I have ever witnessed. If England can do anything like it at Twickenham on Saturday, we will have a chance against the All Blacks. The next thing I knew, I had my noble friend Lord Sassoon on the phone. From the outset, he took the proper defensive attitude of total scepticism, and said, “This cannot possibly be right”.**(8)** *During the following weeks, my noble friend said, “Go and talk to the Bank of England”. So I phoned the governor and asked whether he could check this out for me. After about three days, he came back and said, “You can get lost. I’m not touching this with a bargepole; it is far too difficult. Take it back to the Treasury”. So I did. Within another day, my noble friend Lord Sassoon had come back and said,* **(9)** *“This is rubbish. It can’t possibly be right”.* I said, “I am going to work more on it”. Then I brought one of the senior executives from foundation X to meet my noble friend Lord Strathclyde. I have to say that, as first dates go, it was not a great success. Neither of them ended up by inviting the other out for a coffee or drink at the end of the evening, and they did not exchange telephone numbers in order to follow up the meeting.

I found myself between a rock and a hard place that were totally paranoid about each other, because the foundation X people have an amazing obsession with their own security. They expect to be contacted only by someone equal to head of state status or someone with an international security rating equal to the top six people in the world. This is a strange situation. My noble friends Lord Sassoon and Lord Strathclyde both came up with what should have been an absolute killer argument as to why this could not be true and that we should forget it. **(10)** *My noble friend Lord*

Sassoon's argument was that these people claimed to have evidence that last year they had lodged £5 billion with British banks. They gave transfer dates and the details of these transfers. As my noble friend Lord Sassoon, said, if that were true it would stick out like a sore thumb. You could not have £5 billion popping out of a bank account without it disrupting the balance sheet completely. But I remember that at about the same time as those transfers were being made the noble Lord, Lord Myners, was indulging in his game of rearranging the deckchairs on the Titanic of the British banking community. If he had three banks at that time, which had had, say, a deficiency of £1.5 billion each, then you would pretty well have absorbed the entire £5 billion, and you would not have had the sore thumb stick out at that time; you would have taken £1.5 billion into each of three banks and you would have absorbed the lot. That would be a logical explanation—I do not know.

(11) *My noble friend Lord Strathclyde came up with a very different argument. He said that this cannot be right because these people said at the meeting with him that they were still effectively on the gold standard from back in the 1920s and that their entire currency holdings throughout the world, which were very large, were backed by bullion. My noble friend Lord Strathclyde came back and said to me that he had an analyst working on it and that this had to be stuff and nonsense. He said that they had come up with a figure*

for the amount of bullion that would be needed to cover their currency reserves, as claimed, which would be more than the entire value of bullion that had ever been mined in the history of the world. **(12)** *I*

am sorry but my noble friend Lord Strathclyde is wrong; his analysts are wrong. He had tapped into the sources that are available and there is only one definitive source for the amount of bullion that has ever been taken from the earth's crust. That was a National Geographic *magazine article 12 years ago. Whatever figure it was that was quoted was then quoted again on six other sites on the internet-on Google. Everyone is quoting one original source; there is no other confirming authority.* **(13)** *But if you tap into the Vatican accounts-of the Vatican bank-you come up with a claim of total bullion-*

Lord De Mauley: The noble Lord is into his fifteenth minute. I wonder whether he can draw his remarks to a conclusion.

Lord James of Blackheath: *The total value of the Vatican bank reserves would claim to be more than the entire value of gold ever mined in the history of the world. My point on all of this is that we have not proven any of this. Foundation X is saying at this moment that it is prepared to put up the entire £5 billion for the funding of the three* Is recreation; the British Government can have the entire independent management and control of it-foundation X does not want anything to do with it; there will be no interest charged; and, by the way, if the British Government would like it as well, if it will help, it will be prepared to put up money for funding hospitals, schools, the building of Crossrail immediately with £17 billion transfer by Christmas, if requested, and all these other things. These things can be done, if wished, but a senior member of the Government has to accept the invitation to a phone call to the chairman of foundation X—and then we can get into business. This is too big an issue. I am just an ageing, obsessive old Peer and I am easily dispensable, but getting to the

truth is not. We need to know what really is happening here. We must find out the truth of this situation.[4]

Now let us take each of the italicized portions of Lord Blackheath's remarks and examine them more closely.

b. Analysis of Lord Blackheath's Remarks of Nov 1, 2010

When one summarizes the basic points of Lord Blackheath's very odd remarks in the House of Lords, one derives a set of statements truly mind-boggling in their implications:

1) There is a secret group with lots of money, previously unknown in the world, which Lord Blackheath is calling "Foundation X", suggesting that this entity, at least in its public face, if indeed it has one, is a foundation (point number 1 in the citation above);
2) This foundation or secret group has *some* connection to the City of London, the financial district of the United Kingdom, suggesting, as would be expected, that any secret group with vast and hitherto unknown amounts of money would have connections to major financial centers (point number 2 in the citation above);
3) This secret group is offering to step in, almost as a kind of institutional messiah, and resolve Europe's, and Britain's, financial difficulties by using Britain as a "port of entry" to do so (point numbers 3 and 7 in the citation above);
4) Lord Blackheath himself has some experience with a financial "underworld" since, by his own admission, he was involved in laundering money for the Irish Republican Army, apparently acting as an agent for the Bank of England, which was impounding IRA funds (point number 4 in the citation above);
5) Lord Blackheath can call the Bank of England as a defense witness to attest to these activities, a strange

remark to make, as if he feared his revelations on the floor of the House of Lords would lead to investigation and perhaps indictment and trial (point number 5 in the citation above);

6) Based on his investigations—which he never details—Lord Blackheath asserts that the secret group, or Foundation X, is "completely genuine and sincere," i.e., *really exists* (point number 6 in the citation above);

7) When urged to contact the Bank of England by fellow peer Lord Sassoon, the Bank of England's governor, after three days, informed Lord Blackheath "You can get lost. I'm not touching this with a bargepole; it is far too difficult. Take it back to the Treasury," (point number 8 in the citation above), indicating or suggesting that the Bank of England neither could confirm nor deny the legitimacy of Foundation X or its claims to vast wealth and the ability to help Britain and Europe, and suggesting also, perhaps, that it may have known the reality of what Foundation X represented, and either did not wish to get involved, or, was maintaining a secret;

8) When Lord Blackheath "took it back to the Treasury" (i.e., to Lord Sassoon), it responded: "This is rubbish. It can't possibly be right," (point 9 in the citation above), which implies either that the secret group, and/or its claims, were *not* genuine. Notice an important, vital point here: *the private monopoly central bank, the Bank of England, would neither confirm nor deny the claims, but said only, "It's too difficult", while the official* ***government*** *agency, the U.K. 's treasury, responded that it is rubbish.* Observe carefully how this fits the pattern thus far revealed in the bearer bonds scandals, for official U.S. government spokesmen denied that bonds of such amounts and denominations were ever issued (especially in 1934),

while the media is simultaneously reporting that some of the “Fakes” (of bonds that supposedly never existed) were done so well that they were almost as good as the real thing, *and* note that said bonds *were not claimed to have been issued by the U.S. Treasury, the government agency, but directly by the U.S. Federal Reserve Bank, a* ***private*** *central bank.* The pattern is the same, though the contexts are different;

9) The “difficulty” that appears to be surfacing is that the secret group—Foundation X—claimed to have deposited £5,000,000,000 in British banks, and supplied the details of “transfer dates and the details of the transfers” and yet, according to Lord Blackheath’s recollection of Lord Sassoon’s remarks, Lord Sassoon apparently stated that *if* such an amount had been lodged with British banks, it would show up on the balance sheets; it would “stick out like a sore thumb.” This remark implies that *the amount was not showing up on the balance sheets nor at the U.K. Treasury,* (point number 10 in the citation above) and this suggests either that the deposits were never made, or that they were fraudulent (remember the Bank of England’s response), or *that they were deliberately kept off the books.* Since the Bank of England’s response was nothing less than obfuscation, one may reasonably conclude that it was neither of the first two alternatives, and that a hidden tier of finance was in play, one that Lord Sassoon did not know about, but one that Lord Blackheath had very evidently stumbled into. After all, *he* is the one originally stating that all of this had to do with a *secret group,* with vast money, and hence one may conclude that the basic implication of Lord Blackheath’s remarks is *that there is a hidden system of finance, the central banks know about it, but some agencies and agents of governments, do not.* This pattern,

again, fits the pattern we have seen emerge in the bearer bonds scandals thus far examined;

10) The mystery only deepened when Lord Strathclyde pointed out that Foundation X's claims had to be nonsense, since its claims were based on being backed by gold bullion, and that such vast amounts of money would lead to the claim of having more bullion than had ever been mined in the world (point number 11 in the citation above). Thus, Foundation X is making claims *very similar in nature, and fitting the overall pattern, of the bearer bonds scandals:* gold backing of whatever form of securities it was allegedly depositing in British banks;

11) The source for the figures of gold available in the world apparently, according to Lord Blackheath, stem from a *National Geographic* magazine article (see point 12 in the citation above); and finally,

12) When the *Vatican Bank figures are consulted, a different amount of available gold bullion apparently obtains* (see point 13 in the citation above). Thus, we have the introduction—without explanation of how or why it fits—of another principal, the Vatican, in the story.

As we shall see later in this chapter, the Vatican is a *crucial* key to understand the nature of this hidden tier of finance, who manages it, what it is for, and how it all fits into the conception of a "breakaway civilization." But for the present, we are not quite done with Lord Blackheath.

c. David Baron James of Blackheath's Remarks of Feb. 16, 2012 to the House of Lords: "Something is Very Seriously Wrong"

After the initial and typical Internet conspiracy theory and apocalypse mongering ruckus surrounding Lord Blackheath's remarks had died down (even following rumors

that he had been “suicided” or “heart attacked” or just outright murdered), Lord Blackheath followed his November 2010 remarks up with an even more bizarre and astonishing set of remarks made to the House of Lords on Feb 16, 2012. Again, I present the official Hansard transcript, italicizing those portions of his remarks that will concern us in our analysis. As before, I have inserted numbers in parentheses which will assist in the analysis which follows the citation:

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5.20 pm

Lord James of Blackheath: My Lords, I hope the minute that that has taken has not come off my time. I do not wish noble Lords to get too encouraged when I start with my conclusions but I will not sit down when I have made them. I will then give the evidence to support them and, I hope, present the reasons why **(1)** *I want support for an official inquiry into the mischief I shall unfold this afternoon. I have been engaged in pursuit of this issue for nearly two years and I am no further forward in getting to the truth.*

There are three possible conclusions which may come from it. **(2)** *First, there may have been a massive piece of money-laundering committed by a major Government who should know better.* **(3)** *Effectively, it undermined the integrity of a British bank, the Royal Bank of Scotland, in doing so.* **(4)** *The second possibility is that a major American department has an agency which has gone rogue on it because it has been wound up and has created a structure out of which it is seeking to get at least £50 billion as a pay-off.* **(5)** *The third possibility is that this is an extraordinarily elaborate fraud, which has not been carried out, but which has been prepared to provide a threat to one Government or more if they do not make a pay-off. These three possibilities need an urgent review.*

(6) *In April and May 2009, the situation started with the alleged transfer of $5 trillion to HSBC in the United Kingdom. Seven days later, another $5 trillion came to HSBC and three weeks later another $5 trillion. A total of $15 trillion is alleged to have been passed into the hands of HSBC for onward transit to the Royal Bank of*

Scotland. We need to look to where this came from and the history of this money. I have been trying to sort out the sequence by which this money has been created and where it has come from for a long time.

(7) *It starts off apparently as the property of Yohannes Riyadi, who has some claims to be considered the richest man in the world.* He would be if all the money that was owed to him was paid but I have seen some accounts of his showing that he owns $36 trillion in a bank. It is a ridiculous sum of money. However, $36 trillion would be consistent with *the dynasty from which he comes and the fact that it had been effectively the emperors of Indo-China in times gone by.* A lot of that money has been taken away from him, with his consent, by the American Treasury over the years for the specific purpose of helping to support the dollar.

(8) *Mr Riyadi has sent me a remarkable document dated February 2006 in which the American Government have called him to a meeting with the Federal Reserve Bank of New York, which is neither the Federal Reserve nor a bank. It is a bit like "Celebrity Big Brother ". It has three names to describe it and none of them is true. This astonishing document purports to have been a meeting, which was witnessed by Mr Alan Greenspan, who signed for the Federal Reserve Bank of New York of which he was chairman, as well as chairman of the real Federal Reserve in Washington. It is signed by Mr Timothy Geithner as a witness on behalf of the International Monetary Fund. The IMF sent two witnesses, the other being Mr Yusuke Horiguchi. These gentlemen have signed as witnesses to the effect*

that this deal is a proper deal. There are a lot of other signatures on the document. I do not have a photocopy; I have an original version of the contract.

(9) *Under the contract, the American Treasury has apparently got the Federal Reserve Bank of New York to offer to buy out the bonds issued to Mr Riyadi to replace the cash which has been taken from him over the previous 10 years. It is giving him $500 million as a cash payment to buy out worthless bonds.* That is all in the agreement and it is very remarkable. Establishing whether I have a correct piece of paper is just two phone calls away—one to Mr Geithner and one to Mr Greenspan, both of whom still prosper and live. They could easily confirm whether they signed it. Mr Riyadi, by passing these bonds over, has also put at the disposal of the US Treasury the entire asset backing which he was alleged to have for the $15 trillion. **(10)** *I have a letter from the Bank of Indonesia which says that the whole thing was a pack of lies. He did not have the 750,000 tonnes of gold which was supposed to be backing it; he had only 700 tonnes. This is a piece of complete fabrication.*

(11) *Finally, I have a letter from Mr Riyadi himself, who tells me that he was put up to do this, that none of it is true, and that he has been robbed of all his money. I am quite prepared to recognise that one of the possibilities is that Mr Riyadi is himself putting this together as a forgery in order to try to win some recovery. But it gets more complicated than that because each of the $5 trillion payments that came in has been acknowledged and receipted by senior executives at HSBC and again receipted by senior executives at the Royal Bank of Scotland. I have a set of receipts for all of this money. Why would any bank want to file $5 trillion-worth-$15 trillion in total-of receipts if the money did not exist? The money was first said to have come from the Riyadi account to the*

Federal Reserve Bank of New York and from there it was passed to JP MorganChase in New York for onward transit to London. The means of sending it was a SWIFT note which, if it was genuine, ought to have been registered with the Bank of England.

When this came about, I took it to my noble friend Lord Strathclyde and asked what we should do with it. He said, “Give it to Lord Sassoon. He is the Treasury”. So I did, and *my noble friend Lord Sassoon looked at it and said* immediately, “This is rubbish. It is far too much money. It would stick out like a sore thumb and you cannot see it in the Royal Bank of Scotland accounts”. He went on to say, **(12)** *“The gold backing it is ridiculous. Only 1,507 tonnes of gold has been mined in the history of the world, so you cannot have 750,000 tonnes “. That is true. The third thing he said was, “It is a scam”, and I agree with him. The problem is that at that point we stopped looking, but we should have asked what the scam was instead of just nodding it off.*

We have never resolved it. **(13)** *Today, I have this quite frightening piece of paper, which is my justification for bringing it into this meeting. It is available on the Internet and I am astonished that it has not already been unearthed by the Treasury because every alarm bell in the land should be ringing if it has. It is from the general audit office of the Federal Reserve in Washington-the real Federal Reserve-and its audit*

16 Feb 2012: Column 1018

review to the end of July 2010 on the Federal Reserve Bank of New York. It has on it some 20 banks listed to which $16.115 trillion is outstanding in loans. That is the sore thumb that was being looked for by my noble friend Lord Sassoon. But more particularly there are

two other interesting things. The first is that Barclays Bank has $868 billion of loan, and the Royal Bank of Scotland has $541 billion, in which case one has to ask a question, because they could have earned back in three weeks their entire indebtedness and could pay off the taxpayers of Britain. Why have they not done so and could we please ask them to put a cheque in the post tonight for the whole $46 billion?

(14) *The next thing that is wrong with it is that every bank on this list, without exception, is an MTN-registered bank, which means that they are registered to use medium-term notes to move funds between themselves with an agreed profit-share formula, in which case these banks are investing this money and, most extraordinarily, not a penny of interest does the Federal Bank of New York want paid on that vast amount, $16 trillion. Anyone who knows what the IMF rules are will immediately smell a rat. The IMF has very strict rules for validating dodgy money. There are two ways of doing it. You either pass it through a major central bank like the Bank of England, which apparently refused to touch this, or you put it through an MTN-trading bank, which is then able to use the funds on the overnight European MTN trading market where they can earn between 1 per cent and 2.5 per cent profit per night. The compound interest on that sum is huge. If it is genuine, a vast profit is being made on this money somewhere.*

I believe that this is now such an important issue that I have put everything that I have got on the subject on to a 104-megabyte memory thumb. I want the Government to take it all, put it to some suitable investigative bureau and find out the truth of what is going on here, because **(15)** *something is very seriously wrong. Either we have a huge amount of tax uncollected on profits made or we have a vast amount of money festering away in the European banking*

system which is not real money, in which case we need to take it back. I ask for an investigation and for noble Lords to support my plea.

5.30 pm

Lord Lea of Crondall: My Lords, I am quite happy to believe everything that the noble Lord, Lord James of Blackheath, has said. I will be very disappointed if the noble Lord, Lord Pearson of Rannoch, is unable to explain how this is all a conspiracy by Brussels. Will the Minister confirm that if you want to buy up the whole world you need a quadrillion? That is the latest figure.

This debate began with a presumption that what happened on 9 December was something of a mystery. It remains a mystery. In answer to the question posed by the noble Lord, Lord Kerr, as to why we walked away on that fateful night, I can only assume, because no other explanation has been offered, that in the middle of the night David Cameron's phone was being hacked into by Rupert Murdoch. The events of that night provided quite useful bulldog headlines for the

following day's newspapers, including the *Daily Telegraph* and the *Daily Mail.* The bulldog in question, cited by the chairman of the 1922 Committee, was, of course, Winston Churchill. It is worth quoting against that background of bulldogs from volume 3 of Churchill's *A History of the English-Speaking Peoples,* which he wrote in the late 1930s although it was published only in 1956. He said:

"But the Tories were now in one of their moods of violent reaction from continental intervention".

That is where we are at the moment.[5]

d. Analysis of Lord Blackheath's Remarks of Feb 16, 2012

These comments are even more pregnant with significance as will now be demonstrated:

1) Lord Blackheath begins his remarks by stating that the whole episode, which he has been investigating for two years, is "mischief and that he is no nearer a resolution than before (see point 1 in the citation above), a significant admission, for as his remarks on the floor of the House of Lords on Nov. 1, 2010 revealed, Lord Blackheath was able to call upon contacts both within the U.K. royal treasury and within the Bank of England. As we saw previously, the Bank of England's response was to obfuscate the issue, and return Lord Blackheath to the royal treasury, which simply stated the whole thing was rubbish, and that the claims to gold backing were simply untrue, since there was not enough gold in the world to back the claims being made by Foundation X. As we shall see, *there does appear to be a great deal of obfuscation on the amount of available gold in the world;*

2) These admissions thus stated, Lord Blackheath then begins to reveal that his two years' worth of investigations have not proven entirely fruitless, for he first states that there has been massive money-laundering "by a major Government who should know better;" (point 2 in the citation). Let us pause once again and consider the implications. We have seen that the bearer bonds scandals, which had clearly emerged by the time Lord Blackheath made *both* sets of remarks being examined here, were based upon

   a) gold-backed bearer bonds,

   b) that they were of such high quality as to be virtually indistinguishable from the original, but that

   c) U.S. Government officials denied that such bonds in such denominations ($500,000,000 and

$1,000,000,000) had ever been issued, particularly in 1934 as most of the bearer bonds had been dated;

d) the bonds, however, were *not* issued by the U.S. government at all, but by the American privately-owned central bank, the Federal Reserve.

In the context of all the available information *that would have been inevitably encountered by Lord Blackheath in his investigations,* we conclude that his remarks are meant to be understood as indicating the U.S.A. and its central bank; and, given his earlier encounter with this issue in inquiries made to the Bank of England, it seems to be suggested that the Bank of England, at some level, knew about this American money laundering. Now let us note one final thing: both Lord Blackheath, and the bearer bonds scandals, involve a great deal of money. The question now becomes: what is the connection between the vast industrial scale counterfeiting that the bearer bonds scandals imply, and money laundering? One clue has already been given, namely, that “gold” in some contexts, meant not *bullion,* but *drugs.* In effect, one may be looking in part at *drug-backed* bearer bonds.

3) Lord Blackheath then suggests that the “mischief” he referred to, which included the massive money laundering by a “Government which should know better,” undermined the integrity of the Royal Bank of Scotland (see point number 3 in the citation above. The Royal Bank of Scotland, let it be noted, is a bank that the British Royal Family is alleged to be major shareholders of, and hence, an assault on the Royal Bank of Scotland would be an assault on the British Royal Family), and hence, though we have suggested that the Bank of England appears to have known

about this hidden financial system, it would also appear that one element or faction within this structure is attacking another (via the Royal Bank of Scotland);

4) That it is the U.S.A. that is the subject of Lord Blackheath's remarks is confirmed by remarks that literally drop a bombshell of major financial mega-tonnage over the landscape. Here, it is best to cite his remarks verbatim once again: "The second possibility is that *a major American department has an agency which has gone rogue on it because it has been wound up and has created a structure out of which it is seeking to get at least (fifty billion euros) as a pay-off"* Note the expression "a major American department has an agency which has gone rogue." This is the careful and deliberate coded language of a man who knows he is in dangerous territory. Note that a "department" clearly implies a department of government, since that is, in American parlance, how the bureaucracies of the federal government are referred to. He then notes that this *department* has an *agency* that has "gone rogue."

There are two basic ways to analyze this statement. The first, since Lord Blackheath's remarks concern financial matters, and since the pattern of financial dealings detected in them is virtually identical to that detected in the bearer bonds scandals-i.e., vast amounts of money, backed by gold, the involvement of a central bank, and denials by a *government* body that such securities existed—then we must assume that Lord Blackheath means the US Department of the Treasury, and its "agency" the Federal Reserve (which, indeed, in a certain loose way, could be understood to be an agency of the Treasury, even though it is completely separate and a private body), or even possibly the U.S. Bureau of Engraving and Printing, which is an "agency" in the classic sense of the U.S. Treasury. The Federal Reserve is an obvious and logical candidate here,

since the Bearer Bonds Scandals—especially in the Spanish and Italian versions— clearly involved “counterfeit” securities of the Federal Reserve. Lord Blackheath’s remarks may thus in part have been based upon his own private investigations of these scandals, and if so, he has come to a novel conclusion: *some agency of, or an entity associated with, the US government has gone rogue and is perpetrating a vast system of financial fraud, and that agency may be the Federal Reserve itself.* It is important to remember that Lord Blackheath began these remarks by mentioning *money laundering.*

However, there is another possible way to interpret Lord Blackheath’s remarks. I have argued in previous pages that one does not counterfeit what does not exist, no matter how ridiculous a counterfeit security may seem (one billion dollar Kennedy Bearer Bonds for example). Thus, I also argued that anyone issuing such counterfeits by the nature of the case would have to have inside information. This information inevitably would have to have come from the upper reaches of bureaucratic power, and most likely would come from an intelligence *agency,* and thus Lord Blackheath’s choice of words here may be indicating the American intelligence establishment via its most well-known face: The Central Intelligence Agency. On this view, Lord Blackheath’s remarks would be construed to mean that there is a vast system of hidden finance, its basis is in some measure or degree fraudulent, and that the American intelligence apparatus has some element within it that has broken away, gone rogue, and is connected intimately to the hidden financial system here being hypothesized and argued.

And finally, there is the possibility that *both* interpretations are true, that is to say, that some element within both the Federal Reserve-US Treasury nexus, and within the US intelligence community, has broken away, gone rogue, and is intimately connected to the hidden system of finance that now appears to be emerging. It is,

indeed, this last possibility that will become the most plausible interpretation not only of Lord Blackheath's remarks, but of the actual structure of the entity behind this financial system, as will be suggested in chapters 3 and 4;

5) The next possibility of interpretation that Lord Blackheath mentioned in his remarks of Feb 16, 2012, was that of "an extraordinarily elaborate fraud" perpetrated as a threat "to one or more governments if they do not pay off," (see point 5 in the citation above), a possibility that, as we shall see, need not be disassociated from the possibilities already previously enumerated. That is to say, we may possibly be looking at

   a) a rogue agency within the U.S. that is behind a massive hidden system of finance, and various central banks are at least knowledgeable of it, or complicit in it, and that this group is trying to pressure various governments—by implication, the United Kingdom—to pay hush money to keep the matter secret; *or,*

   b) that same rogue group perpetrated a massive system of finance, based upon fraud, and someone *else,* falling *outside* of that rogue group, knows about it, and is demanding hush money of all parties concerned. These two possibilities—of a rogue breakaway U.S.A. group blackmailing governments, or that of another player or faction knows about the system and is using it in a form of covert economic warfare and blackmail, will be born in mind as we proceed in the remaining chapters to outline this hidden system of finance, who it represents, and what it is for;

6) Lord Blackheath then mentioned the transfer, in allotments of 5,000,000,000,000 each, to the HSBC (see point number 6 in the citation), a very large British banking and holding company, based in

London, with a world-wide presence. This bank was founded in 1991 by the Hongkong and Shanghai Banking Corporation (hence the initials HSBC), and has a capitalization of around one hundred billion pounds sterling. This bank thus gives us yet another suggestive tie to Asia, a tie first encountered, it will be recalled, when the *Asia News* service, a Vatican-associated news service (!) first revealed the Japanese Bearer bond story;

7) The Asia connection is once again emphasized by Lord Blackheath by mention of a Yohannes Riyadi, the representative, allegedly, of an ancient Indo-Chinese dynasty, again, with a vast fortune of bullion (see points 7 and 8 in the citation);

8) Riyadi claimed to have documentation from the New York branch of the Federal Reserve System, indicating its involvement. the document was signed by Mr. Alan Greenspan (former chairman of the Federal Reserve System) and by Timothy Geithner, Secretary of the U.S. Treasury during the first Obama Administration. And notably, Lord Blackheath maintains that this document was also witnessed by two witnesses for the International Monetary fund, one of whom was a Mr. Yusuke Horiguchi, giving yet another, and notably *Japanese,* Asian connection once again (see point 8 in the citation). Note once again the consistency of the pattern: the Federal Reserve, and an Asian (Japanese) connection;

9) The terms of this document appear to be an agreement of the Federal Reserve Bank of New York to *buy back bonds issued to Mr Riyadi.* Note now what Lord Blackheath states: “It (the Federal Reserve Bank of New York) is giving him $500 million as a cash payment to buy out worthless bonds.” (See note 9 in the citation). The mention that these bonds are “worthless” suggests quite strongly a link to the

bearer bonds scandals, for those bonds were indeed "worthless" since they were stated to be counterfeit. So why offer to buy back worthless bonds at all, unless, once again, *they are really genuine, or at the minimum, represent something genuine that the rogue element does not wish to be known?*[6]

10) Lord Blackheath then notes, once again, that Riyadi's claims are based upon the claim that the entire sum is gold-backed, and that the Bank of Indonesia—Asia again!—says that "the whole thing is a pack of lies" since it would have meant that Riyadi had 750,000 tons of gold, an amount *far* in excess of any officially reported amount of gold in existence, and in excess by two orders of magnitude and more(see point 10 in the citation). Once again, one encounters the familiar claim of gold-backing to whatever is going on, and once again, one encounters the discrepancy between the amount of gold implied by the backing—which we already encountered in the bearer bonds scandals—and the amount of gold officially said to be in existence. Recall, for example, that Lord Blackheath mentioned *one* figure given to him by Lord Sassoon, and *another* figure apparently obtained from the Vatican Bank!

This "little gold problem" surfaces again toward the end of Lord Blackheath's statements in the House of Lords, when he notes that Lord Sassoon informed him that "only 1,507 tonnes of gold has been mined in the history of the world." (See point 12 in the citation.) Bear this in mind for we will shortly see that there is a wildly *different* figure being reported by another reliable public source. At this point, Lord Blackheath states that Lord Sassoon had concluded that the whole thing was a scam, and that he, Lord Blackheath, agreed with the conclusion. However, he goes on to mention that instead of stopping any investigation work, they should have continued looking to find out what the scam really represented.

11) After all this, then Lord Blackheath reveals that Riyadi was “put up to” all of this, implying hidden players (see point 11 in the citation); *“But . . .*

12) “. . . it gets more complicated than that” precisely because the three five trillion dollar deposits were *acknowledged and receipted by senior executives at Hong Kong and Shanghai Bank Corporation* ***and*** *by executives of the Royal Bank of Scotland!* (See point 12, in the citation). In other words, so far as the HSBC and Royal Bank of Scotland were concerned, the *money was real and the deposits were made.* Thus, if as Lord Blackheath stated under point 10 above, the whole thing was a scam, then either very major banks were scammed, or were *in* on the scam;

13) That it might *not* be a scam, however, was indicated by Lord Blackheath who, citing a document of audit of the Federal Reserve, states that there were $16.115 trillion in outstanding loans, almost the same amount as was deposited in the HSBC and Royal Bank of Scotland (see point 13 in the citation);

14) Each one of the banks on the Federal Reserve’s audit list, which was a recipient of some portion of this $16.115 trillion dollars, was a MTN bank, that is to say, a bank authorized to do medium-term trade on notes issued to them. Note carefully once again Lord Blackheath’s comment: “Anyone who knows what the IMF rules are will immediately smell a rat.” Why? Because, as he points out, any such trades must either go through a central bank “like the Bank of England, which apparently refused to touch this” (see point 14 in the citation) or it must go through an MTN bank;

15) Finally toward the end of his remarks Lord Blackheath spells out the two general implications (see point 15):

a) there is either a vast sum of money at large in the world financial system, from which huge profits

are being made;
or,

b) there is a huge amount of money in the world financial system “which is not real.”

It is worth noting that within a few days of Lord Blackheath’s remarks of Feb 16, 2012 to the House of Lords, an Internet article appeared that suggested that he, too, had fallen victim to some sort of scam. The article, “Lord Blackheath Exposes Possible Monumental Financial Fraud,” was posted on Feb 19, 2012, by Keelan Balderson. It began by citing a Federal Reserve System warning concerning Mr. Riyadi:

> The Federal Reserve is aware of a fraudulent scam involving individuals using the names Yohannes Riyadi and/or Wilfredo Saurin, or persons claiming to be representatives of these two men. In a typical version of this scam, Mr. Riyadi and/or his delegates falsely claim that they have on deposit with the Federal Reserve Bank of New York several U.S. Treasury Checks issued to Mr. Riyadi amounting to billions of dollars.
>
> The Federal Reserve Bank of New York has been contacted by several brokers and financial institutions worldwide inquiring about the validity of this fraudulent account documentation, which is being offered as collateral for lines of credit or other types of asset based financing. The fraudulent scheme includes multiple documents which purport to have the signatures of various Federal Reserve officials, including Chairman Ben Bernanke.
>
> In some instances, individuals involved in this fraudulent scheme claim to have met with Federal Reserve officials and claim to have verified that the alleged account is in order. We have also learned that the fraud may include the purchase of certain documents by the introducing brokers.

> If you have information regarding this fraud please contact either Robert Amenta, Special Investigator at the Federal Reserve Bank of New York, or Erik Rosenblatt, Senior Special Agent at the Department of Homeland Security, Immigration and Customs Enforcement.[7]

Notwithstanding this caveat, it will be recalled that Blackheath did not deny there was fraud involved, but rather, pointed the finger clearly at agencies of the U.S. government, and moreover, indicated that there was a "rogue element" within them perpetrating the fraud, and that the fraud had entered into the world financial system. This possibility Balderson admits in the article:

> There is clearly a monumental fraud going on here. The gold clearly doesn't exist, the bonds therefore are clearly not real. It's easy to pass this off as a complete fabrication. However according to Blackheath the $5 trillion transactions, totaling $15 trillion, do actually appear on the books of HSBC and RBS!
>
> *"Why would any bank want to sign 5 trillion dollars worth, 15 trillion total, of receipts if the money didn't exist? "* He asks his peers.[8]

The article notes, quite correctly, that none of Lord Blackheath's documentation has been verified, nor even made available.

However, I am bold to suggest that in this one instance it is not so much the documentation that is important, but rather, the pattern which has emerged, a pattern including vast sums of money, denominated in bond amounts that, according to the U.S. Government, never existed, bonds moreover that were, according to the scandals thus far examined, issued not by the U.S. Treasury at all but rather by the Federal Reserve directly, and that were gold-backed.

Additionally, Lord Blackheath pointed out the Asian connection via the HSBC bank, the Japanese representative of the IMF, and the mysterious Mr. Riyadi himself. And in one final detail, Lord Blackheath also mentioned the involvement of J.P. Morgan Chase, which, as we saw in the Spanish Bearer Bonds scandal, was at least implicated in the scam. But, for the moment, we must examine the other component of Lord Blackheath's statements: the discrepancies in amounts of gold.

e. The Gold Discrepancy: the House of Lords, ***Der Spiegel*** *Magazine in Germany, and Dr. Hjalmar Schacht*

Amid the many detailed assertions in Lord Blackheath's comments to the House of Lords, there was, it will be recalled, a figure he cited from his friend Lord Sassoon at the Royal Treasury, namely, that there was only some 1,507 tons of gold in existence. Then, it will be recalled, Lord Blackheath consulted the Bank of Indonesia in respect to Mr. Riyadi's claims, and *it* stated that it had only 700 tons of the stuff on hand (which would make the Bank of Indonesia a holder of almost 50% of the world's bullion supply according to the figure cited by Lord Sassoon and referred to in Lord Blackheath's remarks!).

There is an important context for the reader to bear in mind here.

As the bearer bonds scandals were being "broken" and then "ignored" in various media, and as Lord Blackheath was making his comments in the House of Lords from 2010 to 2012, *another* phenomenon was occurring: various nations were gently "requesting" of the Federal Reserve Bank of New York—the central bank that allegedly maintains most nations' gold reserves on deposit in its vaults—that their gold reserves be physically repatriated to their countries. Hugo Chavez of Venezuela was first, but was followed very quickly by Germany, which demanded a complete accounting of its reserves.

But again, the story is murkier than such a simple summary might suggest:

> *Germany has gold reserves of just under 3,400 tons, the second-largest reserves in the world after the United States.* Much of that is in the safekeeping of central banks outside Germany, *especially in the US Federal Reserve in New York.* One would think that with such a valuable stash, worth around €133 billion ($170 billion), the German government would want to keep a close eye on its whereabouts. But now a bizarre dispute has broken out between different German institutions over how closely the reserves should be checked.
>
> *Germany's federal audit office, the Bundesrechnungshof, which monitors the German government's financial management, is unhappy with how Germany's central bank, the Bundesbank, keeps tabs on its gold.* According to media reports, the auditors are dissatisfied with the fact that gold reserves in Frankfurt are more closely monitored than those held abroad.
>
> In Germany, spot checks are carried out to make sure that the gold bars are in the right place. But for the German gold that is stored on the Bundesbank's behalf by the US Federal Reserve in New York, the Bank of England in London and the Banque de France in France, *the German central bank relies on the assurances of its foreign counterparts that the gold is where it should be. The three foreign central banks give the Bundesbank annual statements confirming the size of the reserves, but the Germans do not usually carry out physical inspections of the bars.*
>
> **'No Doubts'**
>
> According to German media reports, the Bundesrechnungshof has now recommended in its

> confidential annual audit of the Bundesbank for 2011 that Germany's central bank check its foreign gold reserves with yearly spot checks.
>
> The Bundesbank has rejected the demand, arguing that central banks do not usually check each others' reserves. "The scope of the checks that the Bundesrechnungshof wants does not correspond to the usual practices among central banks," the Bundesbank said in a statement quoted by the *Frankfurter Allgemeine Zeitung* newspaper.
>
> "There are no doubts about the integrity and the reputation of these foreign depositories."[9]

Note again the now familiar pattern:

- the involvement of the U.S. Federal Reserve, and more particularly, the Federal Reserve Bank of New York;
- the involvement of an official agency of a government (Germany), making inquiries of;
- a private central bank (the *Bundesbank,* successor to the *Reichsbank,* or, if one prefer, the old *Reichsbank* under a different name).

The *Bundesbank,* like the Bank of England, is obfuscating its response by steadfastly refusing to inspect its gold reserves physically, since this would imply a breach of trust. But that is exactly what is implied by the demand for a physical audit. For nations to call for an audit of their gold reserves, much of which is in the New York Federal Reserve bank, is merely to point out the obvious fact that, for whatever reason, those nations have begun to have cause for suspicion.

In other words, *the behavior of official agencies and people high in government* from the U.K. to Germany are signaling, either by clear *statements* to that effect (Lord Blackheath), or by demands for a physical audit, that there

has been a breakdown of trust between governments and central banks, and particularly, the U.S. Federal Reserve, and even more particularly, the Federal Reserve Bank of New York. And all this, again, at a time concurrent with the outbreak of the bearer bonds scandals, and hence, it argues strongly that these events are connected.

Lest we think this is the only time in history that suspicions were raised about the gold reserves of national account at the Federal Reserve Bank of New York, we need to look back to a little-known episode during the late 1920s, when *Reichsbank* President Dr. Hjalmar Horace Greeley Schacht visited his friend, Benjamin Strong Jr., then president of the New York Federal Reserve Bank, and was given a personal guided tour of the vaults of the bank by Strong. Here are Schacht's own words recounting this visit from his autobiography:

> Another amusing incident arose from the fact that the Reichsbank maintained a not inconsiderable gold deposit in the Federal Reserve Bank in New York. Strong was proud to be able to show us the vaults which were situated in the deepest cellar of the building and remarked:
>
> "Now, Herr Schacht, you shall see where the Reichsbank gold is kept."
>
> While the staff looked to the hiding place of the Reichsbank gold we went through the vaults. We waited several minutes; at length we were told: "Mr. Strong, we can't find the Reichsbank gold."
>
> Strong was flabbergasted but I consoled him. "Never mind: I believe you when you say the gold is there." Even if it weren't you are good for its replacement."[10]

An "amusing *incident"!?* And the president of the Reichsbank himself does not want to know where his country's gold is?

Or is there something else going on here?

Most likely, the latter, for again, it concerns the New York Federal Reserve Bank, and now, not only obfuscated gold figures, but simply, *missing gold.* One must entertain the possibility that Schacht—no fool by anyone's estimations—knew good and well what was going on, and that by publishing the incident in his memoirs, he was sending a message to the financial powers of New York. It is noteworthy that the *Der Spiegel* article is implying that *the very same attitude* is in place in the successor *Bundesbank* to this day!

5. The Filipino Bearer Bond Saga, and Some Miscellanies

Incredibly, the Japanese, Spanish, and Italian Bearer Bonds scandals were preceded by a similar episode, showing the now familiar pattern, earlier in the decade. This story began when, on Jan 18, 2012, Bloomberg reported on the Internet of the recovery of $300,000,000,000 in bearer bonds by Flipino nationals who claimed that they were from the crash of an American aircraft in the Philippines in the 1930s.[11] The find was discovered by Chris Estrella who claims he made the discovery in the year 2000 of a "weather-beaten iron and leather box" that was stuffed with $25 billion dollars' worth of U.S. bearer bonds.[12] Once again, the familiar pattern emerged:

1) Some bonds were in denominations of $100,000,000, but these, unlike real U.S. government securities, were lithographed and not engraved;[13]
2) The bonds were stated to be "United States of America Federal Reserved Bonds".[14] This, as we will discover in chapter four, is one of the most significant clues in the whole mystery, for again, the Federal Reserve does not issue bonds, the U.S. Treasury does, or at least, that's the story we've all been told. And note now the two crucial details: the bonds were lithographed and

not engraved, and the title on the bond contains a *misprint* or *typographical error* in any case: they are described as Federal *Reserved* bonds and not as Federal *Reserve* bonds. This mistake, as we will discover in chapter four when we encounter this pattern again in a wholly different context, may have been *deliberately made* by the issuers of the bonds. Note also an implication of the idea of a "reserved" bond. The very title suggests something out of the ordinary, unavailable to all but a selected few.

3) Additionally, the bonds were printed with fonts that, according to the U.S. securities expert consulted to identity them, did not exist in the year 1934, the year the bonds were dated.[15] This again fits the pattern of 1934 bonds we have encountered before, and it raises a significant question: If no such bonds existed in 1934 (along with type face and so on) why do the counterfeiters keep attempting to run *the same scam?*

4) The bonds were accompanied by a microfilmed "Federal Reserved Bond Inventory List."

5) The bonds were, like the bonds in the Spanish and Italian bearer bonds scandals, contained in strong boxes, each of which was emblazoned with the Great Seal of the United States and stamped with the Atlanta Federal Reserve Branch Bank;

6) The bonds were supposedly issued by the Federal Reserve Branch Bank of Atlanta in the aforementioned year 1934 and, as such, were signed by then U.S. Secretary of the Treasury Henry Morgenthau (hence, these "fraudulent" bearer bonds are often called "Morgenthaus");

7) The bonds were accompanied by "gold" coins stamped with George Washington's image.[16]

The Strong Boxes of the Filipino Bearer Bonds Story

Filipino Bearer Bonds and Documents in Strong Box

Copy of Filipino Bearer Bond: While Just Barely Visible in this Picture, Note that the "Bond" Is Based on the Design of the One Dollar U.S. Silver Certificate, which would have had a dark ***blue*** *U.S. Treasury Seal on the Right. In the Color Pictures of this "Bond" on the Internet, this Seal is Green, denoting the Federal Reserve.*

6. Summary and Implications

It is time once again to pause and take stock of the enormous implications and patterns in the bearer bonds scandals, and to consider them in the context of a sitting peer of the British House of Lords' remarks:

- In each of the four instances of the Japanese, Spanish, Italian, and Filipino Bearer Bonds scandals, the bonds were apparently based upon genuinely circulating U.S. currency notes. In the case of the Spanish and Italian versions this was based on the design of the U.S. $100,000 gold certificate bill; in the case of the Filipino bearer bond story, the "bond" was apparently based on the U.S. silver certificate design;
- In the Filipino, Spanish, and Italian versions, the "bonds" were accompanied by "authenticating contexts" which included documents of authenticity, microfilmed "inventories" of such bonds, and Federal Reserve Branch Bank Strong Boxes. In the Spanish case, these boxes were from the Dallas branch, in the Italian case, the Chicago branch, and in the Filipino case, the Atlanta branch;
- Some denominations of bonds—$500,000,000 and the $1,000,000,000 Kennedy bonds—were in amounts the U.S. Treasury never issued. In the case of the Kennedy bond, this was apparently tied to the Asian currency exchange company, "Money World";
- The Bonds were dated "1934" and signed by then sitting U.S. Secretary of the Treasury Henry Morgenthau, and were, furthermore, not U.S. Treasury bonds at all, but issued by the U.S. Federal Reserve Bank and, in the case of the Filipino Bearer Bond story, titled "Federal *Reserved* Bond;"

- The bonds were all bullion backed bearer bonds, and since the total amount of all four bearer bonds scandals is in the trillions of dollars, the amount of bullion implied exceeds—as Lord Blackheath pointed out—all the bullion amounts thought to be in existence, though, as noted, there seem to be discrepancies in the actual numbers of gold in existence.[17]
- We have also noted, however, that "gold" is also a code-word for "drugs," and hence, the possibility arises that the genuine exemplars of these bonds (if the bonds are not themselves really genuine) are not so much gold-backed as drug-backed. This possibility would then, perforce, mean that at some deep level, international criminal syndicates are involved in whatever operation the bearer bonds scandals might represent.
- The "Kennedy" bearer bond, as suggested, contained clues that the whole scandal might have something to do with *space,* and even with the possibility that something out there is being used as collateral.

We are confronted therefore with the distinct possibility of a monstrously *large* counterfeiting operation, based on real exemplars, and inside knowledge, and moreover, an operation that at some element would appear to represent a *rogue* element, a breakaway element deeply hidden within the U.S. power structure. The only question is, what would such vast sums of money be used for? And who is doing all this?

We are also confronted with another distinct, and disturbing, possibility, namely, that whoever is behind the counterfeiting represented by the bearer bonds scandals may be an entirely *different* group than the group behind the originals upon which the counterfeits are based. In this case, it would appear that someone is not only sending messages, but perhaps in doing so, is waging a kind of

covert “counterfeiting war.” It has been implied that part of the motivation for such a vast and hidden system of finance is a *covert* one, a covert space or scientific-technological venture. But such a vast sum of money could also fund a great deal of covert operations here on earth.

The reason that this message is *not* being sent by those involved in the establishment and maintenance of this hidden and huge system of finance, and the covert research and operations empire that it funds, is rather simple: why would *those involved with it expose it?* To *expose* it is to reveal just how corrupt and fraudulent the western financial oligarchy and its major public and private financial institutions really are. It is also to expose the major source of all manner of covert operations, a subject that will be covered in part two. It is to expose the very life-blood of the breakaway group. Hence, one must reach the tentative conclusion that this exposure is coming from *someone else with inside knowledge of the whole operation.* This “someone else” will be explored in due course, when the full history and structural outline of the operation has been presented.

For now, however, if it be true that one does not counterfeit (1) something that cannot be transacted, and (2) something that does not exist, then how would one launder such counterfeits? One would have to go to a place with access to banking, and to a place which carried with it the aura of the highest moral probity.

One would have to go to the Vatican.

B. An Earlier Episode: The Vatican, The Mob, Industrial-Scale Counterfeiting, and More Connections

1. De Lorenzo and Rizzo

The Vatican connection is best illustrated by an event from 1971 to 1973, in which a New York City police investigation of Mafia activities quickly led to a large-scale Mafia counterfeiting ring, and to highly positioned and

powerful hierarchs within the Vatican City-State itself. While a detailed presentation of the event is not possible here, there are certain aspects of the case that are worth noting.

Matteo de Lorenzo was a Mafia boss during the 1970s, specializing in moving the syndicate's moneys into legitimate investments, and this meant into stocks, bonds, and other types of corporate and government securities. The man overseeing the day-to-day activities of this portfolio of investments was one Vicent Rizzo. Richard Hammer, whose book *The Vatican Connection* first detailed this complex story, observed that this portfolio was:

> . . . worth close to a billion dollars and it was filled with such choice blue-chip investments as United States Treasury bills, bonds, and notes, bonds of the Federal Intermediate Credit Bank and the Federal National Mortgage Association, common stock and bonds in major corporations such as National Aviation Company, Unishops Inc., General Portland Cement Company, International Business Machines, Beneficial Finance Company, California Computer Corporation, First Union, Inc., Capital Holding Corporation, Coca-Cola Bottling Company of Los Angeles, Occidental Petroleum Corporation, Norton Simon, Inc., American Telephone and Telegraph Company, General Electric Corporation, and more.[18]

But, as Hammer points out, "legitimate" means one thing to ordinary society, and quite another to the secretive world of crime lords:

> Their definition of stock trading and legitimate business was unique to them, could be found in no dictionary unless it was one they wrote themselves. They had not bought their stocks and bonds, notes and bills in the ordinary manner, through brokerage houses of from banks. They had accumulated them

> from the mail sacks of the United States Postal Service, from private homes, from the vaults of such major banks and brokerage houses as Manufacturers Hanover Trust Company, Bankers Trust Company, Security Pacific Bank, Continental Illinois Trust Company, Blair and Company, Shearson Hammill, Merrill, Lynch, Pierce, Fenner and Smith, and a lot of others, *and from the private engravings and printing presses of their friends, allies and employees.*
>
> They had their hands in everything. They were the men who controlled the distribution of stolen and counterfeit American securities throughout the world.[19]

By dint of its worldwide extent, an extent connected inextricably and ineluctably to its international drug smuggling and arms dealing, the Mafia was also one of the few organizations capable of carrying out a worldwide trade in counterfeit securities and currencies. In effect, it is in its own right a kind of breakaway civilization, with its own hierarchy and bureaucracy, its own “laws” and “codes of ethics,” and with a clear interface with the “normal” public world.

In any case, De Lorenzo and Rizzo were both part of the Genovese crime family, and this too bears an important though rather obvious implication for any consideration of the structure of the breakaway civilization as it emerged after World War Two, and how that structure in turn is related to its finances. Like all secretive bureaucracies and organizational structures, its organization *paralleled* the publicly visible demarcations of jurisdiction in political society; for each and every German *Lander,* there was not only a *government* figure, but a corresponding Nazi Party Gauleiter; for every *Oblosk* in Russia, a corresponding Communist *Kommisar,* and, in the Mafia, for every city or state, a corresponding *Capo* or “boss” of the territory. The powerful Genovese crime family of New York, in turn, had

close and deep ties to American intelligence, dating back to World War Two and the “alliance” between then Genovese crime boss Lucky Luciano, and General Wild Bill Donovan’s Office of Strategic Services, the OSS, forerunner to the CIA.

In any case, through a series of wiretaps on local Mafia personnel, obtained in response to what were purely local matters of law enforcement,[20] the New York City police department soon found itself following a case, via close surveillance of Vincent Rizzo, that quickly became international in scope. While Rizzo had, and carefully cultivated, the image of being a low-level soldier in the New York syndicate,[21] it quickly became clear to the New York police surveilling and reporting on Rizzo that he was far more, for he would be regularly seen in the company of the highest Mafia bosses.[22] It was another De Lorenzo, Anthony, that had persuaded the Mafia bosses that vast profits could be made by dealing in Wall Street—and, of course, in stolen and counterfeit securities—and his soldier or point man in coordinating all this activity was Vince Rizzo.[23]

Rizzo was also involved in another activity for the Genovese crime family, and that was running guns to South America, [24] a fact that suggests there is some connection between the Mafia and the post-war “Nazi International” in that continent, as well as a connection to American intelligence’s arms and drug trade in that region.

In any case, as the NYPD continued its surveillance of Rizzo, it soon found him frequently in the company of one William Benjamin, a well-known, and capable, forger, and dealer of counterfeited and stolen securities, and, notably, stolen and counterfeit airline tickets, a fact which quickly turned their city investigation into a federal one.[25] The FBI, however, was not initially interested in the case,[26] leaving the NYPD to pursue the matter as best as it could.

The pursuit and surveillance of Rizzo soon led to an unlikely place, and to an unlikely meeting.

The place was Munich, Germany.[27]

The NYPD quickly arranged for wiretaps on Rizzo's hotel room in conjunction with their counterparts in Munich, and were soon listening into a strange exchange between Rizzo, American Mafia "handler," and one Winifred Ense. German police quickly checked their record to discover that he was "a businessman of uncertain reputation. He had been questioned by the police about his link to the sale in Brussels eighteen months before of a stolen $100,000 United States Treasury certificate. He was also suspected of being deeply involved in spreading stolen stocks and bonds around Europe."[28]

Rizzo's purpose in coming to Munich, the police soon learned, was for the purposes of collecting $350,000 which Ense and one of his associates, Alfred Barg, apparently owed the Mafia.[29] Barg and Rizzo agreed to set up a meeting in Rizzo's hotel room, a room which was, of course, tapped.

2. Dr. Leopold Ledl and "Ricky" Jacobs

When the meeting occurred, the New York and Munich police soon learned that Rizzo's mission was not only to collect the $350,000 owed to his bosses back in New York, but also to conclude a mysterious "arrangement."[30] In surveillance and detective work, patience is often the most rewarding virtue, and the same was true in this case, for the American and German police surveilling Rizzo soon found Rizzo not only keeping the strange company of the German businessman Ense, with all his suspicious activity dealing in stolen and counterfeit securities, but once again dealing with the well-known Mafia forger William Benjamin, and a newcomer, and quite an infamous one at that, one "Dr. Ledl."

Viennese "Dr." Leopold Ledl was the consummate image of a suave, sophisticated European grifter and confidence

man. Seller of faked academic degrees, titles of nobility, even certificates of diplomatic immunity, Ledl was able by these means to gather around him a network of friends and contacts, and was sooner collecting *genuine* credentials and academic degrees, including honorary doctorates from the University of Rome, from the University of the Vatican State. These credentials then became the basis for his own counterfeiting of credentials from prestigious institutions, which he could then sell to anyone . . . for the right price.[31] He was thus able to number in his network of friends and acquaintances some very powerful people, as we shall see shortly.

As the police listened to a conversation between Rizzo and German "businessman" Ense, Ledl's name was first mentioned, and mentioned in a context that the eavesdropping detectives could scarcely believe. Ense, while talking to Rizzo, suddenly let slip certain details of the mysterious "arrangement":

> "And Ricky asked me not one or two or three times, twenty times, 'ask him again. Is he quite sure that the people in Rome, in the Vatican, his friends, that they want counterfeit?' And Dr. Ledl says, 'They want all I can get. I can only say, yes, that's what they want.'"[32]

The Vatican. Counterfeits in unlimited amounts. The Mafia.

This raised the stakes entirely beyond even the American federal level.

The case had become not only international, but very deep, and, with the mention of Dr. Ledl, and "Ricky," had just moved into the "dangerous" and "stratospheric" category.

We have already touched briefly on Dr. Ledl, and shall do so again, but what about "Ricky"?

"Ricky" was one Manuel Richard Jacobs,[33] a high-level Mafia securities "trader", and intimate of Los Angeles and

Chicago Mafia *capos* Johnny Roselli, and Sam Giancana.[34] So powerful, and necessary, to the syndicate's securities trade was "Ricky," that even while serving a prison sentence in a federal minimum security prison, Jacobs managed to continue his "business,"[35] a fact that suggests at least *some* level of federal government acquiescence or complicity in his activities, an odd thing, since the FBI had also become convinced that "Ricky Jacobs was the man behind several million dollars' worth of stolen and counterfeit blue-chip American corporate and government securities that had been turning up all over the United States and around the world."[36]

In other words, while the FBI had fingered Jacobs as a crucial figure in a Mafia-sponsored industrial scale and worldwide counterfeiting ring, Jacobs, while serving a prison sentence, continued to conduct his affairs; it was business as usual.

As the mystified American and German police began to connect the dots of this bizarre set of characters and activities, they quickly came to one conclusion: the international industrial scale counterfeiting ring with some sort of mysterious connection to the Vatican that they had stumbled into was "a combine of German swindlers and Americans who had once served in the military stationed in Germany or who were frequent travelers in and out of Munich."[37] Such a vast counterfeiting effort, as we have argued previously, would require at some level, an access to inside intelligence information as well as access to a vast intelligence network. In this case, the Mafia may have had such information from its contacts with the CIA, or, conversely, via some arrangement with German intelligence headquartered just outside of Munich in Pullach,[38] or both.

In any case, Rizzo returned to New York City, his "business" in Munich and the mysterious "arrangements" apparently concluded. It was back in New York that the New York police wiretaps on one of Rizzo's frequent haunts

turned up yet another connection to the swindling and counterfeiting underworld when they intercepted a telephone call between the mob boss and a suave British confidence man, Tony Grant.[39] Grant's base of operations at the time was in Argentina,[40] a fact which raises its own interesting and obvious questions. Subsequent wire-tapped conversations between Rizzo and Ense also revealed that Grant was somehow connected to the "arrangement" in Munich between the Mafia, Dr. Ledl, and the Vatican.[41]

As the police wiretaps continued and the dots were increasingly connected, another astonishing, chilling, fact soon became clear: the centerpiece of the "arrangement" being conducted between Rizzo, Benjamin, Jacobs, Ense, and Dr. Ledl included, as its very key and centerpiece, the counterfeiting of U.S. Treasury bills on a massive scale.[42]

But it was only when they concentrated on the notorious international grifter, Dr. Ledl, that police uncovered the dark heart of the matter, and the truly awesome scale of what they were dealing with.

3. Dr. Ledl, Bishop Paul Marcinkus of the Vatican Bank, Michele Sindona, and Eugene Cardinal Tisserant

Ledl moved in some very heady circles of power via his contacts in Rome, including circles that put him in direct contact with the head of security for Pope Paul VI, American Bishop Paul Marcinkus.[43] Marcinkus in turn maintained close ties to the Vatican bank, the Institute for Religious Works, an institution that he also headed into the pontificate of John-Paul II.[44] A contact between a known grifter and swindler, whose contacts included Mafiosi conducting industrial-scale counterfeiting, and the Vatican bank was bad enough, but Marcinkus in turn was a known close associate of the notorious Mafia-connected and quite ruthless banker, Michele Sindona, a member of the notorious Italian Masonic Lodge, Propaganda Due, about which we shall have much to

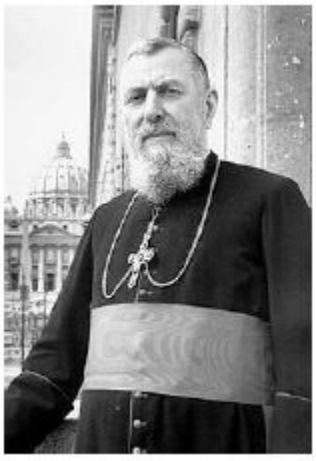
say in part two. Marcinkus and Sindona were so closely connected that the two bankers shared a common private numbered bank account in the Bahamas.[45] As head of the Vatican bank, and security chief to the pope, Marcinkus was literally the papal gatekeeper; it was he who decided who got to see the pope, and who did not.[46] He was, so to speak, an ecclesiastical version of Martin Bormann: faithful "secretary" to The Leader, with fingers, like Bormann, in every financial pie imaginable.

But Ledl's contacts went much farther and higher in the Vatican that just Bishop Paul Marcinkus. As Richard Hammer notes, a special bond had been forged between Ledl and

> Eugene Cardinal Tisserant, dean of the college of cardinals. still actively running the Society for the Propagation of the Faith and distributing funds to the church's foreign missions. Instantly recognizable by his long, white beard and patrician bearing, the scholarly, sophisticated French-born Tisserant, perhaps the cardinal closest to Pope Paul VI, appeared to be charmed by Ledl and saw in him, perhaps, a man he might one day put to good use.[47]

Cardinal Tisserant, let it also be noted, was also the Cardinal that for many years was in charge of the Vatican archives, and was involved in numerous other "activities" as we shall see.

Eugene Cardinal Tisserant



Eugene Cardinal Tisserant

As Ledl finally told the story to FBI and other officials, once they had finally decided to become involved in the case, he and Eugene Cardinal Tisserant met in 1971, with only an unnamed archbishop—the Cardinal's assistant—with them. According to Ledl, Cardinal Tisserant asked him if he had "any suggestions or ideas as to how the church might find the means to solve some of its pressing monetary problems, and those of Italy, as well."[48] Ledl had ideas, but not any of the sort that one "might put to a man like Cardinal Tisserant in the heart of the Roman Catholic church."[49]

At this point, the conversation unfolded in a very bizarre way:

> “No ideas at all, my friend from Vienna?” Tisserant pressed.
>
> Ledl could not bring himself to give voice to those ideas.
>
> Tisserant sighed, looked at the archbishop. Surely, he said, Ledl, with all his vast experience in such matters, must know how to obtain a great many securities that would assist the Vatican and the Italian nation.
>
> Ledl asked what kind of securities?
>
> Tisserant laughed. “First-class securities, of course,” he said, “in large American companies.”
>
> Ledl sensed the drift of the conversation, but he wanted to be sure. He said it might be difficult to obtain such paper.
>
> “If they are counterfeit?” Tisserant asked mildly.
>
> Now, Ledl knew. He asked what amounts was the cardinal talking about?
>
> Close to a billion dollars, Tisserant said. To be precise, the figure they had in mind was $950 million. *Half, he said, would be channeled through Bishop Marcinkus and the Vatican Bank,* to make up for some of the losses the Vatican had suffered as a result of Marcinkus’s investments. . . . [50]

We have now come to one of the hearts of the matter, one of the key points of contact between any hidden tier of system of finance, based upon fraud, for any breakaway civilization, and the “real” world, for a private bank that is the direct ancillary of a sovereign state like the Vatican, with the penumbra of religion and piety cast over its dealings, would be in a position to use counterfeit or “unauthorized

production” (to employ Heydrich’s term once again) of any securities as a means of extending *genuine* lines of credit, or, alternatively, selling them for *real* money to unwitting customers.

But the implications of the outlines of this emerging structure do not stop there. As Ledl subsequently told authorities, his conversation with Cardinal Tisserant continued:

> Weren’t the cardinal and the others, Ledl asked, at all concerned what might happen if it were discovered that the Vatican was dealing in counterfeit American securities? It was one thing for a businessman, or even a large company, to venture into such treacherous waters. But for an institution such as the Vatican to do so.
>
> *Tisserant waved that away. He was not at all concerned, he said, nor were any of those he had discussed this with. They all agreed that the American government would never accuse the Vatican of knowingly dealing in counterfeit stocks and bonds. In fact, if it was discovered that such paper existed in the Vatican, the United States would undoubtedly believe the church had been taken by some unscrupulous swindlers and so would secretly step in and make good the losses.*
>
> If he could, indeed, find such first-class counterfeit merchandise, Ledl asked, how much was the church willing to pay for it?
>
> If Ledl could make such a delivery, which the cardinal and his friends were sure he could, Tisserant said, then the Vatican and the Bank of Italy would pay him and his sources sixty-five percent of the face value, or about $625 million. Of course, Ledl and his people must understand that they wuld be expected to kick back a quarter of that amount, or about $150

> million, to Tisserant, Marcinkus and the others who had developed this plan. Still, that would leave Ledl and his people about $475 million. That should be enough to pay for their troubles.[51]

Cardinal Tisserant's remarks to Ledl—that the American government would never challenge the Vatican for dealing in counterfeit securities, and that it would *"secretly* step in and make good the losses" should such counterfeit paper ever to be exposed—ring hollow.

It is far more likely that the whole proposal was of the "two can play the official counterfeiting game" variety, and that any exposure of the Vatican-based operation to U.S. authorities would have been of such a nature to communicate the message, "if *you* can do it, so can we." In short, Cardinal Tisserant *probably knew something,* and that something, as we have averred earlier in this chapter with our examination of the remarks of Lord Blackheath, and the recurring bearer bonds scandals, was that there was vast fraud taking place within, and in the name of, the U.S. Federal Reserve Bank and the U.S. Treasury.

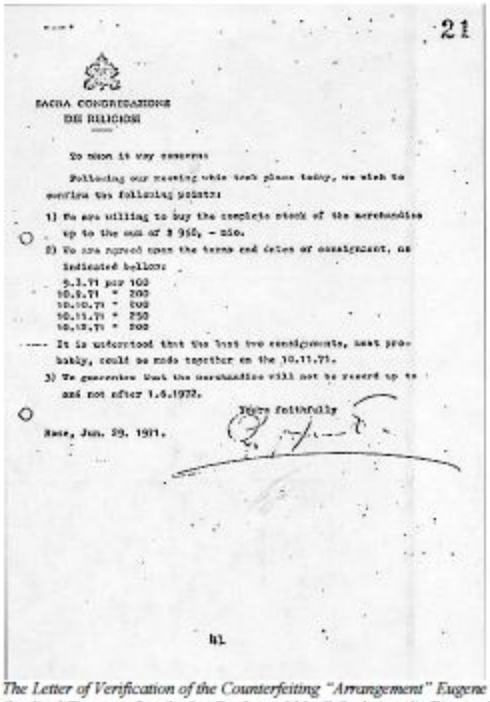
And . . .

. . . there is one final thing that must be remembered about Eugene Cardinal Tisserant.

He, along with the Pope whom he served, Paul VI—Giovanni Cardinal Montini—was intimately involved in the Vatican's ratline operations, helping Italian Fascists, German Nazis, Croatian Ustashi, Belgian Rexists, and all manner of war criminals to escape from Europe, to South America, via Argentina, under Vatican passports.[52]

Bishop Paul Marcinkus, Head of the Vatican Bank During the Late Pontificate of Pope Paul VI, and through the Early Pontificate of Pope John-Paul II

The Notorious Italian International Banker and P2 Lodge Member Michele Sindona, Close Associate of Bishop Paul Marcinkus



21

SACRA CONGREGATIONE
DE RELIGIONE

To whom it may concern:

Following our meeting which took place today, we wish to confirm the following points:

1) We are willing to buy the complete stock of the merchandise up to the sum of $ 950, - mio.

2) We are agreed upon the terms and dates of consignment, as indicated hellow:

5.1.71 per 100
10.5.71 " 200
10.10.71 " 200
10.11.71 " 250
10.12.71 " 200

It is understood that the last two consignments, most probably, could be made together on the 10.11.71.

3) We guarantee that the merchandise will not be resold up to and not after 1.6.1972.

Yours faithfully

Rome, Jun. 29. 1971.

HL

The Letter of Verification of the Counterfeiting "Arrangement" Eugene Cardinal Tisserant Supplied to Dr. Leopold Ledl Outlining the Terms of the Agreement, and the "Batches" of "Merchandise" to be Delivered in Five Installments

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[1] Professor James E. Byrnes, "The Myth of Prime Bank Investment Scams," in *The Myth of Prime Bank Investment Scams,* ed. Professor James E. Byrne (Montgomery Village, Maryland: The Institute of International Banking Law and Practice, Inc., 2002), p. 24, emphasis added.

[2] Note we are resuming the outline exactly as we left it off in chapter 2A.

[3] Hansard's is the British equivalent of the Congressional Record, i.e., an official transcript of all statements made on the floor by a sitting peer of the House of Lords.

[4] David Baron James of Blackheath, http://www.publications.parliament.uk/pa/ld201011/ldhansrd/text/101101-0003 .htm#10110215000101. Emphasis added.

[5] David Baron James of Blackheath, http://www.publications.parliament.uk/pa/ld201212/ldhansrd/text/120216-0002.htm#column_1016. Emphasis added.

[6] The possibility suggested by "official" explanations promoted by the U.S. Government and the Federal Reserve, as by a variety of independent researchers into the bearer bonds mysteries, is that these false instruments are used to gain legitimate letters of credit from banks. This possibility, as a hypothesis, declines dramatically when one considers the facts that will be presented in chapters 3 and 4.

[7] Kaleen Balderson, "Lord Blackheath Exposes Possible Momumental Financial Fraud," Feb 19, 2012, http://wideshut.co.uk/lord-blackheath-exposes-possible-monumental-financial-fraud/

[8] Kaleen Balderson, "Lord Blackheath Exposes Possible Monumental Financial Fraud," Feb 19, 2012, http://wideshut.co.uk/lord-blackheath-exposes-possible-monumental-financial-fraud/

[9] No Author, "Germans Fret About their Foreign Gold Reserves," *Der Spiegel,* May 15, 2012, http://www.spiegel.de/international/germany/debate-breaks-out-in-germany-over-foreign-gold-reserves-a-833289.html

[10] Hjalmar Horace Greeley Schacht, *Confessions of the Old Wizard: The Autobiography of Hjalmar Horace Greeley Schacht,* trans. Diana Pyke from the German (Houghton Mifflin, 1956, Literary Licensing Reprint), p. 245.

[11] A. Craig Cpoetas, "No One knows Truth About $300 Billion Bonds from Alleged Crash," Jan 18, 2012. *Bloomberg.* http://www.bloomberg.com/news/2012-01-18/no-one-knows-truth-about-300b-bonds-from-alleged-plane-crash.html.

[12] A. Craig Cpoetas, “No One knows Truth About $300 Billion Bonds from Alleged Crash,” Jan 18, 2012. *Bloomberg.* http://www.bloomberg.com/news/2012-01-18/no-one-knows-truth-about-300b-bonds-from-alleged-plane-crash.html.

[13] Ibid.

[14] Ibid.

[15] Ibid.

[16] A. Craig Cpoetas, “No One knows Truth About $300 Billion Bonds from Alleged Crash,” Jan 18, 2012. *Bloomberg.* http://www.bloomberg.com/news/2012-01-18/no-one-knows-truth-about-300b-bonds-from-alleged-plane-crash.html. See also Joseph P. Farrell, “Now It’s Filipino Bearer Bonds: A Closer Look: Part One: Details,” April 13, 2012, http://gizadeathstar.com/2012/04/in-case-you-missed-it-now-its-filipino-bearer-bonds-part-one-details/

[17] Joseph P. Farrell, “Now It’s Filipino Bearer Bonds: A Closer Look: Part One; Details”, April 13, 2012; Now It’s Filipino Bearer Bonds: A Closer Look:
Part Two: Synthesis,” April 14, 2012; Now It’s Filipino Bearer Bonds: A Closer Look: Part Three: Analysis,” April 15, 2012, www.gizadeathstar.com.

[18] Richard Hammer, *The Vatican Connection: The Astonishing Account of a Billion-Dollar Counterfeit Stock Deal Between the Mafia and the Church* (Holt, Rinehart, and Winston: 1982), p. 2.

[19] Ibid., pp. 2-3,. emphasis added.

[20] Richard Hammer, *The Vatican Connection,* p. 4.

[21] Ibid., p. 35.

[22] Ibid., pp. 42-43.

[23] Ibid., p. 39.

[24] Ibid., pp. 39-40.

[25] Ibid., p. 51.

[26] Ibid., p. 54.

[27] Ibid.

[28] Richard Hammer, *The Vatican Connection,* p. 67.

[29] Ibid., pp. 68-69.

[30] Ibid., pp. 73-73.

[31] Richard Hammer, *The Vatican Connection,* pp. 203-204.

[32] Ibid., p. 74.

[33] Ibid., p. 95.

[34] Ibid., p. 96. Of course, with Roselli and Giancana, there are other connections to other events . . .

[35] Ibid., p. 97.

[36] Richard Hammer, *The Vatican Connection,* p. 98.

[37] Ibid., p. 102.

[38] This was, of course, the *Bundesnachrichtendienst,* General Reinhard Gehlen's transmuted *Fremde Heere Ost* (Foreign Armies East) military intelligence organization.

[39] Richard Hammer, op. cit., p. 138.

[40] Ibid., p. 139.

[41] Ibid.

[42] Richard Harmmer, *The Vatican Connection,* p. 171. Part of these securities, as Hammer notes, were to be used for "the economic rape of Panama"(See p. 172), yet another darkly suspicious connection, in view of the U.S. invasion of that country a little over a decade and a half later under the administration of former CIA director, and then sitting U.S. President, George H. W. Bush.

[43] Ibid., pp. 206-207.

[44] Ibid., p. 208.

[45] Ibid., pp. 208-209.

[46] Ibid., p. 208.

[47] Richard Hammer, *The Vatican Connection,* p. 210.

[48] Richard Hammer, *The Vatican Connection,* p. 211.

[49] Ibid., p. 211.

[50] Richard Hammer, *The Vatican Connection,* pp. 211-212, emphasis added.

[51] Richard Hammer, *The Vatican Connection,* p. 212, emphasis aded.

[52] See Uki Goni, *The Real Odess: How Peron Brought the Nazi War Crominals to Argentina* (Grants Books: 2002), p. 99.

3
Secret Agents, Secret Bonds, Secret Algorithms and Secret Finance: Sam Israel, Danny Casolaro, The Inslaw Octopus and Quantum Mechanics

"The American dollar, the global economy, all of it could be seen as one vast Ponzi scheme."
Guy Lawson[1]

"You see, I've had a side theory about another reason why PROMIS was taken. And it was that PROMIS could also be modified to track money laundering. "
John Cohen[2]

There is another contemporary aspect of this industrial-scale counterfeiting story that we must now consider, one even more darkly revealing of the structure and associated principal players of the hidden system of "breakaway finance," before returning once again to World War Two, to consider the underpinnings of that structure, and why we keep encountering the same pattern of official denials, central bank obfuscation, and underground criminal agents and the implied inside knowledge that can only come from intelligence agencies. This is the case of high flying Wall Street hedge fund manager and broker, Sam Israel, and the embrace of the tentacles of an Octopus that he inadvertently walked into.

In this case, the tentacles of the Octopus that he walked into strongly suggest a component to this hidden structure of finance that should be obvious: how would one *track* all that extra and "suspect" money in the system? Obviously, the advent of computers, and database management software, would simplify the problem enormously, and additionally, with certain "modifications," would allow the

masters of such a hidden system not only to track their money, but to spy on competitors, and to cook their own, or an opponent's, books at the push of a button.

These possibilities inform the case of Sam Israel.

Israel was born in 1959 to a family of well-to-do commodities traders in New Orleans, specializing in coffee, sugar, precious metals, and so on.[3] He is currently incarcerated, serving a 22 year sentence, two years of which was for faking his own suicide to escape the 20 year term for fraud. But this is no ordinary fraud case, and indeed, as we shall see, aspects of the case fit a now well-known pattern of secret bonds and secret markets. Indeed, the first question that might be asked about the entire affair is why federal prosecutors placed much of the evidence of the case under seal.[4] Just what *some* of this evidence is will emerge as the story unfolds.

Long before he had become a high profile Wall Street broker and hedge fund manager, Israel learned how markets could be manipulated when his family would stockpile secret caches of commodities—cocoa for example—on barges along the Mississippi, and when the fake shortage had driven prices up, would unload the stockpile and make a large profit.[5] It was in the rarefied atmosphere of computer-aided high-frequency trading on Wall Street that began to emerge in the late 1980s, however, that Israel began to see enormous possibilities, and if he saw them, one can be certain others did too.

A. High Frequency Trading, Computers and Quantum Mechanics

The essence of high frequency trading is large volume, trading *very rapidly* in the shortest movements of time, in response to slight movements in the market. These types of trades are pre-programmed into computers which place buy and sell orders for particular securities according to pre-

determined conditions written into the program. Thus, *several* trades can be programmed into a computer and these can all be executed, if market conditions are right, within mere minutes or even seconds, if the conditions being monitored by a computer trigger the preprogrammed conditions: a fall before, or a rise above, a certain price for a certain stock or *type* of stock, a buy order or a sell order, and these can be executed in high volume and as rapidly as the computer can process them, which is, of course, far faster than a human trader waving papers and hollering buy or sell orders on the floor of a stock or commodities exchange.

A moment's reflection will show that *only* computers can execute such trades, and that such trades conceivably can gain immense profits, or losses, for their programmer-trader, in a very short period of time. Equally, a moment's reflection will show that such trades could be completely out of step with actual market and financial conditions. One is, so to speak, already looking at a kind of *virtual* market whose anchorage in reality could potentially be very tenuous, and in these conditions, a hidden financial system could thrive and grow, provided one had the right kind of sophisticated programming knowledge to exploit any hidden structures that may already have been in place.

A little further reflection upon this practice and the technologies that enable it will also disclose that if an individual trader—such as Sam Israel—knew even a few minutes in advance of such a trade, that a good profit could be made, and hence, high frequency high volume trading also invites, by the nature of the case, the temptation to "insider trading," i.e., trading and manipulation of markets based upon advanced knowledge of even only a few minutes.[6]

Finally, there are, upon reflection, two inherent dangers to such a system. One began to be written about almost as soon as the practice of high frequency-high volume

computer-generated trading became commonplace. Guy Lawson, whose excellent investigation of the Israel case we are reviewing here, puts it this way:

> In the fall of ‘87 there were stirrings in the press that the new preprogrammed trading systems contained an inherent flaw—a contradiction that could lead to a fiasco. The problem was so obvious it beggared belief that it hadn’t been noticed by the supposedly smartest traders on earth. If all the program traders had set their machines to sell in a falling market, then it followed that when the market fell all the program trades would be selling at the same time, creating a crash.[7]

But there is *another* inherent danger to such a system, and that is the *deliberate* manipulation of such trading programs via secret back doors that would allow a programmer to hack into the computer systems of banks and brokerage houses, and program trades tailor made to generate a specific situation: bubbles, then crashes, and so on. This possibility, as we shall discover, looms larger and larger the deeper one probes the Israel case.

As he pondered the wonders of computer-aided trading, however, Sam Israel was alive to none of these possibilities, becoming obsessed, rather, by the possibility that such programs could literally represent, in a certain sense, the “algorithms of the future”, and in that, he similarly perceived, like so many others at the time, the deep connection that this implied between finance, and physics. Becoming a close reader of the German physicist Jurgen Ehlers, Israel was fascinated by Ehler’s “study of ‘hidden symmetries’ and the predictive possibilities of ‘frame theory’ “and in “how quantum physics might enable him to anticipate movements in the market as if stocks were particles of light.”[8] Combining his insights from years as a trader with his newfound love for “econophysics,” Israel

designed his own computer trading program which he called “Forward Propagation:”

> The word *forward* spoke to the software’s soothsaying powers. *Propagation* aimed to conjure wave theory, biological reproduction, and religious evangelicism(sic), all with a whiff of mathematical mysticism. Like fractals, the multiplying self-similar geometric shapes that occur in coastlines and snowflakes and lightning bolts, there were shapes to be divined inside the seemingly incoherent data, Israel maintained. With some fine-tuning, the machine could give him the ability to see those hidden patterns in stock prices.[9]

With this tool in hand, Israel founded his own hedge fund in 1996, Bayou, and thus did his slide into fraud, and his collision with the “Octopus”, begin.

1. Bayou’s Good Start

Starting with only $600,000 and the “Forward Propagation” program to guide them, Sam and his partners initially followed its forecasts closely, to the extent that, within the first three and a half months, the firm had performed at 17.6 percent, and on an annual basis this would have meant a “performance of over 50 percent return, an incredible feat.”[10]

So incredible was this feat that a Park Avenue investment firm called Redstone Capital Corporation approached Sam and his partners about the possibility of taking the fund public and selling it to investors. One of Redstone’s employees even sent a letter to a prospective investor trumpeting the ability of the program to predict good trades.[11] The program worked, according to the letter, by analyzing a data stream on markets fed to it by a satellite, and was accurate in its predictions 86 percent of the time.[12]

Using the program, and staying strictly within ethical bounds, Israel and his partners were able in a matter of months to almost double their money.

2. Problems and the Decision to Cook the Books

The slide into fraud began when one of Sam's partners urged purchasing a gold company stock, Barrick, which had just announced an agreement with Indonesian dictator Suharto to acquire the majority interest into "the largest gold deposit found in decades."[13] With former President G.H.W. Bush on the board of Barrick, Sam thought it was sure to have the ear of the Indonesian dictator, and hence be a sure investment.

Unfortunately, another company sued, amid predictable allegations "of graft and market manipulation."[14] Barrick did not get its Indonesian gold rights, its market capitalization was slashed 50 percent, and of course the Bayou fund was in trouble, and Israel and his partners began to tell their partners that the fund "was thriving—even when it was losing."[15] While the details of how Israel and his partners originally decided to commit fraud and "cook the books" are fascinating,[16] they do not concern us here. Suffice it to say that they decided that in order to keep their losses hidden from investors until such time as they could regain the losses by further trades, the decision was taken to maintain two sets of books—the genuine ones, and the ones shown to investors— even to the point of obtaining a fake office for the company to present a "winning, profitable image," and creating a fake accounting company complete with faked corporate logo, to perform the "audits" on the fund to show potential investors, or investors who had already put money into the fund and who were asking questions.[17]

This scheme continued, as the losses mounted, until Sept. 11, 2001. By this point, the fund had grown to $70,000,000 but losses were $12,000,000,[18] and in effect, one set of

investors had to be found to pay off a previous set. The Friday before Sept. 11, Israel's "Forward Propagation" computer program "had lit up like a slot machine with a row of cherries. Normally, the computer offered contradictory data points some pointing to buy, others to sell. But that Friday, all tend lights on the computer had pointed in the same direction: Go long."[19] To Israel and his hard-pressed partners in fraud, it appeared the golden opportunity to recoup losses, clean up the books, and end the fraud.

Israel placed ninety-five percent of all of the fund's money into trading orders on the Friday before the Monday of Sept. 11, 2001.[20] All the indicators were that the trades would be successful, and that the Bayou fund would recoup its losses.

But then the airplanes hit the Twin Towers of the World Trade Center, and the market was closed, and remained closed for a week. As Sam Israel put it to Guy Lawson, whose book is the only study of the Bayou fund fraud case, "There was no trading. Nothing. I couldn't get out of any of my positions. It was obvious the market was going to tank. I couldn't do anything until trading started again."[21] When trading finally opened again, the extent of the damage became clear, and as 2001 trudged on, the fund only dug in deeper:

> At the end of 2001, according to the audit of Richmond-Fairfield, Bayou had $85,354,183 in net assets. This included $10.7 million in cash on deposit with Bayou's clearinghouse, as well as $10 million in securities—SPDR's Texas Instruments, national Semiconductor. The sum "Due from Brokers" was $64,499,627—a measure of the meteoric rise of the fraud.[22]

Desperate men do desperate things, and as the fraud and losses only grew, Sam increasingly turned to unusual solutions . . . and this is where his story brushes up against

the breakaway civilization, and the hidden system of finance that has been outlined in previous chapters.

This is where Sam walked straight into the tentacles of the Octopus.

B. Sam Israel and "the Secret Bond Market"
1. Israel Learns of the Inslaw Affair and the PROMIS Software Program

In his desperation to find some quick fix for the difficulties that compounded fraud had now put him in, Sam Israel cast about for all manner of solutions, and soon found them through a friend. The "solution" was a man named Robert Booth Nichols, a name well-known in the halls of "conspirology." Nichols by his own admission was a "covert operator," a "real-life Jason Bourne, a black ops national security asset who had worked on the dakr side of America's covert activities for decades."[23] Israel's friend told him that Nichols was "a stone-cold killer, an agent who functioned at the absolute highest levels of government."[24] But it was Nichol's connection to one particular scandal that caught Israel's attention when Israel began to read a website called *The Last Circle,* subsequently published as a book by its author, Cheri Seymour. *The Last Circle* will be consulted in this chapter in a moment, but first one must see how Lawson records Israel's story.

As Israel read about Nichols in *The Last Circle,* is quickly became apparent to him that:

> . . . Nicholas had been involved in virtually every nefarious covert plot carried out by the U.S. Government for the part three decades. Iran-Contra, the October Surprise, the CIA's mind-control experiment called MK Ultra—Nichols was the Zelig of the conspiracy theory world. When the CIA dealt heroin to fund the war against Hezbollah in Beirut in the 1980s, Nichols was there. When Ferdinand Marcos

> of the Philippines smuggled billions of bullion into Swiss bank accounts, his “facilitator” was Nichols. When three people were murdered on the Cabazon Indian reservation outside Palm Springs in the summer of 1981, Nichols was there developing illegal biological weapons and machine guns to arm Nicaraguan rebels.[25]

It was this triple homicide that became part of the investigation of the theft of some high-level database management software called PROMIS, being developed by a Maryland company called Inslaw, for the use of the Department of Justice. PROMIS stood for Prosecutor’s Management Information system.[26]

It was this software that captured Israel’s attention, for as the lore surrounding the Inslaw scandal indicated, its capabilities were enormous, and held out the prospect of a solution to Israel’s hedge fund difficulties. As Lawson summarizes its capabilities, Inslaw’s PROMIS software

> had been so successful that American intelligence agency apparatus had secretly stolen the software to put it to use covertly. The CIA had reconfigured the code and installed it in 32-bit Digital Equipment Corporation DAX minicomputers. The agency had used front companies to sell the new technology *to banks and leading financial institutions like the Federal Reserve.* Hidden inside the computer was a “trapdoor” that enabled intelligence agencies to covertly monitor financial transactions digitally for the first time. The highly classified initiative, known as “Follow the Money,” had allowed the Reagan administration to trace the Libyan government’s secret funding of a terrorist group that had bombed a disco in Berlin in 1986, killing an American soldier and wounding two hundred civilians. In Bob Woodward’s book *Veil,* former CIA director William Casey said the secret

> money-tracking system had been one of his proudest achievements.[27]

Sam Israel realized that American intelligence had gained the capability to track *any* monetary transactions, including those of the secretive and private Federal Reserve Bank, in real time.[28] If he could acquire the program somehow, Sam realized that by integrating it with his own "Forward Propagation" trading program that he would—as Lawson puts it—be a "one-man National Security Agency"[29] because he would have access to up-to-the-minute financial signals intelligence.[30]

This also means that American intelligence had also acquired a powerful weapon in the arsenal of any hidden system of finance, both for keeping such a system secret, and for tracking its activities, provided, of course, that such a system existed.

For Sam Israel, however, the clear implication was that such a secretive market *did* exist. As he put it to researcher Guy Lawson:

> "A lightbulb went off in my head," Sam recalled. "The PROMIS software was the answer to everything I'd suspected about the markets. I'd seen how the markets were manipulated after the crash of 1987. But I didn't know how they did it—how the money actually flowed into the market. If I had PROMIS I could track the movement of money. I could see how the Fed operated. If money was going into semiconductors, then I could get there ahead of the market. I would be at the flux point. I would be able to see the volume going up before the stock moved. It would be the ultimate inside trade."[31]

Note the implications of Israel's remarks, for in essence, what he is saying is that the securities market—once one

factors in the implications of a program like PROMIS and the intelligence community's penetration of the central banks that it affords—is nothing but a bit of theater, manipulated for an audience's benefit, for the brokerage houses and even the central banks themselves are at the mercy of technocrats, computer programmers, social engineers, and, above all, intelligence oligarchs whose shadowy lives move between finance and intelligence like a bar of wet soap.

Nor is this assessment far removed from what researchers into the Inslaw affair have uncovered, for needless to say, the story was so real, and so huge, that the indefatigably lazy American lamestream media would barely touch it. Cheri Seymour, whose *The Last Circle* was eventually published as a book, delved deeply into the Danny Casolaro investigation of the Inslaw affair, and deeply into Casolaro's "murder by suicide" in a motel in West Virginia. Casolaro, who had been hired by Inslaw company founder Bill Hamilton to investigate the theft of his company's software, soon uncovered so many tendrils and threads of conspiracy leading so many places that he dubbed the entity "The Octopus," and was in the final stages of investigation and beginning to compile notes for a book on the subject. Summoned to Martinsburg, West Virginia by an unnamed source who indicated that he would reveal the final missing key to Casolaro, and that Casolaro should bring his important files and notes on the subject, Casolaro never returned from the meeting. He was found by a cleaning maid on August 10, 1991, in the bathtub of his room, with numerous deep cuts to both wrists.

Investigative Journalist Danny Casolaro

Retracing Casolaro's steps and contacts, Seymour quickly confirmed that Casolaro's sources did indeed maintain that the PROMIS software had been stolen, and that the program had subsequently been modified to include "backdoors". The program had then been sold under a variety of names to various banks, corporations, and most importantly, foreign intelligence services. The backdoor allowed the U.S. intelligence community to access the computer systems and databases of wherever the program went.[32] The software was so flexible in its management capabilities for different types of databases that it allowed the easy tracking of arms, of people, of drugs, to such an extent that it allowed the "enterprise" behind the Iran-Contra controversy to be essentially a self-supporting system,[33] or to put it differently, Iran-Contra was but one operation of a completely self-sustaining system that required, and had, no government oversight, from anywhere. It was, in short, a manifestation of the breakaway civilization. According to Seymour, Casolaro had even told close friends that he had been able to link the Inslaw scandal and similar episodes "back to a dirty CIA 'Old Boy' network' that had begun in the 1950s.[34] Some of the connections between the Inslaw affair and the rogue CIA group that Casolaro had uncovered were the now infamous banking scandals that began to rock the world beginning with the Reagan Administration and continuing for the rest of the century: The BCCI, or Bank of Credit and Commerce International, somewhat more accurately called by researchers the Bank of Crooks and Criminals, International. Casolaro had also uncovered connections to the Savings and Loan scandal, the Keating Five, and on and on it went.[35]

a. The Promise of PROMIS: The Gatekeeper between the Breakaway Civilization, its Hidden System of Finance, and the Overworld

Most importantly, Seymour stated—and one can only imagine the impression that such a statement would have had on Sam Israel—that Bill Hamilton, the founder of Inslaw, had told her that one version of PROMIS had been modified by the National Security Agency specifically in a "bank surveillance version" to monitor proceeds from drug sales.[36] In other words, the technology was intimately tied to the financial community, *and* to the vast underground economy of the international drug cartels and criminal syndicates. The software was, so to speak, the gatekeeper of the interface between the "overworld", the visible system of finance, and the hidden system, a system that used drugs as an international currency, and referred to them as gold.[37] The system, via its backdoor, could be used as a valuable tool to track money laundering.[38] Seymour even discovered the possibility that the PROMIS software may have been suspected by the Royal Canadian Mounted Police as "being used in the international banking system for illegal activities."[39]

In short, Casolaro had uncovered a "rogue group," an international "breakaway group" operating entirely on its own, but that group was not at its core a cabal of international bankers, but rather, a core of intelligence operatives, rogue military men, technocrats, and, of course, corrupt, or compromised, bankers.

According to Seymour, Inslaw founder Bill Hamilton had come to his own similar conclusions. He believed ". . . after more than two decades of research, that the modified version of his PROMIS software had been used for money laundering of drug profits to fund unauthorized intelligence operations. . . ." [40] Indeed, such a powerful program would not only allow the tracking of covert financial activities, and even for the existence of an entire covert financial *system,* but it would also allow something equally important for such a system to exist, namely, *the ability to cover its tracks and obfuscate its activities by using the "backdoor" to modify*

the actual numbers of transactions. . . . say, for example, the amounts of gold actually in existence. Such a tool would allow the *same* amount of gold to be used as the backing or collateral to float securities over and over in different issues.

b. The Promise of PROMIS: The People-Tracking Capability

Seymour is not alone in her assessment of the capabilities —the promise—of PROMIS, for almost any serious researcher into the Inslaw affair will encounter them. For researcher Kenn Thomas and the late Jim Keith, the PROMIS saga was intimately connected to the 1980s decoupling of covert operations from the CIA and their "privatization" through private corporations like Wackenhut.[41] The software, originally designed by the Inslaw corporation to fulfill a contract for the U.S. Department of Justice, was engineered to track cases, and hence, *people,* through the federal court system, from jurisdiction to jurisdiction. It soon became apparent, however, that it had the capability to track other kinds of criminal people—terrorists[42]—and "potential" criminals, such as "dissidents."[43] And the easiest way to do so was, of course, through their financial footprints, their financial transactions. The long and short of this is, these capabilities give lie to the oft-heard assertion that no one really knows who placed or benefitted from the massive short orders against American and United Airlines on Sept. 11, 2001.[44]

2. Robert Booth Nichols and the "Secret Bond Market"

But what, once again, has all this to do with Sam Israel, and what does he, in turn, have to do with the "industrial scale counterfeiting" of the Nazis in *Unternehmung Bernhard,* or with that of the massive "Bearer Bonds Scandals" of the first decade of the third millennium? By the time of Israel's hedge fund fraud, the one was, so to speak,

ancient history, and seemingly irrelevant, and the other had not even occurred yet.

Motivated by his desire to acquire PROMIS for his own purposes, Sam Israel managed to contact the mysterious Robert Booth Nichols, whose name does indeed seem to float in and out of almost every conspiracy of the late twentieth century. They met in London's fashionable Dorchester Hotel. Once Sam had Nichols alone, he quickly pressed the issue of obtaining a copy of PROMIS. As they spoke, Nichols received a call on his cellular phone, and as he spoke, he opened his briefcase just long enough for Israel to steal a glance at a document which Nichols appeared to consult, before putting it back in his briefcase and closing it. Sam saw columns of numbers, and demanded to see the document. Appearing reluctant, Nichols handed over the document.[45]

It contained columns of numbers, the left column showing amounts of money invested and on the right, a column of numbers showing astronomical rates of returns. Incredulous, Sam inquired what Nichols was trading. The answer opened the door into Sam Israel's own personal version of the Bearer Bonds scandals:

"What are you trading?"

"Bonds," Nichols said.

"What kind of bonds?" Sam asked.

"This is something that could benefit your greatly," Nichols replied.

"But it is very difficult to get into this market. Nearly Impossible."

"What market?"

"High yield buy/sell trading programs," Nichols said. "The market is only open to the biggest players."[46]

Over time, Sam eventually was able to wrest an explanation from Nichols about this mysterious bond market “only open to the biggest players.” Nichols’ explanation, as recounted by Guy Lawson, is worth citing at some length, for now connections begin to be made:

> Nichols explained how the secret bond market functioned. The world Nichols described dwarfed the conspiracy theories evoked . . . by *The Last Circle.* According to Nichols the basic institutions of the modern world—the U.S. government, the Federal Reserve, the International Monetary Fund—were all a front. The reality—if Sam could handle the truth—was far darker and more dangerous than anything he could imagine.
>
> “There is a secret government operation within the world’s government,” Nichols said to Sam. “They run the secret trading program—the high-yield market. Only a few chosen people participate in the program. The returns are staggering. The proceeds are used to fund black operations, wars, to pay off foreign governments. The proceeds are also used for good works in the Third World—to build hospitals, construct water treatment plants, cure diseases. It is the way order is maintained in the world. The programs are top secret—highly, highly classified. Getting approved to trade in the market is extremely difficult.”[47]

Sam explained all this to Lawson, and again, a now familiar pattern re-emerges, a pattern, not of U.S. Treasury bonds, but of *Federal Reserve* bonds, bonds sold at a great discount by the Federal Reserve to a few select banks or “primary dealers,” banks such as “Goldman Sachs, Deutsche Bank, Nomura, Union Bank of Switzerland, BNP Paribas”[48] and so on. These banks in turn placed the bonds on “the secret market”. Sam then revealed an important clue:

> "When Nixon took America off the gold standard in 1972 the shit hit the fan. *There wasn't enough gold in the Federal Reserve to pay for all the dollars that had been issued by the government."*[49]

Israel, without realizing it, was very close to an important clue, one that, as we saw in the previous chapter, both Lord Blackheath, and much earlier, even Hjalmar Schacht, were close to: the amounts of gold in existence were grossly and deliberately obfuscated. And, as the Bearer Bonds Scandals suggest, securities in enormous denominations had been issued by the Federal Reserve against that obfuscated gold. But more on that in a moment.

Any rational person's initial reaction to all of this would simply be to dismiss it, for such a secret market would only benefit those at the very top, but that, precisely, was Nichols' point. It was being used as a hidden system of finance to fund black operations, covert wars, and one may aver, secret research. As we shall see later in this chapter and in the next chapter, the allegations have a basis in utter, and undeniable, fact, a fact which places all of the Bearer Bonds scandals, and all attempts to *deny that they may be based on some real exemplar by officials of the government or academics,* into a cocked hat.

In any case, Nichols touched upon yet another meme that, unbeknownst to either man, Lord Blackheath would utter in the House of Lords: according to Nichols, as he explained the "secret bond market" to Sam, one could only *enter* that market by agreeing to use much of the profits in some charitable work.[50] It was Lord Blackheath's "Foundation X" messianic meme all over again. There were other familiar patterns connecting Sam Israel's experience with Nichols to the Bearer Bonds Scandals. For one thing, the denominations of the alleged bonds "ran up to billions."[51]

3. Federal Reserve Bonds, or was that Federal Reserved Bonds?

More importantly, the meme of the “Asian connection” surfaced, this time once again in connection with *another* by-now-familiar meme, that of seven hundred *billion* dollars’ worth of bearer bonds. Nichols informed Sam that he had once journeyed to Singapore to negotiate with a representative of former Chinese Nationalist generalissimo Chiang Kai-shek’s family, which possessed some of these bonds and “heritage documents” proving their genuine provenance. The bonds, Nichols told Sam, were *always* denied to be legitimate by the Federal Reserve, which maintains publicly that all such bonds are counterfeit, simply because it does not have the money to pay on the bonds, “so it pretends that the bonds were never issued.”[52]

At this juncture, we are again chin-to-chin with the two interpretive possibilities: either such bonds were never issued, and all such examples of them are indeed counterfeit as the U.S. government, the Federal Reserve, and even academia maintains, counterfeits issued in the “good old secret bond market prime bank swindle,” *or* one may reason that one never counterfeits something that does not genuinely exist, such that, even if the individual bonds in this or that instance *are* counterfeit, they are based upon something that really *was* secretly issued, as a bond, by the Federal Reserve.[53]

4. Odd, But Crucial, Miscellanies

Sam Israel, of course, bought the scam, and attempted to enter the “secret bond market,” and in the process, gambled away the last liquid capital his company had, thus dooming him and his partners to the eventual exposure of their years of fraud, and to eventual trial and incarceration.

However, there are a number of other oddities about the whole Sam Israel-Inslaw-PROMIS-secret bond market affair that must be mentioned, for these oddities are very *odd* oddities indeed.

One of the strangest of these are cryptic comments made by Danny Casolaro in the notes that managed to survive his murder-by-suicide.[54] In these notes, Casolaro, who had connected the Inslaw affair and the theft of PROMIS to industrial scale secret financial tracking, money laundering, and banking scandals, also wrote “MJ 12—extraterrestrial.”[55] MJ-12 is, of course, the top secret UFO study group allegedly founded after the Roswell crash and in response to other UFO flaps in the late 1940s and early 1950s. The inclusion of such an odd note in an investigation into areas having otherwise to do with sophisticated computer programs, secret systems of finance, money laundering, and secret intelligence monitoring of all these activities, suggests that there is a relationship between all these things and the UFO phenomenon, at least, in Danny Casolaro’s mind. As we noted in the Preface however, there is a powerful philosophical case to be made for holding precisely such a view. Indeed, there *is* some sort of connection between the Inslaw affair and Space, and therefore, between the Inslaw affair and the whole question of a secret system of finance, for as Cheri Seymour noted in

The Last Circle, one of the major principals in the whole Inslaw affair, one responsible for administering “the Inslaw contract with the government,” was one Peter Viedenieks, who spent much of his time during the 1970s as a “contract specialist” for NASA.[56]

In yet another “odd oddity,” one of the names hovering persistently on the ever-expanding circles of principals surrounding the Inslaw Affair was Adnan Khashoggi, an arms dealer whom Casolaro had uncovered as being involved in the murky drugs-for-arms dealing that was Iran-Contra, and the equally murky world of the BCCI banking scandal.[57] Khashoggi’s sister, Samira Khashoggi Fayed, was the mother to Dodi Fayed, the alleged lover of Diana, Princess of Wales.[58]

As Sam Israel was gripped ever more tightly by Casolaro’s “Octopus,” more and more ties and indicators to Asia, and to a mystery hidden deep in the post-World War Two and early Cold War era emerged. Nichols, for example, revealed that the “counterfeit Federal Reserve bonds were somehow tied to a vast treasure of bullion looted by the Japanese during World War Two, and buried on Mindanao Island of the Philippines by the Japanese occupation army commanding officer, General Tomoyuki Yamashita.[59]

This is our final clue, and it will preoccupy us in chapter four, for Danny Casolaro had also suggested a connection to the Inslaw affair and bullion smuggling rings he had traced to Southeast Asia. Even more suggestive is the fact that Casolaro had apparently unearthed this connection shortly before his death.[60]

But perhaps the most intriguing of these “very odd oddities” is the fact that Sam Israel bought some of these “Federal Reserve bonds”, which, like the Spanish, Italian, and Filipino Bearer Bonds scandals examined in chapters 2A and 2B, came in a rusty strong box stamped “Federal Reserve.” Like the bonds of the various Bearer Bonds scandals to erupt a decade later, Israel’s bonds were dated

1934,[61] and on paper whose quality seemed authentic and indeed, which contained "the same material" as the stationer Crane & Co. "had supplied the Federal Reserve for generations."[62] The signature of the U.S. Secretary of the Treasury on these 1934 bonds "was authentic."[63] Even Lawson, who disputes the whole idea of a "secret bond market" admits: "According to leading historians, it was entirely possible that the U.S. government *had* secretly funded the Chinese government of Chiang Kai-shek in ways that remained classified secrets."[64]

However, notes Lawson, "there were oddities. There were grammatical errors, as if the words had been written in pidgin English."[65] One wonders if these oddities included the title "Federal *Reserved* Bond" rather than "Federal *Reserve* Bond." As we shall discover in the next chapter, this one oddity alone—mistakes, bad English, grammatical errors—points not to a counterfeiting operation of industrial scale being perpetrated by international con men, grifters, and swindlers, but by the Federal Reserve and other rogue agencies themselves, exactly as Lord Blackheath suggested. The denominations of the bonds were in the amount of $100,000,000, and the case which Sam Israel had purchased contained an incredible $25 *billion* total.

For his part in the "swindle," during the various trials surrounding the downfall of Sam Israel and the Bayou hedge fund, Nichols' testimony was sealed "for reasons that weren't explained. Nichol's name wouldn't be released to the press, nor would any evidence of his long and mysterious association with the intelligence apparatus of the U.S. government."[66] When the Japanese Bearer Bond Scandal broke in 2009, Sam Israel, by then already in prison, told Guy Lawson that he believed the bonds were real.[67] From prison, Israel has initiated a lawsuit to recover the "fake" bonds that were used in evidence against him at his trial, stating that if they are worthless, then it won't matter to give them back, and if they are indeed worth even a

fraction of their denominated value, then his former investors in the Bayou fund should be recompensed with that money. “I’m doing everything I can. I won’t stop. The truth is going to come out,”[68] says Israel.

Indeed, perhaps the truth already did. And that truth can be summed up in four words: “gold,” and General Tomoyuki Yamashita.

Japanese General Tomoyuki Yamashita

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[1] Guy Lawson, *Octopus: Sam Israel, The Secret Market, and Wall Street’s Wildest Con* (New York: Crown Publishers, 2012), p. 167.

[2] Cheri Seymour, *The Last Cirle: Danny Casolaro’s Investigation into the Octopus and the PROMIS Software Scandal* (Trine Day, 2010), pp. 197-198.

[3] Guy Lawson, *Octopus: Sam Israel, The Secret Market, and Wall Street’s Wildest Con* (New York, Crown Publishers:

2012), p. 1.

[4] Ibid., p. xi.

[5] Ibid., p. 9.

[6] See the short discussed in Guy Lawson, *Octopus,* pp. 16-17.

[7] Ibid., p. 42. As Lawson notes, this is exactly what happened in the crash of 1987, when the Federal Reserve Bank directly intervened. (See p. 43)

[8] Ibid., p. 41. The connection between physics and finance and the cosmological views implied by both is very ancient, and has been known to the financial sectors of human civilization for some time. See my *Babylon's Banksters* (Feral House, 2010) and my *The Financial Vipers of Venice* (Feral Hous$_9$e, 2013).

[9] Guy Lawson, *Octopus.,* p. 51.

[10] Ibid., p. 58.

[11] Ibid.

[12] Guy Lawson, *Octopus,* p. 58.

[13] Ibid., p. 59.

[14] Ibid., p. 60.

[15] Ibid., p. 61.

[16] See Lawson's explanation of the corporate structure of the Bayou fund on pp. 56-57, and how this structure was used to hide the losses from the investors on pp. 62-63.

[17] Ibid., pp. 74, 76-77.

[18] Guy Lawson, *Octopus,* p. 91.

[19] Ibid., p. 92.

[20] Ibid.

[21] Ibid.

[22] Ibid., p. 101. Lawson also quips that Bayou "was becoming a miniature Federal Reserve."(p. 100).

[23] Guy Lawson, *Octopus,* p. 142.

[24] Ibid.

[25] Ibid., p. 143.

[26] Paradoxically, the claim by some researchers of the Inslaw affair that PROMIS was stolen by the U.S. Government and subsequently made its way throughout the federal bureaucracy appears to have some merit, for there is a "Patient Reported Outcomes Measurement Information System" which has been funded by the National Institutes of Health, and yet another PROMIS, a Public Records Online Management System, also apparently called a Pupil Records Online Management Information System, in use by the San Joaquin County Office of Education (https://www.mypromis.org/index.aspx).

[27] Guy Lawson, *Octopus,* p. 144, emphasis added.

[28] Ibid., p. 147.

[29] Ibid., p. 148.

[30] Ibid.

[31] Guy Lawson, *Octopus,* p. 148.

[32] See Cheri Seymour, *The Last Circle: Danny Casolaro's Investigatio into The Octopus and the PROMIS Software Scandal* (Trine Day: 2011),. pp. 10-11.

[33] Ibid., p. 28.

[34] Cheri Seymour, *The Last Circle,* p. 41.

[35] Ibid., pp. 51-52. Casolaro also revealed a connection to the Nugan Hand banking scandal, a fact which, according to Seymour, may have led to his "murder by suicide," for Casolaro wrote up his allegations in a memorandum and

presented them to the U.S. Department of Justice just before he was murdered. (See pp. 207-208)

[36] Ibid., p. 65.

[37] Ibid., pp. 8, 341.

[38] Ibid., pp. 197-198. Seymour mentions this possibility specifically in regard to the two worldwide clearing-house systems, CHIPS(Clearing House Interbank Payments system) and SWIFT (Society for Worldwide Interbank Financial Transfer).

[39] Ibid., p. 334.

[40] Cheri Seymour, *The Last Circle,* p. 371.

[41] Kenn Thomas and Jim Keith, *The Octopus: Secret Government and the Death of Danny Casolaro* (Feral House: 2004), p. 2.

[42] Ibid., p. 10

[43] Kenn Thomas and Jim Keith, *The Octopus,.* p. 23.

[44] Ibid, p. 159.

[45] Guy Lawson, *Octopus,* p. 153.

[46] . Guy Lawson, *Octopus,* p. 153.

[47] Ibid., pp. 155-156. Lawson also notes something very important: “According to the FBI, Nichols claimed he’d been to Switzerland for three years to be taught the secrets of high finance for intelligence agencies—the intricacies of how the CIA and NSA secretly funded black ops using billions of off-the-books dollars hidden in numbered Swiss accounts.” (p. 186)

[48] Ibid., p. 156.

[49] Guy Lawson, *Octopus,* p. 157.

[50] Ibid, p. 158.

[51] Ibid., p. 173.

[52] Guy Lawson, *Octopus,* p. 221.

[53] It should be noted that Lawson makes it *very* clear that he does not think there is any real "fire" behind all the counterfeit "smoke," and that there is no real secret bond market. See Lawson, op. cit., p. 249.

[54] Casolaro kept his most important files and notes in a cardboard expanding accordion file, which he was requested to bring with him to the fateful meeting in Martinsburg, West Virginia. This file has never been seen again. The notes that do survive were found in his house and donated by his family to the University of Missouri in Jefferson City, where archivist and researcher Kenn Thomas has been studying the case since.

[55] Kenn Thomas and Jim Keith, *The Octopus,* p. 43.

[56] Cheri Seymour, *The Last Circle,* p. 61.

[57] Ibid., p. 52.

[58] Ibid., p. 53.

[59] Guy Lawson, *Octopus,* p. 283.

[60] Kenn Thomas and Jim Keith, *The Octopus,* p. 104.

[61] Guy Lawson, *Octopus,* p. 315.

[62] Guy Lawson, *Octopus,* p. 315.

[63] Ibid.

[64] Ibid.

[65] Ibid.

[66] Ibid., p. 317.

[67] Ibid., pp. 338-339.

[68] Ibid., pp. 340-341.

4
THE LILY, THE LOOTING, AND LANSDALE: THE MURKY HISTORY OF A COVERT SLUSH-FUND FOR COVERT ACTIVITIES

"Did Lansdale have these accounts moved to bring them under greater CIA control, or under greater control by The Enterprise and its powerful conservative backers, including the John Birch Society and the World Anti-Communist League? The answer is surely the latter. "
Sterling and Peggy Seagrave[1]

The stern visage staring at the reader from the opposite page is that of Japanese Imperial Army Air Force General Tomoyuki Yamashita,[2] one of Japan's, and indeed World War Two's, most capable and brilliant field commanders. Indeed, Yamashita earned his nickname, the Tiger of Malaya, on account of his "blitzkrieg" through the country and into British Singapore in six months, even though the Allied forces outnumbered his own Japanese troops.

General Yamashita's military skills are not, however, what concern us here; it is his record as a war criminal for which he was eventually convicted by an Allied war crimes tribunal and hung in 1946, or rather, what that record and execution may have been designed to conceal, for General Yamashita was appointed in 1944 to be the Japanese military commander in the Philippines, and was responsible for secreting a vast amount of military plunder, loot gathered by Imperial Japanese forces throughout occupied Asia in a coordinated looting campaign code-named Operation Golden Lily. With this, we have at last reached the Asian heart of the story of what I believe to be the hidden system of finance of the breakaway civilization. This story often goes under the name of 'Y'amashita's Gold," and it has

become the stuff of legends. As we shall now discover, there is more truth in this legend than falsehood. But the devil, as they say, is in the details, and here the details conceal quite a few devils, and quite a few connections.

A. Operation Golden Lily: "Yamashita's Gold"

Operation Golden Lily, as noted above, was the codename of Imperial Japan's looting and plundering operation in occupied Asia. Named after one of Emperor Hirohito's poems,[3] the operation was directly entrusted to the Emperor's brother, prince Chichibu.[4] Other members of the imperial household oversaw various branches of the operation throughout occupied Asia.[5] The Philippines became the crucial trans-shipment point for this plunder before being shipped on to the Japanese home islands.

By 1944, the war had turned irrevocably against Japan, and the decision was made to hide this plunder in the Philippines for use by the imperial household after the war, and General Yamashita was chosen to command the Japanese forces there, to fight an intense delaying action. Sterling and Peggy Seagrave, whose superb research is reviewed closely here, summarize Golden Lily, and Yamashita's role, in words that give indication of the scope of the Japanese plunder operation:

> In the closing months of World War II in the Philippines, while General Yamashita Tomoyuki fought a delaying action in the rugged mountains of Luzon, several of Japan's highest-ranking imperial princes were preparing for the future. They were busy hiding tons of looted gold bullion and other stolen treasure in nearby caves and tunnels, to be recovered later. This was the property of twelve Asian countries, accumulated over thousands of years. Expert teams accompanying Japan's armed forces had systematically emptied treasuries, banks, factories,

> private homes, pawn shops, art galleries, and stripped ordinary people, while Japan's top gangsters looted Asia's underworld and black economy. In this, the Japanese were far more thorough than the Nazis. It was as if a giant vacuum cleaner passed across East and Southeast Asia.[6]

The organization and intelligence for this massive operation fell to units of Imperial Japan's notorious intelligence bureaucracy-cum-gendarmerie, the *Kempeitai,* and, as the Seagraves note, the Japanese criminal underworld—the Yakuza—was employed to utilize *its* connections in Asia to ensure that the looting activity was not limited to the legitimate open markets.

This circumstances highlights a pattern that, as our review of Golden Lily and its postwar consequences proceeds, will become more and more in evidence, and that pattern contains three elements:

1) At the top, coordinating the activity, is a powerful *"managing elite,"* for whom the plunder is ultimately intended, in this case, the Japanese imperial family;
2) Carrying out the activity, is a *network of military and intelligence officers,* in this case, the *Kempeitai;*[7]
3) Assisting this activity is *a criminal underground,* using its sources of contacts and intelligence within the underground black markets, in this case, the Japanese Yakuza.

This nexus of an elite, intelligence, and criminal underground elements we have encountered before with the postwar Nazi International and its close alliance and association with American military, intelligence, and financial circles after the war. Here, on the other side of the world, we discover the same pattern during the war inside of the Japanese oligarchy, and this suggests that a similar pattern of "cooperation" will emerge between this structure and its American counterparts after the war.

1. Lansdale, MacArthur, and Truman

Indeed, by October 1945, a mere month after the formal Japanese surrender, American intelligence had learned of Operation Golden Lily and the various caches of treasure scattered around the Philippines.[8] Yamashita, who had surrendered to American officers on September 2 when he received notice of Japan's surrender, was immediately interred and charged with war crimes for crimes apparently committed by his predecessor.[9] But it was his staff that apparently provided American intelligence this information, even though there was no mention during the general's trial of any of the Golden Lily plunder. There was, however, a "hidden agenda" taking place behind Yamashita's trial and execution, and again, it is worth citing the Seagraves to see what that agenda may have been:

> Because it was not possible to torture General Yamashita physically without this becoming evident to his defense attorneys, members of his staff were tortured instead. His driver, Major Kojima Kashii, was given special attention. Since Yamashita had arrived from Manchuria in October 1944 to take over the defense of the Philippines, Kojima had driven him everywhere. In charge of Kojima's torture was a Filipino-American intelligence officer names Severino Garcia Diaz Santa Romana, a man of many names and personalities, whose friends called him 'Santy'. He wanted Major Kojima to reveal each place to which he had taken Yamashita, where bullion and treasure were hidden.

Supervising Santy, we learned, was Captain Edward G. Lansdale.[10]

In other words, Yamashita, who knew of the locations of the treasure burial sites, had to be eliminated to keep his silence.

It is the occurrence of the name Edward G. Lansdale that sets off alarm bells, for this is the Edward G. Lansdale that will subsequently become a general, and a major advocate of covert operations and psychological warfare, being a "CIA" general, a close associate of Office of Policy Coordination dirty trickster Frank Wisner, and, for those paying close attention, it is General Edward Lansdale whom Col. Fletcher Prouty, in his books on the Kennedy Assassination, maintains was involved as a possible planner of the event.[11] With Lansdale, in other words, we encounter a key figure with connections to covert operations and the postwar network of rogue American agents, left-over Fascists and Nazis and criminal syndicates. This network will concern us more completely in part two, but it is important to note the connection here, for at the *beginning* of his career in covert operations, we discover him intimately involved in the recovery of Japanese imperial plunder.

Ed Lansdale Shortly After World War Two, here wearing insignia of the rank of major or lieutenant colonel

By early October, 1945, Yamashita's driver had broken under "Santy's" and Lansdale's torture, and led them to

over a dozen Golden Lily treasure sites north of Manila.[12] With the information concerning the scale of Golden Lily—and the actual treasure—thus confirmed, Lansdale immediately flew to Tokyo where he briefed General Douglas MacArthur, and from there, flew to Washington D.C. to brief none other than President Harry S. Truman himself. Truman, after discussing this vast plunder with his cabinet, "decided to proceed with the recovery, but to keep it a state secret."[13]

> The treasure—gold, platinum, and barrels of loose gems—*was combined with Axis loot recovered in Europe to create a worldwide covert political action fund to fight communism.* This 'black gold' gave the Truman Administration access to virtually limitless unvouchered funds for covert operations. It also provided an asset base that was used by Washington to reinforce the treasuries of its allies, to bribe political leaders, and to manipulate elections in foreign countries. In the late 1940s, this agenda was seen as entirely justified, because the Soviet Union was aggressively supporting communist and socialist movements all over the world, putting the survival of the capitalist world in peril.[14]

In other words, the decision had been taken at the highest level to keep the vast amount of treasure as hidden system of finance to fund covert operations. The Cold War had become a hot war, but it was a hot war fought in secret, via false fronts and proxies.

An inevitable and highly problematical set of questions occurs at this juncture, and we must pause to consider them. Firstly, what if American efforts to recover Nazi and Japanese plunder were simply not entirely successful? What if, in other words, some of this loot remained known only to postwar Japanese insiders—members of the imperial family, the Japanese nobility, high ranking industrialists and

politicians, and, last but not least, members of its criminal underground? What if some of this loot remained known only to their Nazi counterparts? Secondly, do covert operations seem to account for *all* of the vast amount of loot implied? Or does the amount implied also suggest that this hidden system of finance was used to fund *other* sorts of activities of a covert nature, including secret research?

These questions imply their own set of signatures of what one would look for if any of them were true. In the case of the first set of questions, one would look for signs of postwar *collusion* between members of this American covert-ops, intelligence, and financial network, and that of the survivors of the Axis elites, both Nazi, and Japanese.[15] This collusion also implies that one may look for signs of "creeping fascism" in western culture, but as this is a phenomenon widely commented upon, it will not concern us in this book. We shall, however, have occasion to observe the signs of collusion and covert activity in part two, and indeed, have already indicated *some* of the extent of that activity in previous chapters by pointing out the odd role of the Vatican in connection with the various counterfeit securities schemes surveyed in those chapters.

In the case of the *second* set of questions, it implies that one look for signs of unusual financial or political activity surrounding the use or display of advanced technologies, and indeed, this will concern us in parts two and three.

An entry into the *Japanese* aspect of this postwar collusion between American military, intelligence, and financial interests and those of the Empire of Japan is afforded by a closer look at the role of General of the Army Douglas MacArthur in its creation.

General of the Army Douglas MacArthur

In order to understand this postwar collusion, it is worth noting what the Seagraves state concerning the general pattern of this secret bullion reserve, and how this fits the overall scheme that we have seen implied by the Bearer Bonds Scandals surveyed in previous chapters. This vast bullion reserve would constitute "black gold," a *secret* reserve for a hidden system of finance. Thus, it would function

> . . . as a reserve asset, bolstering the prime banks of Allied countries, strengthening the governments of those nations. As a safeguard, the bullion placed in those banks was carefully controlled; since limits were placed on the use that could be made of the gold (a process called earmarking). This enabled Washington to bring pressure, from time to time, on those governments, central banks and prime banks. Put simply, so long as a country and its leaders cooperated, and remained allied to the United Sates in the Cold War, derivatives of the sleeping bullion could be used for patronage through political slush funds.[16]

How was this bullion certified? "Gold bearer certificates were given as inducments."[17] Perhaps sensing a connection to the Bearer Bonds Scandals, the Seagraves immediately add: "In the hands of clever men, the possibilities were

endless."[18] This secret bullion-backed fund was called the Black Eagle Trust.[19]

The possibility of using recovered Axis war booty as the basis for a postwar "global political action fund"[20] began during the Roosevelt Administration during the war and was the brainchild of Secretary of War Henry Stimson. Stimson established a think tank to deal with precisely this question, and one of the men involved was John J. McCloy.[21] With McCloy's name, we are once again chin to chin with connections, running from his pre-war involvement with Nazis, as he was the American attorney for the notorious German chemicals cartel I.G. Farben. McCloy was also the postwar American High Commissioner for occupied Germany, and as such had personally intervened to facilitate the transfer of Nazis to the USA as part of Operation Paperclip. As the Seagraves also note, McCloy was also a postwar president of the World Bank.[22] And, of course, he was also connected to the assassination of President John F. Kennedy, being one of the seven commissioners appointed to the Warren Commission by President Lyndon B. Johnson. McCloy was instrumental in the establishment of the plan to "re-plunder" Axis plunder and turn it into a secret financial system to fund covert operations. As a consequence of this, the *condition* is created for the possibility of collusion with the elites of the former Axis enemies.

This pattern of a secret reserve asset, against which the possessing banks could vastly expand their ledger credit entry-making ability, is exactly that which I have hypothesized lay behind the postwar Anglo-American and Nazi financial nexus. Now, however, we shall discover the same pattern operative in the postwar nexus between the occupying American military and intelligence forces, and the Japanese elite, a connection leading eventually to the pinnacle of Japanese political power, the premiership of the imperial Diet and the imperial house itself. Indeed, as the

Seagraves note, this fund gave birth to *several* secret funds, just *one* of which, the so-called "M fund", worth a "mere" $35 billion in the early 1960s, was given to the leaders of Japan's Liberal Democrat Party by President Richard M. Nixon, in return for promises of kickbacks to his election campaign.[23] The Liberal Democrat Party leaders of Japan in turn used this fund as a secret slush fund to maintain their one-party control in Japan for decades.

2. The "MacArthur" Document

In this, General MacArthur played the key historical role, and to see how, we must look at a document that the Seagraves refer to. This is a special report, prepared by his own staff, shortly after the end of the war, called "Reports of General MacArthur: MacArthur in Japan: the Occupation: Military Phase."[24] One gains a measure of the significance of General MacArthur's role in helping to establish this secret system of finance by considering the following statement:

> As a still further potential stimulus to foreign trade, SCAP[25] projected a plan to use Japanese-owned gold and silver as a base for acquiring foreign credits. This was achieved by creating the "Occupied Japan Export-Import Revolving Fund" which was to be used as a credit base for financing importation of raw materials for processing and exporting. This credit base was first utilized on 13 May 1948 when one government and three private banks pledged to finance a 60,000,000 dollar credit. The Economic and Scientific Section was responsible for advising the Supreme Commander on policies and programs relating to the custody, operation, management, and control of this fund.[26]

Note that explicit mention is made of using Japanese bullion as a means of "obtaining foreign credits," that there is a

connection to scientific activities, and that these activities are unspecified.

The document becomes even more peculiar, for toward the end of the nearly three-hundred page report, a strange statement occurs indicating that there is indeed *some* measure of cooperation between General MacArthur, his staff, and the Japanese elite itself, when investigating claims being made *against* the Japanese by those nations, corporations, and individuals who had suffered the loss of their property during the Japanese occupation of their countries:

> Investigations were made when required by higher headquarters or upon receipt of information from other sources. Japanese police, procurators, and *agencies* were utilized. The police were encouraged and supported in their efforts to control large scale blackmarketing.[27]

This is a tell-tale, perhaps even an inadvertent, admission, for the exact names of the "agencies" utilized by SPAC were not specified, but given the nature of the claims *against* Golden Lily, these "agencies" must, by the nature of the case, involve at some point the *Kempeitai.* Additionally, the statement is curious in the fact that it does not mention that the Japanese police were encouraged to *eliminate* blackmarketing, but only to *control* it.

That this whole activity concerned largely the Operation Golden Lily loot is confirmed later in the document by the mention of special dealings between SPAC and the Bank of Tokyo, the bank which handled—along with other Japanese corporations—the loot from the operation. Consider these bombshells:

> From these strictly fiscal activities, the Division's field of responsibility was broadened to include the custody *and control* of Axis property, precious metals and

> stones belonging to the Japanese Government, and valuables belonging to designated individuals, institutions, and organizations scheduled by SCAP for restriction or dissolution.
>
> The Bank of Tokyo was designated as the liquidating agency for certain banks. The Division maintained close supervision of the personnel engaged in this work to prevent removal, defacement, or destruction of books, records, or other property. It submitted weekly reports on the progress of liquidation and matters of special financial interest. One of the spectacular tasks of the Occupation dealt with collecting and putting under guard the great hordes of gold, silver, precious stones, foreign postage stamps, *engraving plates, and all currency not legal in Japan.* Even though the bulk of this wealth was collected and placed under United States military custody by Japanese officials, *undeclared caches of these treasures were known to exist. Consequently, the task of investigating, uncovering, inventorying, and safeguarding all property in this category was a continuing and increasing responsibility.* The precious metals were stored in the United States vaults of the Bank of Japan at Tokyo and in the Imperial Mint at Osaka.[28]

Note the reference to engraving plates of currency “not legal in Japan,” meaning, of course, that there were engraving plates of *other* nations’ currencies, indicating either a Japanese version of Operation Bernhard, or that the Germans had transferred some of their own Operation Bernhard plates to Japan, or both. However, what really concerns us is the statement that “undeclared caches of these treasures was known to exist,” and that “the task of investigating, uncovering, inventorying, and safeguarding all property in this category was a continuing and increasing responsibility,” meaning that the collusion implied by our

first set of questions outlined previously is in existence, a collusion implied by the first quotation we made from “the MacArthur document,” for learning of these hidden caches would require the cooperation of the Japanese who hid it and knew the locations. In this respect, it is perhaps significant that MacArthur himself insisted that the imperial family be left in place, for the imperial family, as has been seen, exercised the actual control over Operation Golden Lily. In this respect, while discussing attempts to ensure that looted property was returned, one encounters this curiously ambiguous statement:

> All property suspected of having been seized in area occupied by the Japanese armed forces was classified as looted property unless definite legal ownership could be established. In general, it was handled directly by SPAC through the Japanese Government.[29]

Here a significant question arises, and indeed, answers itself: how would one establish original ownership of gold, silver, and other kinds of bullion? Answer: one would not be able to.[30] All that would exist would be claims against that bullion, claims which, in view of the Japanese thoroughness in eradicating records of original ownership, would be dubious. Thus, by stating that this was all handled “directly by SPAC”, that is, by General MacArthur “through the Japanese Government,” that is, through the Imperial family and its political surrogates and agencies, the possibility of deliberate collusion begins to grow.[31]

B. Golden Lily, Gold Bugs, Bearer Bonds, and the Nature of the Fraud at the Basis of the Hidden System of Finance

While the numerous details of their investigation into the ramifications of the Golden Lily operation and the postwar collaboration between the American financial, political, and intelligence elite and that of postwar Japan are endlessly

fascinating,[32] our attention must remain focused on the structure of this hidden system of finance, i.e., upon the nexus between intelligence, financial, and military elites between former victorious Allied and former defeated Axis enemies, and upon *how* this structure was able, via calculated "official fraud," to maintain itself, and to what purpose these funds were allocated.

1. Obfuscated Amounts of Gold and Silver Bullion

At the head of this structure of hidden finance, mention must be made of a significant fact that the Japanese themselves encountered once the operation was fully under way, for the thorough officers of the *Kempeitai* and the imperial family princes entrusted with the task of inventorying the plunder soon noticed that "there was more gold and platinum in private hands across Southeast Asia than anyone knew existed."[33] Indeed, when long after the war Philippine dictator Ferdinand Marcos became involved in his own attempts to recover some of General Yamashita's buried treasure, he mentioned to his American partners amounts of gold "many times of the amount of refined gold commonly thought to be in existence."[34]

With this, we have perhaps resolved two significant features of the mystery we have been investigating thus far, for on the one hand, it will be recalled that President Truman decided to make this matter of a hidden slush fund based upon a vast and secret gold reserve a state secret. One reason for this secrecy is implied by the alleged amounts of bullion involved, for should such amounts suddenly become public knowledge, then the value of gold would plummet, *and with it, the amount of money in the secret covert operations and political action slush fund, and any monies in that fund designated for secret research projects.* On the other hand, we have the indicator for why the figures of existing gold seem to be so widely at variance from each other (consider again in this regard the figure quoted to Lord Blackheath by his friend, Lord Sassoon, and then the figure that the German government believes its own reserves to

be—a figure *twice* the amount of *all* gold in existence according to the figure of Lord Blackheath!).

The scale may be gleaned by the fact that, by war's end, Japanese Emperor Hirohito had, through his Golden Lily operation, amassed a *personal* fortune of $100,000,000, or, in contemporary terms, one *billion* dollars, and this would not include the personal financial gain to *other* members of the imperial family. These holdings, moreover, were in accounts in Switzerland, South America (especially Argentina), "Portugal, Spain, and the Vatican."[35]

The Seagraves' trenchant observations on the point of obfuscated amounts of existing gold is worth citing at length:

> The invisible Black Eagle Trust set up by Stimson's team, beefed up by bullion from the Santa Romana recoveries, created a separate pool of black gold that put an extra floor under the postwar economy, and gave Washington and its allies covert financial leverage. There are certain similarities between this trust and the Diamond Cartel identified with DeBeers, or the Gold Cartel identified with the Oppenheimer family of South Africa. According to informed sources, these similarities exist for good reason and on many different planes. The Diamond Cartel was able to amass huge quantities of stones, and yet keep prices artificially high by limiting to a trickle the number of diamonds reaching the market, maintaining the impression of extraordinary rarity. In a similar way the black gold cartel could hold many thousands of metric tons of gold bullion—far more than the official gold supply—keeping gold prices artificially high while discreetly using derivatives of this gold as a clandestine slush fund.
>
> If the recovery of this huge mass of gold was known only to a trusted few, those countries and individuals

> that had been robbed by the Nazis, the Fascists, or the Japanese, would not sue to recover it.[36]

Before continuing, let us pause to note one thing: if any of those Fascist, Nazi, or Japanese elites survived the war, and they clearly did, then this knowledge of the amount of gold actually in existence made them erstwhile partners with their postwar Anglo-American counterparts, for these groups would possess—if they preserved adequate records—tremendous "blackmail" power against their Western oligarchical counterparts. In other words, everyone—postwar Fascists, Japanese yakuza, zaitbatsu, imperial household members, Nazis, Wall Street lawyers and financiers—stood to gain by the policy of secret detente and coexistence. But to continue with the Segraves' summary of the matter:

> Also, the argument was made that the existence of so much black gold, if it became public knowledge, would cause the fixed price of $35 an ounce to collapse. As so many countries now linked their currencies to the U.S. dollar, and the dollar was linked to gold, currency values throughout the world might then plummet, causing financial disaster. But so long as it was kept secret, hold prices could be kept at $35 an ounce, and currencies pegged to gold would be stable. Meanwhile, the black gold would serve as a reserve asset, bolstering the prime banks in each country, and strengthening the governments of those nations.[37]

In short, *wildly obfuscated figures may function for two purposes: (1) to keep the actual amount of existing gold a secret, and (2) by means of such obfuscated figures, it becomes easier for a hidden reserve* ***to be rehypothecated several times over in a huge scheme of financial fraud, thus to leverage even more credit and, for the breakaway civilization, the ability to fund***

gigantic projects of covert operations nature, of secret research, and even the "purchase" or "collateralization of planets." Thus, with obfuscated bullion amounts, we have the first component of the actual system of hidden finance.

2. Gold Certificates, Earmarking, and the Secret System of Finance: One Does Not Counterfeit What Does Not Exist

But once one entertains the idea that existing bullion figures are a wildly inaccurate representation of the underlying reality, how would one actually *use* this in the construction of a hidden system of finance? Here again, the Segraves provide the clues, and with them, we are beginning to come full circle back to the Bearer Bonds Scandals:

> As a safeguard, the black gold placed in . . . banks was 'earmarked' or strictly limited in the uses that could be made of it. This enabled Washington to bring pressure, from time to time, on those governments, central banks and prime banks. So long as a country and its leaders cooperated with Washington, and remained allied to it in the Cold War, the sleeping bullion would provide the asset base for patronage. *Gold bearer certificates and other derivatives could be given as gifts or bribes, without actually giving away the bullion itself.* Beneficial trusts could be set up in behalf of certain statesmen, military leaders, or political figures, or their families. In the hands of clever men like. McCloy, the possibilities were endless. From time to time, as more bullion was recovered from Golden Lily vaults in the Philippines, quantities of the bullion would be offered in strictest secrecy to central banks, or to consortiums of private buyers.
>
> . . . Some internationally famous banks appear to have become addicted to having billions of dollars of

> black gold in their vaults. So addicted that they refuse to surrender the bullion, and in some cases have stooped to swindling the original owners or their heirs, *by denouncing their documents as counterfeit.* Indeed, some owners claimed that not only were they told their documents were fake, but were given veiled threats of murder if they pressed their claims. *In some cases banks may have made such heavy use of these black gold reserves that they no longer are in a position to relinquish the bullion without going under.*[38]

Note carefully the implications of these statements:

1) Gold certificates were issued against the black gold, and, since this bullion reserve was a *secret* reserve, then the most reasonable form of such certificates would be in the form of *bearer bonds,* to protect the anonymity of its holders and hence the secrecy of the hidden system of finance itself;
2) These certificates, however, *had to have been issued by the bank or banks involved in the scheme in such a form as to enable them later to claim they were fake, or counterfeit.*

The second point returns us to the Bearer Bonds Scandals, for it will be recalled that virtually *all* the Bearer Bonds Scandals possess a few peculiar features in common:

1) The bonds were in denominations that the U.S. government *Treasury* department never officially issued;
2) The bonds were dated 1934 (long before the Golden Lily or Nazi bullion was available), implying that the bonds were post-dated;
3) The bonds were not issued by the U.S. Treasury at all, but allegedly directly by the U.S. Federal Reserve Bank, which supposedly does not *sell* bonds of any sort at all, and, in some cases, these bonds contained

spelling or grammatical errors, such as being called "Federal *Reserved* Bonds; and finally,

4) The bonds were all design knock-offs of actually circulating U.S. paper money currency, and did not resemble "real" U.S. Treasury note designs at all, yet, it will be recalled, the paper and design was in some cases said to be so authentic that the "counterfeit" was undetectable!

These three features strongly suggest that, indeed, the Federal Reserve system *did* issue such bonds—remembering that one does not counterfeit what does not exist—but that it did so by deliberately issuing "bonds" whose designs were deliberately unusual, containing *deliberate* spelling and grammatical errors so that, if the holder of the "bond" proved "uncooperative," his paper could then be claimed to be "counterfeit" and the holder would simply be out his money.

In short, the counterfeiting occurred at the very pinnacle of the central banking system, and with its collusion, to establish the hidden financial system.

But is there any *evidence* that such a scheme was ever actually perpetrated?

Indeed there is:

3. A Significant Clue and Connection to the Bearer Bonds Scandals: The Scheme of Prime Minister Tanaka

Here, as in so many other instances, the research of Sterling and Peggy Seagrave into the whole matter is impeccable, and their conclusions all but irresistible. We noted earlier that one spin-off of the Golden Lily loot was the "M fund," a fund whose control was returned by President Richard M. Nixon to the political elite of Japan's ruling Liberal Democrat Party (LDP).

This M-fund was coordinated and supervised by a close-knit American group in the postwar period, a group based in

Tokyo and definitely in the MacArthur political structure in occupied Japan.[39] When the Korean War broke out, circumstances required that the American occupying army had to be rushed to the Korean peninsula, and in the security vacuum that resulted, the M-fund was used to create the Japanese "self-defense force," with the fund itself passing into joint American-Japanese administration until President Nixon turned it completely over to the Japanese.[40]

> Nixon's M-fund giveaway was not the end of the story —far from it. Under (Liberal Democrat Party) control, the M-Fund spawned a number of exotic financial instruments that propagated through global financial markets like Ebola virus. Investors or their attorneys have been snared in amazing international sting operations, charged with negotiating fraudulent instruments, ending in wrongful convictions and prison sentences. It is now painfully obvious that some of these victims were holding authentic paper, and only were stung to shield Japan's government from its own folly—although more crafty political and financial motives may also be discerned.[41]

But what exactly was the political folly of the Japanese government here?

As the Seagraves point out, the role of the M-Fund in Japanese politics is crucial, for up until very recently in Japanese postwar political history, "Virtually every prime minister of Japan" has been chosen "by the clique controlling the M-Fund,"[42] one of whom was a prime minister himself: Tanaka.

As finance minister, Tanaka contrived a variety of schemes to loot the country and increase the M-Fund itself.[43] But his biggest role was in the creation of so-called "57" bonds, which were "specially contrived government bonds,"[44] and one can imagine that Tanaka merely took a page from the

playbook of the hidden system of finance and its participating banks and oligarchs. After all, he *was* such an oligarch in with his own personal connection to that system as an administrator of the M-Fund. These bonds, however, were, like those associated with their American counterparts in the Bearer Bonds scandals, peculiar, and peculiar *in the now familiar pattern:*

> Because he had them issued by the Ministry of Finance, they were technically legitimate with or without Diet approval. *Each had a very big face amount,* ranging from ¥ 10-billion to ¥50-billion ($50-million to $250-mllion at the time, but now worth almost double).[45]

The scheme soon ran into trouble however, because by issuing these bonds, the Japanese national treasury's sinking fund for their redemption could only be replenished by "selling the government's share of NTT(Nippon Telephone and Telegraph)."[46] But such measures were only a temporary stop-gap, for if several of these bond holders attempted to redeem their bonds more or less simultaneously, then Tanaka's Ministry of Finance "would have no choice but to default, which could cause the whole (Liberal Democrat Party) house of cards to collapse."[47]

At this juncture, Tanaka and his M-Fund colleagues hit upon the idea of the "57" bonds, which were a new kind of security, a kind of "Certificate of Redemption" issued by the Ministry of Finance in Hirohito's fifty-seventh year as the Japanese Emperor, hence the name "57 bond."[48] These bonds were "specially designed, printed, and issued by the Ministry of Finance,"[49] but like the American bonds implicated in the various Bearer Bonds Scandals, there were "peculiarities." Not only were these IOU's for astronomical sums of money, as noted above, but,

> Physically, the “57s” were unlike anything previously issued by the government of Japan. They were not offered to the public at large, nor were they to be traded on the international bond-market like normal government bonds, so only the holders actually saw them. The magic of this scheme is that by their very difference, it was possible for the Ministry of Finance later to declare all “57s” to be forgeries. Only certain ones were selectively and very secretly renegotiated at a discount. Those who paid for their original government bonds, and then were forced to exchange them for “57s”, were thus swindled twice.[50]

In any case, it is worth noting that the “57 bonds” were “deliberately printed to look unusual, which would allow them to be denounced as fraudulent.”[51]

Prime Minister Tanaka, however, was *not* the only one with “official counterfeiting schemes” in mind as a funding mechanism. Ferdinand Marcos, shortly after becoming president of the Philippines in 1965, managed to persuade the Johnson administration that he could “sell” the Vietnamese war to Southeast Asian leaders by bribing them with Golden Lily “gold certificates” that, if the leader did not behave properly, could be declared counterfeit.[52]

With this *pattern* now evident, a pattern inclusive of special *designs* of certificates, of deliberate grammatical errors, of large and indeed incomprehensible denominations—all for the purpose of being able if circumstances required to denounce them as counterfeit—it now seems clear that the Bearer Bonds Scandals are simply another manifestation of *a really existent, secret bond market, one that functions as a hidden financial system.*

This hidden financial system branched out, beginning with Santos Romana, torturer of Yamashita’s driver, Major Kojima, into connections that boggle the mind, to the famous Wall Street legal firm of Sullivan and Cromwell[53]—home of the

Dulles brothers—to the Mafia and Vatican bank's involvement in "fixing" the 1948 Italian elections[54] (a fact that would have been well-known to Eugene Cardinal Tisserant, and hence, would explain his confidence that the American government would not complain about the Vatican's involvement in counterfeit securities!). It even reaches into the Bank of Credit and Commerce International (BCCI) and Nugan Hand Bank scandals.[55]

4. Odds and Ends:
a. The Technology Connection

Thus far, we have noted the connection of the hidden system of finance put into place with Nazi and Japanese loot, to the military-intelligence communities, and to suggestions of postwar covert operations. As noted previously, however, the sums of money involved in this hidden system of finance are so staggering that even the vast amount of covert operations undertaken—that we know of—during the Cold War would not seem to account for *all* of this money. There had to have been *other* purposes to which it was put, and we have suggested that at least one of these purposes was for secret research, for the development of very sophisticated, advanced, and exotic *technology.*

There are two connections to exotic technologies—and even to outer space and extraterrestrials—in the whole Golden Lily saga. One is rather obscure, and has to be "unpacked," and the second one is so obvious, that we have already encountered him. But more of him later.

First, let us deal with the "obscure" connection.

In detailing the torture of General Yamashita's driver, Major Kojima, the Segraves recount a number of details, one of which is quite significant. Here is the context of that significant detail:

> Early in October (1945), after many days of torture, Kojima broke and revealed everything he knew.

> Lansdale organized a convoy of cars and set out with Santy and Major Kojima to retrace the trips made by General Yamashita to ‘more than a dozen’ Golden Lily treasure vaults. These were all in the high valleys north of Manila, in a triangle from Baguio in the west to Bambang in the center, and Aparri at the northern tip of Luzon.
>
> When they returned to Manila in mid-October, Lansdale reported to Colonel McMicking, then flew to Tokyo where he briefed Willoughby, Whitney, and MacArthur. At their instruction, he then flew to Washington to brief General Magruder, who still headed the Strategic Services Unit, a last vestige of the OSS just before the new Central Intelligence Group (CIG) was created under *General Hoyt Vandenberg.*[56]

One may reasonably entertain the idea that what General Magruder knew about the Golden Lily plunder, and the decision to use it as a covert system of finance, that his successor, General Hoyt Vandenberg *also* knew.

Why is this so significant?

Because Vandenberg served twice as the U.S. Air Force Chief of Staff, as CIA director, and, for our purposes, was the immediate superior officer to U.S. Air Force General Nathan Twining, head of the Air Force Air Material Command at Wright-Patterson Air Force Base in Dayton, Ohio. It was Vandenberg who ordered Twining to New Mexico in the wake of the Roswell incident, and it was *to* General Vandenberg that General Ramey reported on the Roswell incident. And of course, General Vandenberg was allegedly a member of the secret UFO study group, Majestic-12, or Majic-12.

The *other* more obvious connection to such matters we will deal with at the conclusion of this chapter. But there is another odd connection with Golden Lily, and this time it is to the Nazi’s counterfeiting scheme, Operation Bernhard.

b. The Golden Lily Connection to Operation Bernhard

In the worldwide network that Friedrich Schwend established to circulate Operation Bernhard banknotes in return for hard goods and currencies, one of his agents, codenamed “Laval,” was recruited for his extraordinary Asian connections. “Laval” had been a friend and advisor to Japanese General Terauchi.[57] Terauchi was the grandson of the Japanese general who had established the pattern later utilized in Operation Golden Lily in the plunder of Korea, and Terauchi himself was later the promoted to Field Marshal and given control of all Japanese forces in Southeast Asia, and thus, he was intimately involved in the Golden Lily plunder.

Why might this detail be significant?

Because by the time of Schwend’s heavy involvement with Operation Bernhard, the war had already begun to turn against the Axis, and thus what had started out as Heydrich’s industrial scale counterfeiting operation became part of the strategic evacuation plans of the Nazis for their postwar extra-territorial “state,” an enterprise that included the possibilities of collusion with their American counterparts.

It is perhaps here that the possibility of such collusion—as actually *did* emerge after the war in both cases—was planted in the minds of the Japanese military and intelligence elite.

c. Hidden Finance, Breakaway Civilizations, and ET

There is a final connection between the hidden financial system of the breakaway civilization, to the fraud that props it up, and to the wider implication that we shall explore in the remaining two parts of this book: outer space, and the problem of extra-terrestrials.

This connection is General Douglas MacArthur himself.

In October 1955, after his famous firing by President Truman during the Korean War, MacArthur, according to a number of UFO researchers, allegedly made the following statement in a speech to cadets at West Point: “The next war will be an interplanetary war. The nations of the earth must someday make a common front against attack by people from other planets.”[58] But according to an internet article,[59] the reality may be slightly different, for MacArthur did not apparently make any speech at West Point. MacArthur apparently made similar remarks, however, to the visiting Italian mayor of Naples, Achille Lauro, who visited MacArthur at his private residence in October 1955 in the Waldorff-Astoria in New York City. At a press conference the following day, Mayor Lauro briefed the press on what their conversation had been about. MacArthur “believes that because of the developments of science all the countries on earth will have to unite to survive and make a common front against attack by people from other planets,” the Mayor allegedly stated.[60] The *Chicago Tribune* picked up Mayor Lauro’s remarks to the press and reported on them under the headline “MacArthur Fears Space War.”[61]

But in his farewell speech to West Point in May 1962, General MacArthur *did* speak of planetary war, and even of a kind of technological, transhumanist future, outlining technologies that had, indeed, already begun to be investigated by terrestrial humans in their black projects:

> We deal now, not with things of this world alone, but with the illimitable distances and as yet unfathomed mysteries of the universe. We are reaching out for a new and boundless frontier. We speak in strange terms of harnessing the cosmic energy, of making winds and tides work for us, of creating unheard of synthetic materials to supplement or even replace our old standard basics; to purify sea water for our drink; of mining ocean floors for new fields of wealth and

> food; of disease preventatives to expand life into the hundreds of years; of controlling the weather for a more equitable distribution of heat and cold, of rain and shine; of spaceships to the moon; of the primary target in war, no longer limited to the armed forces of an enemy, but instead to include his civil populations; of ultimate conflict between a united human race and the sinister forces of some other planetary galaxy; of such dreams and fantasies as to make life the most exciting of all times.[62]

MacArthur, who helped oversee the creation of a hidden system of finance and its use for covert operations, would have also been in a position to know of its other uses, and as Allied and Axis warplanes increasingly encountered the strange and inexplicable over their skies, and as the American military in particular increasingly encountered similar strange and inexplicable things over its sensitive military installations, inevitably, in military thinking, a worst case scenario would have been conjured, a scenario of reconnoitering, advanced technology, and other intelligent beings. This would have been perceived as being as great a threat, if not greater, than the Soviet Union, and every effort would have been bent to find a source for the vast funding required to understand—and if possible, recreate—the phenomenon being witnessed, and—again, if possible—to engage it in covert operations.

But before we can consider all that, we must briefly pause to summarize where we have been.

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[1] Sterling and Peggy Seagrave, *Gold Warriors: America's Secret Recovery of Yamashita's Gold* (New York: Verso, 2005), p. 154.

[2] I am, of course, following the Western practice of giving the general's surname last, and not the Oriental one of his given name being last.

[3] Sterling and Peggy Seagrave, *Gold Warriors: America's Secret Recovery of Yamanshita's Gold* (New York: Verso, 2003), p. 2.

[4] Ibid.

[5] Ibid.

[6] Ibbid., p. 1.

[7] Sterling and Peggy Seagrave, *Gold Warriors,* p. 38. The Seagraves observe that the real impetus for Golden Lily came as a consequence of the Rape of Nanking, and it is at this juncture that the *Kempeitai* became even more heavily involved. As the Seagraves also point out, however, the pattern for Golden Lily was first perfected in the wake of the Russo-Japanese War of 1905 and the Japanese occupation of Korea.

[8] Sterling and Peggy Seagrave, *Gold Warriors,* p. 2.

[9] There have been persisting questions since the end of the war on whether Yamashita was justly charged for atrocities committed, apparently, without his knowledge or orders.

[10] Sterling and Peggy Seagrave, *Gold Warriors,* p. 3. "Santy" is, of course, a name that also pops up over and over again in conjunction with the various bearer bonds scandals, however, his story does not concern us here.

[11] See my *LBJ and the Conspiracy to Kill Kennedy: A Coalescence of Interests* (Adventures Unlimited Press, 2011), pp. 90-92, 211-217, and especially p. 135. Many JFK assassination researchers believe that in the famous photograph of the "three tramps" in Dallas being escorted by police officers, while a man passes by them in the opposite direction with his back to the camera,

that this man is in fact General Lansdale. See http://www.prouty.org/photos.html.

[12] Sterling and Peggy Seagrave, *Gold Warriors,* p. 3.

[13] Ibid. The Seagraves note that on Santa Romana's death in 1974, his personal "black gold" accounts were transferred to the control of Lansdale, who had by that time been retired from the CIA for more than a decade. As the Seagraves observe, Lansdale was most likely involved in a *private* intelligence and covert operations group.(see Sterling and Peggy Seagrave, op. cit., p. 8)

[14] Sterling and Peggy Seagrave, *Gold Warriors,* p. 3, emphasis added.

[15] I have, of course, outlined this collusion between the postwar Anglo-American financial and intelligence elites and the "Nazi International" in my books *The Nazi International: The Nazis' Postwar Plan to Control Finance, Conflict, Physics, and Space* (Adventures Unlimited Press, 2008), *Saucers, Swastikas, and Psyops: A History of a Breakaway Civilization: Hidden Aerospace Technologies and Psychological Operations* (Adventures Unlimited Press, 2011), *LBJ and the Conspiracy to Kill Kennedy*(Adventures Unlimited Press, 2011), especially pp. 48-53, 55-58, 151-172, 180-187, and my *Babylon's Banksters: The Alchemy of Deep Physics, High Finance, and Ancient Religion* (Feral House 2012), pp. 64-73, where I suggest a hidden motivation behind the early Bilderberger meetings was to coordinate the laundering and use of Nazi loot in western financial institutions.

[16] Sterling and Peggy Seagrave, *Gold Warriors,* p. 5.

[17] Ibid.

[18] Ibid.

[19] Ibid., pp. 3-5.

[20] Ibid., p. 4.

[21] Ibid.

[22] Ibid.

[23] Sterling and Peggy Seagrave, *Gold Warriors,* p. 6.

[24] This strange document, of which the author possesses a copy, has next to no bibliographical citation information, other than a very peculiar Library of Congress Catalog Card number, 66-60006, and a statement on the inside title page, stating “Facsimile Reprint, 1994, CMH Pub 13-4.” For purposes here, I shall cite simple “General Staff of Douglas MacArthur,” and the name and page number of the document.

[25] SCAP: Supreme Commander of the Allied Powers, i.e., General Douglas MacArthur.

[26] General Staff of General Douglas MacArthur, “Reports of General MacArthur: MacArthur in Japan: the Occupation: Military Phase,” p. 79.

[27] Ibid., p. 222, emphasis added.

[28] General Staff of General Douglas MacArthur, “Reports of General MacArthur: MacArthur in Japan: the Occupation: Military Phase,” p..223, emphasis added.

[29] General Staff of General Douglas MacArthur, “Reports of General MacArthur: MacArthur in Japan: the Occupation: Military Phase,” p.227.

[30] For those following the story of the banksters of the Middle Ages that I outline in my sequel to *Babylon’s Banksters,* the forthcoming *The Financial Vipers of Venice,* the Seagraves make a very intriguing statement: “We do not know how much was looted by Spain from the New World, because once it reached Europe most of it was passed on to the great European banking families, the Fuggers and Welsers, who had financed the conquest of Mexico and Peru. Whatever the Fuggers and the Welsers did with that gold they kept very secret.” (Sterling and Peggy Seagrave, *Gold Warriors,* p. 9).

[31] This collusion, as the Seagraves point out, remains a classified secret *to this day.* See *Gold Warriors,* p. 45. In this, it is the Pacific "mirror" of the similar arrangement that I maintain was the hidden purpose behind the early Bilderberger meetings on the European side of this story.

[32] One need only consider the allegation that "Long-time Citibank CEO John Reed" was mentioned as potentially "a key figure in the movement of Santa Romana black gold," (Sterling and Peggy Seagrave, *Gold Warriors,* p. 8), or the allegation that one former U.S. Deputy Attorney General was financially and professionally ruined for an inquiry into secret M-fund securities, while one former Secretary of State and General, Alexander Haig, allegedly went to Japan for the successful negotiation of one of these notes with a personal letter from President G.H.W. Bush (in itself yet *another* intelligence connection). (Ibid., p. 9). Additionally, the Seagraves note that there is a Golden Lily connection to the Nazi and Japanese atom bomb projects, for Imperial Japan made gold bullion payments to Nazi Germany in return for enriched uranium. (Ibid., p. 79.)

[33] Sterling and Peggy Seagrave, *Gold Warriors,* p. 50.

[34] Ibid., p. 172.

[35] Sterling and Peggy Seagrave, *Gold Warriors,* p. 51.

[36] Ibid., pp. 99-100. The Seagraves also point out that there is obfuscation with respect to the amount of Nazi gold plunder: "Washington's 'official' (public) figure for recovered Nazi gold still is only 550 metric tons. But Anderson knew better. One of his business associates saw photos in Anderson's office of an American soldier 'sitting on top of stacks of bullion that Hitler had stolen from Poland, Austria, Belgium and France. It ended up with the Allied high command and no one was allowed to talk about it.' the same source said he was taken to the

courtyard of a convent in Europe where 11,200 metric tons of Nazi looted bullion had been collected."(p. 96)

[37] Sterling and Peggy Seagrave, *Gold Warriors,* p. 100.

[38] Sterling and Peggy Seagrave, *Gold Warriors,* p. 100, emphasis added.

[39] Sterling and Peggy Seagrave, *Gold Warriors,* p. 121.

[40] Ibid, p. 121.

[41] Ibid.

[42] Ibid., p. 123.

[43] Ibid., pp. 123-124.

[44] Ibid., p. 125.

[45] Sterling and Peggy Seagrave, *Gold Warriors,* p. 125, emphasis added.

[46] Ibid., p. 127.

[47] Ibid.

[48] Ibid.

[49] Ibid.

[50] Sterling and Peggy Seagrave, *Gold Warriors.,* pp. 127-128. On page 129 the Seagraves point out an interesting financial possibility, namely, that by 1982, Japanese government debt had grown so large that it was impossible to pay outstanding bonds presented for redemption, and thus, a new form of paper was presented to the bond-holder which, given their unusual nature, could later be claimed to be completely fake, or, if the certificate holder were more "reliable", could be redeemed at a discount.

[51] Sterling and Peggy Seagrave, *Gold Warriors,* p. 130.

[52] Ibid., p. 149.

[53] Ibid., p. 147.

[54] Ibid., p. 148.

[55] Ibid.

[56] Sterling and Peggy Seagrave, *Gold Warriors,* pp. 95-96.

[57] Anthony Pirie, *Operation Bernhard,* p. 55.

[58] http://www.snopes.com/quotes/macarthur.asp.

[59] http://www.snopes.com/quotes/macarthur.asp

[60] Ibid.

[61] Ibid.

[62] General of the Army Douglas MacArthur, “Duty, Honor, Country,” May 12, 1962, http://www.au.af.mil/au/awc/awcgate/au-24/au24-352mac.htm.

5
Counterfeiting for Fun, Profit and World Domination: Conclusions to Part One

"I have always believed, and argued, that a true understanding of the Kennedy assassination will lead, not to 'a few bad people,' but to the institutional and parapolitical arrangements which constitute the way we are systematically governed. The conspiracies I see as operative, in other words, are part of our political structure. "

Peter Dale Scott[1]

"If we also consider the possibility of covert breakthroughs in propulsion technology, and the 'off the grid' nature of the deep-black world itself, we come to the possibility that we are dealing with, in effect, a 'breakaway civilization,' One with loose connections at various points to the open civilization of humanity, but with great independence, secrecy, and a monopoly of certain key scientific secrets. "

Richard M. Dolan[2]

If researcher Peter Levenda, when reviewing the "breakaway civilization" implications of the Nazi *SS Ahnenerbedienst,* the "ancestral research bureau" and "occult studies" department of the SS, could quip and call it a "humanities program. With guns,"[3] then the implications of all that we have uncovered in the previous chapters is that the breakaway civilization is in part "a banking fraud and counterfeiting scheme, with particle beams, lasers, grazers, anti-gravity, and covert operations."

Indeed, the previous chapters have exposed a vast system of industrial scale counterfeiting, a huge system of hidden finance, and accompanying financial fraud, based

upon the “official” central bank counterfeiting of “peculiar” securities. These securities in turn followed a standard pattern of being issued (1) in large denominations, and (2) in such a way that the design of the security itself was unusual enough that its issuing agency could subsequently deny its authenticity and proclaim it to be counterfeit if its holder was no longer deemed acceptable, or it could redeem the security at a tremendous discount. These securities in many cases claimed to be gold-backed, and the indications, as we have seen, is that the amount of gold in existence is probably much greater than official figures reflect. This gold, as the Bearer Bonds scandals strongly suggest, has been re-hypothecated over and over as a secret reserve to leverage vast funding for the hidden system of finance, a fact that, if it ever were to become popularly accepted or more rigorously and publicly demonstrated, would severely cripple the western system of finance. In short, when one considers that this vast and hidden system is connected both to a fraudulent and hidden system of bonds, to a vast amount of bullion possibly in excess of official figures, and to an international drug trade, then it becomes apparent that this system comprises a large segment of the world economy, and cannot easily be dispensed with without causing massive economic dislocation.

A. The Matrix[4] of Factions and Sectors

The pattern outlined in previous chapters also suggests a coordinated network of inter-relationships between various *sectors* and *factions* of the postwar elites. We note in this respect that on the “European” side of this network, a series of relationships developed during the war which were maintained after the war, between the American intelligence and military-industrial complex, and the financial sector, and the surviving corporate and Nazi elites, relationships we have detailed elsewhere.[5] On the Asian

side of the equation, this nexus—as indicated by the previous chapters with the role of General MacArthur in establishing the connections to the Japanese elite, and the maintenance of ties between that elite and the American side as revealed by the Nixon handling of the M-Fund—began almost immediately after the war.

Thus, the overall *factional* structure of this breakaway civilization, as indicated by its *financial* component, comprises three *general* groups:

1) An American component, represented by the interface between the corporate, financial, military, and intelligence-covert operations national security structure that we have seen in play, and particularly in chapter 4;

2) A postwar European-international Fascist or Nazi component, deeply interlocked with corporate and financial Europe, and as I have indicated elsewhere, with the criminal underground or Mafia drug trade;

3) A postwar Asian elite, comprised largely of the same nexus of relationships between the Japanese imperial family, the political and corporate elites of Japan, and a criminal underground.[6]

What is represented here is the post-war development of a *tri-lateral* structure in two ways: (1) it is tri-lateral in the *horizontal* sense of its utilization and involvement of Japanese, American, and Euro-fascist elements, which represent the continuity of ongoing geopolitical interests within the structure, and (2) it is tri-lateral in the *vertical* sense of (a) being at the pinnacle of power, and hence, its activities are beyond the scrutiny of the “public” world, but (b) each of its three main factions maintain and *must* maintain a connection to that world precisely because the parasitic system of finance outlined in previous chapters requires a connection to it through major central and prime banks; and (c) each of its three factions maintains their own individual connection to the *underworld* of international

organized crime and drug trafficking. The international character of this structure—with its Euro-Fascist, American, and Japanese components—will be *formally* acknowledged decades later by the establishment of the Trilateral Commission by David Rockefeller and national security advisor Zbigniew Brzezinski.

Additionally, we must recall that one of the crucial points of contact between this structure and the *public* world of finance was via the Vatican bank, and while we have not been able to explore the long history of relationships between that bank and the criminal underworld— *and secret societies*—this is an aspect of the structure that should be recalled. The Vatican Bank, briefly put, was connected to the Fascist Masonic lodge of Licio Gelli, *Loge Propaganda Due,* to the banking "career" of Mafia banker Michele Sindona, to the ratline operations smuggling Nazis and other European Fascists out of Europe, and, as we saw, was itself involved in industrial-scale securities fraud. Additionally, as the remarks of Eugene Cardinal Tisserant to Dr. Ledl suggested, the Vatican knew that the U.S.A. would hardly accuse the Vatican of counterfeiting, since the Vatican likely knew of the "breakaway civilization's" own industrial scale counterfeiting. Additionally, the Vatican was in a position to know the scope of Operation Golden Lily, since there were direct connections between Emperor Hirohito's personal accounts and the Vatican bank.

It is important, nay, crucial, to understand—particularly in coming chapters—that while the American component is obviously the dominating component in this structure, that each faction can and will pursue its own objectives and agendas independently. We are in short dealing with a kind of international Mafia—with satellites and nukes— with each faction represented "at the table," which factions can and do, when they feel their interests threatened, make war on the others.

When we turn to look at the *sectors* implied by the financial arrangements outlined in the previous chapters, the outlines suggested represent a kind of "American national-security apparatus" gone international, and comprising the following sectors:

1) The financial component (i.e. the central and prime banks);
2) The *corporate* component (i.e., the corporations *conducting the research* to be outlined in future chapters);
3) the intelligence and *covert operations* component, represented by the heavy presence of figures like Ed Lansdale in the financial activities outlined in previous chapters; and,
4) the military component.[7]

B. The Implications of the Bearer Bonds Scandals and the Axis Counterfeiting and Looting Operations

As is now apparent, the vast implications of the Bearer Bonds Scandals and the industrial scale counterfeiting of Operation Bernhard became *"officially" institutionalized* after the war by the issuance of fraudulent securities by the organs of governments and central banks themselves[8] as a component of covert operations. This suggests the following implications are possible, and thus, these implications themselves become *signatures of the activity of the breakaway civilization,* and hence, they will inform our investigations in the coming chapters:

1) the obfuscation of the amount of existing gold bullion allows the use of this gold as a secret reserve against which to issue securities of such a peculiar design that, on one level, they can be sold to large banks, and very wealthy individuals who will be convinced of their authenticity and redeemability, and on another level, the peculiarity of the design allows the issuing

bank or agency to claim that they are counterfeit *because* of those peculiarities, should the bearer attempting to redeem them not be acting according to the dictates of the breakaway civilization; additionally, the “security” can be redeemed at a discount, or, as we shall discover in Part Two, secretly called in and destroyed, and a legitimate security substituted to disguise the fraud that has occurred;

2) this secret reserve can be used as a basis for issuing *several different series* of these peculiar securities, in other words, this secret reserve can be, and I believe has been, *re-hypothecated several times over,* such that, in reality, there exist several different claims or liens against it. Thus, the secret reserve has *itself* been used fraudulently to leverage a vast money supply for the breakaway civilization.[9] This implies, as noted above, that this black system of finance has become an independent entity, enabling the breakaway civilization much greater independence, yet, paradoxically, it is now such a large portion of the world economy, that this ties the structure of the breakaway civilization more tightly than ever to that of the “overworld”;

3) The ability to leverage this vast hidden system was *dramatically increased* with the advent of computer-algorithmic high frequency-high volume securities and commodities trading, and, with software such as PROMIS and its derivatives, the secret system of finance and the trades supporting it can be monitored in real time;

4) Additionally, the capabilities alleged for PROMIS (and therefore for its derivatives and upgrades) would conceivably allow *legitimate* trading to be delayed for a few seconds or minutes while surreptitious use is made of someone else’s money to execute other trades, whose profits go into the ever-expanding war

chest of the breakaway civilization. These capabilities naturally extend to the possibilities for "counterfeiting" that *virtual* securities offer, such virtual securities could be sold, discounted, or—like their real paper counterparts—be declared counterfeit and deleted at will;

5) Such capabilities also give lie to the story heard initially after the tragic events of 9/11 that a large number of puts were placed on the market for the airlines involved, and that no one knew exactly who had placed these trades. Again, *the penetration of the financial sector by such software means that trades can be tracked.* As we shall see in part two, when such trades surrounding 9/11 are tracked, they lead inexorably once again back to institutions repeatedly identified as being connected to the various known factions of the structure of the breakaway civilization;

6) Yet another implication of what has been examined in previous chapter is that *anomalous trades, or political statements, or both in advance of a major event of any nature indicates a signature of the breakaway civilization.* This is *particularly* true if such trades or political statements precede a "natural" event that directly affects the institutions or nations indicates by the trading or political statement. If for example, a politician representing *one* faction within this structure, makes threatening statements to *another* faction within this structure, and a few days later, that other faction is hit with earthquakes, tsunamis, hurricanes, tornados, or so on, it is a clear signature of a possible technology in play. If these types of events are preceded by anomalous *trading* activity affecting the faction in question, it is even more plausible that a hidden technology is in play. This formula—(1) message and/or trading activity, followed by (2) a "natural event" of catastrophic proportions—is, as we shall see in parts two and three, a signature of the

breakaway civilization's activities and covert wars. And it is quite the crucial point to note that this formula or signature of a psychological warfare and covert war *is a component or standard methodology regardless of the target in question, whether the intended target is on this planet or not.*

7) A final and crucial implication of the Bearer Bonds Scandals is the implications of the postwar collusion between the American and the former Axis components of this structure. It is evident that, given this structure, *all three factions* will be privy to the knowledge of the hidden system of finance, and to the scale of the fraud involved, even though it is *principally the American component committing it.* As suggested in the previous chapters, *not all the Nazi or Japanese loot* was independently recovered by American intelligence efforts, and thus, for the American component to make use of that unrecovered plunder would have required the collusion and partnership of the former Axis enemies. This cooperation would have come with what the bankers call "conditionalities," or as we saw in the previous chapters, their plunder would have been made available only on the basis of earmarking it for specific purposes. Violation of those purposes would—as in the Mafia—called for responses by the factions involved. The implication of all this is that the Bearer Bonds Scandals, which seem to have occurred with a regularity and frequency within a year of the massive bailouts passed by the U.S. Congress that is peculiar, suggest that one or more factions privy to the fraudulent and hidden system of finance were threatening to expose the whole structure.

In short, this hidden system of finance that we have outlined is that of the breakaway civilization. It is in my opinion the secret source of black budget funding for all the black

projects and research and weapons, and fundamentally, for the technologies that may already have taken some small segment of humanity into interplanetary space. It is a source of funding of sufficient scale that one would expect for such a vast imperial enterprise, for it is utterly free of any constraints of governmental or “overworld” oversight.

If the reader is having difficulty wrapping his or her mind around such a notion, then perhaps the question may be rather differently stated:

Do you really believe the Pentagon pays for all those black budget projects with nothing but simple accounting tricks like $25,000 toilet seats and $8,000 wrenches? . . .

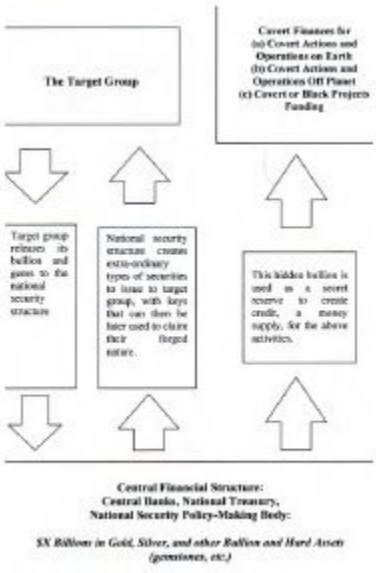
But let us return for a moment to another implication:

Lord Blackheath’s comment on £1,000,000,000 of IRA money implies that the finance of terrorism is (1) synthetic and (2) so large that terrorist “finance” is inextricably woven into the world financial structure to the extent that an end to the war on terror could only come about with an end to the current global financial system.

A hidden system of finance for a breakaway civilization implies something else: so long as the need for secret research continues, then so long will the need to maintain a fraudulent system of finance to support it, by force of arms if necessary. This implies, bluntly, that a move to a “full or free” market or open system of money—whether it be the fiat system of debt free money, or a bullion standard—is an impossibility, since such a system would compromise the integrity of the secrecy of the technologies being developed; to put it succinctly: secret technologies cannot be financed by non-secret and open sources of funding. To put it even more succinctly: the technologies of “science fiction” *require* a system of “fictitious” or fraudulent, financing, at least in so far as the breakaway civilization has any need or necessity to maintain its connections and interface with the “overworld” society.

This insight suggests a consequence to the *structure* of the breakaway civilization, namely, that the financial oligarchy, while necessary to the interface of the breakaway civilization, *is not necessary to its inner core,* and, as the facts outlined in this part of the book—and particularly in chapter 4 suggest—the private international bankers are probably at the whim of the technocrats they have surrounded themselves with, for these, in turn, command the technologies that monitor their legitimate, and illegitimate, financial activities. They are influential, but no longer *primus inter pares* of the factional structures composing the lattice network of the breakaway civilization. To place this point somewhat differently, and more directly in the context of what are the deep implications of the Bearer Bonds Scandals, the very act of defrauding the corporate or individual super-rich, and obtaining legitimate letters of credit from their banks, by means of scams such as the Bearer Bonds Scandals, means that they are no longer in total or complete control. Factional infighting, in other words, can break out not only among the European, American, and Japanese *factions* of this structure, but also between its *financial and technocratic* components as well. Such influence as the old financial oligarchs are able to retain, they are able to do only by dint of the fact that the implicit blackmail and pressure that knowledgeable technocrats posses and hold over them, will not be used; it is, in short, a structure resembling the Mafia, writ large: every “family” or faction “has something” on every other faction; it is the detente or truce of the sword, and thus, a self-perpetuating system in its corruption, and a system of perpetual conflict.

How does all this work? Consider the following diagram of the structure implied by the Bearer Bonds scandals as a kind of summary of the structure we have been surveying:



What this diagram suggests is that, with the *direct* military and intelligence recovery of Axis loot, and with the *direct* contact that these sectors had with their corresponding Axis counterparts at the end of World War Two, that the old monopoly of the central banks was broken. A *new player* had emerged on the financial stage, and this new player was the “national security apparatus” which, with its access to hidden reserves of plunder, and with corresponding access to the engraving plates of the currencies and securities and to the corporations *designing* such securities, was able to penetrate its own central and prime banks and issue such securities either with or without their knowledge and cooperation, though as we have seen, the involvement of high power Wall Street lawyers like John J. McCloy and Allen Dulles strongly indicates that this was done with the knowledge and consent of the high financial power.

As we turn now to consider the *covert operations* of this breakaway civilization, and the technologies at its disposal, it will become even clearer that we are, indeed, not dealing with just a cabal or a conspiracy, but precisely with a breakaway civilization in Mr. Richard Dolan’s sense, and that implies, as we shall discover in Part Three, that while the scale of its terrestrial covert and psychological operations

and wars are immense, their major concerns may not lie on this planet at all.

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[1] Peter Dale Scott, *Deep Politics and the Death of JFK* (Berkeley: University of California Press, 1996), p. 11.

[2] Richard M. Dolan, *UFOs and the National Security State,* Volume One, *The Cover-Up Exposed, 1973-1991* (Keyhole Publishing Co., 2009), pp. 564565.

[3] Peter Levenda, *Unholy Alliance: A History of Nazi Involvement with the Occult* (Avon Books, 1995), p. 152.

[4] In calling this a matrix, I do deliberately have in mind Carroll Quigley's matrix analogy, and as well, the mathematical one.

[5] See my *SS Brotherhood of the Bell* (Adventures Unlimited Press, 2006), pp. 75-79, *The Nazi International* (Adventures Unlimited Press, 20009), pp., 377-390, *Babylon's Banksters* (Feral House, 2010), pp., 45-75; *LBJ and the Conspiracy to Kill* Kennedy(Adventures Unlimited Press, 2011), pp. 55-58,151187;, and *Saucers, Swastikas, and Psyops* (Adventures Unlimited Press, 2011), pp. 141-175.

[6] We have not delved into the relationship of Operation Golden Lily and the Japanese imperial, corporate, and political elites to the Yakuza and its conduct of the drug trade during the war. For this matter see Sterling and Peggy Seagraves, *Gold Warriors.*

[7] In respect to these points, see also my *Saucers, Swastikas, and Psyops,* pp. 142-143.

[8] We have noted, in this respect, the *implications* of the Bearer Bonds scandals for American securities by noting repeatedly the principle that one does not counterfeit was does not really exist, nor does one counterfeit

something that cannot be redeemed, even if only at a great discount. We have noted the *specific* example of Prime Minister Tanaka's "57s notes" in Japan, and in part two of this book, we will present further evidence of this principle being followed on a massive scale with respect to American securities in conjunction with an exploration of the breakaway civilization aspects of 9/11.

[9] In an interview with me on her internet radio show, Catherine Austin Fitts made the comment that this was a kind of "leveraged buyout of the world" and functioned as the hidden financial basis for an already established, but still hidden, world government. (Solari Report, Sept 6, 2012. It should be noted that this interview is available to subscribers of her website).

PART TWO:
TECHNIQUES AND TECHNOLOGIES:
WAGING, AND CONCEALING, COVERT WAR,
OR:
HOW TO WAGE TOTAL WAR WITH TOTAL PLAUSIBLE DENIABILITY

"The covert securities used to accomplish the original national security objective of ending the Cold War ended up in the vaults of the brokers of the World Trade Center, and were destroyed on September 11, 2001. They came due for settlement and clearing on September 12. The federal Agency investigating these bonds—The Office of Naval Intelligence—was in the section of the Pentagon that was destroyed on September 11. To a key group of senior National Security officials who had participated in the victory of the economic cold war in 1991, the WTC, the Pentagon, the four airliners and their occupants would (become) 'collateral' damage in the ending of the Cold War. Their deaths were required to hide the existence of the Black eagle Trust, and the covert activities it had funded for over 50 years. The alternative view of these events suggests that the destruction of these lives and buildings constituted a cover-up of continued lawlessness by a fraternity or brotherhood of businessmen and criminals often referred to as 'the Enterprise' in the 1980s, but has remained in the shadows since."

E.P. Heidner,

Collateral Damage: U.S. Covert Operations and the Terrorist Attacks on September 11, 2001,
http://www.wanttoknow.info/911/Collateral-Damage-911-black_eagle_fund_trust.pdf

6
THE MATRIX OF MAYHEM AND MURDER: COVERT OPERATIONS, COVERT FINANCE, HIDDEN WARS AND 9/11

"Khrushchev was furious, yet he tried to give Eisenhower latitude in disclaiming any knowledge of the incident. He stated that (Francis Gary Powers') U-2 flight may have been the work of 'American aggressive circles' trying to 'torpedo the Paris summit, or, at any rate, prevent an agreement for which the world is waiting.'"

Jim Marrs[1]

Every now and then, Hollywood releases movies that allow people to see portions of "the inside story," albeit in fictionalized form. I have pointed out elsewhere, for example, the uncanny Hollywood depiction of the two space programs hypothesis in films such as the James Bond *Diamonds are Forever,* or *Capricorn One,*[2] or George Lucas' epic *Star Wars* series with its depiction of ancient Cosmic Wars and exploded planets, metaphors of things recounted in ancient texts and of astronomical events in our own celestial neighborhood.[3]

The same could be said for the well-known *Die Hard* movies, starring Bruce Willis, and in particular, the movies *Die Hard* and *Die Hard with a Vengeance.* In the first movie, Willis, who plays New York police detective John McClain, encounters an international group composed largely of Germans (with an American, and even what appears to be an Asian or Latin American) laying siege to a high rise office complex owned by a Japanese corporation, all for the purpose of robbing its high security vault which is full of hundreds of millions of dollars in U.S. bearer bonds. This international group's leader, Hans, portrayed in suave, sophisticated ruthlessness by British actor Alan Rickman,

has planned things so well that the FBI's own counter-terrorism playbook— which apparently he has access to—is used against the besieging law enforcement officers and agents in order to effect the robbery. Additionally, the movie makes it clear that Hans is the leader of an international terror cell . . . of Germans. McClain of course beats the wily Hans, who plunges to his death from the high-rise office building as the bearer bonds he was attempting to steal flutter down around him.

After an interlude in the second movie where a corrupt Latin American general and dictator employs American special forces to free himself from impending drug running charges(which has its own odd relevance to the story of the breakaway civilization as we have noted), McClain is confronted in the third movie once again by a well-armed, well-trained group of Germans(veterans apparently of the German military) and other "Central Europeans," who are led by the deceased Hans' brother, who leads McClain on a wild-goose chase chasing bombs planted around New York City, while he and his band of Central Europeans literally rob the New York Federal Reserve Bank of all of its gold bullion. *Die Hard with a Vengeance* had to be delayed in its release because the attacks of 9/11 had just occurred. Here, again, we shall see how the movie has odd resonances to an underlying and little known financial aspect to the attacks on the World Trade Center.

Germans, and German-led international terrorist networks and special forces turned robbers. The New York Federal Reserve Bank. Gold bullion. Bearer bonds. Japanese.

The pattern is, by now, familiar and rather obvious.

The roots of it, however, are not so well-known and obvious, and while we have in the previous section of this book, outlined how the hidden system of finance originated, and in the preface surveyed the Cold War geopolitical matrix in which covert operations emerged, it is essential to understand in a more detailed fashion the purposes for

which this system was deployed, for in *that* historical review, undertaken here, the connections between covert operations on the one hand, and advanced technologies, space, and UFOs on the other, slowly emerge. The interface is, once again, finance, and the players who moved in and out of the worlds of covert operations, banks, and black projects.

A. The Three Phases of the Institution of the Hidden System of Finance for Covert Operations

1. General Ed Lansdale and Frank Wisner

In part one we reviewed the landmark research of Sterling and Peggy Seagrave into the use of the Japanese Golden Lily booty to establish a secret hidden system of finance for covert operations with President Truman's full knowledge and authorization, making covert operations a semi-permanent feature of postwar American statecraft, and making the structure itself a vital component of the military-industrial complex. But there is more to the story, and that "more" consists of the interface between this structure and the postwar "Fascist" or "Nazi" International. In part one we noted, for example, the crucial role of Captain (later General) Ed Lansdale.

As we saw in the Preface, the National Security Council in 1948 established on its own authority the Office of Policy Coordination, whose job it was to plan and carry out covert operations under the direction of its chief, Frank Wisner.

Frank G. Wisner (1909-1965), Head of the Office of Policy Coordination

As we shall discover momentarily, it was Wisner's idea not only to employ this vast supply of Nazi and Japanese plunder to retain and supply postwar Nazi and Fascist terrorist cells in Europe, but to siphon funds *directly* from the Marshall Plan to do so.[4] This point cannot be lingered over too long, for it tends to corroborate my suggestion made elsewhere that one of the purposes for the meetings of the early Bilderberg group was to coordinate this financial activity between the Anglo-American bankers and corporate and intelligence oligarchs, and their European Fascist counterparts.[5]

Significantly, after having discovered the Yamashita Gold and briefed General MacArthur and later President Truman on its existence, Lansdale was transferred to the U.S. Air Force by none other than General Hoyt Vandenberg, the U.S. Air Force Chief of Staff,[6] a name with its own deep connections to the UFO phenomenon as we have already seen. Lansdale attended the Strategic Intelligence School of the U.S. Air Force in Colorado for a few months,[7] before being transferred to Wisner's Office of Policy Coordination at the CIA, which reassigned him *back* to the Philippines,[8] where he doubtless continued to oversee recovery of the Golden Lily loot.

These are important points to pause and ponder, for they indicate that, in this one man, General Lansdale, all the significant areas of the breakaway civilization structure converge upon a common intersection, for Lansdale was involved in

(1) the establishment of the secret system of finance;

(2) he was directly involved in Wisner's covert operations group;

(3) Additionally, via his connection to the U.S. Air Force, via his training in strategic intelligence, and via his association with General Vandenberg, he has a connection with those echelons of the military command structure most directly involved in the confrontation of the UFO phenomenon and therefore dealing ultimately with technological projects designed to understand and emulate it; and finally,

(4) Lansdale soon came to the attention of Eisenhower's Secretary of State, John Foster Dulles, and his CIA-Wall Street lawyer brother, Allen Dulles, and with this, Lansdale is directly interfaced with the very top echelon of intelligence and Wall Street connections.[9]

Put differently, Lansdale embodies that "coalescence of interests" that combined in the assassination of President Kennedy.

2. The First Phase: The 1934 "Morgenthaus" and the Deal with Chiang Kai-Shek

Additionally, the Seagraves suggest something else of crucial importance, namely, that this hidden financial-covert warfare structure went through at least three distinct phases of evolution. The first phase appears to be *prior* to any involvement of the future Axis Powers and their plunder from Europe and Asia, when American officials apparently struck a deal with Nationalist Chinese Generalissimo Chiang Kai-Shek, to physically store China's gold, in return for the

issuance to Chiang and his cronies a number of dubious “securities”, which bear the now familiar pattern of having been deliberately issued in such a way as they could be subsequently denied as authentic.

This gold, apparently some 1,665 metric tons, was loaned to the Federal Reserve “in exchange for *Federal Reserve* bonds.”[10] Again, the implications are enormous, for under the conditions of normal operations, the Federal Reserve does not issue bonds, the U.S. Treasury does, and thus, the issuance of such bonds indicates that the private central bank is entering directly into the process not only of creating a hidden system of securities, but doing so as a matter of “foreign” policy of its own. These were, apparently, the now infamous 1934 Gold-backed Bearer Bonds, with the signature of then U.S. Secretary of the Treasury, Henry Morgenthau, issued, according to some, *without* his knowledge.[11]

However, there is another side to the story that suggests that this was a part of a long-term financial strategy undertaken in anticipation of the coming World War, and its aftermath, an aftermath that would leave the USA as the dominant global power:

> Not everyone was convinced that the United States was the safest place for their gold, least of all Asians who had an ancient distrust of governments and banks. (Franklin D. Roosevelt) and his advisors understood that in South Asia, East Asia and the Pacific, a lot of gold was held by Overseas Chinese individuals, family associations, and trading networks; by local warlords and criminal syndicates; by wealthy Indians; by Buddhist sects; by Dutch, French, Portuguese and Spanish colonial families, and by the Catholic Church, which had dominated the Philippines for four centuries. Large quantities of gold had been moved out of Europe for safekeeping during World

> War I, and during the Spanish Civil War, and were sleeping in vaults in the Philippines.
>
> Wealthy Chinese families, victimized by dynasties and warlords for thousands of years, held their precious metal in secret places, or in banks they owned or controlled in Manila, Hanoi, Bangkok, or Singapore. They expected Japan's conquest to spread south to the islands.[12]

Through various intermediaries in the Philippines, these then combined their resources, and approached Morgenthau offering to sell him "1,665 metric tons of gold."[13] Here we at last arrive at the heart of the Bearer Bonds Scandals, and of the involvement in the Spanish Bearer Bond case, of the Federal Reserve Bank of Chicago, for having sold this gold to the Federal Reserve,

> . . . they would be given 250 separate Federal Reserve bearer bonds, each in a $100-million denomination. So at the time of issue in 1934 this transaction had a total face value of $25-billion. But, on maturity after thirty-two years—i.e. after 1966—the 250 bonds could be redeemed for a total of $100-billion. Instead of an outright purchase, the gold was being acquired by the Federal Reserve Bank in Chicago, as a loan, paying slightly over $10 an ounce (half of the existing private gold price) in return for interest over thirty-two years that would result in a total of $100-billion at maturity.[14]

In other words, it was simply state-sponsored and private central banking grand larceny, for "Because the (Federal Reserve) is a private banking cartel, whose books are not open to the public, it is impossible to know precisely how much gold was acquired in the 1930s."[15] The situation is so bad that, as the Seagraves point out, that

> A journalist at the *Financial Times* told us: “It has now reached a point where you can go into one of the big banks in New York, London or Zurich, give them half a metric ton of gold in return for a certificate of ownership, walk around the block for ten minutes, re-enter the same bank and they’ll deny ever seeing you before, and have you arrested for presenting them with a counterfeit certificate.” He was not joking.[16]

In any case, the bearer bonds received by the intermediaries were parceled out into banks in Switzerland, Chile, and Argentina.[17] The significance of this connection does not, of course, have to be emphasized, for it is precisely these countries which also played the key role in the interface between the Nazi elite and its Anglo-American counterpart both before, during, and after World War Two. The secrecy surrounding these gold transfers and the Federal Reserve’s own secret books makes it entirely possible that this secret gold reserve was rehypothecated several times over, creating an enormous hidden system of finance, and making it possible to launder these activities behind a variety of government backed securities of a more legitimate nature.

3. The Postwar Phase: The Transitional Mingling of Bankers and Covert Operations Offices

It is in the next phase that we detect a crucial development beginning to occur: the more direct mingling of the covert operations aspect of intelligence, and the financial area. This phase began after the ouster of Philippine dictator Ferdinand Marcos by the Reagan Administration for his part in attempting to access this hidden tier of finance directly and for his own purposes.[18] Marcos’ ouster permitted the original Philippine participants and intermediaries to begin to attempt to recover the Federal Reserve Bonds.[19] It was at this juncture, the

Seagraves observe, that some of the Bearer Bonds Scandals broke, with people claiming to have recovered some large denomination Federal Reserve Bonds and several Federal Reserve notes of large denominations from American plane crashes in the Philippines that occurred in 1948, a story, of course, denied by the U.S. Government and the Federal Reserve. Not so, say the Seagraves:

> According to reliable sources who visited the wrecked aircraft and recovered the dog-tags of the crew, the truth is as follows: In May 1948, four U.S. Air Force planes on their way from California to Malaysian Borneo, refueled at Clark (Air Force Base) just north of Manila, then continued on their way toward Borneo. A typhoon that had been brewing in the western Pacific moved directly into their flight path, and all four planes crashed into the mountains of Mindanao. In the doomed flight were B-29 Superfortresses of the type that had dropped atomic bombs on Hiroshima and Nagasaki, plus a new modified version of the same plane called a B-50, and a much smaller twin-engined B-26. The lead B-29 had the serial number 7695132. Among the dead on board were General Frank Reagan, Colonel John Reagan, and crewmen named Colling, Dalton, Johnrey and Withor. The two B-29s were carrying thousands of (Federal Reserve notes) and (Federal Reserve bonds), *in boxes from the Chase Manhattan and Wells Fargo Banks.*[20]

What were these planes doing carrying chests full of so much money and securities?

> Professor Richard Aldrich of Nottingham University, co-editor of the journal *Intelligence and National Security,* described the strategic situation in 1948 in testimony before a British court in 2003: As Chairman Mao's forces advanced through China in 1948, Dr.

> Aldrich said, Britain and the U.S. dreaded the prospect that one of the world's largest stocks of gold—worth $83-billion at current prices—would fall into communist hands. So it was decided to extract the gold reserves from China before the communists could seize them. The CIA provided the means for this bullion rescue mission, flying in B-29 bombers disguised in the livery of (General Clair Chennault's Civil Air Transport [CAT]), later renamed Air America. CAT flew numerous missions to bring huge shipments of gold out of Mainland China.
>
> Where did the (Federal Reserve notes) and (Federal Reserve bonds) fit in? Professor Aldrich said they may have been used "for persuading managers of major banks in the interior of China to part with their vast stocks of gold." Printing (Federal Reserve notes) and (Federal Reserve bonds) with a face value much greater than that of the gold they were to replace, he said, served to encourage the banks or wealthy individuals to swap their gold for the bonds and notes, which would be easier to hide and later smuggle out of China to be cashed in the West. *As Aldrich said, the U.S. almost certainly had no intention of honouring them anyway.*[21]

So why print bonds in such enormous denominations and quantities, and Federal Reserve notes in such large quantities? Aldrich speculated that one reason was to avoid the possibility of operational loss—such as airplane crashes—and that another reason was that the Chinese banks receiving these notes and "securities" would have been aware they "were likely to be redeemable for only a proportion of their face value. Therefore a much larger value in (Federal Reserve Notes) would have been required than the total value of the gold that the Americans and Chinese Nationalists were trying to extract from China."[22] The problem for the official American government and Federal

Reserve story that all these bonds and notes are fake, is that Professor Aldrich is insistent that the bonds and notes being flown to China were entirely legitimate.[23]

The problem, however, is not only that one is dealing with legitimate securities issued with no intention of ever redeeming them—which constitutes state-and-central bank-sanctioned fraud—but that these securities and notes were all printed by the U.S. Bureau of Engraving and Printing, where, at that time, the CIA maintained an office "occupied fulltime in such activities, according to a CIA source we interviewed who worked there for years."[24]

In other words, the ultimate "movers and shakers" in establishing this hidden system were *not* the bankers of the Federal Reserve, but rather, the Cold Warriors in the intelligence establishment. In fact, during the Reagan Administration, the method we saw first being used in Operation Bernhard, and which we discovered in our review of the Bearer Bonds Scandals, was being repeated as part of a vast covert operation, part of which was being done in an effort to de-legitimize *all* such issues of bonds, and to re-hypothecate the Federal Reserve's gold bullion reserves *yet again:*

> Curiously, it was also in 1986 that the Federal Reserve decided to recast all the gold bars in its vaults, changing "good delivery" bars from traditional rectangular ingots into trapezoidal shape. Why this was done was never satisfactorily explained, but it allowed the Fed to change the hallmarks, serial numbers, and all other identification, which included re-papering and earmarking, effectively erasing all record of ownership of many thousands of tons of gold in its different vaults.[25]

Needless to say, such a procedure would be the perfect means to create *several* issues of such "fake" gold backed bearer bonds, and in my opinion, this is the likely

explanation for why there are such enormous sums of them in existence; all it would take is numerous re-meltings, re-castings, new documentations, for each such issue of faked securities. Again, one does not counterfeit what does not exist.

But what of all those extant Federal Reserve Bearer bonds and notes? Simple: according to the Seagraves, the CIA was engaged in massive counterfeiting:

> A large number of Fed bonds and gold certificates were printed at the Bureau of Engraving and Printing, on the wrong type of paper, with a comic variety of deliberate errors.

(Remember Prime Minister Tanaka, and his “57” bonds?)

> Many were engraved with the wrong faces, the wrong mottos, the wrong designs, the wrong signatures. Some were even engraved and printed in traditional Chinese characters. This would be a hilarious disinformation campaign, flooding Asia with blatant forgeries, to make the whole idea ridiculous. It would cut the legal legs off anyone trying to redeem legitimate gold certificates or legitimate Fed bonds. They could be laughed out of court.
>
> Special engraving plates were sent to Manila where the CIA already had presses to run them off. To confuse the issue in Mindanao, where the planes had crashed, two “missionaries” set themselves up with high-tech presses saying they were going to print Bibles, but instead ran off conspicuously bogus Fed notes and bonds, which added to the impression that they were all false.[26]

In other words, one has the *original* 1934 operation, in which securities and notes were issued with no intention of redemption (fraud), and a *second* operation, ca 1948, with

direct CIA involvement in issuing “securities” with errors (counterfeiting *and* fraud), and a *third* operation of industrial scale counterfeiting as a disinformation campaign during the mid-1980s under the Reagan Administration to deflect attention away from the first two fraud and counterfeiting operations by creating an enormous counterfeiting operation!

No wonder Eugene Cardinal Tisserant could glibly dismiss concerns that the Vatican would be implicated in securities fraud for employing Mafia counterfeiters by the U.S. Government! Indeed, the Vatican already *knew* of the theft of gold and the use of hidden funding that it enabled, since its bank had helped funnel such funds:

> In postwar Italy, CIA agent James Jesus Angleton recovered Ethiopian treasure plundered by Mussolini’s forces. Instead of returning this loot to the desperately impoverished Ethiopian people, it was appropriated by the CIA and used to finance pro-American and anti-communist candidates in Italy’s 1948 elections. In addition, the Agency raised a great deal of money in Europe from the sale of surplus U.S. war materiel, and gave this money to the Vatican, earmarked explicitly for the war on communism in Italy. The Agency then arranged for the Pope to provide 100-million lira from this personal account to back the anti-communist ticket during the elections. This comes as no surprise because it is now known that the Vatican bank sheltered Hirohito’s assets and Nazi assets during the war. It is also one of the 42 countries to which . . . the recovered Golden Lily bullion was shipped during 1945-1947.[27]

Putting all this together, one may reasonably conclude that the *driving* force in the establishment of a global system of hidden finance, and of the fraud needed to sustain it, are the postwar intelligence interfaces of the West, and at its

core, the intelligence complex of America. It is only a small step from the detente and co-existence and coalescence of this banking-intelligence nexus, to the possibility that the intelligence component can break completely from its financial overlords, and begin to draw financial matters into its own, and very independent, hands. This possibility becomes a frightening reality in the next phase, as we shall now see, and with it, another peculiar synchronicity with the UFO side of the breakaway civilization emerges.

4. The Independent, or Rogue Phase: Indications of the Break of the Breakaway Civilization

In the wake of President Nixon's resignation in 1973 after the Watergate affair, many of the covert operations Old Guard in the CIA— General Lansdale among them—were pressured into resigning. But gone is not forgotten, nor, inactive. These men, including Lansdale, then sought to gain *direct* control over the accounts that had been set up on the basis of the Axis loot, in order to establish their own private covert operations, intelligence systems, and mercenary armies.[28] What had *begun* as a rogue operation now had yet *another* rogue element within it. This was the era -from Nixon's fall to the years of the first and second Reagan Administrations—that saw precisely the vast expansion of private corporate intelligence and securities firms, often working in direct para-political fashion in conjunction with the U.S. Government and its various defense contractors.

But there is something else to be noted about this time period as well, and these two things, I believe, are significant and hardly coincidental: it was in this *same* approximate time period that, according to some of the Cooper-Cantwheel Majestic-12 UFO documents, the secretive UFO study group known as MAJIC-12 or Majestic-12 was privatized by President Nixon, and turned over to the corporate world with its own system of big money behind it, in the year 1969.[29] These documents state that Nixon was

actually blackmailed into his eventual resignation by this group.[30] Given the nexus that we have thus far uncovered between the covert operations wing of U.S. intelligence, the hidden system of finance, and ultimately via Lansdale and his Air Force connections to the UFO issue, the possibility emerges that we are looking at the beginning of the real "break" of the breakaway civilization with its overworld interface ca. 1969. By the time of the emergence of the *privatized* covert operations nexus under the Reagan Administration, as represented by the entire Iran-Contra affair, the covert operations arm is acting more or less independently.[31] Put differently, it surely is not, in my opinion, coincidental that the UFO arm "breaks" from the direct connection to the government circa the same period as the covert operations arm breaks with it, and this is suggestive evidence that these two components were indeed part of the same occulted structure from the outset of the postwar period. This occulted and emerging breakaway covert warfare component called itself "The Enterprise."[32]

In this respect, the Seagraves—without realizing the connection to the entire world of secret technological research, black projects, and UFO study groups—make a significant statement: "We reproduce letters from members of The Enterprise network, describing how they intend to use recovered Japanese war loot to set up a private FBI-style security force to police the American public, "and *a separate military-industrial complex controlled by us.* "[33]

But again, we are dealing with vast sums of money over a prolonged period of time, and we have argued that this hidden system of finance and fraud was to fund two basic activities: covert operations and warfare, and black projects research. So before turning to the latter, we must first examine the covert warfare operations themselves, from the point of view of ascertaining an answer to this question: Can all of the known covert operations of the West, taken

together, account for all the vast sums of money—in the trillions of dollars[34]—or is some other activity needed to explain such a vast system of industrial scale counterfeiting and fraud?

B. A Brief Review of Western Covert Operations: NATO, Nazis, Fascists and "Terrorism"
1. A Catalogue of Created Crises

A brief glance at the extent of the covert operations during the postwar period, in just Europe alone, will give the reader some idea of how truly vast the extent of this activity really is, and by implication,[35] how truly large the required funding for it would of necessity have to be. It is now known that in one way or another, covert operatives of the West were behind the following postwar "terrorist" events:

1) The numerous attempts in the late 1950s and early 1960s to assassinate French President Charles DeGaulle by officers of the *Organization Arme Secret* or OAS, which had ties to this covert operations structure through the Gehlen Organization, the American CIA, and NATO headquarters (then located in France) via the various front companies associated with *Centro Mondiale Commercial* and the Permindex Corporation;[36]
2) the manipulation of the 1948 Italian elections by the CIA and the Vatican to ensure an anti-Communist victory;[37]
3) The kidnapping and assassination of Italian premier Aldo Moro;[38]
4) The various incidents associated with the German Baader-Meinhof gang;[39]
5) The 1980 bombing at the Munich *Oktoberfest*[40]
6) The overthrow of the Greek government in 1967 and the installation of a military junta;[41]

7) The 1956 Hungarian uprising against the Soviet bloc, sponsored by Frank Wisner's CIA Office of Policy Coordination, both of which we shall be learning more about momentarily;[42]

8) The 1979 bombing of the Bologna bank and train station, and the associated Vatican Bank scandals, the notorious scandal over Licio Gelli's crypto-Fascist *Loge Propaganda Due* Masonic Lodge, with spill-overs to the Mafia, Michele Sindona, and the death of Italian banker Roberto Calvi under London's Blackfriars' Bridge;[43]

9) The 1954 overthrow of Mossadegh in Iran and the installation of the pro-big oil, pro-Western Shah Reza Pahlavi;[44]

10) The 1973 overthrow of Salvador Allende and the installation of Augustin Pinochet in Chile;[45]

11) The assassination of South Vietnamese President Diem and the installation of General Nyugen Thieu;[46]

One could go on and on, and to this list, one could also credibly add the Norwegian shootings and Oslo bombing, the strange connections of Anders Breivik to this structure;[47] and one would *have* to add: Iran-Contra, and probably Waco and the Oklahoma City Bombing, and finally, the events that for most Americans define the connection to this underground breakaway civilization structure: the assassination of President John F. Kennedy,[48] and as we shall discover later in this chapter, 9/11 itself.

2. International Covert Operations as the "Military Arm "of the Breakaway Civilization: The Fascist Culture, and the Nazi and American Cores

This postwar covert operations structure is composed of two levels: the national covert operations "Gladio" cells themselves, maintained by each member nation of NATO,

and the international supervisory superstructure of NATO itself, along with the national intelligence agencies which, by dint of their close interface with each other, give rise to the potential for an international intelligence network existing inside of—and to a degree independently of—each of the national intelligence structures of the member nations. Daniele Ganser observes that in the immediate postwar period the core of these covert operations units were comprised of the stay-behind guerilla warfare units organized by the collapsing Nazi and Fascist regimes:

> “The setting up of Stay-Behind organisations of the NATO countries started already shortly after the end of the Second World War,” the official German government report on the stay-behind confirmed in 1990. After the defeat of Germany in 1945 the chaotic post-war conditions were ideal for the United States to set up a stay-behind. As occupying power the US armies controlled the territory together with the French, British and the Soviet forces in their respective zones. Above all the supply of thoroughly anti-Communist men trained in guerilla warfare and experienced with arms and explosives was abundant. And thus the United States secretly recruited former Nazis for the German stay-behind network. In the midst of the Gladio revelations in 1990 the private TV channel RTL shocked the German public by revealing in a special Gladio report that former members of Hitler’s dreaded SS, who under Hitler had hunted the communists, had been part of Germany’s Gladio network.
>
> The US army General Staff Top Secret March 28, 1949 Overall Strategic Concepts highlighted that Germany “has an excellent potential of trained men for both underground and Secret Army Reserve (stay behind units). Effective resistance can and should be organized.” On the orders of the Pentagon in

> Washington the newly created US Counter Intelligence Corps (CIC) tracked down German Nazis and brought them to the Nurnberg trials, while the CIC also secretly recruited selected right-wing extremists for the anti-Communist army.[49]

An additional force compelling toward the creation—or rather, continuation and utilization—of these stay behind units by the American military and intelligence complex was General Gehlen's organization itself, for by consistently over-estimating Soviet military capabilities, and giving intelligence estimates that consistently emphasized the imminent danger of full scale Soviet invasion in the immediate years after World War Two, the Gehlenorg in effect played to internal fears within the American command structure, and created the very conditions necessary to maintain these Nazi and Fascist units.[50]

In effect, the covert operations arm of NATO became a transnational, or internationally organized Fascist army, even to the point that these units were the subject of secret protocols in the treaties by which countries—and one very important country in particular—entered the alliance, for according to Daniele Ganser once again,

> When the Gladio scandal erupted in 1990 an unnamed former NATO intelligence official explained that the covert action branch of the CIA *under Frank Wisner* in order to set up the German secret army had "incorporated lock, stock and barrel the espionage outfit run by Hitler's spy chief Reinhard Gehlen. This is well known, because Gehlen was the spiritual father of Stay Behind in Germany and his role was known to the West German leader, Konrad Adenauer, from the outset." According to the unnamed NATO officer, US President Truman and German Chancellor Adenauer had *"signed a secret protocol with the US on West Germany's entry into NATO in May 1955 in which it*

> *was agreed that the West German authorities would refrain from active legal pursuit of known right-wing extremists."* [51]

It takes little imagination to see that this international military organizational structure, with a secret protocol in Germany's case, would most likely have been a secret protocol component of arrangements between the USA and its other NATO allies as well, and thus, one may conclude that lurking beneath the overt posture of NATO as a defensive alliance in the service of "freedom and democracy" there lies a much deeper and much more sinister Fascist operational culture.[52]

The mention of the name Frank Wisner in conjunction with these covert units brings us to the American core of this international structure, and to the relationships and networking that its original core leaders represented. Ganser surveys these core leaders and their relationships in the following remarks:

> General Gehlen was right in assuming that the data which he had collected during his torture operations on the Soviet Union and its Communists was of great interest to the United States. Together with a small group of senior Nazi officers he had therefore at the end of the war carefully microfilmed the extensive *(Fremde Heere Ost)* data on the USSR, had packed the films in watertight steel drums and had secretly buried these in meadows in the Austrian Alps. After several weeks of (Counter Intelligence Corps) internment Gehlen got into contact with US General Edwin Luther Siber to whom he revealed his secret. The US General was so impressed that he promoted Gehlen's career in the years to come. He introduced Gehlen to senior US intelligence officials, including General Walter Bedell Smith, then the highest US Army intelligence officer in Europe, and later Director of the CIA from 1950 to

> 1953. Siber also introduced Gehlen to General William Donovan, chief of the US wartime secret service Office of Strategic Services(OSS), and Allen Dulles of the OSS, later chief of the CIA, as well as Frank Wisner of the OSS, later chief of CIA's (Office of Policy Coordination) which set up the European stay-behind network.[53]

This Dulles-Donovan-Wisner-Gehlen covert operations and intelligence "axis" is very revealing, for with Dulles and Donovan in particular, one has men whose connections lead directly to Wall Street, and to the American financial oligarchy.

3. Frank Wisner, The Office of Policy Coordination, and the "Deep State "

Almost from its inception, Wisner's Office of Policy Coordination was deeply involved in the drug trafficking of Nationalist China's Khoumintang government, to such an extent, that CIA director Walter Bedell Smith abolished it "altogether and merged its personnel with the CIA's own covert operations staff in a new Department of Plans (later Department of Operations)."[54] Smith's intention was to bring covert operations "under more responsible oversight" but unfortunately the merger had exactly the opposite effect, since the OPC "especially under Allen Dulles, effectively took over the CIA,"[55] transforming the agency into as much a covert warfare bureau as an intelligence gathering and analysis agency. This transformed the 1948 National Security Council memorandum 10/2 from a small affair to a very large one, effectively giving the CIA authorization to engage in criminal activity.[56] Thus, with the nexus of Wisner, Dulles, covert operations, international post-war Fascist "stay behind" units, one observes an essentially international Fascist structure beginning to emerge, one bridging and bringing together both American

and European elements, one that, moreover, could serve "the interests of private international wealth,"[57] and like the territorial Mafia and international criminal drug trafficking syndicates, the "bosses" of the various national components of the stay-behind units would meet regularly to coordinate plans and activities.[58]

This nexus implies the potential for a permanent privatization or corporatization of intelligence and covert operations. Indeed, as noted previously, Allen Dulles, prior to the creation of the CIA, had acted to create just such a private intelligence agency called the World Commerce Corporation, involving William Stephenson from British intelligence, and Nelson Rockefeller,[59] a fact suggesting to many that the agencies established by the National Security Act of 1947—the CIA and NSA— are less agencies of the US government than they are of Wall Street and the high financial oligarchy of the USA.

In spite of Bedell Smith's merger of the Office of Policy Coordination and the CIA, Wisner[60] stayed on until 1958, when he was replaced by Richard Bissel, who ran covert operations until 1962[61] when he was fired by President John F. Kennedy in the wake of the Bay of Pigs fiasco. This is quite the crucial point, for Bissel also had direct influence over the CIA's top secret U-2 spy plane flights over the Soviet Union and Communist China, and thus, it is with Bissel and the CIA's Department of Plans that we also see the common surface with the world of black projects and the secret technologies being developed for reconnaissance of the Soviet Union. *Succinctly put: Bissel's presence and role at this time is the surest indicator that one simply cannot separate the covert operations culture from that of the black projects world and its secret technological research and development.*

4. The Methodology of the Culture:
a. Plausible Deniability, False Flag Operations and Drills, or,

Ops within Ops

The underlying methodology of all these covert operations was not only that of “plausible deniability”, but to a certain extent, that of the false flag operation, and oftentimes both simultaneously. This simultaneity itself is an important operational principle arising from the culture of the breakaway civilization, for it means that within any given operation, particularly those designed to effect the “deep events” in Peter Dale Scott’s sense of the term, an operation is designed to optimize the achievement of several discrete objectives all at once. We have encountered already in the preface an example of this mentality in the development of technologies designed to fulfill two functions: the covert monitoring of the Soviet Union, and the more difficult covert monitoring and reconnaissance of UFO activity and suspected bases. We will deal again with this subject in part three.

But there are two more earthly examples of this covert operations mentality. Throughout the terrorism operations conducted by the NATO Gladio units in Europe, and to a lesser extent their corollary operations in Latin America and Africa, the terrorism perpetrated by these extreme right Fascist networks has consistently attempted to disguise itself as that of the radical Communist left, in classical false flag operations. False flag operations thus evidence the method, for initial blame can be assigned to an enemy, and in this plausible deniability of the involvement of one’s own forces is given another mantle of deception cloaking its activities. Classical examples of this tactic are the Operation Condor murders in Latin America, blamed on the Left, but actually perpetrated by covert elements of the extreme Right, and the terrorist actions surrounding the 1990s recognition of an independent Croatia, where again, the perpetrators on the Right conducted operations blamed on the Left.[62]

Another example is the “operation within an operation”, where one party’s operation is penetrated by another, which uses the one to accomplish its own aims. Consider for example the bombing, and subsequent murders, in Norway in 2011, a classic example of an operation of this sort:

> The carnage in Norway struck on 22nd July 2011, first in the central district of Oslo, the capital city, then on a sleepy little island camping retreat not far away. It marked a significant use of synthetic terror as a means of social control, while advancing the agenda of global world power. First, to cut an awkwardly independent but immensely wealthy country down to size; second, to usher on stage the next phase of indefinite war waged on ordinary citizens, the familiar story of Gladio. Within hours of the attacks, the (European Union’s) policing offshoot Europol announced a new multi-national task force, charged with investigating and infiltrating potentially hostile political movements deemed as potentially dangerous. In other words, exactly those groups which supposedly inspired the 33-year-old market gardener Anders Behring Breivik to kill 77 people, 55 of them teenagers. Another 62 suffered bullet wounds. The massacre commanded world headlines and news channels. But when the news leaked out six weeks later that Norway’s crack anti-terrorist squad had just finished a “training exercise” on the day, which exactly mirrored the bombing in downtown Oslo and the following shooting frenzy on Uteya Island, the only official response was silence. The bomb that practically wrecked a large area of the downtown business and government district exploded less than half an hour after the so-called drill ended. A senior police spokesman brushed it off as a mere ‘coincidence.’

> The chances against such a random co-incidence are multiples of millions to one. The odds rose even farther when it emerged that the first police officer who stepped ashore amid the bloodshed on Uteya Island not only recognized Breivik immediately, but addressed him directly by name. We are in the same territory as the NORAD drill involving the use of jets as weapons on 9/11, and the simulated terrorist attack on the London underground system, which 'just happened' to overlap with the real-time deadly bombings.[63]

In other words, "All the tell-tale signs of a stage-managed Gladio event were apparent from the outset."[64]

b. The Lone Nut Assassin Technique: Norway, JFK and John-Paul II

While not directly germane to the topic of the breakaway civilization per se, it is worth mentioning that one standard technique is another methodological *idee fixe* for the breakaway civilization mandarins of covert operations; this is the "Lone Nut Assassin" technique.

Richard Cottrell observes that Anders Breivik's Facebook profile continued to be adjusted *after* the attacks, a fact that suggests "that even at this late stage . . . the personality moulding (sic) was still continuing, as though his credentials as a lone crazed terrorist still invited refinement and adjustment."[65] Moreover, Breivik's behavior suggested something else, something that suggested yet another connection to the deep covert operations state, and to its alleged mind control and manipulation techniques and technologies. "The world," observes Richard Cottrell,

> was soon looking at the calmly composed and classically Nordic features of a blue-eyed, blonde-mopped figure in his early thirties, not altogether

> without a certain wholesome appearance. He seemed the image of serenity, like the state of composure he maintained after his arrest and according to survivors, his glacial demeanor amid the bloodbath on the camping island. Indeed his brief public appearances in court conveyed the impression of an individual transfixed in some entrancing dream. One of his closest friends wondered if he was drugged or brainwashed, finding his appearance eerie and quite untypical.[66]

Similar allegations have been made about Robert F. Kennedy's alleged assassin, Sirhan Sirhan, about Lee Harvey Oswald's murderer Jack Ruby, and most recently, about the alleged "Batman movie" murderer, James E. Holmes.

The methodological connections spin out from there. For example, most people are unaware of the very close general similarity of the assassination attempt on Pope John-Paul II and President John Kennedy, for witnesses present during the attempt heard more than the official number of shots. Thus,

> . . . (The) mystery of exactly how many shots and more precisely who fired them, with what type of weapon, and from what angle, now began to colour the many differing versions of events that day. There seemed to be a striking overlap with the confusion at Dallas almost thirty years earlier. There was confusion over the number of shots, whether fired by a single gunman or a task force. The chief suspicion fell on (Mehmet Ali) Agca, a brainwashed patsy in the mould of Lee Harvey Oswald. And not least a mysterious grainy image, captured by a bystander, showing an unidentified figure hurrying from the *piazza* moments after the gunshots. According to his trial testimony, Agca insisted he fired 'two or three shots in rapid succession.' Three struck John Paul. One slapped into

> his lower intestine, the others struck his left hand, passing through his abdomen, and his right arm. Two people in the dense crowd were injured, either collaterally by the same bullets, or by others aimed from a different direction.[67]

The resemblance does not stop there, for researchers soon discovered, behind the attempts to place blame on the assassination to Bulgaria and the Soviet Union, lay much murkier connections of Agca to Turkish neo-Nazi and Fascist groups, that in turn had connections to the West German *Bundesnachrichtendienst* and the CIA.[68]

c. The World Anti-Communist League as a Technique of Factional Management

Given the highly internationalized structure of the covert operations and financial arms of the breakaway civilization, not to mention the hidden competing factional components of American East Coast old money, Texas and West Coast "cowboys," postwar Fascists, Nazis, and Japanese, how would it be managed and coordinated? One mechanism has already been mentioned: regular coordinating meetings between various managerial levels of the structure, including the top echelon in meetings such as the Bilderberger Group.[69]

In addition to this however, there are permanent agencies of coordination, and a glance at one of the most notorious of these, the World Anti-Communist League, based in Nationalist Chinese Taiwan, is in order. If there is any *one* public "agency" that could be identified as the Nazi, or Fascist, International, this is it,[70] for it is backed by powerful right wing financial elements in Nationalist China and South Korea, such as the "reverend" Sun Myung Moon, but also brings together CIA covert operatives, Chinese, Korean, Japanese, American, and most notably, postwar German, Italian, and other European Fascist elements. Additionally, it

was tightly networked to General Gehlen's German *Bundesnachrichtendienst.*[71]

> The tentacles of this sprawling octopus eventually extended to all corners of the planet. This was visibly the Fascist International, the huge global Gladio . . . It was charged with the . . . brief to 'overcome and eliminate' any governments or forces considered sympathetic to communism. The means were not precisely specified, save for talking about warfare in psychologically political terms. Yet (the World Anti-Communist League) was tracked to Operation Condor, death squads in Latin America and the Iberian Peninsula, the twin Kennedy assassinations and general oiling of Iran-Contra in life-after-death mode. So, it would not be surprising to discover (the World Anti-Communist League's) fingerprints thickly plastered all over The Enterprise of drug and arms dealing in its latter-day formation. In Europe, (the World Anti-Communist League) was tied up with various neo-fascist fronts, particularly Licio Gelli's P2/Gladio activities, in Italy as well as South America. The 'liquidations' of both Aldo Moro (communist fraterniser) and Olof Palme (Iran-Iraq meddler, irritating Palestine interloper) have been cited as promoted in some degree by (the World Anti-Communist League).[72]

Viewed another way, the entire alliance of American, Japanese, Korean, Nationalist Chinese, and European Fascists that the World Anti-Communist League symbolized and effected, was but another consequence of the alliances between the USA and the postwar Nazis forged even before World War Two was over; it represents, as it were, a kind of unapostolic succession of the Nazi and Fascist parties and ideologies.[73]

When Soviet Communism fell, the name of the World Anti-Communist League was merely changed to the World League for Freedom and Democracy.[74] This is a point of signal importance, for it means that whatever this organization chooses to call itself, it performs a vital and permanent function to the breakaway civilization, and it is rather easy to see what that function is. Such agencies or bureaucracies function as the common surface between various factions within the structure, not only to coordinate activities, channel funds, manage personnel, but also to allow the factions to express their competing interests and agendas, and quite literally, to spy on each other, and, through regular operational contact, to estimate each other's agendas, intentions, and capabilities.

But there is another such agency, with deep ties to the covert operations and financial arms components of this structure; it is, so to speak:

5. The Holy Ghost in the Machine, or, The Vatican Bank.

While the Vatican's connection to the deep industrial scale financial fraud was surveyed briefly in part one, it is necessary to see why it functioned within this structure as "the Holy Ghost in the Machine," as a kind of spiritualized "World Anti-Communist League." Obviously, its religious traditions and history would have made it implacably opposed with official Soviet Communist atheism at the deepest and most philosophical level.

However, there is another reason. When I was a college professor, I used to tell my Mediaeval and Modern European history students that the oldest political chancery in continuous operation in the world, the one with the *most* experience in all manner of statecraft, including the use of applied terror as a system of social engineering, was the Vatican. Cottrell puts this points with some force:

> After the Second World War, the Vatican clamped itself to the massive global alliance composed of the United States, NATO and Western intelligence. The common interest clearly lay in a great bulwark against the spread of communism, yet this is to understate the sheer scale of the power the Roman church invested in the great game. The Pope's battalions around the globe include (or so it is claimed) more than a billion committed worshippers, 400,000 clergy, an impressive global diplomatic service, highly-sophisticated espionage skills and cradle-to-the-grave mind conditioning systems aided by schools, universities and the media. *Taken together they enable the Holy See to* ***perform*** *as a world power.*[75]

The nexus of Vatican intelligence and finance with that of the West and NATO was, of course, the Vatican Bank, for it was this bank that was used in the economic warfare against the Soviet Union unleashed by use of the hidden system of finance enabled by the Nazi and Golden Lily loot, and it was this bank that played such a large role in the transference of funds from the West to Russia that enabled the establishment of the huge post-Soviet corporations such as the Russian energy giant Gazprom.[76]

But this bank also functioned as a key nexus for the laundering of money from the Mafia—witness its ties to Michele Sindona, Roberto Calvi, and Licio Gelli—to the extent that it can be safely maintained that this bank "had been effectively hi-jacked by criminal interests holding strong affinities with the Italian and American Mafia, the Italian secret state and the Gladio sleeping soldiers."[77] It would perhaps not be an exaggeration to say that the Vatican bank was the financial legs to the worldwide Fascist International represented by the World Anti-Communist League.[78]

*6. A Key Cultural Indicator that It Really **Is** a Breakaway Civilization: Operation Northwoods*

Our attention has been concentrated throughout this book largely on the *American* components of this international structure, and on its largely Fascist outlook and culture. But can it be truly said that it constitutes a genuinely *breakaway* civilization, one at odds with the overworld with which it is entangled?

There are two key indicators here, and both lie, once again, with General Lyman Lemnizter and his close relationship to covert operations guru and hidden financial system mandarin, General Ed Lansdale. The first of these indicators is the now well-known, and infamous, Operation Northwoods from March 1962, a Lansdale brainchild of a covert operation, with all the Gladio hallmarks of a false flag enterprise. For the Joint Chiefs of Staff at the time, the problem was “How do we get rid of Communist Cuba?” The answer

> . . . was perfectly simple. Pentagonia planned to attack the United States.
>
> It is an axiom of American life that all actions of men and women in military uniform are virtually beyond reproach. Hate the war, love the warrior. Yet here, in cold print, were detailed plans for acts of terror to be performed under the American flag on the orders of the highest military commanders in the land. This deadly project . . . was aimed at garnering international support to justify a full-scale US invasion of Cuba, fostering the illusion the regime in Havana had descended into diabolical lunacy. One proposal—blowing up an American vessel in the Guantanamo Bay and then blaming it on Cuba—slipped straight from the *Maine* playbook.[79]

Yet another plan, in “an eerie premonition” of 9/11,[80] “called for the hijacking of a US passenger jet by special forces disguised as Cuban agents.”[81] This aircraft would then drop below radar, being replaced at that instant in the same area by a pilotless airplane which “would crash, purportedly killing all the passengers and crew.”[82]

Cottrell rightly observes that “There was not a single item in the Northwoods manual that did not amount to a blatant act of treason,”[83] in other words, the upper echelons of the Pentagon, as a structural component of this international structure, was broken away from its host society, and had become “a full-blown state within a state.”[84]

But in the wake of the Bay of Pigs fiasco and the Cuban Missile Crisis, the Pentagon abandoned the false flag strategy in order to issue what was clearly an ultimatum to President Kennedy, delivered to him via his Secretary of Defense, Robert McNamara:

> The Joint Chiefs of Staff believe that the Cuban problem must be solved in the near future. Further, they see no prospect of early success in overthrowing the present communist regime either as a result of internal uprising or external political, economic or psychological pressures. Accordingly they believe that military intervention by the United States will be required to overthrow the present communist regime.[85]

Cottrell minces no words concerning the breakaway mentality in evidence:

> Unprecedented in the history of relations between the US military and the White House, the memorandum was couched in uncompromising language that implied a meltdown in relations between the Pentagon and the Commander in Chief. “The Joint Chiefs of Staff

> believe that the United States can undertake military action in Cuba without risk of general war." Lemnitzer continued. "They also believe that the intervention can be accomplished rapidly enough to minimise communist opportunities, for solicitation of UN action." The tightened leverage was extraordinary in the sense that the chiefs made no attempt to hide the impression they considered their political nuance and judgement overrode the elected president. Lemnizter did not intend to free the Cuban people, who were largely in support of Castro, but shut them up in a US prison colony. "Forces would assure rapid essential military control of Cuba," the president was told. However, "continued police action would be required."[86]

Kennedy of course responded by exiling Lemnitzer to Europe's NATO command.

The breakaway civilization struck back in Dallas.

C. The Bearer Bonds Scandals and 9/11 Targets

We arrive at the heart of the covert operation which evidences all these methodologies and structures, and moreover that indicates that there serious fault lines between the factions composing this structure are beginning to emerge: 9/11.

E.P. Heidner, in an important online paper, "Collateral Damage: U.S. Covert Operations and the Terrorist Attacks on September 11, 2001," outlines the deep historical roots of the attacks on the Pentagon and World Trade Center, and their links to the international structure with which we have been contending. The "op within an op" structure of 9/11 is now taken for granted by many people who question the official explanations of 9/11, and this feature alone ties it to the covert operations methodology of the breakaway civilization.

1. 9/11 and the Hidden System of Finance

There is, however, another possible tie as well, and it is this possible tie with which Heidner's paper is concerned, for he "contends that not only were the buildings targets, but that specific officers within each building were the designated targets. These offices unknowingly held information which if exposed, subsequently would expose a national security secret of unimaginable magnitude."[87] This, contends Heidner, was the ultimate motivation for the 9/11 attacks.[88]

What was the secret that was the motivation? Financial crimes were being investigated by the Office of Naval Investigation (ONI), "whose offices in the Pentagon were destroyed on September 11."[89] Specifically,

> the attacks of September 11th were intended to cover-up the clearing of $240 billion dollars in securities covertly created in September 1991 to fund a covert economic war against the Soviet Union, during which "unknown" western investors bought up much of the Soviet industry, with a focus on oil and gas. The attacks of September 11th also served to derail multiple Federal investigations away from crimes associated with the 1991 covert operation. In doing so, the attacks were justified under the cardinal rule of intelligence: "protect your resources" and consistent with a *modus operandi* of sacrificing lives for a greater cause.[90]

With this background, Heidner observes that the Office of Naval Investigation in the Pentagon was located precisely in the wing of the building where American Airlines flight 77 is stated in the official story to have struck the giant office structure.[91] Additionally, other major American brokerage houses appeared to have been the targets of the World

Trade Center attacks, and here one begins to note the official story beginning to crumble:

> There were three major securities brokers in the World Trade Center: Cantor Fitzgerald, Eurobrokers and Garbon Inter Capital. On the morning of September 11, Flight 11 hit the North Tower at 8:46 right below the floors on which Cantor Fitzgerald was situated. Cantor Fitzgerald was the US largest securities dealer in the US [sic] and arguably the primary target. Shortly after that, a massive explosion went off just under the FBI offices in the North Tower on the 23rd floor, and Garbon Inter Capital on the 25th floor, and in the basement of Tower 1 as well. The explosion caused the 22nd through 25th floors above to collapse into an inferno. Fires were reported on the 22nd floor at 8:47. Shortly, thereafter, at 9:03, Flight 175 hit the South Tower right below the floors on which Euro Brokers was situated.[92]

It is worth noting that Heidner has also tied the FBI to the investigations of financial malfeasance being researched by the Office of Naval Intelligence.

So why the attacks? What financial malfeasance was so large that it would require such an operation to short circuit investigation and cover-up whatever was being covered-up? Heidner makes the following observations and statements:

> A critical mass of brokers from the major government security brokerages in the Twin Towers had to be eliminated to create chaos in the government securities market. A situation needed to be created wherein $240 billion dollars *of covert securities could be electronically "cleared" without anyone asking questions—which happened when the Federal Reserve declared an emergency and invoked its "emergency powers," that very afternoon.*[93]

Additionally, while there was less than a billion dollars of gold bullion in the vaults of the World Trade Center, there were “hundreds of billions of dollars of government securities” which “had to be destroyed.”[94] There really are only a few options by which to interpret this remark. One is that the securities constituted legitimate securities that needed to be destroyed because the government had no intention of redeeming or clearing them. This would implicate the U.S. government directly in the planning of the attacks.

But the other interpretation, the one that makes more sense when considered against the backdrop of the Bearer Bonds Scandals, is that the securities represented a direct connection to the covert system of finance that was being used to fund black projects and covert operations, and that they needed to be destroyed lest that system—and the vast system of fraud propping it up—be exposed and destroyed. In this instance, the 9/11 operation becomes an operation of the that deep international extraterritorial “state” that we have detected thus far, and the possibility exists that it is an operation of many levels, with one faction penetrating the operation of another.

2. The Relationship to the Golden Lily Gold and Bearer Bonds Scandals

Why this is so is revealed by a closer look at the 9/11 operation itself. Heidner observes that this hidden system of finance was reliant not only upon the complicity of certain national central banks—or at the minimum, of certain people *within* those banks—but also upon certain very large commercial and international banks, each of which is involved in this international structure of covert finance, industrial scale fraud, and covert operations:

> By the end of the 1980s, the banks that had their agents in the (Office of Strategic Services) intelligence

operations at the end of World War II were the banks that would be the dominant global players by 2001:

- Morgan Guaranty Trust
- Chase Manhattan
- Citibank
- Jardine Matheson
- UBS[95]
- Deutschebank
- HSBC[96]

In other words, it is no longer even the central or prime banks that are the major financial powers, but rather, the intelligence network—the postwar nexus of the American, Euro-Fascist, and Japanese-Asian elites—that has penetrated these institutions to the extent of manipulating them for the purpose of this hidden system of finance. The consequence is almost too horrible to consider, but consider it we must, for the scale of financing evident thus far means that the fraudulent system of the breakaway civilization and the overworld civilization have now become hopelessly entangled, such that to end the one would be to imperil the other.

It is thus not surprising to discover that one of these prime banks, with a deep connection to the postwar Euro-Fascist component of the structure, Deutschebank, is one of the major sources “of the illegal stock options”, the put options, “that indicated there was insider trading taking advantage of the September 11 tragedy.”[97] Equally suspicious is the fact that its American CEO, Mayo Shattuck, was not only *not* at his office on the day of the attacks, but suddenly resigned without any explanations on the day after the tragedy.[98]

So what happened? Why were the attacks made? What do they have to do with the hidden system of finance and the breakaway civilization? Heidner’s answer here is not only

breathtaking, but heart-stopping, and hence, it is necessary to cite his remarks in toto:

> On the first day of the crisis, the (Securities and Exchange Commission) lifted "rule 15c3-3—Customer Protection—Reserves and Custody of Securities," which set trading rules for the following processes:
>
> *The (seller) is not permitted to substitute other securities for those subject to this agreement and therefore must keep the (buyer's) securities segregated at all times, unless in this agreement the (buyer) grants the (seller) the right to substitute other securities . . .* [99]

In other words, and simply put, the Government Securities Clearing Corporation "was allowed *to substitute securities for the physical securities destroyed during the attack."*[100]

However, there was more. The Government Securities Clearing Corporation issued an memorandum in the wake of the attacks that ". . . collateral substitutes can *and should be made* with regard to immediately maturing collateral."[101] In other words, the covert bonds were destroyed, and their holders were issued new paper once again. In effect, the whole fraudulent system was partially reset, and re-financed.

But it gets worse.

After this memorandum, the Government Securities Clearing Corporation issued yet another memo, this time authorizing and expanding what are called blind broker settlements.

> A "blind broker" is a mechanism for inter-dealer transactions that maintains the anonymity of both parties to the trade. The broker serves as the agent to the principals' transactions.

> *"The only repo transactions entered into by blind brokers should be those done in direct furtherance of clean-up and reconciliation efforts. Now new blind brokered business should be executed. "*
>
> At this point in time, the Federal Reserve and its (Government Securities Clearing Corporation) ***had created a settlement environment totally void of controls and reporting—where it could substitute valid, new government securities for the mature, illegal securities, and not have to record where the bad securities came from, or where the new securities went—all because the paper for the primary brokers for US securities had been eliminated.***[102]

Ponder the implications of this conclusion, for not even Heidner, for all his careful research, appears to understand the wider implications of his remarks for the *structure* of the breakaway civilization, and what the 9/11 attacks indicate may be happening within it, even though he is acutely aware of the deep relationship of the attacks to the hidden covert financial structure enabled by the postwar detente with the Nazi International and the utilization of the Golden Lily loot. The implications are none other than that *if the American component of this structure is having to substitute legitimate U.S. securities for the fraudulent ones, then it is under* ***external*** *factional pressure to do so.*

Why would it be under such pressure?

One answer might lie in the fact that the American government agencies investigating the financial fraud that was by then too large to keep easily hidden were beginning to discover another aspect of the hidden system, namely, the outright theft of gold bullion. Heidner puts the point this way:

> . . . President George H.W. Bush had initiated a number of related covert operations to takeover

> certain sectors of the Soviet economy, and ten years later in 2001, these programs had finally come back to haunt the U.S. policy makers. Most, if not all of these programs appear to have stepped outside the boundaries of the law. As a result, investigative agencies from Britain, Switzerland, Russia, Kazakhstan and the Philippines were putting pressure on congress and the U.S. Department of Justice to open up the accounts in the banks used to finance these covert activities, which were being viewed as criminal activities in foreign courts. Alan Greenspan, the Treasury Department and key banks in the U.S. and Europe *were being sued for gold-price fixing or illegal gold sales which appears to have (its) origins in the covert war chest used to wage this war.* At the same time, the suits brought by the Holocaust survivors, victims of the Marcos regime, and the US Congress under influence of pro-Israeli lobbyists were putting pressure on the Swiss banking cartel to open (its) bullion records to public scrutiny. *Full disclosure by these banks during an investigation would have resulted in a major exposure of U.S. Government complicity in some of the greatest financial fraud of the 1980s and early 1990s as well as 50 years of gold bullion theft by numerous U.S. and British government agencies.*[103]

In reality, however, what would have been revealed by such exposure would not have been U.S. Government complicity, but something far most extensive, and much deeper, namely, the breakaway civilization itself, its network, resources, and methods. From the point of view of the breakaway civilization, it is not gold-price fixing or even stealing bullion, it is waging war, and its loyalties lie to itself, and not to the host nations—be they the U.K. or U.S.A.—at all.[104]

But what, precisely, was the real “crime” that had to be covered-up, in addition to “bullion theft” and “gold price fixing”?

Answer: the biggest covert operation of all time: the engineered economic collapse of a world superpower: the Soviet Union.

3. Covert War Against the Soviet Union

Heidner and others have documented a covert operation called Project Hammer, a plan many believe was formulated by Ronald Reagan’s Director of the CIA, William Casey.[105] This project was nothing less than a “multi-billion dollar covert operation” involving shielded third world investments, and included four components:

1) the theft of all of the Soviet Union’s gold bullion(!);
2) the destabilization of the ruble;
3) the funding of the August 1991 KGB Generals’ coup against Soviet premier Mikhail Gorbachev; and last, but not least,
4) the corporatization, and subsequent take-over by agents of the western financial oligarchy, of key Russian energy and defense industries.[106]

The group within the administration of G.H.W. Bush executing this four-tiered covert operation called themselves the Vulcan Group, after the Roman god of war, utilizing the by-now familiar war chest made possible by all the re-hypothecated gold represented by the deal with Chiang Kai-Shek, the Golden Lily loot, and, of course, those monies from the Nazis laundered after the war through western banks, a “war chest invisible to congressional oversight.”[107]

Key to the operation was a consultancy group based in Switzerland called the Riggs-Valmet group, established by President G.H.W. Bush.[108] Key to this operation were four Russian oligarchs: Mikhail Khordokovsky, who was of course

one of the principal Russian oligarchs subsequently arrested and imprisoned by President Vladimir Putin, Alexander Konanykhine, Boris Beresovsky, and Roman Abramovich.[109] It was Khordokovsky who was "responsible for setting up the primary financial organization for taking over Russian oil and gas industries, as well as moving money out of the country: Bank Menatep."[110] To enable this vast covert war, President Bush was apparently behind the issuance of $240 billion dollars worth of secret bonds for the operation.[111]

As the first phase of this operation, Bush "authorized Leo Wanta and others to destabilize the ruble and facilitate the theft of the Soviet/Russian treasury. *This would result in draining the Russian treasury of between 2,000 to 3,000 tonnes* [sic] *of gold bullion."*[112] The bullion had to be stolen for the plan to destabilize the ruble depended upon the Soviets' inability to re-stabilize it via use of the bullion.

Once the bullion was literally stolen from the Soviet treasury, the assault on the ruble began, and the West began to push money back into Russia in a massive buy-out of Russian energy industries, while the fake coup was mounted against Gorbachev that brought Boris Yeltsin into power, who, like President Nursultan Nazarbayev of Kazakhstan were both in the pocket of Bush's Vulcan group. Since two out of three votes were required under the Soviet constitution to dissolve it, and since both men were complete puppets of the west and its oligarchs of the hidden finance, the outcome was predictable.[113]

> The coup actually seems to have been a long time in the making, with Yeltsin having discussed the coup with Bush during his visit to the United States in June of 1991. That same summer, Yeltsin dined "discretely" with the Chairman of the New York Federal Reserve, Gerald Corrigan, while the rest of the Moscow mission dined with Gorbachev.[114]

Corrigan in turn was involved in the planned destabilization of the ruble, along with notorious currency speculator George Soros, and Ronald Lauder, an heir of the Este Lauder estate, and the N.M. Rothschild Continuation Trust, and the Bank of New York.[115]

It is the Bank of New York that is the connection that most readily identifies the 9/11 World Trade Center attacks as a covert war operation against the overworld financial center, an operation designed to cloak the hidden system of finance and its activities, and to maintain its integrity against growing pressures to expose it, for the Bank of New York, even though it had no physical facilities in the World Trade Center and was one of the major New York banks *not* directly involved in the attacks, was nevertheless the only major New York bank whose operations were severely disrupted on September 11, 2001. Indeed, during the week after 9/11, the *Wall Street Journal* reported that the Bank of New York was reported to be overdue "on $100 billion in payments."[116] But that is not all:

> The Deutschebank, which sat inside the World Trade Center and was totally decimated, reported no such account balance increase, and JP Morgan, the other of only two clearing banks which uses the same traders and communications hub, reported no such increase in its account balance. No one has publicly asked: why is it that these other two banks were not seriously disrupted, while the Bank of New York— which had no structural damage, seemed unable to operate?[117]

The problem was that the Bank of New York's communications facilities were located in Utica, N.Y.,[118] and were thus not anywhere near lower Manhattan at all. Why then was it alone of all the major New York banks having such difficulties in clearing?

Heidner's answer is chilling:

In a reported setting of half truths and speculations by Federal Reserve analysts made to appear as facts, review of the reports of the financial aftermath of September 11th suggest:

- The disruptions to the U.S. financial system were not as widespread as the reports from the Federal reserve would have the public believe, but that the public had to be made to perceive a widespread need for declaring a national financial emergency, suspending key provisions of the Federal Reserve Act and driving the “ten-year special rate” to almost zero.
- Certain key unknown figures in the Federal Reserve may have “conspired” with key unknown figures at the Bank of New York to create a situation where $240 billion in off balance sheet securities created in 1991 as part of an official covert operation to overthrow the Soviet Union, could be cleared without publicly acknowledging their existence.
- These securities, originally managed by Cantor Fitzgerald, were clear and settled in the aftermath of September 11th through the (Bank of New York). The $100 billion account balance bubble reported by the Wall Street Journal as being experienced in the (Bank of New York) was the tip of a three day operation, when these securities were moved from off-balance-sheet to the balance sheet . . .
- By reducing the “ten-year special rate” to almost zero, the Fed structurally increased the number of refinancing (Repo) settlement fails. Under the umbrella of this artificially created statistical bump of fails, the high level of fails due to the laundering of the $240 billion was able to be processed unnoticed.
- The cover for this bubble is found in the footnotes to the (Bank of New York) annual and quarterly reports, which report that the (Bank of New York) took over $330 billion of commercial securities business from

U.S. Trust between June and October 0f 2001, although the assets under control of U.S. Trust in 2000 were reported by two sources as $80 or $86 billion.[119]

Succinctly put, there was no real financial emergency other than the need to create a large enough emergency of a different sort, in order to clear the false securities completely from the books, and replace them with new paper. It was a grizzly example of misdirection and sleight of hand.

At the deepest level, 9/11 was a work of the breakaway civilization, and of its major structural components. And as for the prelude operation to 9/11—the collapse of the Soviet Union—Claire Sterling put it best: “The ability of three or four characters to mount such a planet wide operation, their extraordinary impact on what was still a world superpower, and their singular immunity from beginning to end suggest the guiding hand of not just one, but several intelligence agencies.”[120] Put differently, it was the act of an international extra-territorial state against one of its host countries.

D. Conclusions and The Technological Transition

What we have now discovered is a vast covert operations slush fund, a hidden fund, involving billions of dollars in securities and stolen and re-hypothecated bullion, one based upon the permanence or semi-permanence of financial fraud and terrorism as its operative principles, in keeping with the total culture of total power. But there is hovering in the background an unresolved question, namely, that the scale of financial fraud implicated in the Bearer Bonds Scandals is in the *trillions,* not *billions* of dollars. In other words, something else lurks in the portfolio, something not yet accounted for.

In the 9/11 scenario thus far portrayed, we have not yet dealt with the technologies implied by some aspects of the

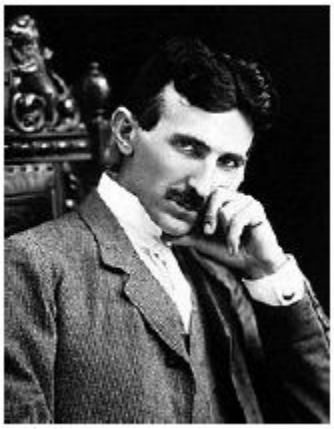
operation. In doing so, as we will discover, there may be yet other hidden players revealed. But some aspects of this technological side of the financial equation, and its connection to covert operations, may be gleaned by a look back, once again, at Operation Northwoods, the 1960s Pentagon plan to commit false flag terrorist attacks on Americans to justify an invasion of Cuba. Once again, Richard Cottrell pries open the door:

> Northwoods included the archly cynical operation Dirty trick, a plot to blame Castro if the 1962 Mercury space shot carrying John Glenn crashed: “The objective is to provide irrevocable proof that, should the Mercury manned orbit flight fail, the fault lies with the Communists et al Cuba. This to be accomplished by manufacturing various pieces of evidence which would prove electronic interference on the part of the Cubans.” Composed by Brigadier General Bill Craig and sent on 2nd February 1962 to his boss General Edward Lansdale, who oversaw the long (and completely fruitless) Cuban destabilisation programme called Operation Mongoose.[121]

With the mention of space-based or space-connected covert operations, we are now entering the technological aspect of the breakaway civilization and culture, to the invention and operational use of the technologies of plausible deniability. For these sorts of operations and technologies, one would indeed need trillions of dollars in totally untraceable funding. Indeed, in the early years of the Cold War, and even until today, there are indicators that sabotage of Soviet space efforts may have been undertaken by the West . . .

> . . . and by “someone else” against both the Soviet bloc *and* the West. But first before we venture into

outer space, we must first get a grip on the earth, as Nikola Tesla said.[122]



Nikola Tesla, 1856-1943.

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[1] Jim Marrs, *Crossfire: the Plot that Killed Kennedy* (New York: Carroll and Graff, 1989), p. 114, cited in my *LBJ and the Conspiracy to Kill Kennedy: A Coalescence of Interests* (Adventures Unlimited Press, 2011), p. 12.

[2] See the discussion in my *The SS Brotherhood of the Bell: The Nazis' Incredible Secret Technology* (Adventures Unlimited Press, 2006), pp. 54-56.

[3] See the discussion in my *The Giza Death Star Deployed: The Physics and Engineering of the Great Pyramid* (Adventures Unlimited Press, 2003), pp. 1-4.

[4] Sterling and Peggy Seagrave, *Gold Warriors,* p. 106.

[5] See my *Babylon's Banksters,* pp. 64-75.

[6] Sterling and Peggy Seagrave, op. cit., p. 101.

[7] Ibid.

[8] Ibid.

[9] Sterling and Peggy Seagrave, *Gold Warriors,* p. 101. There even appears to be some connection between Lansdale and the notorious CIA-Nazi-International-sponsored haven for postwar Fascists and Nazis, the World Anti-Communist League, based in Taiwan. (See Sterling and Peggy Seagrave, *Gold Warriors,* p. 154.)

[10] Sterline and Peggy Seagrave, *Gold Warriors,* p. 247, emphasis added.

[11] Ibid., p. 250.

[12] Sterling and Peggy Seagrave, *Gold Warriors,* p. 251.

[13] Ibid.

[14] Ibid. The Seagraves continue to note that "This is supported by documents that accompanied the original transaction, reproduced on our CDs. One document, a Federal Reserve Bond Global Immunity, signed by Morgenthau, said the purchase was arranged this way 'to enable the government of the United States of America to determine the contract in a manner appearing as a loan, which shall be known as Federal Reserve Bon issue by the Bank of Chicago series of 1934.'"(Ibid., p. 251.) This author, having purchased the voluminous research of the Seagraves represented on their CDs, can attest that the amount of documentation is more than extensive, it is determinative. See their website to purchase the CDs: http://www.bowstring.net

[15] Sterling and Peggy Seagrave, *Gold Warriors,* p. 250.

[16] Ibid., p. 248.

[17] Ibid., p. 252.

[18] Unfortunately, this aspect of the story is itself too long and convoluted to recount here, but it consumes a great deal of the Seagrave's book. Additionally, one should consult Charles C. McDougald, *Asian Loot: Unearthing the Secrets of Marcos, Yamashita and the Gold* (San

Francisco Publishers, 1993). See also *Gold Warriors,* pp. 188-189.

[19] Sterling and Peggy Seagrave, *Gold Warriors,* p. 254.

[20] Ibid., emphasis added.

[21] Sterling and Peggy Seagrave, *Gold Warriors,* pp. 254-255, emphasis added.

[22] Ibid., p. 255.

[23] Ibid.

[24] Ibid.

[25] Sterling and Peggy Seagrave, *Gold Warriors,* p. 257.

[26] Sterling and Peggy Seagrave, *Gold Warriors,* p. 257.

[27] Ibid., p. 105.

[28] Sterling and Peggy Seagrave, *Gold Warriors,* p. 152.

[29] See my *SS Brotherhood of the Bell: The Nazis' Incredible Secret Technology,* pp. 335-336.

[30] Ibid., p. 336.

[31] Note then that in terms of the *overall pattern* of history, one would have this group instigating a coup d'etat with the JFK assassination, beginning to break away under Nixon, and completing the covert operations process of breakaway under Reagan. It is significant that the Majic-12 documents couple the covert operation against Nixon *with* the simultaneous break of the UFO study group, implying that the *technological emulations* projects may have broken at precisely the same time. Again, this would make sense only if the structure that we outlined in the preface, and that we are examining in detail in the main text, would directly connect covert operations, technological black projects, and hidden finance.

[32] The connection, of course, between intelligence and the corporate and financial worlds has been noted throughout this work, and is perhaps nowhere better

attested than the fact that the CIA is known as “the Company,” while the emergent breakaway covert warfare group preserves the corporate metaphor, being known as “the Enterprise.”

[33] Sterling and Peggy Seagrave, *Gold Warriors,* p. 190, emphasis added.

[34] Quadrillions, if one takes into account the merry escapades of the banksters and the “derivatives” markets.

[35] A good review of the structure and operations of this cabal during this period may be found in Richard Cottrell’s *Gladio: NATO’s Dagger at the Heart of Europe: The Pentagon-Nazi-Mafia Terror Axis* (Palm Desert, CA.: Progressive Press, 2012), pp. 5-31. In this section we will reference this and other major sources for this story, though space does not, obviously, permit us to go into any detail concerning each of these events, nor into the case that can be made tying each of them to this structure.

[36] Q.v. Daniele Ganser, *NATO’s Secret Armies: Operation Gladio and Terrorism in Western Europe* (London: Frank Cass, 2005), pp. 84-102. It is worth noting that Ganser divides his book into chapters, each of which is entitled “The Secret War in.” and then listing a particular European country, or, in one case, the United States itself. In other words, Ganser views this structure, as I do, as waging an unrelenting and covert warfare against the citizens of the countries represented in the structure. The countries listed in Ganser’s book as having been the scene of these secret NATO-sponsored covert operations and wars are: Great Britain, France, Italy, Spain, Portugal, Belgium, Holland, Luxemburg, Denmark, Norway, Germany, Greece, and Turkey. See also Henrik Kriiger, *The Great Heroin Coup: Drugs, Intelligence, and International Fascism* (Boston: South End Press, 1980), pp. 56-57, 200; and Richard Cotrell, *Gladio: NATO’s*

Dagger at the Heart of Europe: The Pentagon-Nazi-Mafia Terror Axis, pp. 11, 118-120. Cottrell notes that it was General DeGaulle's decision to pull out of NATO and to develop an independent French nuclear and thermonuclear deterrent that in some respects contributed to the motivations behind the attempts. See also my *LBJ and the Conspiracy to Kill Kennedy: A Coalescence of Interests* (Adventures Unlimited Press, 2011), pp. 160-168.

[37] Q.v Daniel Ganser, *NATO's Secret Armies: Operation Gladio and Terrorism in Western Europe,* pp. 63-83.

[38] Q.v Ganser, op. cit., pp. 71-72, 79-80; and Richard Cottrell, *Gladio: NATO's Dagger at the Heart of Europe: The Pentagon-Nazi-Mafia Terror Axis,* pp. 223-235. It is worth noting that Ganser, Cottrell, and many other researchers have connected Moro's kidnapping and assassination with the Vatican bank affair, the questionable activities of Bishop(and later Archbishop) Paul Marcinkus, murdered Italian banker Roberto Calvi, and the notoriously neo-Fascist "Masonic" P2 lodge of Licio Gelli(who, let it be noted, fled to Argentina when the scandal broke).

[39] Q.v. Cottrell, op. cit. pp. 319-323.

[40] Q.v. Ganser, op. cit. pp. 189-211 and particularly pp. 206-211; see also Cottrell, op. cit. pp. 327-329.

[41] Q.v Ganser, op. cit., pp. 212-223, particularly pp. 219-223 See also Cottrell, op. cit., pp. 146-168.

[42] Q.v Cottrell, op. cit., pp. 40-41.

[43] Q.v. Ganser, op. cit., pp. 63-83; Cottrell, op. cit., pp. 218-235, 265-295.

[44] Q.v. Ganser, op. cit., p. 157.

[45] Q.v. Henrik Kriiger, *The Great Heroin Coup,* pp. 146, 151n, , 210- 212. Notably, the heavy presence of international

Fascists and Nazis in the Allende overthrow is a common feature to *most* of these covert operations.

[46] Ibid., p. 129, notably, in the Diem coup in South Vietnam and the installation of Thieu, Watergate plumber E. Howard Hunt was involved, though notably, General Ed Lansdale declined involvement with the coup, as he had maintained warm relations with Diem.

[47] Q.v. Cottrell, *Gladio: NATO's Dagger at the Heart of Europe: the Pentagon-Nazi-Mafia Terror Axis,* pp. 424-437.

[48] See my *LBJ and the Conspiracy to Kill Kennedy: A Coalescence of Interests* (Adventures Unlimited Press, 2011), pp. 36-39; 120-125; 157-172; 204-218. See also Peter Dale Scott's superb study *Deep Politics and the Death of JFK* (University of California Press, 1993).

[49] Ganser, *NATO's Secret Armies,* p. 190. With respect to the vast extent of the stay-behind networks in Eastern Europe and their "exilee" and "emigre" captive nation societies in the USA, and their relationship to Republican party politics and its National Heritage Council, the following remarks of Russ Bellant:

"The Republican Heritage Groups Council has a special type of outreach. It appears to have consciously recruited some of its members—and some of its leaders—from an Eastern European emigre network which includes anti-Semites, racists, authoritarians, and fascists, including sympathizers and collaborators of Hitler's Third Reich, former Nazis, and even possible war criminals." (Russ Bellant, *Old Nazis, the New Right, and the Republican Party: Domestic Fascist Networks and Their Effect on U.S. Cold War Politics* [South End Press, 1991], pp. xvii-xvii)

This open association was begun, as noted, under Reagan, and many of the leaders of these groups become formal advisors to the presidential campaign of G.H.W. Bush in 1988. The man responsible for chairing

the Republican Heritage Groups Council was one Laszlo Pasztor, “an activist in various Hungarian rightist and Nazi-linked groups. In World War II Pasztor was a leader of the youth group of the Arrow Cross, the Hungarian equivalent of the German Nazi Party.” (Bellant, op. cit., p. 5) Others included Bulgarian Radi Slavoff, under investigation for concealing war crimes, and a member of “other emigre fascist groups’ (Bellant, op. cit., p. 2), Nicolas Nazarenko, an SS officer in the Nazi Cossack division; Florian Galdau, a defender of Romanian archbishop Valerian Trifa, involved in the Romanian Fascist organization Iron Guards, and accused of being a recruiter for that organization; Method Balco, associated with the Slovak emigre groups, groups heavily infiltrated by former members of the Nazi puppet regime of Slovakia after the German annexation of Bohemia-Moravia in March 1939; and Walter Melianovich, head of the Republican party’s White Russian or Byelo-Russian unit, also heavily associated with Nazi sympathizers and recruits. (See Bellant, op. cit., pp. 2-3). In short, one is dealing with General Reinhard Gehlen’s “stay-behind units” which he subsequently proposed to the Americans be left in place and used in an eventual “rollback” strategy of the Soviet bloc. (See also Bellant, op. cit., p. 4.)

50 For these points, see Christopher Simpson, *Blowback: The First Full Account of America’s Recruitment of Nazis, and its Disastrous Effect on Our Domestic and Foreign Policy* (Collier Books, 1988), pp. 52-56; 59-65. Simpson even notes that so trusted, or influential, was the Gehlenorg within the corridors of American intelligence (or to put the same point differently, so in agreement were the American and German cores of this network), that in some instances, the Gehlenorg’s intelligence estimate and analysis was simply *retyped verbatim* on the appropriate stationary, and handed to President Truman

as the CIA's official estimate of the situation! (Simpson, op. cit., p. 53)

[51] Daniele Ganser, *NATO's Secret Armies,* p. 193, emphasis added.

[52] Richard Cottrell, *Gladio: NATO's Dagger at the Heart of Europe,* pp. 9, 47-47, suggests in very stark terms that NATO was meant to be a permanent structure and aspires to be the organizational military and covert operations matrix of a global superstate, with a kind of permanent "war socialism"(p. 19), or mercantile-militarism(p. 10).

[53] Daniele Ganser, *NATO's Secret Armies,* p. 191.

[54] Peter Dale Scott, *American War Machine,* p. 28.

[55] Ibid.

[56] The careful reader will have observed that in some respects the OPC/CIA covert operations culture resembles the oligarchical structure and criminal agencies of the Republic of Venice, and its notorious Council of Ten. Professor Scott himself notes the resemblance of this structure to those of the northern Italian city-states of the High Middle Ages and Renaissance on p. 180 of his book. See also p. 2 of Scott's *American War Machine* for a brief survey of the types of "deep state violence" conducted by this covert operations nexus.

[57] Peter Dale Scott, op. cit., pp. 35-36.

[58] Daniele Ganser, *NATO's Secret Armies,* p. 33. Ganser also comments on another important, and incipiently Fascist, feature of this structure, namely that the American officers of the Office of Policy coordination "tended to be white (male) Anglo-Saxon patricians from old families with old money . . . and they somewhat inherited traditional British attitudes toward the coloured races of the world." (Ganser, op. cit., p. 55, citing Thomas Powers,

The Man Who Kept the Secrets: Richard Helms and the CIA [London: Weidenfeld and Nicolson, 1980], p. 37

[59] Peter Dale Scott, *American War Machine,* p. 27. The expression of this private intelligence agency—The World Commerce Corporation—was absorbed as a methodology by the CIA in its establishment of the World Trade Centers throughout the world, the most notorious examples of which were the Centro Mondial Commercial in Italy, associated with Permindex (see my *LBJ and the Conspiracy to Kill Kennedy,* pp. 160-172), and the World Trade Mart in New Orleans, associated with CIA agent Clay Shaw, the subject of New Orleans District Attorney Jim Garrison's investigation of the Kennedy Assassination.

[60] Daniele Ganser also observes that Wisner was Richard Helms' mentor in covert operations and intelligence at the CIA (op. cit., p. 268 n. 19).

[61] Daniele Ganser, *NATO's Secret Armies,* p. 60.

[62] Q.v. Henrik Kriiger, *The Great Heroin Coup,* pp. 210-212. 217.

[63] Richard Cottrell, *Gladio: NATO's Dagger at the Heart of Europe: the Pentagon-Nazi-Mafia Terror Axis,* p. 424. Cottrell notes that Norway had a strong and critical anti-Israel stance, as well as a strong anti-US/anti-NATO lobby. (p. 426.)

[64] Cottrell, *Gladio: NATO's Dagger at the Heart of Europe: the Pentagon-Nazi-Mafia Terror Axis,* p. 427.

[65] Ibid., p. 432.

[66] Ibid.

[67] Cottrell, *Gladio: NATO's Dagger at the Heart of Europe,* p. 265. This author strongly disagrees with the characterization of Oswald as a *brainwashed* patsy. Oswald showed no signs of having undergone such techniques.

[68] Ibid., p. 276. Cottrell notes that the Gladio operations and organizations received a huge boost from General Lyman Lemnitzer, the Chairman of the Joint Chiefs of Staff whom Kennedy "exiled" to the supreme command of NATO. Lemnitzer of course had ties to General Ed Lansdale, and Cottrell points out that "Dealey Plaze bore the template of a ready-made Gladio-style assassination prohect."(p. 102). Cottrell goes on to observe what many JFK assassination researchers have maintained, namely, that the photographs of the so-called "three tramps" appear to show Charles Harrelson, and Chauncy Holt, the latter of whom, let it be noted, was "a brilliant counterfeiter," and both of whom have been alleged by various JFK assassination researchers, to have worked "for the CIA and organised crime at the same time."(p. 102) In one photo or the three tramps, as pointed out by Fletcher Prouty, a man passing in the other direction appears to be none other than General Ed Lansdale. (q.v. Cottrell, op. cit., p. 103). Cottrell notes that "Lemnitzer was among the chief architects of the Strategy of Tension, and brought with him a wealth of experience gained from earlier commands in Southeast Asia. There and later in the Pentagon he was under the spell of the immensely unorthodox air force (sic) colonel (later general) Edward Lansdale."(p. 18). Thus is a significant point, for it provides yet another thread of connection between the covert operations world, the Golden Lily treasure and the hidden financial system resulting therefrom, and the assassination of JFK, for Kennedy's move toward a direct debt-free money in June of 1963 took direct aim at this hidden structure, and it is quite conceivable that Kennedy may not known the full of extent of it.

[69] Q.v. my *Babylon's Banksters,* pp. 45-75.

[70] Cottrell, *Gladio: NATO's Dagger at the Heart of Europe: The Pentagon-Nazi-Mafia Terror Axis,* p. 123.

[71] Henrik Kriiger, *The Great Heroin Coup,* p. 192.

[72] Cottrell, *Gladio: NATO's Dagger at the Heart of Europe: the Pentagon-Nazi-Mafia Terror Axis,* pp. 123-124.

[73] The connections again to the JFK assassination are deep and clear. Cottrell makes these observations about the consequences of the postwar deal with the Nazi oligarchy:

To (Henrik) Kriiger, the Miami-Lisbon-Madrid-Rome axis was the logical continuation of the CIA's record in forging alliances with high Nazi officials, notably General Reinhard Gehlen, Hitler's spy chief on the Russian Front, who became West Germany's first intelligence chief in 1947. American historian Carl Oglesby wrote: 'Everything after this (Gehlen) was just a consequence of this merger.' He could have said exactly the same of the North Atlantic Treaty Organisation, which by now had been led by the nose into the same network of black alliances. (p. 125)

Cottrell also notes that the Madrid "branch office" of this franchise was connected to none other than SS Lt. Col. Otto Skorzeny (p. 125), which had an office in Zurich which was "the contact point for undercover deals with Swiss arms firms. Conveniently, there was office space for the CIA-sponsored corporate twins, Permindex and the World Trading Centre (aka *Centro Mondiale Commerciale)"* which were both, notes Cottrell, connected to assassination attempts on President DeGaulle. (p. 125)

[74] Cottrell, *Gladio: NATO's Dagger at the Heart of Europe: the Pentagon-Nazi-Mafia Terror Axis,* p. 124.

[75] Cottrell, *Gladio: NATO's Dagger at the Heart of Europe: the Pentagon-Nazi-Mafia Terror Axis,* p. 281, all emphases added. The title of this section of this chapter, "the Holy Ghost in the Machine," was inspired by Cottrell's phrase, that the Vatican was "a holy ghost within the structure of NATO, even to the extent of hosting its own Gladio unit,

drawn from the Swiss Guard, the Pontiff's personal protection squad, and the private Vatican police."(p. 16)

[76] Ibid., p. 285.

[77] Ibid., p. 15.

[78] It is worth noting that, according to Cottrell, Permindex, the notorious CIA-sponsored Murder Incorporated in Zurich, was tied to *Centro Mondiale Commerciale* (the Italian franchise of the World Trade Centers), and that it had an Italian "offshoot" of its own, on whose board sat the Vatican-connected, and notorious Fascist founder of the P2 lodge, Licio Gelli.(Cottrell, op. cit., p. 141)

[79] Cottrell, *Gladio: NATO's Dagger at the Heart of Europe: The Pentagon-Nazi-Mafia Terror Axis,* p. 84.

[80] Ibid., p. 85.

[81] Ibid.

[82] Ibid. Cottrell goes on to answer the obvious question: "The decoy plane would then land safely somewhere in the US, leaving the question open as to how all those on board could be relied upon to keep silent about their adventure."(p. 85)

[83] Cottrell, *Gladio: NATO's Dagger at the Heart of Europe: the Pentagon-Nazi-Mafia Terror Axis,* p. 85.

[84] Ibid., p. 89.

[85] Ibid., p. 99.

[86] Ibid., pp. 99-100.

[87] E. P. Heidner, "Collateral Damage: U.S. Covert Operations and the Terrorist Attacks on September 11, 2001," www.fourwinds10.com/resources/uploads/pdf/Collateral_Damage_28062008.pdf, p. 1.

[88] Ibid.

[89] Ibid.

[90] E. P. Heidner, “Collateral Damage: U.S. Covert Operations and the Terrorist Attacks on September 11, 2001,” p. 1.

[91] Ibid., p. 2.

[92] Ibid.

[93] E. P. Heidner, “Collateral Damage: U.S. Covert Operations and the Terrorist Attacks on September 11, 2001,” p. 1.

[94] Ibid.

[95] UBS, United Bank of Switzerland.

[96] HSBC, Hong Kong and Shanghai Bank. E. P. Heidner, “Collateral Damage: U.S. Covert Operations and the Terrorist Attacks on September 11, 2001,” p. 12.

[97] Ibid., p. 17.

[98] Ibid. Heidner notes that Mohammed Atta, one of the alleged hijackers, “received funding from three foreign intelligence agencies aligned with the U.S.: Pakistan, Syria and Germany. His father contended he actually worked for a fourth—the Mossad!”(p. 39.)

[99] E. P. Heidner, “Collateral Damage: U.S. Covert Operations and the Terrorist Attacks on September 11, 2001,” p. 29, emphasis in the original.

[100] Ibid., emphasis added.

[101] Ibid., emphasis added.

[102] Ibid., Italicized emphasis in the original, italicized and boldface emphasis added.

[103] E. P. Heidner, “Collateral Damage: U.S. Covert Operations and the Terrorist Attacks on September 11, 2001,” p. 6, emphasis added.

[104] Heidner notes that when government securities trading opened again in the wake of the attacks that at the first auction “the Federal Reserve did not have enough ‘takers’ of the new 10 year notes.” (E. P. Heidner, “Collateral Damage: U.S. Covert Operations and the

Terrorist Attacks on September 11, 2001," p. 30.) In other words, even the high players were no longer trusting the Federal Reserve. In this context, it is worth pondering the implications of the fact that the Bearer Bonds Scandals occur *after* 9/11. In any case, the *financial* aspects of 9/11 can be viewed as a partial re-set and reboot of the hidden system of finance and its spillover implications to the overwork!. (Q.v. Heidner, p. 32.)

[105] Ibid., p. 5.

[106] Ibid.

[107] E. P. Heidner, "Collateral Damage: U.S. Covert Operations and the Terrorist Attacks on September 11, 2001," p. 5.

[108] Ibid., p. 24.

[109] Ibid.

[110] Ibid., p. 25.

[111] Ibid.

[112] Ibid., p. 18, emphasis added. The story of Leo Wanta is far to complex to enter into here, but it is a crucial component of the story, as is that of Dale Vreeland.

[113] Ibid., p. 20.

[114] E. P. Heidner, "Collateral Damage: U.S. Covert Operations and the Terrorist Attacks on September 11, 2001," p. 20.

[115] Ibid., pp. 20-21.

[116] Ibid., p. 31.

[117] Ibid.

[118] Ibid., p. 32.

[119] E. P. Heidner, "Collateral Damage: U.S. Covert Operations and the Terrorist Attacks on September 11, 2001," p. 32.

[120] Claire Sterling, “Thieves’ World,” cited in E.P. Heidner, “Collateral Damage: U.S. Covert Operations and the Terrorist Attacks on September 11, 2001,” p. 26.

[121] Richard Cottell, *Gladio: NATO’s Dagger at the Heart of Europe: The Pentagon-Nazi-Mafia Terror Axis,* p. 464.

[122] Q.v. my *Babylon’s Banksters,* p. 149.

7
KARDASHEV'S CLASSES AND COVERT CONFLICT, PART ONE: ENGINEERING THE TECHNOLOGIES OF PLAUSIBLY DENIABLE MASS DESTRUCTION

"Others are engaging even in an eco-type of terrorism whereby they can alter the climate, set off earthquakes, volcanoes remotely through the use of electromagnetic waves.
"So there are plenty of ingenious minds out there that are at work finding ways in which they can wreak terror upon other nations. It's real, and that's the reason why we have to intensify our efforts. "
William S. Cohen, U.S. Secretary of Defense, 1997[1]

"Mother Nature gives great plausible deniability. "
Jerry Smith[2]

Imagine, if you will, a conjunction of technologies and agendas: suppose there was a secret technology to manipulate the weather, to create earthquakes, even perhaps to manipulate or influence mass coronal ejecta from the Sun. Such, in effect, is what former U.S. Secretary of Defense William S. Cohen, cited in the first epigraph above, would not only have us imagine, but he would also have us imagine something else, something subtly implied by his unusually revealing choice of words. "There are," he says, "plenty of ingenious minds out there that are at work finding ways in which they can wreak terror upon other nations." They are, to use the Secretary's own choice of words, simply, "others." Not other *nations,* just *others.* The words are oddly ambiguous, and moreover, if taken at face value, Cohen is implying that a whole host of technologies to control the planet's weather systems, to set off earthquakes or fire up volcanoes, are in the hands of these

“others” and that, accordingly “that’s the reason why we have to intensify our efforts,” presumably to acquire the same technology as the “others.” As we shall discover in this chapter, there is a case that indeed there were “others”, at least in the Soviet Union, working on such things, but we shall also discover an odd Soviet-American cooperation in precisely this technology, implying not only that the two superpowers may have been waging a covert warfare against each other under the cover of mother nature, but that they may both have been more concerned about “others.”

Suppose for a moment, that the “others” are the same international groups that we have found connected to the hidden system of finance: intelligence agencies and agents, NATO covert operations cells, interfaces with International Fascism and drug syndicates, and the Anglo-American financial-military-industrial-intelligence complex. Imagine this technology is then in the hands of the same factions that know about the hidden system of finance, factions with connections to the financial oligarchy. How would one confirm the existence of this strange nexus?

One method to search for such linkages would be to look for massive and strange anomalous securities or currency activities *preceding* or shortly succeeding “natural” disasters. One would have to determine, firstly, if such technologies existed, and by implication, how far *back* in history they could be traced; secondly, how these technologies are thought to work and therefore what sorts of signatures they might show; and thirdly, if any peculiar financial activity *preceded* such events, indicating foreknowledge on the part of those behind such activities, implicating them in the knowledge and control of such technologies, or alternatively, if there are any documentable connections between these factions and the technologies themselves. In the remainder of this book we will discuss three events from this methodological point of view: the Indonesian tsunami, the Fukushima “earthquake” and

“tsunami”, and the destruction of the Twin Towers of the World Trade Center on 9/11.

But first we must have a working grasp of the technologies themselves and the military and geopolitical doctrines they compel.

A. The Total Culture of Total Power and Control, and the Doctrine of Full Spectrum Dominance

In the preface I noted that the Kardashev system of civilization classification according to energy requirements also implied the technological corollary of being able to manipulate the very systems its required for energy. Thus, a class one civilization implied the technology to manipulate a planet, or at least, systems on a planetary scale; a class two civilization implied the ability to manipulate a star and its systems, while, finally, a class three civilization implied the ability to manipulate a galaxy and its systems. As noted in the preface, the UFO phenomenon implies at least class one capabilities.

The theoretical achievement of such technological capabilities, even at a class one level, would result in a new military doctrine, that of “Full Spectrum Dominance,” and in turn, both doctrine and technologies would engender a new geopolitical imperative.

With the collapse of the Soviet Union, a collapse aided and abetted, if not engineered, by the covert system of finance and the factions that controlled it, the Anglo-American core of this breakaway civilization moved quickly to a posture of attempting to dominate the entire planet. This attempt was manifest in the U.S. Pentagon’s doctrine of Full Spectrum Dominance, “and as its name implied, its agenda was to control everything everywhere including the high seas, land, air, space and even outer space and cyber space.”[3] It is important to note that the implied *basis* of the sought-after domination was *technological:* “The strategists of Full Spectrum Dominance envisioned control of pretty much the

entire universe, including outer and inner-space, from the galaxy to the mind."[4] Full Spectrum Dominance, in other words, means nothing less than the domination of every potential theater of war via the achievement and maintenance of technological superiority in those theaters, whether that theater is the human mind, planet Earth, nearby local terrestrial space, or, outer space. The corollary of this doctrine is the doctrine so-called Escalation Dominance, the "ability to win a war at any level of violence, including nuclear war."[5]

While this certainly follows from the idea that one can only dominate any potential theater of operations via technological means, it also means that technological end-runs around nuclear weapons—strategic weapons of much more destructive potential with much less blowback cost to their user—would be sought as the ultimate means of "Escalation Dominance," weapons moreover that could be deployed with plausible deniability, masking themselves as acts of God or nature. By the nature of the case, these would be weapons capable of manipulating systems on the planetary scale, of weaponizing planet Earth herself, her weather and geodetic features. When allied with the covert operations and hidden system of finance, the doctrine is a recipe for perpetual warfare.[6]

Indeed, covert operations forms one of the foundations for this perpetual warfare doctrine, for with hidden systems of finance to support it, one's own, or one's purported enemies, now assumed a "non-local" characteristic, for an enemy could be "everywhere and nowhere"[7] permitting a great latitude for the breakaway civilization to conduct operations free of the normal constraints of the overworld's civilizations and laws with which it is connected.[8]

As already noted, the "total culture of total power" spawned a doctrine of full spectrum dominance, i.e., the idea that Pentagonia would have to seek and develop the technologies and techniques of dominance of every

operational field of potential conflict, including not only planetary systems, but the decision-making and interpretive processes of the mind itself. This began in a fashion that once again highlights the deep parapolitical structure and interface between high finance, intelligence, and the scientific world, for “Beginning in the 1950s, for example, with covert funding from Nelson Rockefeller’s Department of Health, Education and Welfare, the CIA engaged in a program given the code name ‘MK-ULTRA.’“[9] Rockefeller not only channeled government funds from his department to the secret CIA program, but MK-Ultra was “secretly co-funded by the Rockefeller Foundation” as well as by “funds specifically earmarked for MK-ULTRA from projects by Nelson Rockefeller—then President Eisenhower’s Under Secretary for Health, Education and Welfare and later his Special Assistant Cold War Strategy and Psychological Warfare.”[10] In other words, by funding such projects privately, the financial faction was also buying an interest in whatever technologies and techniques as could be gained from the project.[11]

As similar pattern was in evidence in space affairs.

Dr Richard C. Cook was a NASA analyst at the time of the space shuttle *Challenger* disaster of 1986, and had testified to Congress concerning the faulty O-rings that were ultimately sited in the official reports as the cause of the disaster. For Cook, the chief cause lay in something much deeper than engineering deficiencies in the O-ring; it lay in the mingling of civilian and military objectives within NASA.[12] Cook lay the ultimate cause at the feet of President Reagan’s “Star Wars” nuclear missile defense system:

> . . . (It) was not until after the presidential commission which investigated the disaster completed its work that I learned why NASA kept flying shuttle missions after the worst damage to date had occurred on the seals during a January 1985 cold-weather flight, a full year before Challenger blew up. It was because a

> launch commit criterion for joint temperature could interfere with the military flights NASA planned to launch for the Air Force out of Vandenberg Air force base in California, where the weather tended to be cooler than in Florida. *Many of these flights were to carry 'Star Wars experiments in preparation for possible future deployment of 'third-generation' nuclear weapons, such as the x-ray laser.*[13]

At the time, an x-ray laser consisted of a bundle of special rods designed to produce a cohered beam of high frequency x-rays, like a laser beam, which would be set off by an atom bomb, thus consuming the weapon in a "one use" scenario. Ostensibly, the x-ray laser was for the purpose of shooting down Soviet missiles at distance through the atmosphere, since they would generate the enormous amounts of energy needed to vaporize the targets. But consider: such a weapon, really, is more offensive than defensive in nature, for with sufficient size and phase conjugation, it could be used offensively against strategic ground targets. In effect, such third generation nuclear weapons made the ICBM obsolescent, and gave its possessors a technological capability that did an end-run around the strategic thermonuclear arsenals of the two super-powers and the other nuclear powers.[14]

But, there was more, for in the wake of the G.W. Bush Administration decision in 2006 to allow the weaponization of space and its unilateral withdrawal from the American-Soviet treaties pledging not to do so, and its decision to press ahead with new Moon and Mars programs, the game, according to Cook, changed:

> To date, the principal beneficiary of the moon-Mars [sic] program is Lockheed Martin, to which NASA awarded a prime contract with a potential value stated at $8.15 billion. Already the world's largest defense contractor, Lockheed Martin's stock yielded

> an instant bonanza, rising more than seven percent in the five weeks following NASA's August 2996 announcement.
>
> NASA is not paying the giant of the military-industrial complex $8.15 billion to have people hop around and hit golf balls on the moon. The aim of the moon-Mars program is US dominance, as suggested by NASA Administrator Michael Griffin's statements that 'my language'—i.e., English—and not those of 'another, bolder or more persistent culture will be passed down over the generations to future lunar colonies.'[15]

In other words, again, the pattern of high finance and corporate dominance of a technological capability, independent of its "overseeing" government, looms large.

But Cook went on to detail in a private communication with researcher F. William Engdahl yet another concern:

> I believe that the US Establishment is in fact planning a nuclear first strike on Russia. There is a profound split within the US military, however, in that the Army and Navy and elements of the Air Force still view their job as a defensive force to secure the safety of the United States. The element of the military which aims for world conquest, even through a (nuclear) first strike, includes higher echelons of the Air Force, the Missile Defense Agency, and that part of the civilian (Pentagon) leadership most aligned with the powerful financial forces that are the real overseers of the country.[16]

Factional infighting—in this case within elements of the military component, and the financial one—could, and according to Cook indeed *were* occurring in the 1980s. Such infighting is, in a sense, the inevitable result of the tensions between those:

1) who know *how to make or build* the technology, i.e., the scientific and engineering component;
2) who know *how to deploy or use* the technology, i.e., the military component; and,
3) who claim partial ownership or interest in the technology by dint of having *funded* it, namely, the financial interests.

Technologies such as the x-ray laser represented a real potential for those knowing how to build and deploy such technologies to break away not only from their 'overseers' in government but from their presumed financial masters. Citing a massive four-volume study of future weapons technologies commissioned by the US Air Force Chief of Staff in 199596 entitled *Air Force 2025,* Engdahl observes that the technologies referred to in the study "were considered the systems necessary" for the United States to remain the world's dominant air and space power.[17] One such system was an orbital bombardment platform launching small solid projectiles which would be used to "penetrate the earth to a depth of half a mile" in order to destroy underground bunkers and other targets.[18] Yet another system was a space-based laser cannon, which would not only be capable of attacking "ground or airborne targets by melting or cracking cockpit canopies, burning through control cables, exploding fuel tanks . . . exploding or melting munitions pods" and so on, but also of "burning a large variety of strategic targets," which could be anything from "damns, industrial and defense facilities and munitions factories," and all of this "in a fraction of a second."[19] Let it be noted that such a laser cannon is hardly a *defensive* weapon, but rather, an *offensive* one and a strategic one at that, since it is capable of pinpoint mass destruction in an instant and, unlike a nuclear bomb, presumably re-useable. Let it also be noted that robotic technologies would, in turn, allow the deployment of such weaponry in *deep* space against potential targets not even on this planet.

The potential of all of these developments to lead to a breakaway civilization were noted by Dr. Robert Bowman, “a retired Lieutenant Colonel of the US Air Force who directed the US Government’s early anti-missile defense effort when it was still top secret.”.[20] Bowman comments on the implication of the *Air Force 2025* study by noting that it mirrored

> . . . the results of studies we performed in the 1970s and early 1980s. The difference is that then we considered the results sufficient reason to continue our national policy of keeping weapons out of space, while now they entice the hawks into discarding treaty constraints and pursuing a still more total form of absolute military superiority. Bush’s first budget quadrupled the spending on laser battle stations. in his new budget, he gives the space warriors an essentially blank check. Now he has once again renamed and reorganized the Pentagon office doing ‘Star Wars.’
>
> Under Reagan and Bush I, it was the Strategic Defense Initiative Organization (SDIO). Under Clinton, it became the Ballistic Missile Defense Organization (BMDO). Now Bush II had made it the Missile Defense Agency (MDA) and given it the freedom from oversight and audit previously enjoyed only by the black programs. *If Congress doesn’t act soon, this new independent agency may take their essentially unlimited budget and spend it outside of public and Congressional scrutiny on weapons we won’t know anything about until they’re in space. In theory, then, the space warriors would rule the world, able to destroy any target on earth without warning.*[21]

It should be evident by now that, given the extensive financing represented in previous chapters, that the likelihood is that these technologies were *already* developed and most likely deployed, again without oversight. The *Air*

Force 2025 study was merely announcing their existence, and, pace Bowman, announcing the very distinct possibility that these technologies now constituted something utterly outside the normal channels of oversight, and hence the "military arm" of a breakaway civilization.

B. Weaponizing Planet Earth: The Technologies of Geophysical Warfare and the Achievement of Kardashev Class One Civilization Capabilities

1. Weather Warfare

Frightening as these inventories and capabilities are, however, they pale by comparison to those which weaponize planet Earth herself, weapons that indicate most clearly that a very small segment of humanity has truly broken away from the rest, and pulled ahead of the civilization the vast bulk of us live in. Former Carter Administration national security advisor, and geopolitical guru Zbigniew Brzezinkski noted this overall trend within human civilization as one component, by dint of the acquisition of these types of breathtaking capabilities began to pull away from the rest of humanity, a phenomenon he called the "technetronic revolution":

> The cumulative effect of the technetronic revolution is contradictory. On the one hand, this revolution marks the beginnings of a global community; on the other hand, it fragments humanity and detaches it from its traditional moorings. The technetronic revolution is widening the spectrum of the human condition. The result could be a profound three-way split in the attitudes and views of mankind. The coexistence of agrarian, industrial, and new technetronic societies, each providing different perspectives on life, would make understanding more difficult at the very time it becomes more possible, and it would render the

> global acceptance of certain norms less likely even as it becomes more imperative.[22]

Just what are these technological capabilities that would introduce such a split? They are, as Brzezinski avers, mostly military in nature:

> In addition to improved rocketry, multi-missiles, and more powerful and more accurate bombs, *future developments may well include automated or manned space warships, deep-sea installations,* chemical and biological weapons, death rays, and still other forms of warfare—*even the weather may be tampered with. These new weapons could either encourage expectations of one-sided, relatively "inexpensive" victory; permit proxy contests that will be decisive in their strategic political outcome but will be fought by only a few human beings . . . or even by robots in outer space;* or simply create such mutual instability that the breakdown of peace will become inevitable, in spite of man's rational recognition of the futility of war.[23]

Brzezinski foresaw the consequences of technological developments almost forty years ago when he first wrote *Between Two Ages,* developments that, with the capability of manipulating the weather itself—which is ultimately, let it be recalled, a *planetary* system and therefore on the cusp of Civilization One class capabilities—would allow one, as the late Jerry Smith observe, to conduct "war covertly by causing droughts, storms, volcanic eruptions and floods" and thus raising the question "how would the general public know if such a war were being fought?"[24]

The question is a profound one, and implies the methodology we must pursue: One would have to have a knowledge of the basic principles and deployment capabilities of such technologies, of their signatures, and of

corresponding political and economic activity. This may seem an absurd conjunction of concepts, even though we have earlier hinted at it. Jerry Smith points out, however, that the language of the U.S. military itself commits the same kind of Freudian slip, and in doing so, may be signaling not only the existence of the breakaway civilization, but who some of its ultimate masters may be, for the *Air Force 2025* study referred to earlier actually contains a paper entitled *Weather as a Force Multiplier: **Owning** the Weather in 2025.*[25] The opening statements of this particular paper carry their own weighty implications for this methodology:

> In 2025, US aerospace forces can 'own the weather' by capitalizing on emerging technologies and focusing development of those technologies to war-fighting applications. Such a capability offers the war fighter tools to shape the battlespace in ways never before possible. It provides opportunities to impact operations across the full spectrum of conflict and is pertinent to all possible futures. The purpose of this paper is to outline a strategy for the use of a future weather-modification system to achieve military objectives.[26]

There are two senses in which weather modification capabilities can be considered a force multiplier: (1) in a "soft" sense, such as creating weather conditions to interfere with an enemy's formations and operational plans, while creating weather conditions to optimize one's own, or (2) using weather itself *directly* as a weapon to destroy strategic enemy targets.

More importantly, however, in both senses of weather modification as a force multiplier, one would look for the coincidence of weather phenomena with political and/or military and/or economic objectives being achieved or inhibited. Consequently, the ability to control weather may

conveniently explain why, now, there is a *new* kind of financial security being offered in various markets: the weather derivative, and as we shall see, there are even darker capabilities hinted at in the literature. For example,

> In 1996, Russian space and weather-control scientists hooked up with Gianfranco Bisiacchi, then head of Mexico's space efforts, and founded Electrification Local de la Atmosfera Terrestre (ELAT). Nominal results from the three ground stations set up be ELAT in 1998 were so impressive—rainfall was reported to increase by as much as 30%—that Mexican state governments were soon clamoring for more facilities.
>
> ELAT claims credit for ending the severe drought in Northern Mexico. Since 2000, says Bisiacchi, the amount of annual rain in the region has been "30% to 35% greater than what it was during the 1990s. In fact, the lakes of the region that were dry are now full."[27]

This was accomplished not by the usual methods of cloud seeding, but by generating charged ions at the ground based stations and then beaming them into the atmosphere. "That, they claim, fosters clumping on both airborne dust particles and ice crystals touched by a charged ion."[28] Bear this basic electromagnetic concept in mind, for we shall be returning to it, for basically it implies the ability to *create* weather systems.

2. Steering Hurricanes

But one may also envision the technologies and techniques of *steering* large naturally occurring systems as well, and this again implies a class one civilization capability in the sense that such large weather systems are planetary phenomena. Smith notes that the effort "to steer or reduce the force of hurricanes" became a concern after World War Two, for the relatively benign purpose of protecting people and property.[29] Of course, this would imply the ability to *increase* the force of hurricanes and to steer them for offensive purposes.[30] One scientific paper, "Controlling Hurricanes—Can Hurricanes and Other Severe Tropical Storms Be Moderated or Deflected?" by Dr. Ross N. Hoffman, a "member of several NASA science teams,"[31] makes these possibilities distinctly clear:

> But must these fearful forces of nature be forever beyond our control? My research colleagues and I think not. Our team is investigating how we might learn to nudge hurricanes onto more benign paths or otherwise defuse them. Although this bold goal probably lies decades in the future, we think our results show that it is not too early to study the possibilities.
>
> . . . What is more, *it turns out the very thing that makes forecasting any weather difficult—the atmosphere's extreme sensitivity to small stimuli—may well be the key to achieving the control we seek. our first attempt at influencing the course of a simulated hurricane by making minor changes to the storm's initial state,* for example, proved remarkably successful, and the subsequent results have continued to look favorable, too.[32]

In the light of the confident military predictions already surveyed, and in the light of technologies and curious "coincidences" to be outlined later in this chapter, I strongly believe that the goal lies not "decades in the future," but that it has been already achieved.

The signal indicator here is the acknowledgement that but "minor changes" to the initial systems state can result in significant amplified effects both as to the intensity and duration of a storm but also its direction. This defines the key feature of the militarization of planetary systems, for as Dr. Gordon J.F. Macdonald put it, "The key to geophysical warfare is the identification of environmental instabilities to which the addition of a small amount of energy would release vastly greater amounts of energy."[33] This means that the fundamental energy and steerage considerations are in the nature of *non-linear physics.* Dr. Ross N. Hoffman, to whose paper on the steerage of hurricanes we have already referred, observes that the key—like Sam Israel's "Forward Propagation program" outlined in part one—lies in the ability to make successful non-linear equation predictions of what occurs when one modifies an initial system state just enough that the introduced modification develops a feed-back loop to propagate throughout the system:

> We have modified for our experiments a highly effective forecast initialization system called four-dimensional variational data assimilation (4DVAR). the fourth dimension to which the name refers is time.
>
> After simulating a hurricane that occurred in the past, we can then change one or more of its characteristics at any given time and examine the effects of these perturbations. It turns out that most such alterations simply die out. *Only interventions with special characteristics—a particular pattern or structure that induces self-reinforcement—will develop sufficiently to have a major effect on a storm . . .* To

> explore whether the sensitivity of the atmospheric system could be exploited to modify atmospheric phenomena as powerful as hurricanes, our research group. conducted computer simulation experiments for two hurricanes that occurred in 1992. When Hurricane Iniki passed over the Hawaiian island of Kauai in September of that year, several people died, property damage was enormous and entire forests were leveled. Hurricane Andrew, which struck Florida just south of Miami the month before, left the region devastated.
>
> Surprisingly, given the imperfections of existing forecasting technologies, our first simulation experiment was an immediate success. To alter the path of Iniki, we first chose where we wanted the storm to end up after six hours—about 60 miles west of the expected track. Then we used this target to create artificial observations and fed these into 4DVAR. We set the computer to calculate the smallest change to the initial set of the hurricane's key defining properties that would yield a track leading to the target location.
>
> . . .
>
> Although the original and altered versions of Hurricane Iniki looked nearly identical in structure, the changes in key variable were large enough that the latter veered off to the west for the first six hours of the simulation and then traveled due north, so that Kauai escaped the storm's most damaging winds. *The relatively small, artificial alterations to the storm's initial conditions had propagated through the complex set of nonlinear equations that simulated the storm to result in the desired relocation after six hours.*[34]

Nonlinear equations and nonlinear systems propagation and feedback loops, however, are but three of the physics conceptions that we must bear in mind in the militarization

of geophysical systems. The other conception we must also scrutinize is the standard explanation that storm systems such as hurricanes or tornados are exclusively thermodynamic, rather than electromagnetic-thermodynamic systems, and to do this, we must have a closer look at tornados as electro-dynamic systems, and to the possibilities of weather weaponization this affords.

3. Tinkering with Tornados[35]

The standard academic meteorological view of the formation of tornadoes is that they are formed solely and exclusively by thermodynamic processes. As a boy, and growing up in the midwest, I grew up with pictures of the oftentimes strange and bizarre damage that tornadoes left in their wake, and quickly concluded that the standard thermodynamic explanations left a lot to be desired, as they seemed to have been formed on the basis of a consideration of only part of the evidence, and then using the model formed on that basis—the thermodynamic one—to explain the rest of the evidence, or rather, to explain it away.

As a young man, I entertained the idea that tornadoes were electromagnetic phenomena chiefly, though not exclusively, and that opinion has not changed. Finally, however, I am moved to write on some of my observations over the years, largely because I have found, finally, an article that I think is worthy of consideration. I am also moved to write about this theory because of the spate of questions flowing on the internet in the wake of the devastating outburst of tornados that left devastation in Tuscaloosa, Alabama, and Joplin, Missouri. That devastation has prompted speculation that this outburst was the product of a technology being deliberately applied, speculation that was not helped by the statements of Russian political leader Vladimir Zhirinovsky the same week, to the effect that Russia had devastating weapons that could, among other things, engineer the weather.

The importance of the electromagnetic theory of tornado formation is thus immediately obvious, for such a basis of formation would also conceivably allow a technology to do the following things, each of which implies an increasing level of technological development and sophistication in its application:

1) To steer the storm by creations of cyclonic systems;
2) To damp, ameliorate, or even dissipate a tornadic storm;
3) To increase, intensify or strengthen a tornadic storm;
4) To create the storm whole cloth, and to steer, or target it.

In this section we shall consider:

1) some classes of evidence overlooked by the thermodynamic theory, based on the paper “Observations on the Electromagnetic Nature of Tornadic Supercell Thunderstorms” by Charles L. Chandler, a paper I recommend,
2) connections suggested by that evidence, that Mr. Chandler does not pursue or invoke,
3) an outline of his theory of the electromagnetic nature of tornadoes, and
4) the implications of that theory for the creation of a tornado-engineering technology in connection with other technologies and principles outlined in the remainder of this chapter.

a. Some Classes of Evidence Overlooked by the Thermodynamic Theory

(1) Embedded Objects

Consider the following familiar type of tornado damage, where one object is embedded in another (typically a tree or telephone pole, but not always):

Record in Tree
wea00226, NOAA's National Weather Service (NWS) Collection[36]

The most obvious explanation for such phenomena is that such objects are literally driven by high velocity winds into trees and so on, and the latter made perhaps slightly more "porous" by dint of the extreme low pressures caused by tornadoes as they pass by. This indeed seems to be the most sensible explanation.

(2) Levitating, or Suctioned, Cars and People?

The suction-dynamic explanation is also a favorite explanation for the phenomenon of the levitation of cars, but it is precisely here, reasons Chandler, that problems begin to surface. Chandler states this belief in the following fashion: "Tornadoes are suction vortexes, and the general public has come to think of them as giant vacuum cleaner hoses that can pick up large objects in precisely the same manner as a household vacuum cleaner picks up small objects." Here it is important to distinguish between motion inside, and outside, the actual tornado vortex.

First, noting the levitation of objects—typically vehicles—*outside* the vortex, Chandler is worth citing at length:

> Then there is a different type of levitation that sometimes occurs outside of the vortex. Scientists

> have not applied any critical scrutiny to these reports, and the common “explanation” is flatly absurd. A tornado was nearby; tornadoes are suction vortexes; things were picked up; any questions? Yet outside of the vortex, the lines of motion are parallel to the ground. So the vertical motion within the vortex would be irrelevant, even if the conventional framework could explain it. A critical treatment of the topic requires that we explain how objects are picked up just with horizontal air motion.
>
> At first blush, this doesn’t seem like a hard task. Cars will become airborne if subjected to crosswinds above roughly 60 m/s . . . Contrary to popular belief, it is not the Bernoulli Effect that lifts up the cars, wherein a low pressure has developed above the car. Rather, when air broadsides the car, some of it gets forced under the car, creating a high pressure below it, and this is the force that lifts up the car. Once off the ground, the car is then rapidly accelerated in the direction of the wind, and hits the ground (for the first time at least) 5 m or more away. If it bounces, wind can once again get under the car and lift it up, and the process repeats. So all that is necessary for cars to get levitated is that the windspeed be in excess of 60 m/s, which is in the EF2 range. And there is plenty of evidence of cars being picked up and bounced for some distance in the strong winds of EF2+ tornadoes.[37]

The problem with this explanation is that it does not account for non-wind driven types of levitation witnessed and reported by tornado survivors. Chandler mentions the following examples:

> But there are a number of well-documented cases of vehicles being picked up and behaving in a manner that cannot be explained in such simple terms. In

these cases, the vehicles were picked up after the strongest winds had passed, and instead of being accelerated in the direction of the winds, they simply hovered for a while.

For example, during the tornado that hit La Plata, MD, on April 28, 2002, a bus with 30 people aboard was lifted off the ground, kept suspended in air for several seconds, and then set back down on the wheels. High wind speeds could have picked up the bus, but then the bus would have been accelerated horizontally, and it would have hit the ground hard and rolled several times, destroying the bus and probably killing many of the passengers.

Here's a similar report, again from Maryland, this time from Steve Tracton, Ph.D. (meteorology):

In 1995, I was in my car one night, patiently waiting the opportunity to turn from a driveway onto a street in Temple Hills, MD, when seemingly out of nowhere the wind increased to what I perceived as hurricane strength. Needless to say, I was totally surprised and scared beyond belief when my car rose at least two feet off the ground. Fortunately, the wind decreased as rapidly as it had increased, and my car settled back down on the driveway.

Watching any of the videos of cars hitting the ground after being picked up by high wind speeds, do the words "settled back down" come to mind?

The following is an eyewitness report of a car being picked up by a tornado, and a photo of the results.

The man in the house near us was very lucky. He was in the yard and was hanging on for dear life and watched his car raise about 5 feet in the air and float for a few feet toward his house. The car then was gently lowered on his fence and it tilted on its side and was gently lowered to the ground. His house was not touched and he was next to the car and was not

> harmed. He was hanging on that corner post that you see with the brace on it.[38]

When the Russian was asked how the car came to be in this position, he answered:

> The car actually floated after the main body of the tornado passed over head and was out of sight. The winds were still strong but I was watching the car as was the man who owned the car. The wind damage was done and the car just gently lowered onto the fence. It did not crash to the ground. The fence held the car side up and the car tipped then gently lowered on its side.
>
> Yes, slight damage but the car was uprighted after the fence removed and driven away. No dents except slight impressions from rocks and such as it laid on its side.[39]

Chandler then asks what is for our(and his) purposes the most significant question: “How could strong winds pick up a car and then gently set it down on a wooden fence — why was the lateral acceleration so slight? And why did this happen *after* the tornado had already passed?”[40] There are also, Chandler observes, people who have been picked up by tornadoes, carried for a distance, and then set gently back down.[41]

The most damaging example to the strictly thermodynamic model of tornadic levitation is the cases of houses themselves:

> . . . (There) have been cases where entire houses have been picked up and carried, and then set back down, damaged but still relatively intact. The anomalous aspect of this is not that an object as big as a house could be picked up. Houses are mainly empty space, with lots of surface area upon which the winds can

> exert force. But houses simply are not built in such a way that they can be picked up, except from underneath, without falling apart. Without being able to get underneath the house to pick it up, the only other way to generate the necessary uplift without destroying the house is with a force that can act upon the entire mass at once. There are only two such forces in nature operative at this scale — gravity and electromagnetism. It's not gravity, because the houses were picked up. That leaves electromagnetism.[42]

We will return to Chandler's actual electromagnetic model in a moment. For now, we need to look at another clue as to the electromagnetic nature of these storms.

(3) Blue-Green Colors, RF Emissions, and The Implication that "They "Knew All Along

One feature often noted by tornado and super-cell storm observers— and it is a phenomenon I myself have often witnessed—is the peculiar blue-green tint to the clouds and atmosphere that oftentimes accompany such storms. This blue-green color is typical of the ionization of the atmosphere—in effect, turning it into a kind of "cold plasma" for want of a better analogy—and is the first strong indicator that the electromagnetic component of tornadic storms may indeed be the paramount factor, with thermodynamic effects the result or "signature" of these more fundamental physical processes:

> Identifying the microphysical processes responsible for a luminous color is a complex endeavor, but one sure source of photon emission is the capture of an electron by a positive ion. In order for this to be happening enough to create visible luminosity, there would have to be a lot of ions picking up free

> electrons. Studies have shown that while the precipitation that falls to the ground originates from a region in the cloud that is predominantly negative, outside of the cloud the precipitation has a predominantly positive charge. The only possible conclusion is that something is stripping the electrons from the falling precipitation, but there's (obviously) nothing in the thermodynamic model that can do this.
>
> There's really only one possibility here. The particles would have to pass through positively-charged air, losing electrons in the process. This, then, constitutes one of the lines of evidence in support of the contention that there is a positive double-layer surrounding the negative charge stream.[43]

However, there is yet another intriguing fact about tornadoes that deserves mentioning as it bears directly on the electromagnetic hypothesis, and Chandler spends some time with it in his lengthy paper: radio frequency emissions. Tornadoes are known to emit sustained Radio Frequency (RF) pulses in the frequency range of 20 to 140 Megahertz (MHz). Additionally there is a relationship between higher frequency emissions and more powerful tornadoes (i.e., tornadoes in the F4-F5 category).[44]

(4) Lightning Inside the Funnel

One very unusual feature of tornadoes that has been witnessed— though very seldom for obvious reasons—is the phenomenon of lightning inside the funnel vortex. Chandler observes that while tornadoes are passing through a vicinity, the number of lightning strikes in the same vicinity diminishes dramatically.[45] One explanation for this phenomenon is that for some reason, the electromagnetic charge may be concentrated within the tornado funnel itself. Several eyewitnesses who have been beneath a tornado and who have been able to see up inside the cortex have

reported seeing streamers of lightning inside the vortex. In fact, in some cases, they report seeing *two* vortices, the outer fast-moving column of air, and an interior vortex circulating much more slowly, and inside of which the lightning is to be seen. Consider the following report that appeared in the June 10, 1996 issue of *Time:*

> January 21, 1992, Near Cripple Creek, Colorado. Shortly after 2 PM, while fishing at Skagway Resevoir, D. McGown spotted an ominous cloud formation developing in the west. A horizontal, black cloud rolled toward him. Suddenly, it lifted to reveal a huge, twisting funnel advancing directly at him. He threw himself to the ground, but got a good look up into the interior of the funnel.
>
> "The outside of the tornado was spinning so fast my eye couldn't following it, but the inside was rotating almost lazily. I could see a thousand feet up inside it. Tiny fingers of lightning lined the hollow tube."[46]

Another report from 1943 from McKinney, Texas has a witness describing seeing the inside of a funnel, which appeared to be luminous and, again, with streamers of lightning.[47]

On June 22, 1928, Mr. Will Keller, a farmer near the town of Greenberg, KS (subsequently destroyed decades later by a tornado), also saw up into the vortex of a tornado. In his own words:

> At last the great shaggy end of the funnel hung directly overhead. Everything was as still as death. There was a strong gassy odor and it seemed that I could not breathe. There was a screaming, hissing sound coming directly from the end of the funnel. I looked up and to my astonishment saw right into the heart of the tornado. There was a circular opening in the center of the funnel, about 50 or 100 feet in

> diameter, and extending straight upward for a distance of at least one half mile, as best as I could judge under the circumstances. The walls of this opening were of rotating clouds and and the whole was made brilliantly visible by constant flashes of lightning which zigzagged from side to side. Had it not been for the lightning I could not have seen the opening, not any distance up into it anyway.[48]

Note what we have: (1) lightning inside the funnel vortex, and (2) in some cases, two vortices, an external wind-vortex and an internal, slower vortex, creating a rotation differential between the two, and (3) the entire system under intense direct current electrical stress.[49] All of these things argue for the basic electromagnetic nature of tornadoes.

b. A Basic Outline of Chandler's Theory

With these odd facts in mind, let us now outline Chandler's electromagnetic theory, noting first of all that his paper attempts to gather all disparate types of evidence—including the above survey—and to account for it. As we have already observed, the levitation of houses and cars cannot really be accounted for by a purely thermodynamic model of tornadoes.

Chandler begins by noting that within the super-cell thunderstorm there are two regions of electrical charge activity, which generate a circulation of air: there is an inner "doughnut" or toroid of negative charge, and circulating around this toroid, and an outer sheath of positively-charged air circulating around it. It is this electrical circulation that ultimately explains certain features of tornados, including their ability to stick closely to the ground, that the standard thermodynamic model cannot:

The present work agrees that the driving force in a tornado is the low pressure under the supercell's updraft. But the defining characteristic of a tornado is that it attaches robustly to the surface of the Earth, and this isn't explicable in fluid dynamic terms (at the given pressures, densities, viscosities, speeds, angular momenta, skin friction coefficients, etc.). The only possible conclusion is that some other force must be present, and the only other force present in the atmosphere is electromagnetism. Previous works considered the possibility that a weak but sustained electric current between the ground and the cloud could cause a tornado. An electric current can, indeed, cause a discharge vortex, but it cannot cause a tornado, as there is no way to concentrate the release of energy at the solid boundary, begging the original question. The present work takes a different approach. If a charged double-layer is traveling down around the outside of the cloud, then at the bottom of the cloud this double-layer will get rammed down to the ground (as the RFD and FFD), and then skidded along the ground toward the updraft. Because of its electric charge, it will induce an opposite charge in the Earth, and then it will be attracted to that opposite charge. If the tornadic inflow is attracted to the Earth, it becomes easy to understand how the tornado attaches so robustly to the ground. A vortex is not an entity, but rather, a condition in a medium, and in order to understand the vortex, we have to neglect the vortex and study the medium instead. So we should not say that the tornado is binding to the ground, but rather, that the tornadic inflow is binding to the ground. If an electrostatic attraction is added to the fluid dynamic factors, a tornadic vortex becomes possible. A wide variety of observational and instrumental evidence is considered, without finding reason to abandon the hypothesis that a charged

> double-layer is a necessary condition for tornado genesis.[50]

It is this electrical charge differential between regions of air that accounts for the strange phenomena also observed with tornadoes, including the apparent levitation of vehicles and objects otherwise not able to be accounted for in a standard thermodynamic model, as for example, levitation:

> The (electromagnetic) model asserts that the tornadic inflow is positively-charged, and the surface of the Earth has an induced negative charge. This means that particulate matter from the surface that is getting blown in the wind will be negatively-charged. Objects exposed to the tornadic inflow (such as people, cars, etc.) will be sandblasted with this particulate matter, and will therefore pick up a negative charge. After becoming negatively charged, the objects will be attracted by the electric force to the positively-charged air around them. Since there is more air above them than below them, the net force will be upward. And since electromagnetism is 39 orders of magnitude more powerful than gravity, even an extremely small EM force can be the determining factor.[51]

In other words, it is the charge differential between the ambient medium of the vortex itself and the objects it levitates that is the key, and with this, as we shall see, we have a potential “steering mechanism” in addition to the obvious steering mechanisms suggested by low pressure cyclones themselves.

c. An Unusual Parallel Description

It should be noted that the reported cases of objects embedded in other objects by tornadoes bears an unusual

resemblance to something at first glance completely different: the reported embedding of people in bulkheads during the alleged Philadelphia Experiment. I have written about this elsewhere,[52] but for our purposes here it is worth noting that in the case of the alleged experiment, we are dealing with rotating electrical fields. This suggests, though certainly does not prove, that the known and similar phenomena observed with tornados might not in fact be the product of thermodynamic fluid forces, but rather, a little understood electromagnetic phenomenon. It should similarly be noted that similar embeddings have been observed by John Hutchison in his experiments with the so-called Hutchison Effect.

d. Implications for a Tornado-Engineering Technology

With these ideas in mind, we now return to our initial four considerations to inquire whether a technological application could be envisioned to explain four cases or modalities:

1) To steer the storm by creations of cyclonic systems;
2) To damp, ameliorate, or even dissipate a tornadic storm;
3) To increase, intensify or strengthen a tornadic storm;
4) To create the storm whole cloth, and to steer, or target it.

As we shall discover later in this chapter when we consider the technologies and principles represented by HAARP, such technologies, by creating regions of ionospheric heating, could also create regions of intense low pressures which could trigger earthquakes.

(1) The Ability to Steer Storms

By a similar procedure or ionospheric heating, then, it would be possible to create regions of low pressure to move or manipulate entire weather systems, in short, to steer a

storm in a general fashion. Additionally, the ability to manipulate regions in the ionosphere to create regions of relativistic accelerated particles also implies the ability to manipulate the creation of regions of charge differentials around storms to steer such a system with more precision than merely by creations of cyclones of low pressure. Effectively, in other words, ionospheric heating technologies such as HAARP imply, by the nature of the case, a general steering capability for weather systems, and could further imply an even more precise targeting capability for weather systems. In short, the technology currently in existence, in my opinion, argues that the first capability has already been achieved. Such ability also implies the ability to steer storms away from certain areas, in other words, to attempt to mitigate damage to highly populated areas, by driving storms away from them (and that of course implies the ability to target such areas).

(2) The Ability to Damp Storms

A more difficult proposition is presented by the implied ability to damp, ameliorate, or completely dissipate a storm, but again, the same conditions apply, only in reverse: If the technology exists to create charged regions of the atmosphere, then that same technology could conceivably be used to *neutralize* regions of charge differentials if such regions were known. Chandler's hypothesis allows one to conjecture on the broad structures of supercell storms, thus creating the possibility that storms could be damped.

(3) The Ability to Intensify Storms

While the ability to damp or ameliorate storms is apparently more difficult, the third modality in our list is not so. It would be possible to intensify storms by intensifying existing naturally occurring low pressure cyclones, or alternatively, by creating another low pressure system in close proximity to a naturally existing one. This would have

a double effect, both of steering a storm system and to intensify the cyclonic system, for as the natural tendency of such vortices in close proximity to each other is for such vortices to merge into a more powerful vortex, this activity would allow a storm to be steered as well, using the natural attraction between such vortices to draw the storm in a certain direction. In short, the existing technology could additionally account for the ability to intensify naturally occurring storms. In other words, within existing principles of physics, and with the known operational parameters of HAARP-like ionospheric heater technologies, the first three capabilities in our list already exist.

(4) The Ability to Create a Storm Whole Cloth

We come to the final and most difficult matter, the actual creation of supercell thunderstorms and tornadoes. While this is indeed the most difficult modality of deploying such technologies, it should now be evident that there is nothing, really, to prevent their use in the actual creation of such weather systems. Careful monitoring of humidity and temperature, and frontal conditions, would of course allow the use of these technologies to stimulate the emergence of regions of charge differentials, the creation of local and intense regions of low pressure, where such conditions already exist; in short, the creation of conditions for supercell creation or modification of existing conditions to do so. Similarly this technology could be used to steer the jet stream, manipulate frontal conditions, create inflow of warm moist air over regions where one later wished to create a supercell.

With increased experimentation and precision control over the elements of a storm it is within the bounds of theoretical possibility, in my opinion, that one could create tornadoes and steer them with some precision.

Given that the blue-green signatures of ionization and therefore of strong electromagnetic activity have been

known for a very long time to be associated with such storms, there is no doubt in my mind that elaboration of electromagnetic models of such storms was undertaken covertly and was underway for quite some time,[53] and this means, quite simply, that experimentation in the steerage, intensification and amelioration of storms was also under way.

All of these things strongly argue that the technologies to manipulate weather systems on a planetary scale already exist. But even these pale by comparison to the *next* level of technology: the ability to manipulate geophysical systems themselves in the creation of volcanism and earthquakes.

4. HAARP, EISCAT and Ionospheric Heaters: Geophysical Systems Warfare, and the New Geopolitical Imperative

This manipulation of geophysical systems is best epitomized in the popular imagination by the technologies of ionospheric heaters, and more particularly by the High Altitude Auroral Research Project or HAARP array in Gakona, Alaska, a vast field of phased array radio antennae, and similar ionospheric heaters in the possession of Russia, Japan, and Europe/Germany's EISCAT. This technology works by "manipulating the layers of the Earth's atmosphere,"[54] that is to say, we are dealing with a technology on the cusp of a Class One Civilization capability, and as we shall see subsequently, possibly even a technology on the cusp of Class *Two* capability. This technology indeed is capable of using "planet Earth itself as a weapon, harnessing the power of natural processes for war."[55]

Rosalie Bertell notes that HAARP's *publicly* stated purposes emphasize some an odd assortment of aims:

> The stated aim of HAARP is to 'understand, simulate and control ionospheric processes that might alter the performance of communication and surveillance systems.' The HAARP system will beam 3.6

megawatts . . . of high-frequency radio energy into the ionosphere in order to (in the words of its proposal):

- *generate extremely low frequency (ELF) waves for communicating with submerged submarines,*
- conduct geophysical probes *to identify and characterize national ionospheric processes so that techniques can be developed to mitigate or control them,*
- *generate ionospheric lenses to focus large amounts of high frequency (HF) energy, thus providing a means of triggering ionospheric processes that potentially could be exploited for Department of Defense purposes,*
- induce electron acceleration for infrared (IR) and other optical emissions which could be used to control radio wave propagation properties,
- generate geomagnetic field aligned ionization to control the reflection/scattering properties of radio waves.[56]

Note that the ability to use low frequency waves to communicate with submarines involves *using the Earth itself* as a transmitting "antenna," a concept fraught with its own dangers as we shall discover.

In the case of HAARP, there is no *known* capability of this sort, which would require *buried* antennae. Rather, the technique employed by HAARP is believed to be to converge beams from the phased antennae on the electrojet,

> and when the synchronised rays hit it at a right angle they cause the river of electromagnetic energy to spread sideways. When the rays are turned off, the jet returns to normal. If the transmitted rays are turned on and off in a rhythm, the motion outward and inward creates an alternating current that generates pulsed ELF waves. These low frequency waves are

> reflected back to Earth and can be used for communications with submerged submarines and for ‘deep Earth tomography’, which involves ‘scanning the internal structure of the planet . . . [57]

The ability to scan the interior structure of the planet would be a crucial step in the technology tree to acquire *earthquake* production capability, since this capability would be reliant upon the identification of instabilities within planetary structure that could be weaponized.

Note also that another stated goal of HAARP is to manipulate and control ionospheric processes, including the generation of “lenses” to focus “large amounts of high frequency energy” for defense purposes. This is a euphemism for the ability to focus the enormous electrostatic potential of the ionosphere and discharge it.[58]

We are dealing, bluntly, with a breakaway civilization technologies.

a. The Ionosphere, Missile Defense Experiments, and the Beginnings of Offensive Resonance Possibilities

To see how all this might work, however, we need to have a basic understanding of the geophysics behind it. The Earth is sheathed in protective layers that support its fragile biosphere, and these we need to understand before we can understand the use of ionospheric heater technologies as potential weapons. These protective layers may be divided into two general layers, (1) the upper layer or magnetosphere, beginning from 280 to 375 miles above the Earth’s surface, and extending to approximately 32,000 miles, and (2) the lower layer or ionosphere, that is, the Earth’s atmosphere itself. Within these two layers, there are further divisions:

1) *Magnetosphere:*

a) Lower or Inner Van Allen Radiation belt, from about 1,300 to 3,100 miles above the surface of the Earth (though in the case of some anomalous regions can dip as low as approximately 200 miles above the Earth;

b) Upper or Outer Van Allen Radiation belt, from about 8,000 to approximately 35,000 miles about the surface of the Earth;

2) *Ionosphere:* The atmosphere or ionosphere proper has five layers as follows:

a) *Troposphere,* extending from the surface of the Earth to approximate 6-10 miles above it;

b) *Stratosphere,* from 6-10 miles to 30 miles above the surface;

c) *Mesosphere,* from about 30 to 50 miles above the Earth's surface;

d) *Thermosphere or lower Ionosphere,* from approximately 50 to 60 miles above the Earth's surface; and finally,

e) *Upper Ionosphere or Exosphere,* from approximately 60 to 280-375 miles above the surface.[59]

It is important to note that, in each of these layers, and especially in the Van Allen Belts, charged particles circulate in a huge sea of energy in layers and systems that are fundamentally interrelated electro-dynamic systems.

Early Cold War era American and Soviet experiments in missile defense shields were designed to take advantage of this fact. For example, in August and September 1958, in Project Argus, the U.S. Navy detonated three atom bombs 300 miles about the South Atlantic ocean, at the anomalous point where the inner Van Allen Belt dips to about 125-250 miles of the Earth's surface.[60] One probable purpose of the tests was to study the effects of Electro-Magnetic Pulse or EMP, the phenomenon produced by nuclear explosions that interferes with radio and radar operations. But another likely

possible purpose for the tests was to study the behavior of charged particles within the layers of the ionosphere for the purpose of exploiting it virtually unlimited source of energy and potential destructive power.[61]

> These nuclear explosions created new magnetic radiation belts and injected sufficient electrons and other energetic particles into the ionosphere to cause worldwide effects. It is not known how long these belts lasted but they were observed five years after the explosions. The electrons travelled back and forth along the newly created magnetic force lines, causing artificial 'auroras' when striking the atmosphere near the north pole. This phenomenon was apparently what inspired the concept of a space 'shield' against incoming missiles. If natural Earth processes destroyed incoming debris, could an artificial shield be created against intercontinental missiles?[62]

Bertell is choosing her words carefully but it is clear what she is implying: the basic geophysics of the Earth provided a natural defense of the planet, and, with proper stimulation, these systems could be tweaked into systems of defense against ICBMs tipped with hydrogen bombs, and eventually, could be tweaked into even deadlier strategic weapons of mass destruction than the hydrogen bomb and ICBM.

A hint of these more deadly Class One and Two Civilization capabilities and technologies was revealed in a 1968 proposal in the United States for a system of "microwave energy satellites" that would capture the *Sun's* energy and beam it to the Earth:[63]

> It was planned that the satellites would intercept solar radiation using solar cells, and then transmit the energy via a microwave beam to receiving antennas, called rectennas, on Earth. the rectenna sites, each capable of generating five gigawatts of electricity,

> were expected to take up 145 square kilometres of land, and would preclude habitation by humans, animals or even vegetation. Plans for controlling wildlife and birds were sketchy, depending, apparently, on letting them die if they wandered too close to a rectenna or flew through a microwave beam.[64]

Obviously, such a program had clear military applications, given that the microwave beams would devastate 145 square kilometers—an area similar in size to the area devastated with a small hydrogen bomb, and, notably, one would have none of the inaccuracy of an ICBM, nor none of the fallout associated with a thermonuclear bomb.[65] More to the point, one could imagine an even more horrific "upgrade" to the concept, using a maser, laser, x-ray laser or graser (gamma-ray laser) to ionize a channel of air through the atmosphere as a kind of "channel" for a vast amount of electrons in the ionosphere or inner Van Allen Belt to follow. One would, in other words, be targeting a region on the Earth with a precision unheard of by any missile, through which static discharges—lightening strikes—several magnitudes of order more powerful than anything in nature would follow. One could, by such a system, devastate an entire region in mere seconds.[66] And lest one think it was solely the *West* developing these breakaway civilization capabilities, the Soviet Union in 1962 followed with its own high altitude nuclear explosions in 1962, creating three new radiation belts of its own from 4300 to 8100 miles above the Earth.[67]

These potentialities for strategic offensive geophysical weapons systems thus make the publicly stated purposes for HAARP and similar ionospheric heaters dubious at best, for as I noted in *Saucers, Swastikas, and Psyops,* such god-like technologies afford the ideal matrix for covert and psychological warfare operations. Indeed, Bertell herself

notes that “The US Department of Defense provides a manual for its industrial contractors which states: ‘Cover stories about projects must be believable and cannot reveal any information regarding the true nature of the project.’”[68] The true nature here being the potentiality for offensive strategic use through the identification of instabilities in systems, and their exploitation through resonance effects.[69]

C. Implied Geopolitical Imperatives of the Technologies

As we noted much earlier in this chapter, these resonant effects have as their basis the exploitation of systemic geophysical instabilities, and though we have thus far considered only *meteorological* instabilities rather than properly geophysical ones within the planet itself, it is worth pausing to consider the implied geopolitical imperatives of the technologies reviewed thus far from the point of view of the power elite(s) within such a breakaway civilization structure.

Such technologies imply a capacity for strategic mass destruction on a scale commensurate with, if not exceeding, the capabilities of the world’s thermonuclear arsenals, and they also imply two other things: (1) plausible deniability in their use, and (2) no *apparent* blowback or consequence to the user in their deployment and operational use. These facts, plus the relative ease with which such technologies could be engineered, present the breakaway civilization’s factions with an imperative, namely, to seek to put into place, if necessary with the emerging technologies themselves, a mechanism of global governance to prevent the or avoid the proliferation of such technologies to rivals, and to avoid the potential for factional infighting becoming more intense as the technologies evolve and develop. In short, it presents the elites possessing such capabilities with the imperatives behind the 1970s Strategic Arms Limitation Talks (SALT), only magnified several times over in their urgency. These imperatives well now become much more

visible in the next chapter, when we turn to examine geophysical weapons in the proper sense, or, the ability to engineer earthquakes, and all the incipient Class Two capabilities that some of these technologies imply.

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[1] Jerry Smith, *Weather Warfare: The Military's Plan to Draft Mother* Nature(Adventures Unlimited Press, 2006), p. i. Q.v. http://www.defense.gov/transcripts/transcript.aspx?transcriptid=674.

[2] Ibid., p. vi.

[3] F. William Engdahl, *Full Spectrum Dominance: Totalitarian Democracy in the New World Order* (Progressive Press, 2011), p. vii.

[4] Ibid., p. 55. Engdahl also observed that the cornerstone of this strategy was the control of energy via the "big Four Anglo-American private oil giants = ChevronTexaco(sic), ExxonMobil, BP and Royal Dutch Shell . . ." . The question is, how would control of the Earth's petroleum lead necessarily to the idea of controlling everything from the mind to the galactic reaches of outer space, which no conventional petroleum-based technology is even remotely capable of reaching? The answer to this question lies, as we shall see later in this chapter, in the geopolitical imperatives implies by the new technology.

[5] Ibid., p. 142.

[6] See Engdahl, *Full Spectrum Dominance: Totalitarian Democracy in the New World Order,* pp. 77-78, for a review of the Pentagon's preparations for "perpetual resource warfare." It is worth noting that during an interview I had with Mr. Whitley Strieber in the summer of 2012, that Mr. Strieber related a story told to him by one of his contacts within the American military-

industrial complex, namely, that if one ever initiated a hostile action against the so-called grays—i.e., started a war with them—they would never let one win, nor lose; it would simply mean perpetual war. If true, this strongly suggests a spiritual component to the phenomenon which would in turn suggest that the breakaway civilization has some sort of experience in this regard, and that the perpetual resource warfare may be a disguise for something else. While this may appear totally implausible at first reading, given the technological capabilities that we will explore in the rest of this book and the geopolitical imperatives created by the capabilities to weaponize planet Earth and its systems themselves, these technologies by the nature of the case imply tremendous new energy sources, rendering the long term need to dominate resources moot, and therefore presenting the possibility that this is a deep layer of disinformation of its own.

[7] Ibid., p. vi. Engdahl makes this observation specifically in reference to the events of 9/11.

[8] An example of this would be the formation of the American Security Council (ASC) whose members, Engdahl notes, included Walt Disney, Averell Harriman, Senator Henry “Scoop” Jackson, General Douglas MacArthur, US House Speaker Sam Rayburn, Eisenhower’s National security Advisor and Latin America CIA director Nelson Reckefeller, and so on.(Engdalh, op. cit., p. 182.) As Engdalh observes, the ASC spun off other decidedly pro-axis groups, such as the America First committee, headed by General Robert E. Wood, Chairman of Sear, Roebuck, and Co.(Engdalh, op. cit., p. 183.) and the American Coalition of Patriotic Societies, which “sponsored various racist and eugenics causes”(Ibid.).

[9] Engdahl, *Full Spectrum Dominance,* p. 38.

[10] Ibid.

[11] Rosalie Bertell, in her *Planet Earth: the Latest Weapon of War* (The Women's Press, 2000), p. 103 notes that during a press release given on 30 May 2000, US Joint Chiefs of Staff Chairman General Henry H. Shelton stated that one crucial component of the doctrine of full spectrum dominance includes the use of "deception to 'defend decision-making processes by neutralizing an adversary's perception management and intelligence collection efforts.' Faced with such obscure language, the lay reader can only speculate as to what this might entail. The press release concluded that information warfare will become as important as 'that conducted in the domains of land, air and space.' China's military also has stated that it intends to make information warfare a capability equal in stature to its army, navy and air forces."

[12] Engdahl, op. cit.., p. 146.

[13] Engdahl, *Full Spectrum Dominance,* p. 147, emphasis added.

[14] These technological advances may also explain why the two superpowers so drastically curtailed their strategic missile systems in the aftermath of the Soviet collapse; in short, their impending obsolescence made them inefficient weapons systems to maintain.

[15] Engdahl, *Full Spectrum Dominance,* p. 148.

[16] Ibid., pp. 148-149.

[17] Engdahl, *Full Spectrum Dominance,* p. 160.

[18] Ibid., p. 161.

[19] Ibid., pp. 160-161, citing *Air Force 2025,* Vol. 13, Ch 3, "The Integrated Systems-of-Systems," 21. Rosalie Bertell, in her important study *Planet Earth: The Latest Weapon of War* (The Women's Press, Ltd., 2000), p. 92, reports on the USA's MIRACL, or Mid-Infrared Advanced Chemical Laser, which "uses deuterium fluoride and helium,"

which has been tested on orbiting obsolete satellites in space from its base on the ground at the White Sands base in New Mexico. Bertell also notes that “According to *Defense News,* 13-19 April 1992, the US deployed an electromagnetic pulse weapon (EMP)” during Operation Desert Storm that was “designed to mimic the flash of electricity from a nuclear bomb” and which is “capable of knocking out communications over a wide area.”(p. 100). A much more powerful version of this system, called Hermes III is based at the Sandia National Laboratory in New Mexico, and “is capable for producing 20 trillion watt pulses lasting 20 billionths to 25 billionths of a second.”(p. 100). The US military also discovered that using phased array over-the-horizon radars known as PAVE PAWS (Precision Acquisition Vehicle re-Entry Phased Array Warning System) could crash airplanes or launch or explode the a military aircraft’s missiles.(pp. 101-102). Significantly, the USA’s HAARP (High Altitude Auroral Research Project), and Europe’s/Germany’s EISCAT are both such phased arrays.

[20] Engdahl, *Full Spectrum Dominance,* p. 161.

[21] Ibid., p. 161, emphasis added.

[22] Zbigniew Brzezinski, *Between Two Ages: America’s Role in the Technetronic Era* (Penguin 1979), p. 52.

[23] Zbigniew Brzezinski, *Between Two Ages,* p. 57, emphasis added.

[24] Jerry E. Smith, *Weather Warfare: The Military’s Plan to Draft Mother Nature* (Adventures Unlimited Press, 2006), p. xii.

[25] Ibid., p. xix, emphasis added.

[26] Ibid., pp. xix-xx.

[27] Jerry E. Smith, *Weather Warfare,* p. 30.

[28] Ibid.

[29] Jerry E. Smith, *Weather Warfare,* p. 39.

[30] Ibid., p. 51: Smith states: “Clearly if one can steer a hurricane away from a population center one can, using the exact same technology, steer it into one.” Additionally, if one can defuse or weaken a storm via any such technological means, one could increase the intensity of a system as well.

[31] Ibid.

[32] Ibid., pp. 40-41, emphasis added. Smith notes the first American military attempt to control a hurricane actually occurred in 1947(a significant year it seems), with Project Cirrus, which seeded a hurricane with 176 pounds of dry ice. After the seeding occurred, the hurricane “abruptly changed direction and came on shore near Savanna, Georgia, where it did extensive damage to property and causing two fatalities. In what has since become almost standard procedure, the U.S. military classified the data from the seeding of this hurricane to frustrate litigation.”(p. 42). But I would suggest, additionally, that the data was classified for another reason as well, namely, that the scientists in charge of the project had determined some correlation between the seeding and the direction of the hurricane, which implied the ability to steer the storm.

[33] Jerry E. Smith, *Weather Warfare,* p. 51, citing Gordon J.F. Macdonald, “Geophysical Warfare: How to Wreak the Environment.” *Unless Peace Comes: A Scientific Forecast of New Weapons.* Ed. Nigel Calder (penguin, 1968).

[34] Jerry E. Smith, *Weather Warfare,* pp. 51-53, emphasis added.

[35] This section of this chapter originally appeared in slightly different form as a white paper in the members’ subscription area on my website, entitled “Tinkering with Tornadoes: The Implications of the Electromagnetic Theory.”

[36] A Number of Other Photos of Similar nature are visible here: http://www.ultimatechase.com/chase_accounts/greensburg_tornado_damage_survey.htm

[37] Charles L. Chandler, “Observations on the Electromagnetic Nature of Tornadic Supercell Thunderstorms”, Section 40, “Tornadic Levitation.”

[38] Charles L. Chandler, “Observations on the Electromagnetic Nature of Tornadic Supercell Thunderstorms”, Section 40, “Tornadic Levitation.”

[39] Charles L. Chandler, “Observations on the Electromagnetic Nature of Tornadic Supercell Thunderstorms”, Section 40, “Tornadic Levitation.”

[40] Ibid., emphasis added.

[41] I well remember myself such reports, for in the 1966 tornado that struck Topeka, Kansas, a local reporter was doing a radio remote broadcast by Burnett’s Mound off Fairlawn in the Southwest part of the city. As he was reporting, the funnel began to descend and he decided to abandon his position. He began running but soon realized his frantic efforts were getting him nowhere. He looked down and he was indeed airborne, floating gently over the city, only to be set back down, his face caked in mud.

[42] Chandler, op. cit.

[43] Charles L. Chandler, “Observations on the Electromagnetic Nature of Tornadic Supercell Thunderstorms,” Section 17. Chandler also notes in a passage immediately following these arguments: “Please note that contemplating the nature of green thunderstorms is heresy. Consider the following quote from Scientific American. Research on green thunderstorms is limited and not well funded. As Penn State’s Craig Bohren says, this is “not exactly a hot topic of research. Indeed, being curious about them can be

hazardous to one's career." For example, the small grant from the National Science Foundation for the portable spectrophotometer Frank Gallagher used was derided by then Speaker of the House Newt Gingrich's office, and by Richard Pombo, then a Republican congressman from California, who denounced Bohren in the Congressional Record." One has to wonder exactly *why* curiosity about green thunderstorms could be a hazard to a career in meteorology *unless* there was some connection to alternative physics models for such systems, and the implied technological ability to manipulation of those systems that would follow from such principles.

[44] Charles L. Chandler, "Observations on the Electromagnetic Nature of Tornadic Supercell Thunderstorms," Section 44.

[45] Ibid., Sections 19, 43.

[46] No Author, "On the Electromagnetic Basis of Tornadoes," College Times, http://collegetimes.us/on-the-electromagnetic-basis-of-tornadoes/, citing Time, 147:8, June 10, 1996.

[47] Ibid., citing Roy S. Hall, "Inside a Texas Tornado," Weatherwise, 40:73, 1987.

[48] Ibid.

[49] By now, hopefully, this should ring a bell.

[50] Charles L. Chandler, "Observations on the Electromagnetic Nature of Tornadic Supercell Thunderstorms," Section 2, Abstract.

[51] Ibid., Section 40, "Tornadic Levitation."

[52] Q.v. my *Secrets of the Unified Field: The Philadelphia Experiment, the Nazi Bell, and the Discarded Theory,* pp. 103-190.

[53] For various reasons, I believe that this began in the mid-1950s, in the aftermath of the Blackwell-Udall tornado(q.v. Chandler), and significantly at the same

time that electro-gravitics or anti-gravity research went deeply black.

[54] Bertell, *Planet Earth: The Latest Weapon of War,* p. 53.

[55] Ibid., pp. 53-54.

[56] Bertell, *Planet Earth: The Latest Weapon of War,* p. 121, emphasis added, citing “HAARP: HF Active Auroral research Program”, Joint Service Program Plans and Activities: Air Force Geophysics Laboratory and Navy Office of Naval Research, February 1990.

[57] Bertell, *Planet Earth: The Latest Weapon of War,* p. 122.

[58] One may imagine further developments of this principle, namely, the use of two or more such ionospheric heaters in concert, to focus upon one target region an interferometric pattern of electromagnetic radiation. The amount of energy potentially available in such a use might possibly be in the giga- or tera-joule range. HAARP alone, as already noted, has a broadcast power in the giga-wattage range.

[59] Bertell, *Planet Earth: The Latest Weapon of War,* p. 55.

[60] Ibid., p. 63.

[61] Ibid., p. 64.

[62] Bertell, *Planet Earth: The Latest Weapon of War,* p. 64. Bertell also observes that “The effects of Project argus on Earth have never been fully revealed.”(p. 64)

[63] Ibid., p. 84. Bertell notes that these satellites were each to have been the size of Manhattan island and thus presumably constructed in space.

[64] Ibid.

[65] Ibid., p. 85.

[66] Bertell observes that there were other potential uses that critics of the Solar Power Satellite program noted, namely, the ability to direct the microwave beams away from the receiving rectennae “to intersect near enemy

personnel” in which case the system would function like “a microwave over—it could kill people and spare buildings,” or, conceivably, be used “to ignite combustible materials.” (Bertell, *Planet Earth: The Latest Weapon of War,* p. 86). I needn’t comment on the implications of these statements for the scenario of the collapse of the Twin Towers of the World Trade Center on 9/11.

[67] Ibid., p. 71.

[68] Ibid., p. 122, citing “The National Industrial Security Program Manual,” March 1992.

[69] Ibid., pp. 125-126. Bertell notes that such resonance effects can be huge in nature, citing the rings of Saturn as an example. One standard method of psychological operations designed to hide the purpose of technologies and concepts is what might be called “divide and hide,” i.e., parceling out not only the *technology* in various compartments of a black project, such that only a few know its real use and significance, but similarly parceling out *knowledge* in various locations, in the open. The true significance of the components can only be known by ‘connecting the dots.” One example of hiding things in the open regarding HAARP is the Federal Environmental Impact Statement that was filed by the U.S. Air Force, which stated that HAARP’s transmissions “‘can raise the internal body temperature of nearby people, ignite road flares in the trunks of cars, detonate aerial munitions used in electronic fuses, and scramble aircraft communications, navigation and flight control systems.’ Even small increases in electromagnetic radiation can cause health problems such as cataracts and leukaemia, also altering brain chemistry, blood sugar levels, blood pressure and heart rates.”(Bertell, op. cit. p. 126.)

8
Pulses, Planets, and Pyramids: Kardashev Classes and Covert conflict, Part Two

"So, we've seen trillions of dollars in tax money or Federal credit being harvested, pulled out and pulled out and pulled out . . . The debasement is this enormous amount of money being clawed out of the government and clawed out of society. It's the cost of organized crime. It's the cost offinancial fraud. The question is, where's that money going? . . . and I assure you it is not going to . . . off-shore bank accounts, (because) we 're talking about much too much money. We 're talking about the kind of money that builds private space programmes. We 're talking about the kind of money that builds corporate armies. We 're talking about enough money to endow a private government . . . So, we 're talking about enough money to buy and control the planet. And so I think ***Black Budget.****"*

Catherine Austin Fitts[1]

Indeed, as Catherine Austin Fitts rightly observes in the epigraph above, a few trillions of dollars in pocket change, a quadrillion of derivatives here, a quadrillion there, can buy a secret space program, and it might also fund a few tornados and hurricanes, purchase a few earthquakes, finance a few solar flares, reverse engineer some flying saucers, and have enough left over to fund a buyout of the globe and a new global government.

It is the globe itself that constitutes the key element of geophysical warfare, and the key that turns opens the lock to such earthquake weapons are systemic instabilities. Here, however, we enter the murky world of the intricate relationships between geophysics, plate tectonics,

electromagnetic energy, waves, and nuclear weapons, and as we shall see in the next section of this book, UFOs. Our entry into this bizarre, macabre and nightmarish world is via a little known 1963 military project called Project West Ford.

A. Nukes, Tomography, Earthquakes, and Longitudinal Waves

1. Project West Ford: Entry into a Mystery

By 1958, the atmospheric nuclear testing that the United States and Soviet Union had been conducting was put on hold.[2] But this did not stop bizarre experimentation; Rosalie Bertell writes:

> In 1961, *Keesings Historisch Archief* reported that the US Military planned to create a 'telecommunications shield' in the ionosphere in order to counteract the interference to radio communication caused by solar wind. The plan was to bring into orbit 350,000 million copper needles, each 204 centimetres long. Researchers hoped that these trillions of needles would form a belt 10km (6 miles) thick and 40 km (25 miles) wide and that the needles would be distributed about 100 metres apart. They could then bounce radio waves off this artificial shield rather than the 'unreliable' ionosphere. Although this project focused on problems with radio communication, it again reflects the idea of a space shield, which was rapidly gaining ground in the minds of military planners.
>
> The military actually did try this experiment, tossing 350,000 million copper needles into orbit![3]

The project was known as Project West Ford, and it was launched in May 1963, though according to another source, Anthony Kendall, the U.S. Air Force "launched 480 million tiny copper needles" which created an artificial ring around the world.[4]

Each needle was 1.8 centimeters long, 0.0018 centimeters in diameter and weighed 40 micrograms, and were specifically designed “to be exactly half of the wavelength of 8000 Mhz microwaves. This length would create strong reflections when the microwaves struck the copper needles, in effect making them tiny dipole antennae each repeating in all directions the exact same signal they received.”[5] This is an intriguing, if not profoundly disturbing, project, in view of the fact that certain circles within the American technocratic elite would propose, within a mere five years of the successful completion of Project West Ford, the encirclement of the Earth with microwave power satellites beaming down enough energy to roast 145 square kilometers, as detailed in the previous chapter!

But there were other possible implications to Project West Ford that began to be speculated about within a year after it was done:

> Since this experiment is not something the military later bragged about or one they expanded as planned, we can assume it was ‘unsuccessful’ for their purposes. What damage it did to the complicated upper atmosphere is unknown. One independent researcher, Leigh Richmond Donahue, along with her physicist husband, Walter Richmond, tracked such events in the postwar years. She wrote:
>
> “. . . when the military sent up a band of tiny copper wires into the ionosphere to orbit the planet ‘so as to reflect radio waves and make reception clearer’ we had the 8.5 Alaskan earthquake and Chile lost a good deal of its coast. That band of copper wires interfered with the planetary magnetic field.”
>
> While we cannot prove this hypothesis right or wrong, it was put forward by serious scientists and was the beginning of attempts to connect human disturbance of our atmosphere with unwanted violent

> happenings on the surface of the planet. Non-military geophysicists were shut out of these experiments.[6]

The earthquake referred to here is the March 27, 1964 Good Friday earthquake that struck Anchorage and other points in Alaska, an earthquake that lasted an unbelievable four minutes in some places, and that registered 9.2 on the Richter scale.

The reason some scientists began to connect the dots between earthquakes and magnetic field disturbances—and as we shall shortly see, nuclear detonations—is rather simple. Earthquakes, as measured by the Richter scale, can be converted into the equivalent of electrical current energy released, or the equivalent of the energy of the explosion of TNT, in which case the 1964 9.2 Alaska earthquake would have released an incredible 4.0 exajoules, or the approximate equivalent of detonating a hydrogen bomb of an unbelievable 950 megatons.[7] All this is to say that geophysical warfare—the ability to engineer earthquakes—most likely became an intense, and intensely *secret,* area of investigation for the breakaway civilization's scientists and technocrats, since the energies being manipulated and subject to the potential control of man far exceeded anything being done in the USA's or USSR's hydrogen bomb projects.

As soon as electromagnetic precursors to earthquakes began to be suspected, researchers began reporting them:

> On 28 July 1976 the Tangshan earthquake in China, which left 650,000 people dead, was preceded by an airglow said to have been caused by the Soviet ionospheric heater. On 23 September 1977 the *Washington Post* reported a strange star-like ball of light over Petrosavodsk. A similar airglow effect was reported over the American Midwest on 23 September 1993, at a time of disastrous flooding. At the same time, a lightning flash, rising from the tops of the

clouds up into the atmosphere, was reported. This was recognised as a new geophysical phenomenon—normal lightning flows between two clouds, or from clouds to Earth.

On 12 September 1989, magnetometers at Corralitos (near Monterey Bay, in California) detected unusual ultra-low frequency waves between 0.01 Hertz and 10 Hertz. This is the lowest range of ELF waves. These waves grew to about 30 times their first intensity, and finally subsided on 5 October 1989. On 17 October they suddenly appeared again at 2:00 pm local time, with signals so strong that they went off the scale. Three hours later the San Francisco earthquake took place. On 29 March 1993, the *Washington Times* reported that 'satellites and ground sensors detected mysterious radiowaves or related electrical and magnetic activity before major earthquakes in Southern California during 1986-7, Armenia in 1988, and Japan and Northern California in 1989. The 17 January 1994 earthquake in Los Angeles was also preceded by unusual radio waves and two sonic booms. These strange 'coincidences' have never been completely explained. [8]

As we shall see momentarily, these are not really coincidences at all; they may be the signatures of technologies producing the quakes.

a. Earthquake Engineering and the Second Kardashev Corollary

But first it is worth pausing briefly at this juncture to consider an implication of the hypothesis being developed, namely, any small changes within one geophysical system, such as those caused in the ionosphere by Project West Ford, may have had much larger resonant consequences in

another geophysical system, such as would allow for such effects to be engineered and artificially manipulated.

In the preface I observed that the Kardashev civilization classification system was based upon the energy requirements of that civilization. But I also noted a corollary: that the energy required by a civilization implied also the ability to manipulate systems at that level. Thus, a class one civilization required the energy of an entire planet, and hence, the ability to manipulate systems on a planetary scale. A class two civilization required the energy of an entire star, and hence the ability to manipulate stellar systems, and so on.

However, the "key to geophysical warfare is the identification of environmental instabilities to which the addition of a small amount of energy would release vastly greater amounts of energy."[9] Thus, one arrives at a Second Corollary to the Kardashev System, which may be stated as follows: By dint of the principle of the resonant exploitation of systemic instabilities, it is not necessary for a civilization to reach class one or two status in energy requirements to be able to manipulate systems on a class one (planetary), class (two) stellar, or class three (galactic) scale. In fact, the reverse may be true, for by acquiring the technological capability to achieve the *effects* of class one or two capabilities, one may in fact be "leveraging" the energy requirements and technologies of such civilizations.

b. Earthquake Engineering and The Geopolitical Implication

Such energies and capabilities reinforce the geopolitical imperatives referred to at the end of the previous chapter, namely, the absolute need to create a global mechanism of control over such technological potential lest their acquisition by various factions and components within the structure lead to infighting by its means, and thus break down the structure and threatening further human progress.

Indeed, there *are* hints and suggestions of precisely such cooperation. On June 21 1977, *The New York Times* reported that the United States had sold a 40-ton magnet, thought to be the largest in the world at that time, to the Soviet Union, along with scientific technicians. According to the report, the magnet could generate a magnetic field 250,000 times stronger than that of the Earth, and ultimately, was designed to increase "the power of the Soviet Woodpecker transmitters,"[10] transmitters that many researchers, including retired U.S. Army Lt. Col. Tom Bearden, believe to be components of Soviet "scalar" or "quantum potential" weapons systems.

Another strong suggestion that while there may be covert "earthquake wars" being fought with such technologies at one level, at yet another level, there is deep cooperation, cooperation perhaps born from the geopolitical imperatives implied by such technologies. Researcher Jerry Smith noted in his landmark study *Weather Warfare: The Military's Plan to Draft Mother Nature,* that three prominent *Russian* scientists were on an initial US committee investigating geophysical technologies. The committee was sponsored by the Office of Naval Research and the East-West Space Science Center of the University of Maryland. The three Russian scientists were

1) Alexander V. Gurevich, "Head, Ionospheric Division, Lebedev Institute" and a "Corresponding Member of the Russian Academy of Sciences";

2) Roald Z. Sagdeev, a professor of physics at the University of Maryland and also a member of the Russian Academy of Sciences; and,

3) Gennady M. Milikh, the committee's secretary.[11]

Of these, Sagdeev is particularly interesting, since he had been the "Director of the Soviet Union's Space Research Institute . . . for fifteen years. While there he directed many high-profile multinational projects, including the joint U.S.-U.S.S.R. Apollo-Soyuz program, and international missions to

probe Halley's comet and later to Phobos, a moon of Mars."[12] Such levels of cooperation on technologies with a distinctive geophysical warfare implication, and as we shall also discover later in this chapter, an *off*-planet capability as well, suggest that the technologies themselves might ultimately be being developed for use against another kind of potential threat entirely. But before we can explore that other potential threat, there are further terrestrial geopolitical imperatives of this technology that must be mentioned.

(1) The 1993 Kalgoorlie Australia "Meteor" and a Further Geopolitical Implication

In June of 1993 a small newspaper in the wilds of Western Australia, the *Kalgoorlie Miner,* stated that a "meteor fireball flying from south to north between Leonora and Laverton" was spotted by "several observers on 28 May."[13] Some of these observers reported that as the fireball flew overhead it made "a pulsed roaring noise, similar to a very loud diesel train."[14] After the sighting, an earthquake measuring approximately 4 on the Richter magnitude scale was reported by "23 different seismic receivers around Western Australia. After the seismic wave hit, they reported hearing a huge, long, drawn-out explosion similar but not quite the same as a mine blast. Although seismographs have been in place since 1900, there is no record of any previous earthquake in this area, nor do aboriginal people have any memory of such an event."[15] In the absence of other explanations, it was initially assumed that the Australian outback had been struck by a meteorite.

But from such simple beginnings, the story quickly grew into something bizarre and sinister, something betokening precisely the kind of factional warfare between the components of the breakaway civilization, components we outlined in the Preface. Estimating the point of probable impact to be in the Eastern Goldfields of Western Australia,

geologist Harry Mason visited the site in May and June of 1995, and to his consternation and surprise, discovered absolutely "no sign of an impact crater or ground anomaly."[16] Interviewing several witnesses, Mason uncovered an unusual catalog of facts:

> (People) heard the fireball well before they saw it; it was a large orange-red spherical fireball with a very small bluish conical tail; the speed was like that of a 747 jet liner; the fireball flew apparently parallel to Earth's curvature in a long 'nap of the Earth' arcing trajectory at low altitude (about 2000 metres) over a distance of at least 250 kilmoetres; the fireball arced down toward the ground and disappeared behind trees or low hills; then a blinding massive high energy burst of blue-white light lit up the night as if it was daylight. Observers could see more than 100 kilometres in every direction at ground level; a red colour flare then shot vertically skywards and a massive seismic ground wave hit the observers; a very loud major explosive blast followed; that was heard over a 250km by 150km corridor; minor quake damage was reported as far as 150hm southeast.[17]

Additionally, while the fireball lit up the sky, dogs in the area "went totally berserk," indicating something about the phenomenon may have been either ultrasonic or electromagnetic in nature.[18]

However, the oddest fact of them all, one which indicated that a very shadowy player may have been involved, was the fact that the entire area in which the incident occurred

> had just been purchased by the Japanese Aum Sinri Kyo 'Supreme Truth' Sect, accused of instigating the 1995 Tokyo subway gas attack. the deal was closed on 23 April 1993, only 35 days before the first fireballs were seen. The deputy leader of AUM initiated the

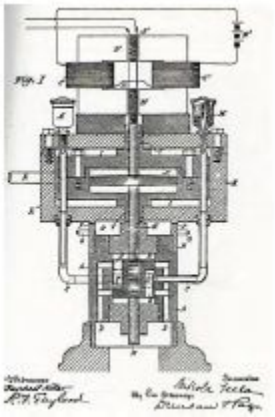
> purchase to ‘conduct experiments there for the benefit of mankind’. It cannot be shown whether or not these experiments had any connection with the fireballs. The chief lawyer of the US Senate Inquiry into the AUM sect informed Harry Mason of the AUM’s great interest in electromagnetic weapons and their power to induce earthquakes.[19]

Moreover, personnel from the sect were present in the area on the night of the sightings and earthquakes.[20]

While it cannot be demonstrated that “these experiments had any connection with the fireballs,” it *can* be shown, however, that there is a correlation between such electromagnetic phenomena and earthquakes, and thus, the prospect is raised that indeed the Kilgoorlie-Australian fireball-earthquake episode was indeed possibly caused by a faction of the breakaway civilization, one with clear connections to World War Two fascism, flexing its geophysical warfare muscles.[21]

2. Earthquake Warfare
a. Geophysics and Nukes

To see how electromagnetic phenomena and earthquakes are related, and just how far back the technology and theoretical thinking for its production goes, we have to return once again to man who is perhaps the greatest scientist and engineer of all time, Nikola Tesla, who first proposed electromagnetic technologies for doing so in 1908.[22] But Tesla had already taken out a patent for such a device in 1894!



Nicola Tesla U.S. Patent 511,916, Jan 2 1894, for an "Electrical Generator," really an Electro-Mechanical Oscillator[23]

The principle of its operation may be gleaned by recounting an incident that occurred when Tesla tested one such oscillator in his laboratory. Attaching the piston end of the oscillator (visible in the center of the drawing on the previous page) to an iron pillar "that went down through the center of his loft building at 46 East Houston Street"[24] to the building's basement. Turning the vibrator on, Tesla would step up the frequency of the piston's oscillations, observing and taking notes as first one, and then another, piece of furniture and equipment in his laboratory began to dance wildly.[25] But something else was happening, something that would soon capture the imagination of the inventor:

> What Tesla was unaware of on this occasion was that vibrations from the oscillator, traveling down the iron pillar with escalating force, were being carried through the substructure of Manhattan in all directions. (Normally earthquakes are more severe at a distance from their epicenter.) Buildings began to shake, windows chattered, and citizens poured onto the streets in the nearby Italian and Chinese neighborhoods.[26]

The police, who already viewed Tesla as something of a “mad scientist,” dispatched two officers to his laboratory when it became known that no other part of New York City was experiencing any tremors. By the time the officers arrived at Tesla’s headquarters, he had already smashed the oscillator with a sledgehammer, informing the officers that they were “just a trifle too late” to witness his experiment which he “found it necessary to stop . . . suddenly and unexpectedly and in an unusual way . . .”[27]

The idea of thus using resonant vibrations and inherent systemic instabilities thus began to exercise its grip on Tesla’s powerful mind, and he immediately foresaw the use of mechanical vibrations to locate mineral deposits beneath the earth and even “to determine the physical constant”, i.e., the exact mechanical resonance, of the earth.[28] Indeed, an exact probing of the interior structure of the Earth becomes essential to the fundamental principle of geophysical warfare, for that principle is dependent upon the identification of, and resonant loading of instabilities within geophysical systems.[29]

However, Tesla also foresaw other possibilities:

> “So powerful are the effects of the telegeodynamic oscillator,” said Tesla in reviewing the subject in the thirties, “that I could now go over to the Empire State Building and reduce it to a tangled mass of wreckage in a very short time. I could accomplish this result with utmost certainly and without any difficulty whatever. I would use a small mechanical vibrating device, an engine so small you could slip it in your pocket. I could attach it to any part of the building, start it in operation, allow it twelve to thirteen minutes to come to full resonance. The building would first respond with gentle tremors, and the vibrations would then become so powerful that the whole structure would go into resonant oscillations of such great amplitude and

> power that rivets in the steel beams would be loosened and sheared. The outer stone coating would be thrown off and then the skeleton steel structure would collapse in all its parts."[30]

Similarly, Tesla boasted to a friend that he could do the same to the Brooklyn Bridge "in less than an hour."[31]

Never one to think on a small scale, Tesla also conceived of the use of the principle as the ultimate geophysical doomsday weapon, for he maintained that it would be possible to split the Earth by the very same means, "split it as a boy would split an apple—and forever end the career of man."[32] Tesla went on to explain the mechanism of doing so by resonance. Suppose, he maintained, that one would explode a ton of dynamite at a particular point on the Earth's surface or beneath it. A longitudinal pulse would spread from that point concentrically around the Earth until it contracted again at the antipode, where it would spread once again, and contract upon the original point of detonation, where, at that instant, one would again detonate, or pulse the wave, again and again, until the wave grew in such amplitude that the Earth could no longer damp the vibrations, and it would split.[33] In a matter of a few weeks "he could set the Earth's crust into such a state of vibration that it would rise and fall hundreds of feet, throwing rivers out of their beds, wrecking buildings, and practically destroying civilization."[34]

There are two very important points to bear in mind here. Firstly, the basic principles—and with Tesla's electro-mechanical oscillator, the basic technologies—of geophysical warfare have been around *for more than a century.* Secondly, it is well-known that the banking-money power fraternity suppressed the development of Tesla's wireless beaming of power, and the physics that went with it. The implication is thus rather profound, for these facts suggest that the basic outlines of a breakaway civilization

may have begun circa the turn of the last century, and may have begun as a *private* and corporate development, vastly expanding itself as monetary and financial requirements of the Second World War and Cold War compelled the covert penetration of the much vaster financial resources of government(s) to make it possible. We shall present more intriguing and suggestive information in part three of this book that tends to indicate, from a very *different* angle, that the possibility of a turn-of-the-century beginning of the breakaway civilization may be the case.

3. Nuclear Weapons, Longitudinal Waves, and Earthquakes

a. Longitudinal Waves, Nukes, and Earthquakes

It was the advent of nuclear weapons, however, that made the potentialities of geophysical warfare a much more distinctive possibility. For one thing, the enormous power of nuclear devices made it possible to "see" all the way into the Earth's core, since their powerful longitudinal pulses could penetrate that deeply. This allowed scientists to discover that, beneath the molten core of the Earth, there is yet another, solid core.[35]

But there was something else that nuclear weapons appeared to be doing, something that basically confirmed Nikola Tesla's proclamations of the capabilities of geophysical weapons:

> Underground nuclear explosions have also set off earthquakes. The best documented of these occurred deep in the vast Nevada desert in 1968. The United States government set off a nuclear weapon on a fault line to see if they could induce an earthquake—and got one! This took place under the code name *Project Faultless.*
>
> According to the Nevada Division of Environmental Protection *Project Faultless* was detonated at the Central Nevada Test Area (CNTA) in emplacement

> borehole UC-1 on 19 January 1968 at a depth of 3,200 feet below ground surface. Officially, Faultless was designed to study the behavior and characteristics of seismic signals generated by nuclear detonations and to differentiate them from seismic signals generated by naturally occurring earthquakes, and also to evaluate the usefulness of the site for higher-yield nuclear tests that could not be safvely conducted at the Nevada Test Site (NTS) near Las Vegas. It was intentionally placed on a fault line to see if the high yield explosion would set off an earthquake. It has been argued that the scientists in charge of the shot were convinced that such was impossible, hence the name “faultless.”[36]

Note that the military is tacitly admitting that its studies of such detonations are for the purposes of geophysical warfare, to determine the difference between artificially generated seismic pulses, and naturally occurring ones.

The *Project Faultless* test was designed to be a very large test, of just under one megaton, though its size was never publicly announced.[37] Further tests, one code-named Adagio, were also scheduled and these, judging from the size and depth of the drill holes for the tests, would possibly have been in the multi-megaton range.[38] When the test occurred on January 19, 1968, however, windows broke at a high school 87 miles away in Ely, Nevada, and the naturally occurring faults at the test site itself were so disturbed that the site was rendered unusable and further tests were cancelled.[39] In spite of U.S. Department of Energy reassurances that there is no correlation between nuclear tests and earthquakes, the test of an atom bomb in Nevada on June 19, 1992, followed four days later by another such test, was also followed by a series of earthquakes in the Mojave Desert with Richter scale readings as high as 7.6.[40]

Other nations' scientists were not as reassuring as the U.S. Department of Energy:

> A study conducted in 1975-76 by two Japanese scientists, entitled "Recent abnormal Phenomena on Earth and Atomic Power Tests," by Shigeyoshi Matsumae, president of Tokai University, and Yoshio Kato, head of the University's Department of Aerospace Science, concluded:
>
> "Abnormal meteorological phenomena, earthquakes and fluctuations of the earth's axis are related in a direct cause-and-effect to testing of nuclear devices . . . Nuclear testing is the cause of abnormal polar motion of the earth. By applying the dates of nuclear tests with a force of more than 150 kilotons, we found it obvious that the position of the pole slid radically at the time of the nuclear explosion. Some of the sudden changes measured up to one meter in distance.[41]

Nor were the Japanese alone in coming to such conclusions, for the British magazine *New Scientist* reported on 12 October 1978 that the 1978 earthquake in Tabas, Iran that killed at least 25,000 people "may have been triggered by an underground nuclear explosion . . . British seismologists believe the Tabas earthquake implies a nuclear test that has gone awry,"[42] and this at a time when seismic laboratories at the University of Uppsala, Sweden, reported a Soviet thermonuclear test of approximately 10 megatons had occurred only 36 hours before the Iranian earthquake.[43]

Canadian Gary T. Whiteford, Professor of Geography at the University of New Brunswick, echoed his colleague's concerns in a paper for the August 1992 edition of *War and Peace Digest* entitled "Earthquakes and Nuclear Testing: Dangerous Patterns and Trends." The magazine summarized Whiteford's paper as unequivocally supporting the correlation of nuclear testing and earthquakes:

> Within the data he found other suggestive patterns. The one-two nuclear test punch that preceded by only a few days the July earthquakes in California this year may reveal a special danger. The largest earthquake this century took place in Tangshan in North-East China on July 27 1976. It measured 8.2 and killed 800,000 people. Only five days earlier the French had tested a bomb in the Mururoa atoll in the Pacific. Four days later the United States tested a bomb in Nevada. Twenty-four hours later the earthquake hit China.[44]

This is a significant statement, for the detonation of two nuclear bombs, at different times, suggests that the earthquake in China was caused by the *interferometry* of the resulting waves from the two detonations, and this raises the possibility that one could cause such quakes by the interference of two such *longitudinal electrical* waves, the very type of waves many, including this author, believe was the basic concept behind Tesla's idea for the wireless transmission of power.

b. Tesla, Bearden, Nukes, Longitudinal Pulses, and the Medium

It is the possibility of an electromagnetic, rather than merely nuclear-mechanical, generation of such killer earthquakes that informed Dr. Andrea Puharich to speculate that it was produced by the use of Tesla-type electromagnetic technologies. Puharich noted that the *New York Times* reported on June 5, 1977 that "just before the first tremor at 3:42 AM, the sky lit up 'like daylight.' *The multi-hued lights, mainly white and red, were seen up to 200 miles away. Leafs on many trees were burned to a crisp and growing vegetables were scorched on one side, as if by a fireball."*[45] It is this fact that lead many to consider alternative explanations for such earthquakes.

The key connection between such nuclear, and electromagnetic, possibilities for geophysical warfare lie in unusual properties of *rotating plasmas,* one of which is their ability to converse transverse electromagnetic waves into *longitudinal* electromagnetic waves, and vice-versa.[46] Thus, a rotating medium such as the Earth's atmosphere, could be energized by a technology, such as HAARP, to produce an ionized gas or plasma, which could in turn generate transverse or longitudinal waves which would be deeply Earth-penetrating waves:

> To complete the military investigation of the whole Earth system it was necessary to probe the solid earth itself, and this again involves the use of wave technology.[47]

Here, as in so many places, the technology is capable of a dual function, both to probe the Earth, and to exploit its instabilities:

> Ionospheric heaters such as HAARP create extremely low frequency (ELF) waves which are reflected back to the Earth by the ionosphere. These rays can be directed through the Earth in a method called deep earth tomography. Since the beamed radiation used to convert the direct electrical current of the electrojet into alternating current must be pulsed, it is reasonable to assume that the ELF radiation it generates will also be pulsed. *Pulsed ELF waves can be used to convey mechanical effects, vibrations at great distances through the Earth.*[48]

Such technologies, operating in the 8-10 Hertz range, would be operating in the normal frequency range of human and animal brains, and thus be capable of a mind manipulation use, as well as for the purposes of probing and mapping the

Earth's interior, or for more direct exploitation of instabilities.[49]

This implies something very significant to our expanding methodology for detecting the use of such generated and manipulated earthquakes: the presence prior or during such an event of low frequency electromagnetic waves, which would, in some cases, case precisely the type of air glow reported for the Tangshan earthquake, the glow typical of high ionization of the atmosphere and thus the exploitation of its plasma properties in the generation of powerful longitudinal waves. Indeed, such airglows were reported in September 1993 during the heavy flooding that took place in the American midwest that year.[50] Similar phenomena have been detected prior to some earthquakes:

> On 12 September 1989, magnetometers at Corralitos(near Monterey Bay, in California) detected unusual ultra-low frequency waves between 0.01 Hertz and 10 Hertz. This is the lowest range of ELF waves. these waves grew to about 30 times their first intensity, and finally subsided on 5 October 1989. On 17 October they suddenly appeared again at 2:00 pm local time, which signals so strong that they went off the scale. Three hours later the San Francisco earthquake took place. On 29 March 1992, the *Washington Times* reported that 'satellites and ground sensors detected mysterious radio waves or related electrical and magnetic activity before major earthquakes in Southern California during 1986-7, Armenia in 1988, and Japan and Northern California in 1989. The 17 January 1994 earthquake in Los Angeles was also preceded by unusual radio waves and two sonic booms. These strange 'coincidences' have never been completely explained.[51]

As will be seen in the next section, this fact implies certain things for a methodology of determining when a technology

may be in play in earthquake generation.

For the moment, however, we note that the Russian state Duma's Committees on International Affairs and Defense in August 2002 issued a report describing HAARP, and by implication, similar technologies and installations, as "a qualitatively new type of weapon" and left no doubt about the qualitative change it represented:

> Under the High Frequency Active Auroral Research Program (HAARP) the USA is creating new integral geophysical weapons that may influence the near-Earth medium with high-frequency radio waves. The significance of this qualitative leap could be compared to the transition from cold steel to firearms, or from conventional weapons to nuclear weapons. This new type of weapon differs from previous types in that the near-Earth medium becomes at once an object of direct influence and its component.[52]

Given the ability of plasmas—ionized gases—to generate longitundinal waves, however, it becomes possible that such transmitters could be used not only on the near-Earth medium for weather generation and manipulation, but for direct modification and probing of the Earth itself.

But what have nuclear weapons, longitudinal waves, earthquakes, and Tesla to do with each other? What really is the possible *physics* underlying them?

One possible answer is provided by retired U.S. Army lieutenant colonel Thomas E. Bearden, in a signal paper from 1981 entitled "Tesla's Secret and the Soviet Tesla Weapons." Here once again Bearden returns to the idea of the scalar potential, ϕ, of James Clerk Maxwell, and to the idea that this potential represents an internal stress in the physical medium which is an "instantaneous stress" on the fabric of spacetime.[53] This stress, Bearden notes, referencing the now well-known 1903 paper of British

physicist E.T. Whittaker, “On the Partial Differential Equations of Mathematical Physics,” can be decomposed into longitudinal waves, and hence, that the scalar electrostatic potential is “a measure of the intensity of the virtual state flux through a 4-dimensional spacetime point.”[54]

Unpacking all this, Bearden unfolds an profoundly interesting chain of reasoning, one with huge implications as we shall see. He begins by noting that electrical polarity, or charge, “is a 4-dimensional concept.”[55] Particle charge, in turn, is intimately related to the *spin* of the particle. But mass, however, is something very different:

> Now mass is a spatial, 3-dimensional concept. Rigorously, mass does not exist in time—masstime exists in time. Mass and charge are thus of differing dimensionalities!
>
> Also, according to quantum mechanics, the charge of a particle— e.g., of an electron—is due to the continual flux of virtual particles given off and absorbed by the observable particle of mass. Thus charge also is conceptually a measure of the virtual flux density, and directly related to ϕ (the scalar electrostatic potential). Further, since the charge exists in time, it is the charge of a particle of spatial mass that gives it the property of masstime, or existing in time.[56]

From this, Bearden attempts to reconstruct, on the basis of Whittaker’s 1903 paper, what Tesla’s wireless beaming of power was actually doing. The field generated by the scalar potential ϕ, he noted,

> need not involve observable mass accumulation, but only charge (virtual flowrate intensity) accumulation. Accumulated masses are like so many gallons of water; accumulated charge is like so much *pressure*

on both the water (space) and the time in which the water is existing.

Now, if one varies the (scalar electrostatic potential) solely as a point function, one would have a purely scalar complex longitudinal wave, and not a vector wave at all. This is the fundamentally new electrical wave that Tesla discovered in 1899.

Rigorously, all vector fields are two-point functions and thus decomposable into two scalar fields, as Whittaker showed in 1903. It follows that any vector wave can be decomposed into two scalar waves. By implication, therefore, a normal transverse (electromagnetic) vector wave, (for example), must simply be two coupled scalar (Tesla) waves—and these scalars independently would be longitudinal if uncoupled . . .

A tesla (scalar potential) wave—i.e. a massless wave in pure the stress of the spacetime medium—would have very strange characteristics indeed. For one thing, since it moves in a complex 4-space, it has many more modes of movement than does a simple wave in 3-space.[57]

This requires a pause and a bit of unpacking. What Bearden is suggesting, behind all this dense language, is that charge is simply the measure of the intensity of virtual flux through any given point, and as such, since the intensity or density of a charge can vary, so can the virtual flow itself, or, to put it in more Kozyrevian terms, so can the degree of temporal flow itself.

Two or more longitudinal waves can thus be made to move through higher-dimensional or +3-spatial regions at different intensities or times, to converge at a particular point. If a triangle is the two-dimensional signature of a three-dimensional tetrahedron, then, how would one recognize such +3-space higher dimensional “longitudinal

wave convergence" occurring in our three-dimensional world? Bearden's highly speculative answer is worth citing in full:

> Actually, a ϕ_4-wave (i.e., a scalar wave in four dimensional space, ed.) can and will interact with some of the other existing ϕ_4-waves in the medium transversed, and this interaction can involve *pair-coupling* into (electromagnetic) vector fields and waves, an interaction **not presently in the electrodynamics theory.** The result of scalar pair-coupling creates a finite amount of vector "drag" on the ϕ_4-wave, so it then has less than infinite velocity. However, if this drag is small due to limited pair-coupling, the scalar wave's velocity through the slightly dragging medium still may be far greater than the speed of vector EM waves (light) in vacuum. On the other hand, if the pair-coupling is made severe, the ϕ-wave may move at a speed considerably below the speed of vector light waves in vacuum. The velocity of the ϕ_4-wave is thus both variable and controllable or adjustable (e.g., **simply by varying its initial amplitude,** which through a given medium changes the percentage of pair-coupling and hence the degree of drag on the scalar wave).[58]

We are now in the presence of a dilemma, one which we shall confront again in part three, and with a vengeance, namely, the admission that the speculative solution being offered does not exist in current electrodynamics, *though it is clearly implied by Whittaker's 1903 paper,* leads two possibilities open: (1) one is dealing with outright "pseudo-science", or (2) one is dealing with a *suppressed* science.

For the moment, let us assume the latter is true for the sake of argument, and allow Bearden himself to unpack what he is actually saying:

> An earthquake fault zone is such a scalar interferometer. Stresses and charge pileups exist in the plates on each side adjacent to the fault, with stress relief existing in the middle in the fault fracture itself.[59]
>
> . . .
>
> Since the rock is locally nonlinear, the mechanical stresses and electrical currents in it are also locally nonlinear. This results in the generation of multiple frequencies of ϕ_4-waves from each side of the fault interferometer, yielding two complex Fourier expansion patterns of scalar potential waves . . .
>
> Since much of the piezoelectric material in the stressed rocks is quartz grains, the features of quartz are of particular interest. Each little quartz grain is itself highly stressed, and has stress cracks. It is therefore a little scalar interferometer. Further, quartz is transparent to infrared and ultraviolet; and the random orientation of all the quartz scalar interferometers may also form a Prigogine system far from thermodynamic equilibrium.[60]

Recall here that the essence of geophysical warfare was to identify and capitalize on such instabilities. In other words, *the two regions on each side of a fault represent the 3-space unfolding of two different scalar potentials, and the fault itself represents the "topological common surface" of the two, a surface of pure massless stress, which may be "defined" as the sum of stress of the two regions.*

We noted earlier that rotating plasmas under stress can produce such longitudinal waves from transverse waves, or vice-versa. And here we come to the possible heart of a mystery that has been present in my books since *The Giza Death Star* and much more recently in *The Grid of the Gods,* and that is difficulty of yield-calculations of early

thermonuclear tests. We now have another clue as to why these devices may be transducing or gating more energy into the reaction than can perhaps be accounted for by normal models, for in a standard thermonuclear device, *two* bombs are present, an atom bomb, which is used to generate the enormous radiation—in essence a *highly charged longitudinal wave*—required to set off a second *fusion* bomb, which itself generates, mere fractions of a second later, another enormous pulse. As these waves interact the reaction itself becomes a plasma scalar interferometer, plugged into the all other locally occurring stresses.

Bearden notes that all of this is "exciting, for it means that Tesla stress waves can affect either space or time individually, or both space and time simultaneously, or even oscillate back and forth between primarily affecting time and primarily affecting space,"[61] the reason being because

> All of these exist in the flow of time, and they are affected if the time stream in which they exist is affected. This was the awful secret that Tesla partially discovered by 1900. Thus by transmitting a scalar standing wave into the earth, he could easily tap the fiery scalar fields produced in the molten core of the planet itself, turning them into ordinary electromagnetic energy. In such a case, a single generator would enable anyone to put up a simple antenna and extract all the free energy desired.
>
> When Tesla's alarmed financial backers discovered this was his real intent, they considered him a dangerous madman and found it necessary to ruthlessly stop him at all costs. And so his financial support was withdrawn, he was harassed in his more subtle patent efforts (and the patents themselves were adulterated), and his name gradually was removed from all the electrical textbooks.[62]

However, we must now begin to question the standard explanations for the financial power's suppression of Tesla, his plans, and his technology, for as is now evident—and as would have been evident to those powerful men by dint of the expert advice they would have been able to buy—the weaponization potential of Tesla's devices and concepts were enormous.

Likewise, the geopolitical consequences in a politically divided world were also enormous. For the elite, a means therefore had to be found to suppress the public development not only of the technology, but to erase the concepts that underwrote it from public attention. In this we may perhaps discern the real beginning of the breakaway civilization. Of course, if one has been following the ongoing story of Nazi secret weapons that I and other researchers have been developing, or the interpretation of postwar Soviet research that Col. Bearden has developed over so many years, this effort was, by the end of World War Two, ultimately *unsuccessful* as it became evident that many different factions—not all of them in the orbit of the Anglo-American financial elite—had acquired and were using such technologies.

But there is another implication that the total culture of total power of the breakaway civilization would immediately understand, if anything close to Bearden's speculations on fault lines as scalar interferometers was understood in Tesla's time (and we have already seen Tesla's remarks indicating that something *like* it may have been in his mind). And for this, we need a brief excursion into ancient times and modern interests.

c. Pyramid Possibilities

Obviously, what is true of naturally occurring fault lines in the Earth as common surfaces of an interferometer of two regions of a nonlinear medium under stress, would be true of any such artificially created "fault" created by using

nonlinear quartz-bearing rock, and placing it under enormous stress, such as pyramids, which would be, on Bearden's view, massive man-made scalar interferometers. Indeed, such conceptualization formed the basis of my own thinking behind my hypothesis that the Great Pyramid may have represented a sophisticated weapon system of mass destruction.[63]

Recently alternative researcher Nick Redfern published an important and intriguing book about the military-industrial complex's interest in ancient archaeology, *The Pyramids and the Pentagon: The Government's Top Secret Pursuit of Mystical relics, Ancient Astronauts, and Lost Civilizations.* In it, Redfern states an intriguing thesis:

> The controversy-filled theory that a number of humankind's most impressive and legendary constructions, such as the pyramids of Egypt, the similar structures that pepper whole swathes of South and Central America, and England's Stonehenge, were built via the use of fantastic technologies long lost to the fog of time, is one that provokes a great deal of interest and attention, as well as loud and vexed voices.
>
> In essence, the amazing theory suggests that the raising and placing of massive stone blocks in eras long past was achieved by the manipulation and nullification of gravitational forces or anti-gravity, in simple terms.
>
> Even more sensationally, the U.S. military has taken a keen and provable interest in these particular matters and beliefs. The story continues that the Pentagon has secretly taken much of its inspiration in investigating these undeniably alternative issues from studying the work of authors in the field of ancient astronaut research.[64]

For our purposes, we would observe only that such an interest in ancient things would be the logical development of the “total culture of total power”, especially if it adhered to the view that there existed a technologically sophisticated civilization on planet Earth in high antiquity, a civilization that encoded its science in sophisticated myths, metaphors, texts, and monuments.

I have argued this view in many books, and believe it to have been a functioning ideological component of another great contemporary breakaway civilization, Nazi Germany. Moreover, with the post-war deals with the Axis devils recounted in the preface and in my other books, this interest by the military-industrial complex of the USA may not only represent the total culture of total power of that breakaway civilization, it may represent the legacy of that Nazi influence in its postwar development and formation.

In any case, Redfern highlights a little-known fact that would have been of interest to this total culture of total power, the text *The Meadows of Gold and Mines of Gems,* by the ninth-century Arab adventurer and world traveler, Abu al-hasan ali al-Mas’udi.[65] In it, al-Mas’udi:

> recorded tantalizing, centuries-old lore that had come his way during his explorations (that) strongly suggested the pyramids were created by what today we would most likely refer to as some form of levitation.
>
> The incredible story that al-Mas’udi uncovered went like this: When building the pyramids, their creators carefully positioned what was described as a magical papyrus underneath the edges of the mighty stones that were to be used in the construction process. Then, one by one, the stones were struck by what was curiously, and rather enigmatically, described only as a rod of metal. Lo and behold, the stones then slowly began to rise into the air, and like dutiful soldiers

> unquestioningly following orders, proceeded in slow, methodical, single-file fashion a number of feet above a paved pathway surrounded on both sides by similar, mysterious metal rods. For around 150 feet, al-Mas'udi noted, the gigantic stones moved forward, usually with nothing more than the very gentlest of prods from the keeper of the mysterious rod to ensure they stayed on track, before finally, and very softly, settling back to the ground.
>
> At that point, the process was duly repeated. The stones were struck once more, rose up from the surface, and again traveled in the desired direction, for yet another 150 feet or so. And so the strange, repetitive task continued, time and time again, until all of the stones finally reached their ultimate destination. Then, in a distinctly far more complex feat, the stones were struck again, but this time in a fashion that caused them to float even higher into the air. Then, when they reached the desired point, they were carefully and with incredible ease, manipulated into place, one-by-one, by hand and nothing else, until the huge pyramid in question was finally completed.[66]

For our purposes, the implications of this story, if true, in conjunction with Mr. Redfern's thesis, and taken against the backdrop of the Nazis' evident interest in the militarization of ancient esoteric lore and tradition represented by Heinrich Himmler's creation of the *SS Ahnenerbedienst,* is that a similar secret and interdisciplinary "team" or unit would exist within the breakaway civilization, tasked with the examination of ancient texts and monuments, all for the purpose of gaining further knowledge and technologies of its hegemony. Indeed, the possibility arises that it may see itself as the deliberate attempt to recreate that civilization of high antiquity.

B. The Methodology of the Indications of Geophysical Wars, and Disturbing Class Two Stellar Possibilities

1. Methodological Implications

Fascinating as such a possibility may be, however, our attention must now return to the *methodological implications* that the previous chapters have unfolded. How would one *detect the actual deployment* of such plausibly deniable technologies in actual use, deployed in actual "covert wars"? From all that has preceded, we conclude that any such method of detection would in effect be an interdisciplinary effort, coordinating the following two broad classes of data:

1) In the occurrence of any natural disaster, such as a tsunami, earthquake, or severe weather storm, were there antecedent technological signatures, such as extremely low frequency broadcasts, unusual activity by HAARP or other ionospheric heaters, or nuclear tests? In the case of earthquakes particularly, how *deep or shallow* was the epicenter, and how sharp was the initial P-wave?

2) Was there unusual stock, bond, or currency market activity in the area, country, or region affected prior to the event? or, similarly, or in conjunction with it or shortly thereafter, was there stepped up or unusual political activity prior to the event in question? In either case, who was behind the activity? Or have any nations made public statements to the effect that such events are engineered?

As cases in point, it is worth noting that in the wake of the devastating earthquake that struck Haiti, Venezuelan President Hugo Chavez appeared on officially-backed Russian Today TV, and stated that the quake was engineered by the U.S. More recently Iranian President Mahmoud Ahmadenijad has accused the USA of engineering Iran's draught.

Peculiar as these claims may seem, there is a corroboration that oddly recently appeared in the financial and securities markets: the weather derivative, which is a handy instrument to have around if one also has the instrumentalities of weather modification.

In this respect, there is one “hugely stunning” example of exactly the kind of pattern that this methodology implies, and this comes from former Bush Administration Assistant Secretary of Housing and Urban Development, Catherine Austin Fitts, in an interview on November 26, 2011 with Bonnie Faulkner entitled “Unpacking Mr. Global.” There Ms. Fitts put the connection of the methodology with hidden technologies, black budgets, disaster-and-market manipulation with some force:

> **Catherine Austin Fitts** (11:25): “Right. And I think the biggest problem is starting at the end of World War II, we created a financial mechanism through the CIA Act and the National Security Act in combination and then with a variety of Executive Directives that allowed private corporations to be the beneficiary of that money. So, you’ve created between those steps, you created a financial mechanism where Government can borrow money and use that money to give money to private corporations on a non-accountable basis to own and control the most dazzling newest, hottest technology on the planet. And Government and elected representatives lost control of the technology. And as frustrated as we can sometimes get with Congress or the Federal Government, the reality is the Federal Government and Congress do not control that technology. We now have private corporations in control of that technology. **And we have what I call a *Breakaway Civilisation.* We have a group of people who have so much money and so much power and, literally, don’t feel under any**

compunction to obey the laws of the Constitution or any other laws for that matter."

Bonnie Faulkner: "And what kind of technology are we talking about?"

Catherine Austin Fitts (12:43): "Well, that's the question. We can only speculate. But I think we have the technology to control the weather or influence the weather. I think we have technology that can trigger earthquakes and tsunamis. I think we have invisible weaponry, certainly, that can basically invade any and all privacy. And we have computer systems that can hack banks and on and on and on. We have very, very powerful technology."

Bonnie Faulkner: "Yes. And I'm sure they're rolling a lot of it out in these wars that we're not even aware of."

Catherine Austin Fitts (13:16): "Right. Well, I'll never forget. I have a wonderful friend who wanted to buy a world bond fund, and this is many years ago, and they asked me to do a search. And I looked and I looked. And finally I found two that I could kinda stomach. And, at the time, I wasn't big on world bond funds, but, so they bought them. One of them had 15% of the money in Indonesian sovereign debt. And they bought them. And then, about a week after they bought them, the one with the Indonesian sovereign debt dropped by 15% overnight, massive insider trading. The market's calm. Interest rates are the same. There's no reason, nothing. And we called the sponsor. And we try and ask questions. We were like, 'What is going on?' I couldn't fathom it. It was like the strangest thing I'd ever seen. **A week later the Indonesian Tsunami happened and I realised they knew. They knew it was coming. They knew. How'd they know?** And it's funny 'cos I'm a very happy person. I literally lay down and thought for

> a week. I thought, ‘How do you manage money in a world where people know that a tsunami’s gonna happen a week later and keep it to themselves and just trade on the inside information?’[67]

Fitts’ remarks return us once again to the implications of the first part of this book, namely, that if there is such insider trading, it is based upon access to the knowledge that such technologies exist, *and will be scheduled for use.*[68]

2. A Brief Look at the Solar, or Stellar, Implications

There is one final implication of the technologies and concepts briefly reviewed in this chapter, and it is the stellar, or solar one. We have already noted that a rotating plasma medium, such as would be obtained by the ionization of the Earth’s atmosphere either in localized cyclonic systems, or in the more generalized heating of the atmosphere as it rotates and blows around the Earth, is an ideal medium for the creation of longitudinal from transverse waves, and vice versa. Given Bearden’s speculations that scalar waves “travel” in +3-space, their resonance effects could therefore effect the activity of the Sun itself, implying a commensurate expansion of the methodology outlined in the previous section. In other words, the very concepts and technologies that we have argued in this and the previous chapter that lie on the verge of Kardashev Class One civilization capabilities, have even deeper implications and possibilities, in that they might lie on the cusp of Class Two capabilities as well.[69]

* * *

The technologies outlined in this part of the book have led us to an unusual place, for not only does the doctrine of full spectrum dominance impel the development of a total culture of total power, that culture in turn drives the

necessity to create the bureaucratic instrumentalities for the pursuit of power from outer space to the ancient past. As we have seen, it implies that its real beginnings may lie even further back in our history than the Second World War, with the advent of the modern age and the man who made our electrical world—with all its vast potential for scalar good and evil—possible: Nikola Tesla. There is, as we shall discover in the next part, another suggestive set of facts to corroborate this view, and the connection to UFOs. But first, a brief review is in order in the next chapter.

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[1] Catherine Austin Fitts and Bonnie Faulkner, "MR Transcript —Unpacking Mr. Global, Part 2," http://mediaroots.org/mr-transcript-unpacking-mr.-global-part-2.php, p. 3, emphasis in the original.

[2] Bertell, *Planet Earth: The Latest Weapon of War,* p. 67.

[3] Ibid.

[4] Anthony Kendall, "Earth Artificial ring: Project West Ford," 2 May, 2006, http://www.damninteresting.com/earths-artificial-ring-project-west-ford/, p. 1.

[5] Ibid.

[6] Bertell, *Planet Earth: The Latest Weapon of War,* pp. 67-68, citing Nick Begich and Jeane Manning, *Angels Don't Play This HAARP* (Earthpulse Press, 1995_7), p. 53.

[7] "Richter Magnitude Scale," *Wikipedia,* http://en.wikipedia.org/wiki/Richter_magnitude_scale. Recall that the largest thermonuclear device ever detonated by man was the Russian "Tsar Bomba," with a yield of 57-67 megatons (depending on the source cited). The Anchorage quake exceeded this by more than an order of magnitude! The 1960 Valdivia Chile earthquake exceeded even this at 9.5 on the Richter scale, or an

unbelievable 11 exajoules, the equivalent of blowing up a hydrogen bomb with a yield of 2.7 *giga-tons*!

[8] Bertell, *Planet Earth: The Latest Weapon of War,* pp. 131-132.

[9] Bertell, *Planet Earth: The Latest Weapon of War,* p. 131.

[10] Bertell, *Planet Earth: The Latest Weapon of War,* p. 131.

[11] Jerry E. Smith, *Weather Warfare,* p. 181.

[12] Ibid., pp. 182-183.

[13] Bertell, *Planet Earth: The Latest Weapon of War,* p. 96.

[14] Ibid.

[15] Ibid.

[16] Ibid., pp. 96-97.

[17] Bertell, *Planet Earth: The Latest Weapon of War,* p. 91, citing Harry Mason, "Bright Skies, Part I," *Nexus,* March-April 1997. No page references given.

[18] Ibid., p. 91.

[19] Ibid.

[20] Ibid.

[21] It should also be noted that the story corroborates retired U.S. Army Lt. Col. Tom Bearden's long standing claims that the Japanese yakuza did indeed acquire such "scalar" weapons technologies. It also corroborates, and may indeed be the direct reference, of the remarks of former Clinton Administration Secretary of Defense William Cohen.

[22] Bertell, *Planet Earth: The Latest Weapon of War,* p. 98.

[23] Dale Pond and Walter Baumgartner, *Nikola Tesla's Earthquake Machine, with Tesla's Original Patents plus New Blueprints to build your own Working Model(The* Message Company, 1997), p. 93.

[24] Margaret Cheney, *Tesla: Man Out of Time* (Laurel [Bantam Doubleday Day], 1981), p. 115.

[25] Ibid.

[26] Ibid.

[27] Ibid., pp. 115-116. See also John J. O'Neill, *Prodigal Genius: The Life of Nikola Tesla* (Las Vegas: Brotherhood of Life, 1994), pp. 160-164.

[28] John J. O'Neill, *Prodigal Genius: the Life of Nikola Tesla,* p. 167.

[29] Bertell, *Planet Earth: the Latest Weapon of War,* pp. 128-129.

[30] John J. O'Neill, *Prodigal Genius: The Life of Nikola Tesla,* pp. 167-168. It should be noted that O'Neill does *not* cite any source for this quotation. Such statements are, however, condign to the sorts of statements that Tesla was wont to make in later life concerning the super-weapons potentialities of his devices and patents.

[31] Margaret Cheney, *Tesla: Man Out of Time,* p. 116.

[32] Ibid.

[33] Margaret Cheney, *Tesla: Man Out of Time,* pp. 116-117.

[34] Ibid., p. 117. Jerry E. Smith, *Weather Warfare: The Military's Plan to Draft Mother Nature,* p. 85, cites the source of these remarks as *The World Today,* February 1912.

[35] Ibid., p. 129.

[36] Jerry E. Smith, *Weather Warfare: The Military's Plan to Draft Mother Nature,* p. 63.

[37] Ibid., p. 65.

[38] Ibid., p. 69.

[39] Ibid.

[40] Jerry E. Smith, *Weather Warfare: The Military's Plan to Draft Mother Nature,* p. 72.

[41] Ibid., pp. 73-74.

[42] Ibid., p. 74.

[43] Ibid.

[44] Jerry E. Smith, *Weather Warfare: The Military's Plan to Draft Mother Nature,* p. 75.

[45] Ibid., p. 88, emphasis added.

[46] T.E. Bearden, Ph.D.(Lt. Col. U.S. Army, Retired), *Fer De Lance: Briefing on Soviet Scalar Electromagnetic Weapons,* 2nd Edition (Cheniere, 2002), p. 87.

[47] Bertell, *Planet Earth: The Latest Weapon of War,* p. 128.

[48] Ibid., p. 130, emphasis added.

[49] Q.v. Bertell, pp. 130-131.

[50] Ibid., p. 131.

[51] Bertell, *Planet Earth: The Latest Weapon of War,* pp. 131-132.

[52] Jerry E. Smith, *Weather Warfare: The Military's Plan to Draft Mother Nature,* p. ix.

[53] T.E. Bearden, "Solutions to Tesla's Secrets and the Soviet Tesla Weapons," (Chula Vista, CA: Tesla Book Company, 1981), p. 3.

[54] Ibid.

[55] Ibid.

[56] Ibid., pp. 3-4. It should be noted that charge, mass, and spin are the three main things scientists look at in the identification of the many particles in the quantum mechanical zoo. It should be noted that the Higgs boson was first predicted in 1964, and that more recent developments of the theory indicate the possibility of more than one Higgs boson. See John A. Gowan,

"Introduction to the Higgs Boson Papers," at http://www.johnagowan.org/sect16.html for a decent summary of links and papers.

[57] T.E. Bearden, "Solutions to Tesla's Secrets and the Soviet Tesla Weapons," p. 6.

[58] T.E. Bearden, "Solutions to Tesla's Secrets and the Soviet Tesla Weapons," p. 7, italicized emphasis in the original, boldface emphasis added.

[59] Ibid., pp. 9, 11.

[60] Ibid., pp. 11-12.

[61] T.E. Bearden, "Solutions to Tesla's Secrets and the Soviet Tesla Weapons," p. 16.

[62] Ibid., p. 18.

[63] It should be noted that all stone pyramids are natural interferometers, and as such, may be components of a vast machine in their own right, perhaps of a defensive nature, perhaps of an offensive one. See also my blog "More Fun with the 'Area 51 Pyramid': How to Get to Unnamed Road, NV," July 7, 2012, http://gizadeathstar.com/2012/07/more-fun-with-the-area-51-pyramid-how-to-get-to-unnamed-road-nv/

[64] Nick Redfern, *The Pyramids and the Pentagon: The Government's Top Secret Pursuit of Mystical Relics, Ancient Astronauts, and Lost Civilizations* (New Page Books, 2012), pp. 65-66.

[65] Nick Redfern, *The Pyramids and the Pentagon: The Government's Top Secret Pursuit of Mystical Relics, Ancient Astronauts, and Lost Civilizations,* p. 69.

[66] Ibid., pp.69-70.

[67] Catherine Austin Fitts and Bonnie Faulkner, "Unpacking Mr. Global, Part Two," http://mediaroots.org/mr-transcript-unpacking-mr.-global-part-2.php.

[68] This author has entertained the suspicion that the Haiti quake was not only the product of a technology, but that the subsequent earthquake near the region of Paral, Chile—close to the area of the ex-Nazi compound of Colonia Dignidad, was a response, and thus, that this was an “earthquake” war. Similarly, I have maintained a similar possibility existed for the devastating earthquakes that his the southern Soviet Union just prior to the German reunification, and I have maintained similar suspicions that the Fukushima earthquake and tsunami may have been induced by a technology. In the case of Haiti, it was a well-known haven and money-laundering point between the West and various other factions, and striking it could conceivably have dealt a blow to some activities. The earthquake in Chile, and its location, speaks for itself. In the case of the Soviet earthquakes prior to the reunification of Germany, the possible political background speaks for itself. In the case of Fukushima, the Japanese government had, prior to the event, sent clear signals to the USA that it was moving toward a greater opening to Asia and particularly China, while simultaneously “requesting” in strong language that the USA shut down its base in Okinawa. Since the Fukushima tragedy, tensions in Japanese and Chinese relations have risen again in response to the Japanese government’s inexplicable reversal of its prior policy.

[69] It should also be observed that the technologies and agendas that coauthor Scott D. deHart and I outlined in our book *Transhumanism: A Grimoire of Alchemical Agendas* (Feral House, 2012), also directly compel the emergence of a culture of a breakaway civilization, as we repeatedly observe in that book.

9
Counterfeiting Conflict for Fun, Profit and World Domination: Conclusions to Part Two

"If we also consider the possibility of covert breakthroughs in propulsion technology, and the 'off the grid' nature of the deep-black world itself, we come to the possibility that we are dealing with, in effect, a 'breakaway civilization.' One with loose connections at various points to the open civilization of humanity, but with great independence, secrecy, and a monopoly of certain key scientific secrets. "

Richard M. Dolan[1]

Certain key scientific secrets: with these words of Richard Dolan, and the survey undertaken in the previous chapters, we now arrive at the point where we must pause and reprise the argument thus far. In Part One, we observed that the financial arrangements surveyed there suggested a kind of "American national-security apparatus gone international," one which comprised the following sectors:

1) The financial component (i.e. the central and prime banks);
2) The *corporate* component (i.e., the corporations *conducting the research* to be outlined in future chapters);
3) The intelligence and *covert operations* component, represented by the heavy presence of figures like Ed Lansdale in the financial activities outlined in previous chapters; and,
4) The military component.

We also noted that the vast scale of financial fraud and industrial scale counterfeiting implied a *technological*

development requiring such funds, above and beyond the needs dictated by the creation of a hidden system of finance, a “covert slush fund”, for covert operations activities.

Additionally, we also observed three major “factions” within this structure as well:

1) An American component, represented by the interface between the corporate, financial, military, and intelligence-covert operations national security structure that we have seen in play, and particularly in chapter 4;
2) A postwar European-international Fascist or Nazi component, deeply interlocked with corporate and financial Europe, and as I have indicated elsewhere, with the criminal underground or Mafia drug trade;
3) A postwar Asian elite, comprised largely of the same nexus of relationships between the Japanese imperial family, the political and corporate elites of Japan, and a criminal underground.

The presence of all these factions and the Cold War necessity of the containment and rollback of Communism created a culture of covert operations governed by four principles, each of which constituted a stage in the defeat of Communism: (1) containment, (2) confrontation, (3) rollback, (4) defeat.

We have also argued, however, that it is this culture of covert operations that, in part, inspired the types of technologies surveyed here in Part Two, the technologies by which to fight a covert war with plausible deniability via the manipulation of natural geophysical systems from the weather to fault lines, to the human mind.

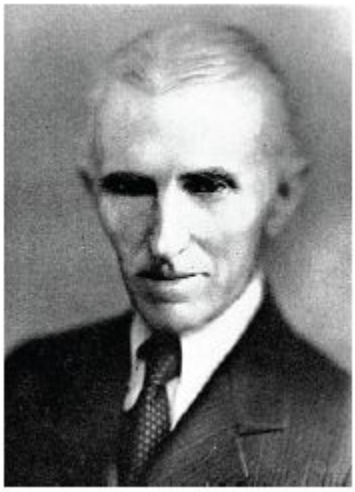
These technologies, as we have seen, implied an unusually interdisciplinary methodology for their use in actual operations, and it is best to repeat them:

1) In the occurrence of any natural disaster, such as a tsunami, earthquake, or severe weather storm, were there antecedent technological signatures, such as extremely low frequency broadcasts, unusual activity by HAARP or other ionospheric heaters, or nuclear tests? In the case of earthquakes particularly, how *deep or shallow* was the epicenter, and how sharp was the initial P-wave?

2) Was there unusual stock, bond, or currency market activity in the area, country, or region affected prior to the event? Or, similarly, or in conjunction with it, was there stepped up or unusual political activity prior to the event in question? In either case, who was behind the activity? Or have any nations made public statements to the effect that such events are engineered?

Note the implication of the last point: for unusual activity, whether monetary, or more importantly, political activity, could also be interpreted as a *message* from one party to another, and this idea of sending messages in conjunction with some of these technologies will become a very crucial point in the next and final part of this book, for now, finally, we come to the what Richard Dolan, and many others, believe to be the core issue driving the postwar formation of the breakaway civilization: the UFO.

But here again, the beginnings of that vast expansion of the postwar covert operations and black technologies capability may have had a much earlier rudimentary beginning, a beginning “coincidental” with the emergence of Tesla’s world-transforming technologies, and the early suppression of some of them.



Counterfeiting Conflict for Fun, Profit, and World Domination

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[1] Richard M. Dolan, *UFOs and the National Security State, Vol. 2: the Cover-Up Exposed, 1973-1991* (Keyhole Publishing Company, 2009), pp. 564-565.

PART THREE:
COVERT WARS AND CELESTIAL PSYOPS

"Two years later, in 1967, Robert Salas was stationed at Malmstrom Air Force Base in Montana. The former Air Force captain was monitoring a launch-control center equipped with 10 nuclear Minuteman missiles when UFOs appeared in the sky above them just as something unexpected occurred to the 10 defense weapons. "'As we looked at the display board in front of us, the missiles began going into an unlaunchable, or no-go, mode. They couldn't be launched—it went from green to red,' Salas told AOL, explaining how it was extraordinary that so many missiles could malfunction at the same time."

"'The overarching issue is that the U.S. government will not admit the reality of UFOs and the fact that they are superior craft piloted by unknown entities (who) have a distinct and ongoing interest in this nation's nuclear weapons program,' (Robert) Hastings speculated."

Lee Spiegel, "UFO Researcher Claims Air Force Not Revealing Truth About Communication Outage at F.E. Warren Missile Site," July 7, 2011
http://www.huffingtonpost.com/2011/07/07/ufos-at-nuclear-missile-site-eyewitnesses-afraid-to-talk_n_881802.html

10
Airship Arcana and the Dellschau Dilemma: Secret Societies and Secret Science

"Though the country observed the great airshow in 1897, the 1897 airship mystery may have actually began in 1840's New York and it may have ended in Houston in 1923 with the death of Charles A.A. Dellschau. "

Michael Busby[1]

UFOs are not unique to modern human history, and indeed, they may in a certain sense be viewed as a rather common occurrence throughout most ages. Additionally, they may not only be viewed as a kind of historical commonplace, but moreover may also be viewed as perhaps having the uncanny ability to appear at crucial junctures in human history, perhaps even as *influencing* the course of events at those junctures.

It is recorded, for example, that during Alexander the Great's siege of the crucial city of Tyre, five "flying shields" were seen by both the attacking Macedonians and the defenders in the city, until one of the "shields" shot a "lightning bolt" which destroyed one of the walls of the city's fortifications, allowing Alexander's army to storm and capture the fortress.[2] There are some who believe that Ezekiel's vision of wheels within wheels, or Constantine's vision prior to his victorious campaign to reunify the Roman Empire and convert to Christianity, was caused by a UFO.

The famous French Ufologist Dr. Jacques Vallee has recorded incidents of UFOs in mediaeval Europe in 1034, where a cigar-shaped UFO was sighted, and observed to change course,[3] to a mediaeval Japanese incident in 1235, where a General Yoritsume and his troops watched a dazzling display of lights performing some impossible maneuvers in the sky: in other words, they were not stars.

General Yoritsume ordered one of the first recorded scientific investigations of the phenomenon, and, in a response that can only be qualified as a mediaeval Japanese version of the U.S. Air Force's Project Bluebook, Yoritsume was reassured by his scientists that the phenomenon was merely the wind making the stars move.[4]

Form 1347-1350, Western Europe experienced the Black Death, the massive epidemic of bubonic plague that was, according to some, brought from the Orient by the trading ships of Venice and Genoa, which has, of course, fueled speculations and conspiracy theories by some that this was the deliberate act of a corrupt financial oligarchy already touting the idea that the world was over-populated. But there is another possible story, and it is a disturbing one:

> While conventional science tells us that the fierce pandemic was caused by bacteria carried by rat fleas, there were also persistent reports from the time of strange flying objects moving low through the sky, leaving a trail of suspicious waving a vapor in their wake. Wherever and whenever these objects were seen, the plague would soon break out in that area.
>
> . . .
>
> Other strange occurrences while the plague swept Europe included reports of "comets" flashing through the troubled night, strange animals washing up on European shores and many times, sounds like thunder being heard even when the skies were clear.[5]

Two things served to change the pace of sighting and reporting of the UFO, however, and these were the industrial revolution, and the advent of technologies like the telegraph and later telephone, that made the near-instantaneous transmission of information across great distances possible, and which made the potential of a technological emulation of such sightings possible.

Nothing so signaled this shift as the outbreak in the USA and Europe as the great “airship” mystery of the post-Civil War period of the second half of the nineteenth century.

A. Airship Arcana

Most people tend to dismiss the nineteenth airship mystery as being related to the question and culture of a breakaway civilization, but as will now be seen, it is deeply related to the question of its historical origins and the possible motivations behind it, for indeed, the sightings that broke out in the USA, especially during the 1890s, raised the public awareness of the UFO for the first time, even though these sightings were not at that time called UFOs. Much more importantly, the sightings impressed upon the public mind the implications of two things: technology, and its secret development.

Researcher Michael Busby has written what is probably the indispensible study of the airship mystery, and his work will be reviewed closely here, for it is by a careful contemplation of its contents that the shadowy outlines of a breakaway civilization, in its infancy, begin to emerge.

Busby notes even though there was “ample debate concerning the flying machines’ origins in 1897,” the year of the most concentrated and numerous sightings, “including the supposition that the machines were of extraterrestrial design, all of the 1896-97 newspaper accounts referred to the flying objects as *airships.* “[6] Besides this consistency, there are numerous others. Busby observes that by employing “the numerous, dated newspaper accounts as a timeline,” the sightings begin to follow “an easily identifiable path *beginning in California,* proceeding east to the Midwest (Illinois, Indiana, Michigan), then changing to a southerly course and traversing Missouri, Kansas, and Oklahoma before arriving in Texas and Louisiana in April 1897.”[7] More importantly, these reports also evidence a similar pattern:

> People saw the airship, or airship(s), at night, sometimes following a straight line, sometimes stopping then starting again then changing course before disappearing over the horizon. The descriptions of the size, shape, and sounds associated with the airship(s) are similar, regardless of the location and date of the sighting.[8]

This pattern is evident throughout the over 1200 newspaper reports, beginning in November 1896 and ending in May 1897 in Texas.[9]

It would be wrong to assume that this pattern was confined to generalities. On the contrary, it included specifics; newspaper accounts included descriptions of speeds and "swishing sounds,"[10] searchlights and flashes of light coming from the "airships," and the obvious ability to maneuver independently and under apparent intelligent direction,[11] sudden accelerations and a cigar-shape or Zeppelin-like appearance,[12] descriptions of flashes, sparks, and electrical motors,[13] descriptions of "sails" and "fans" projecting from cigar shapes,[14] flapping wings,[15] and estimations of their dimensions, and speculations upon their mode of propulsion and potentials for military application.[16] There were even some descriptions of these "airships" traveling at "meteor-like speed" and even of little green, or burnt-black men.[17]

More importantly, however, were the strangely human aspects of the mystery. For example, a majority of the sightings appeared to follow railroad lines from one locale to another, and as railroad stations were often the local telegraph office, news of a sighting often was first reported by passengers on trains, and quickly telegraphed from one location to another.[18]

1. "Contact": The Crash and Recovery Meme: a. Aurora, TX and the Death of an ET?

The airship mystery, like its later 20th century counterpart, the UFO enigma, likewise has its own set of ambiguities about potential crash and recovery scenarios and this ambiguity is reflected in stories of the airship that can clearly be construed in an extraterrestrial sense, and those which give clear recounting of *landed* airships, with *human* crews, speaking English, making repairs.

Surely the strangest aspect of the entire airship case in this instance is the account of the crash of one of the airships in Aurora, Texas, on April 17, 1897. Here is the account of what may, in fact, be the first modern, and real, Roswell, as reported on April 19, 1897, by the *Dallas Morning News* and the *Galveston News:*

> Aurora, Wise Co, Tex., April 17. —(To The News)— About 6 o'clock this morning the early risers of Aurora were astonished at the sudden appearance of the airship which has been sailing through the country.
>
> It was traveling due north, and much nearer the earth than ever before. Evidently some of the machinery was out of order, for it was making a speed of only ten or twelve miles an hour and gradually settling toward the earth. It sailed directly over the public square, and when it reached the north part of town collided with the tower of Judge Proctor's windmill and went to pieces with a terrific explosion, scattering debris over several acres of ground, wrecking the windmill and water tank and destroying the judge's flower garden.
>
> The pilot of the ship is supposed to have been the only one on board, and while his ***remains are badly disfigured, enough of the original has been picked up*** to show that he was not an inhabitant of this world. ***Mr. T.J. Weems, the United States Signal Service officer at this place gave it as his opinion that he was a native of the planet Mars.***

> ***Papers found on his person—evidently the record of his travels— are written in some unknown hieroglyphics, and cannot be deciphered.*** The ship was too badly wrecked to form any conclusion as to its construction or motive power. It was built of an unknown metal, resembling somewhat a mixture of aluminum and silver, and it must have ***weighed several tons.***
>
> The town is full of people today who are viewing the wreck and gathering specimens of the strange metal from the debris. The pilot's funeral will take place at noon tomorrow. S.E. Hayden[19]

Busby makes the following comment about the statements of the U.S. Signals Service officer, T.J. Weems, and his opinion that the disfigured body originated from Mars, i.e., was extraterrestrial in origin:

> Many people quickly dismiss this account because of the claim that an alien body was recovered. But, why would a government official, probably with no long-term ties to the community, lie about the recovery of a body? Was this a gaffe by a United States official, similar to another famous incident at Roswell, New Mexico, fifty years later?[20]

I continue to have difficulty believing that ET can travel through the blackness of interplanetary space with his advanced technology, only to crash it into windmills in Texas, so the same question might be turned around: could we be looking, again, at an attempt by a government official to obfuscate a truth—the recovery of a body—by misdirecting attention as to the origin of the technology recovered? This possibility may be indicated by the article's reference to a notebook covered in "hieroglyphics," an important point as we shall discover in section B.

Busby himself hints at other interpretations to the crash at the beginning of his book:

> Were the (appearances) of these strange flying vessels and the purported crash of an airship at Aurora, Texas, a prelude to the alleged events that occurred fifty years later near Roswell, New Mexico? Or, did an epidemic of mass hysteria sweep a good proportion of the country? Were the stories the product of newspaper writers' imaginations? Were the flying machines a secret government project (and was there a subsequent government cover-up)?[21]

In the beginning of his book, Busby answers that by focusing his research on the Texas sightings and the Aurora crash, events which he calls "the grand finale" of the airship sightings, that clues are found that contain the answers.[22]

These clues lie in the contextual details surrounding the Aurora crash, and it is worth citing Busby extensively:

> If the Aurora sighting and crash occurred in the absence of any other airship sighting in the area then it would be much easier to consign the account to the heap of known hoaxes. However, there were numerous airship sightings—more than thirty were reported in the North Texas region, including Rhome and Tioga—the evening before the crash. Rhome and Tioga are close by Aurora. Two airship sightings were made at 3:00 A.M. on the morning of the crash, one in Dallas and one in Ladonia. Also, another sighting of an airship said to be experiencing mechanical difficulties, occurred in Stephenville at some early, indeterminate hour before the crash. With so many reported airship sightings nearby, one cannot summarily dismiss the Aurora account.
>
> One of the sightings near Aurora is of particular interest. An airship was seen near Stephenville early

> on the morning, but before 6:00 A.M., of the crash. The airship was observed on the ground experiencing mechanical problems by many distinguished citizens shortly prior to the Aurora crash. the airship was previously observed on the ground only when it was experiencing mechanical difficulties or the crew needed to replenish their water supply. Stephenville is sixty-eight miles south of Aurora.[23]

By correlating various Texas and Oklahoma sightings accounts and directions, Busby concluded that they indicated the possibility of a base near Sherman, Texas, north of Dallas and close to the Oklahoma border.[24]

With this in mind, Busby observes that the Aurora crash takes on a different flavor when viewed in this context:

> If my supposition is correct, that the pilot was trying to get to his daytime hideout, why was he flying over Aurora if he came from Stephenville? If the daytime hideout was north and east of Sherman, as I predict, he could have taken a more direct approach by going more northeast from Stephenville. It seems reasonable to think that a pilot on a ship experiencing difficulties would want to go in as direct a line as possible to home base. In that case, a ship in Stephenville would not fly over Aurora. But let's look a little closer at the issue.
>
> A plausible explanation for the airship's presence over Aurora the morning of the crash is that the pilot, after leaving Stephenville, did not want to fly over the large cities of Fort Worth and Dallas in the daytime. Remember, the airships avoided flying in the daylight for several good reasons. Flying over the metropolitan areas in full daylight offered the guntotin' (sic) citizens an opportunity to "puncture the air department" of both the airship and the airmen with their shootin' irons. *The only accounts of daytime sightings occurred*

> *when an airship was on the ground undergoing repairs and then it was seen by relatively few people.*[25]

It is this aspect of the airship mystery—sightings of grounded ships undergoing repairs, and even actual contact with their crews by witnesses—that begins to put us in touch with what may have been the first phase in the development of a breakaway civilization.

b. Contact with Human Crews

Just slightly more than a week before the Aurora, Texas crash, the *Dallas Morning News* reported on April 10, 1897, a story dated the previous day from Paris, Texas. The story was short, but highly significant:

> Paris, Texas, April 9. —For several days *The News* has contained specials from different points stating that parties had an airship in the night. A man named McKnight has been working on an airship at ***U.S. Marshal Williams' ranch*** for some time and it is claimed he has been traveling around by night in his ship. While McKnight will not corroborate the statement, many who are in a position to know say his aerial navigation has at last become a success.[26]

This is the first suggestive hint that one might be looking at a special project of some sort, one, perhaps, involving personnel of the U.S. government.

The Aurora crash was not a unique event in the history airship mystery, for merely four days previously, in April 13, in Kalamazoo County, Michigan, two local residents, both former soldiers, had heard a sound like the explosion of "heavy ordnance," and later investigation turned up debris which appeared to be "part of some electric appliance" and a "propeller blade of some very light material," which might have been aluminum.[27] In another sighting near Dallas, the

day *after* the Aurora crash, witnesses reported an airship at a mere 200 feet altitude. One man saw three men on board, along with "something he took for a large Newfoundland dog," and heard speech "but could not understand what they said. From the tone of voice he ***took them to be Spaniards or Mexicans "***[28] Clearly, the description of the event and occupants was of a human crew.

On Friday, April 16, 1897, one witness spotted a grounded airship in a remote clearing, and a crewman making repairs with a hammer and chisel.[29] And on the day of the Aurora crash, yet another Texan saw a grounded cigar-shaped airship, and three men of its crew, two of whom went to work on its "rigging," while the third called to the witness and asked him to mail some letters for him! When the witness began to take notes of the encounter, he was told not to report about it, and that the crew was doing "experiments" and hoped to "revolutionize travel and transportation."[30] This is a significant sighting and report, because it tends again to confirm the view that the airships represented a secret experimental project of some sort.

This view is dramatically confirmed by a story that ran in the *Dallas Morning News* on April 19, 1897, and this time, the story was significant for naming the names not only of the witnesses, but some of those of the "crew" or the mechanism's inventors. The story, initially reported on April 17, 1897 from Stephenville, Texas, by C.L. McIlhany, indicated that he and a number of prominent citizens of the town saw a cigar-shaped airship on the ground. The newspaper article went on to state:

> (The airship) consists of a ***cigar shaped body about sixty feet in length,*** to which is attached ***two immense aeroplanes,*** and the motive power is ***an immense wheel at each end, in appearance much like a metallic windmill.*** It is ***driven by an immense electric engine,*** which ***derives it(s)***

> ***power from storage batteries.*** The crew consisted, as stated, of two men who gave their names as ***S.E. Tillman and A.E. Dolbar. They report they have been making an experimental trip to comply with a contract with certain capitalists of New York, who are backing them.***[31]

Note three critical things. Firstly, the propulsion appeared to be via propellers, but *electrically* powered ones, which would be one reason so many sightings exist of people having contact with the crew of the airships, who request *water,* presumably for recharging the ships' batteries. This would be a crucial reason for why so many airships appeared to follow railroad lines, for water towers to replenish their steam engines would be spaced at regular intervals. Secondly, electrically powered airships—and let it be recalled that within this time frame, Tesla was making similar claims—would not require *petroleum.* Tesla would, of course, perform his famous Colorado Springs experiments a year later, and upon his return to New York City, would begin his proposal for the wireless transmission of power, which, as he himself indicated, could power flight. Thirdly, and finally, it is clearly and explicitly stated in the article itself that the airships were *a private and semi-secret development by "certain capitalists of New York, "* a fact which, when combined with the earlier cited reported about a development on lands belonging to a member of the U.S. executive branch (the Marshalls' service), exhibits *precisely the same outlines of the breakaway civilization that emerges after World War Two.*

2. "Wilson"

Tillman and Dolbar were not the only names that were mentioned by reports of sightings of grounded airships and contacts with their crews. By far one of the most recurring mysteries is the identity of the mysterious "Mr. Wilson" who

so often makes an appearance in reports of contact with airship crews.[32] For example, *The Houston Daily Post* of April 21, 1897, reported that a Mr. J.R. Ligon of Beaumont, Texas, witnessed a grounded airship and interacted with its crew:

> "I and my son Charley drove home at 11 o'clock Monday night," said Mr. Ligon, "and were unhitching the horse when we saw lights in the Johnson pasture, a few hundred yards distance. We went there to investigate and discovered four men moving around a large dark object, and when I hailed them they answered and asked if they could get some water. I told them that they could. They came to my house, each bringing two baskets, and after filling them, started to return. I accosted one of the men and he told me his name was Wilson and that he and his companions were traveling in a flying machine. They were returning from a trip out on the gulf and were now headed toward Iowa where the airship was built."
>
> Mr. Ligon says he accompanied the men to the ship, and describes it as being ***130 feet long and 20 feet wide. It was propelled by four large wings, two on either side, and steered by propellers attached to the bow and stern, electricity being the power used. The hull of the ship is made of steel and contains apartments into which compressed air is pumped when the ship is in action. The ship carries a water ballast that is pumped to the bow when it is desired to bring the vessel to the earth and to the stern when the course is skyward. Mr. Ligon says the workings of the ship were thus described to him by the man Wilson, who also stated that this ship was only one of five that had been built in a quiet Iowa village.***[33]

The story, at first glance, may seem to be describing some sort of eccentric zeppelin, but upon careful reflection, is really describing something unusual, indeed, improbable, and quite remarkable, namely *a **steel** airship, with a quantity of water and electrical equipment, both weighty and bulky items, and compressed air.*

So what, exactly, provided this ungainly contraption its *lift!?* As we shall shortly discover, the answer to this question is even more improbable than the descriptions of the craft and the cumbersome, awkward questions they pose.

"Wilson" made his second appearance in an article of the *Dallas Morning News* of May 16, 1897, where he was mentioned in a lengthy letter written to a local physician, Dr. D.H. Tucker.[34] In it, the author recounts seeing a grounded airship and meeting its crew, a Mr. Walters, Mr. Warren, and Mr. Wilson.[35] More importantly, it makes technical claims that render the airships even more ungainly, unlikely, and improbable, yet, given the numerous reports, they are nonetheless *there,* and thus, the claims have to be taken seriously. "There were," the author of the letter writes,

> . . . a number of incandescent lamps about the walls and hanging from the ceiling, and I immediately concluded that the motive power of the ship was electricity and so expressed myself to Mr. Wilson. He said this was not the case, but that it was propelled and ***sustained by a gas which had the property of great compressibility under a slight pressure and a correspondingly great power of expansion.*** That he had invented a machine or rather engine that once started worked automatically and that one had only to attend to the governance which regulated the speed. I was not prepared wholly to accept this explanation and intimated as much in my expression of astonishment, but I was convinced of it

when he showed me the apparatus ***for generating the gas*** and the engine for utilizing it.

Not being a practical mechanic I can not (sic) enter into details of this engine's construction, but this much I was able to understand: ***That there was a receiver made of aluminum (and of this metal the engine and everything connected with the ship so far as I saw was constructed), from which pipes passed to what appeared to me to be a square box, at each end of which was a cylinder with an exhaust chamber, in which worked a piston attached to a very singularly constructed driving wheel like the sprocket of a bicycle, except that there were four wheels, one within the other, and these Mr. Wilson called the accumulators.*** There were two sets of such wheels with a combined velocity surpassing anything heretofore constructed. ***By the peculiar arrangement of the wheel within a wheel the balance of the centripetal and centrifugal forces was preserved in the presence of 65,000 revolutions a minute; that is, the velocity of revolution in these wheels would equal 65,000 revolutions of an ordinary wheel ten feet in diameter in one minute if such a thing were possible.***[36]

As we shall discover, this detail of the motive (and presumably, lifting) power of an unknown gas is corroborated from a very unlikely quarter. But howsoever one views it, the airships, be they steel or aluminum, were not zeppelins in any conventional sense.

3. A Secret Project, but Whose?

a. Dolbear, Tillman, and Hearst

So who were the mysterious men mentioned as crew members of some of the airships? In one newspaper report of the time, Wilson gave his place of residence as being Goshen, New York,[37] and this proved to be one of the clues that led to the unraveling of the mystery. Wilson turned out to be Hiram Wilson, an actual investor in the airship project. He and other investors had worked on their secretive project for several years, and "had parts of the ship constructed to order in different sections of the country, whence they were shipped" to a rendezvous near San Francisco and there assembled.[38]

Note what we have:

1) Private investors, representations of the involvement of New York "capitalists";
2) *Compartmentalization* of the project by ordering parts in various places, and assembling them at a "remote" location, preventing outsiders from learning any secrets about what the parts may have been *for;*
3) Some connection, as indicated by the involvement of various officials, to the federal government; and finally,
4) an *unusual* technology of motive power and lift, in some cases, electrical, and in the Wilson case, compressed gas of some sort.

And all this is occurring, once again, at the same time Nikola Tesla will do extraordinary electrical experimentation, when he will propose a world system of wireless power, which can also power flight, and, within a decade, his ideas will be totally suppressed and forgotten, just like the airships.

The concurrence of these events cannot, in my opinion, be coincidental.

But what of Tillman and Dolbar?

Tillman, as it turns out, was in all likelihood Captain Samuel Escue Tillman, a *"professor of chemistry at West Point Military Academy"*[39] from 1880 until he became

superintendent of the academy in 1917! Tillman's involvement thus makes perfect sense if a motive and/or lift technology was developed involving a compressible gas. For his part, Dolbar was in all likelihood Professor Amos E. Dolbear of Tufts University.[40] Both Tillman and Dolbear also had an interest in batteries and electricity.[41] But all this would have required significant capital, and moreover, a presence both on the East and West coast, since the clues of the mystery point to both places. In Busby's opinion, the major hidden capitalist player may have been William Randolph Hearst.[42]

Tillman's presence in all of this strongly suggests not only the same type of interface between factions within the military and the corporate world that we have encountered previously, for he could hardly have been

> absent from his post at West Point and roaming the countryside in an airship (without being) either AWOL (A serious infraction of military law, punishable by imprisonment) or participating in the flying experiments with the knowledge and approval of his superiors. Since he went on to serve in the army, including a tour of duty as superintendent of the U.S. Military Academy, until he retired with no known disciplinary actions, it is probable the U.S. government was knowledgeable of his participation in the flying experiments. To what extent the government participated in the experiments is unknown.[43]

We have, in other words, the same elements we encounter after World War Two: private corporate involvement, and a presence of the military. Busby is unequivocal in stating his conclusions:

> The body of evidence points to a true airship story of terrestrial origin, with test flights beginning in California in the fall of 1896 and proceeding across the

> country to the Midwest before turning south and arriving in Texas in April 1897. A group of well-financed, secretive individuals, based in a remote California community, a quiet Iowa village, and a small New York town have left behind a wondrous story of daring accomplishment. It appears they did not just suddenly appear out of the thin mists of time but may have been secretly building and flying machines for over forty-eight years.[44]

As we have seen, there are two aspects to the technological reports of the airships and their lift and motive power—electricity, and compressible gas—that are rather incredible.

At the beginning of his book, Busby asks why such a technology -which quite apparently *worked,* whatever it really was—did not lead to a revolution in transportation: the arrival of mass air transportation some two decades before it actually appeared.[45] However, as has already been pointed out, several aspects of the reported characteristics of the airships make no real sense: steel construction, *plus* water, electric, or compressible gas for motive power, and possibly lift. Whatever this technology was, it was not what was seen with the dirigible or zeppelin, and it is not what we see now. I have suggested one possible answer, namely, that because the motive power was in some cases electricity, it was not petroleum, and hence, for the capitalists, it may have posed a threat, or been perceived as not being profitable enough.

There may, however, have been another factor . . .

b. Electric Propulsion, a Peculiar Masonic Reference, and Psychological Warfare Potentialities

In my previous essay on the subject of the breakaway civilization, *Saucers, Swastikas, and Psyops,* I observed that SS Lt. Colonel Otto Skorzeny may have proposed using some of the advanced Nazi technologies represented by the

Bell project, and perhaps some of their advanced aerodynes, in a psychological warfare operation.

In this respect, one of the most intriguing newspaper articles, which I have briefly mentioned before, covering the Texas aspect of the airship mystery was reported by *The Dallas Morning News* on April 19, 1897, entitled “C.G. Williams Saw It. It Was On the Ground and He Interviewed the Captain. In this instance, I cite Busby’s italicized and boldface emphasis *only as italics,* for I wish to draw the reader’s attention to one remark by a boldface emphasis which is my own:

> Greenville, Hunt Co., Tex., April 17. —(To The News.)—I have surely seen the airship. I saw it last night about 12 o’clock. I was walking across a field two miles south of town. I was in a meditative mood, and suddenly I was aroused by a *brilliant light* in front of me. I was dazzled by the light and frightened almost out of my sense. I should have left the place at once but my legs refused to move.
>
> As soon as I could recover a little I noticed that the lights had gone out and by the light of the moon I saw an *immense cigar shaped vessel* resting on the ground in front of me. I saw *three men walk out of the vessel.* Two of them went to work about the rigging of the ship. The other called to me and asked if I would mail some letters for him. This gave me courage to approach and talk to him. Having been at one time connected with a daily paper and by mere reporting instinct I took out my pencil and paper. Seeing this the strange visitor said:
>
> “See here, young man, don’t give this thing away. *We are experimenting with this vessel.* So far it is a success. We expect to *revolutionize travel and transportation.* We have seen a few copies of the daily newspaper and are very much amused and entertained at the accounts of the appearance of our

ship. ***If you will promise on the square not to reveal what I tell you I will give you a little history of our adventures.***

"At a little town in the interior of New York state I have worked for many years on my ship. About two weeks ago I started accompanied by these two assistants to make a trial trip . . .

". . . I am going home in a few days to improve my ship. I find some improvement necessary to perfect it . . ."

I had a good opportunity to look at the exterior of the monster while its occupant was talking. it is much the *shape of a cigar.* The *main body* appeared to be *about 30 feet long.* Great *wing shaped fans spread out on either side.* At the *front end was a large wheel much like the side wheel on a steamboat but made of very light material.* At the *end was a fan-like projection like the tail of a fish.* The whole was *about 75 feet long.* I asked my visitor to explain the ship, how it was propelled, etc. Hi simply replied:

"Electricity. *Within are electrical machines, which furnish the motive power* and the lights. When *once in motion the wind operating on the large wheel in front like a windmill, keeps the ship in motion and but little electricity is needed.* Now, young man, I can't tell you any more. Just wait and you will learn all about it. If you will mail these letters and not disclose the names and address and keep this all quiet for awhile, and will give me your name I will return soon and take you with me on a trip to Mexico and South America."

I promised not to give him away. He and his assistants went inside, there was a *flash of light, a sizzling noise,* the monster rose gracefully and flew away in a northeast direction.. ,[46]

Note that the crew member conversing is very likely Hiram Wilson, since he mentions New York as his home. If so, then we have a contradiction to some degree, since in *this* report he maintains that the mode of propulsion *is* electrical, whereas, as we saw previously, in another account he maintained it was by means of *compressible gas.* It would appear then that one is dealing with obfuscation: two differing accounts of a technology *are being given by the occupants of the airships themselves,* and thus it is possible that each version is not the whole truth, nor, on the other hand, a complete fabrication and falsehood.

More importantly, note the expression that the anonymous crew member uses to elicit a promise to keep their identities secret: “If you will promise *on the square* not to reveal what I tell you I will give you a little history of our adventures.” The phrase “on the square” is of course a reference to the Masonic fraternity, for brothers of that fraternity are said to be “on the square,” and oaths and promises are sworn on an altar upon which rests a compass and square. Though slight, and passing, this reference suggests that a secret society may have also been involved in the secretive construction of the airships. This conclusion, far-fetched as it may sound, is not all that remote, as will be shown in a moment.

But first, there is one final remark we must attend to, one made in an affidavit recorded by *The Austin American Statesman,* again on April 17, 1897:

> But, difficult as it is to believe that these airships have been invented and are operated by men of the earth, *even that is more easily believed than to believe that these ships are manned and sailed by celestial crews* ***and portend the beginning of another dispensation pointed out by the inspired writers.***[47]

This reference to “another dispensation” of “the inspired writers” provides the clue, for one the one hand, as we have seen, the vast preponderance of evidence of sightings recorded at the time indicate that the airships were human in origin, incredible as they then seemed, or ponderous and incredible as they now seem to us. The reference to “another dispensation” indicates that theological system that was beginning to emerge at approximately *this same time period,* and as I and co-author Scott D. deHart suggested in *Yahweh, the Two-Faced God,* this system itself shows all the signs of having been deliberately concocted with elite financial backing.[48]

In other words, people were already connecting the appearance and use of an exotic human technology as represented by the airships with the possibilities presented by the manipulation via technological means of religious, psychological, and social expectation. Otto Skorzeny’s usage of advanced technology to promote psychological operations had been anticipated by almost fifty years!

However, what of Busby’s strange remarks that, in fact, the airship mystery may have even begun some decades prior to the flap of 18961897? And what of the strange writing in “hieroglyphics” that was allegedly found on the dead body of the pilot in the Aurora crash?

Busby states of the latter that

> The papers with “hieroglyphics” sound too much like the coded notebooks of Dellschau, who recorded secrets concerning the Sonora Aero Club.

(based in northern California, within reach of San Francisco, let it be noted)

> . . . in his notebooks using a code known only to him and perhaps any accomplices he may have had. It would prove most fruitful to compare these papers to

Dellschau's notebooks and determine the points of similarity.[49]

With Dellschau, we arrive at perhaps the strangest player in the airship mystery, and at perhaps the most important indicator that we are looking at the bare beginnings of a breakaway civilization.

B. The Dellschau Dilemma[50]

This will be perhaps the strangest section of this book, in that it is reporting on a tidbit of information I uncovered while reading a fascinating book on the 1800s "airship mystery," *The Secrets of Dellschau,* by Dennis Crenshaw with P.G. Navarro[51]. This information directly ties Charles Dellschau to one of the people on the fringes of the assassination of President Kennedy, a significant figure, as we shall see.

For those who do not know, Dellschau was an artist whose truly strange depictions of airships in his paintings can be found by any standard Internet search. Dellschau is thought to have been connected to the mysterious Sonora Aero Club, a "secret society" that many suspect was behind the sudden appearance of the "airships" during the late 1800s. The reasons for suspecting Dellschau as having been connected to this society are simple:

1) Dellschau's artistic subjects were invariably of "airships", zeppelin-like airships that were seen over Germany during the 1850s, and later during the 1880s and 1890s in the U.S.A., principally in California, Texas, and the Midwest; and

2) Dellschau invariably accompanied his paintings with "coded" information, information that referred to various members of the Sonora Aero Club by name.

Additionally, Dellschau also made it clear that the Sonora Aero Club was but *one* such "secret society" attempting to

build and fly “aeros” or airships, others being located on the east coast of the U.S.A. Furthermore, the activities of these various aerial secret societies were, according to Dellschau, coordinated by a parent body in Germany bearing only the cryptic designation “NYMZA,” a society for which Dellschau apparently “spied.”[52]

Before proceeding, note that we have yet *another* peculiar resemblance to the post-World War Two pattern of the breakaway civilization surveyed in previous pages, for we now have the entry of *Germany,* the other great contributor to the development of advanced technology, and the other great developer of vast secret projects bureaucracies during the war. Succinctly put, it appears that while the Second World War constituted the matrix and impetus for the vast postwar growth of the entity, it took its hidden beginnings in the nineteenth century in those countries, with the involvement of secret groups, secret finance, and the possible if not probable involvement of military men.

1. The Kennedy Connection: Jean DeMenil

Crenshaw notes that Dellshau’s unusual paintings—all of which depict some fanciful airship and machinery condign to the descriptions of the airships we have already encountered—are now selling for more than $25,000 apiece. These paintings Dellschau bound in hand-made books of 2 to 4” thickness. As Crenshaw also notes, three of these books were purchased by the DeMenil family of Houston. Indeed, the *Wikipedia* article on DeMenil notes his patronage of the arts.[53]

The name DeMenil should raise the eyebrows of anyone familiar with the JFK assassination, and more importantly, with the famous Torbitt Document, a document circulated samizdat in its early years. This document, as I note in my book *LBJ and the Conspiracy to Kill Kennedy: A Coalescence of Interests,* was a summary of New Orleans District Attorney Jim Garrison’s investigation of the assassination,

and was compiled by a Texas lawyer with deep connections to President Johnson's political machine in that state.

The connection between Dellschau, DeMenil, and JFK, is the notorious "Permindex corporation" and Centro Mondiale Commerciale, both under investigation by DA Jim Garrison. For those who do not know the Torbitt document's statements on this matter, I reproduce here the section dealing with it from *LBJ and the Conspiracy to Kill Kennedy:*

> Permindex stood for "Permanent Industrial Expositions," the official name of the corporation. Founded in 1958 in Switzerland by Montreal lawyer L.M. Bloomfield, a "long time friend and confidant of J. Edgar Hoover,"[54] fully one half of Permindex's stock was held by Bloomfield, who was in overall charge of its European, African, and North and South American operations.[55] One should not, on this basis, leap to the conclusion that Bloomfield was really the man in control, simply because of the amount of shares he held. It must be remembered that those wishing to conceal or cloak their involvement in the corporation and its activities could easily hold "hidden guns" to the heads of its publicly known officers and figures. Torbitt states unequivocally that Bloomfield "was the top coordinator for the network planning the assassination."[56]
>
> The Permindex Corporation was closely allied to an Italian counterpart, also a subject of Garrison's investigation: Centro-Mondiale Commerciale, or World Trade Center, an Italian subsidiary of the World Trade Center Corporation and a CIA front. The man ultimately indicted by Jim Garrison, Clay Shaw, was a member of the boards of both corporations.[57] The ostensible purpose of Permindex was "to encourage trade between nations."[58] But according to Torbitt, the actual purposes were far more sinister:

(Their) actual purpose was fourfold:

1. To fund and direct assassinations of European, Mid-East and world leaders considered threats to the Western World and to petroleum interests of the backers.

2. To furnish couriers, agents, and management in transporting, depositing and re-channeling funds through Swiss banks for Las Vegas, Miami, Havana and (the) international gambling syndicate.

3. To co-ordinate the espionage activities of the Solidarists and Division Five of the FBI with groups in sympathy with their objectives and to receive and channel funds and arms from the financiers to the action groups.

4. To build, acquire and operate hotels and gambling casinos in the Caribbean, Italy and at the other tourist areas.[59]

The rationalization for the involvement of various intelligence agencies and of the international Fascists with gambling and gun-running and therefore with Mafia operations as exemplified in this list becomes rather obvious, for implied in this activity is a degree of “sanction and protection” to these Mafia activities given by the intelligence agencies and presumably by the international Fascists as well. This, as we saw in chapter one, was indeed part of a pattern that began during World War Two and the covert arrangement between America’s wartime OSS and Lucky Luciano. In return for such protection, the agencies and international Fascists would have received a “cut” in the action, and thus a nearly inexhaustible supply of steady and covert funding for black projects of all sorts, from intelligence operations to secret research projects.

Thus, while the name “Permindex” officially stood for “Permanent Industrial Expositions,” there might be

a more sinister significance to its abbreviated name as a kind of “permanent index” of people to be target for assassination.

In any case, it is when one looks closely at the members of the board and financial contributors of Permindex that the connections between American petroleum interests and post-war Nazis and Fascists deepens considerably. We have already noted that Clay Shaw was on the boards both of Permindex and Centro-Mondiale Commerciale. But there were other more intriguing members:

The other members of the Board include a publisher of the Fascist National-Zeitung in West Germany, an Italian industrialist who married into the family of Adolph (sic) Hitler’s finance minister, and a woman lawyer, the Secretary of the Fascist Party. (Public Corporations Records office, Berne, Switzerland)

Also on the Board of Permindex was *Ferenc Nagy, a Solidarist and Prime Minister of Hungary from 1946 to 1947; George Mandel, alias Mantello, a Hungarian fascist who supervised attempts to purchase national monuments for real estate development in Italy,* and Munir Chourbagi, an uncle of King Farouk . . .

The ruling clique of Permindex and its two subsidiaries, (sic) The Italo American Hotel Corporation and Centro Mondiale Commerciale, in addition to the sophisticated Nazis and Fascists heretofore named, were Gutierz di Spadofora, who was undersecretary of agriculture in Mussolini’s Fascist regime and who was also a ruling lord in the Mafia with Italy and Southern Europe as his land area; Enrico Mantello (Henry Mandel, brother of George Mandel); Giuseppe Zigotti, the head of the Italian political party, Fascist Nationalist Association for Militia Arms; and Hungarian *emigre* and former Nazi, H. Simonfay.[60]

The Torbitt Document's list of heavy financial contributors to Permindex is even more revealing of deep political connections:

> The principal financiers of Permindex were a number of U.S. oil companies, *H.L. Hunt of Dallas, Clint Murchison of Dallas,* John DeMenil, *Solidarist* director of Houston, *John Connally* as executor of the Sid Richardson estate, Haliburton Oil Co., Senator Robert Kerr of Oklahoma, Troy Post of Dallas, Lloyd Cobb of New Orleans, *Dr. Oechner of New Orleans,*[61] George and Herman Brown of Brown & Root, Houston, Attorney Roy M. Cohn, Chairman of the Board for Lionel Corporation, New York City, Schemley Industries of New York City, *Walter Dornberger, ex-Nazi general and his company, Bell Aerospace,* Pan American World Airways, and its subsidiary, Intercontinental Hotel Corporation, *Paul Raigorodsky of Dallas through his company, Claiborne Oil of New Orleans,* Credit Suisse of Canada, Heineken's Brewery of Canada and a host of other munition (sic) makers and *NASA contractors directed by the Defense Industrial Security Command.*
>
> The *gambling syndicate and Mafia contracting agents* who handled the transactions with Permindex were ex-president Carlos Prio Socarras of Havana, Miami and Houston, Clifford Jones of Laz Vegas, Morris Dalitz of Las Vegas, Detroit, Cleveland and Havana, former head of the Cleveland mob and Roy Cohn, L.J. McWillie of Las Vegas, a gambling partner with Cliff Jones, *Bobby Baker of Washington, DC,* Ed Levinson of Law Vegas, Benny Siegelbaum of Miami, Henry Crown of Chicago, associate of the Mafia, Patrick Hoy of the controlling clique in General Dynamics and Joe Bonanno of Lionel Corporation of New York.[62]

For our purposes here, observe what we have represented in this list, as indicated by the italicized names and groups in

the two previous quotations; there are:

1) *The Petroleum Capitalist Interests,* represented by the specific mention of Texas oil tycoons H.L. Hunt and Clint Murchison, and Paul Raidgorodsky, a close associate of George De Mohrenschildt, and future Texas Governor John Connally;
2) *The Fascists and Nazi Interest,* represented by Ferenc Nagy, Nazi puppet prime minister of Hungary, Nazi H. Simonfay, Italian Fascist and former Mussolini government member Gutierz di Spadofora; Nazi "Paperclip" scientist and General Walter Dornberger; and a group called "Solidarists" about whom we shall say more later;
3) *The Mafia Interest* represented by the most famous in the list, *Lyndon Baines Johnson's personal aid, Bobby Baker,* about whom we shall have much more to say in part two of this book;[63]
4) *The Space Interest* represented by various NASA contractors all of which are coordinated by something called the Defense Industrial Security Command, or DISC.

All of these were organized, according to "Torbitt," into five groups with Permindex forming the institutional connection between them:

1. The Czarist (sic) Russian, eastern European and Middle East exile organization called SOLIDARISTS, headed by Ferenc Nagy, ex-Hungarian premier, and John DeMenil, Russian exile from Houston, Texas, a close friend *and supporter of Lyndon Johnson* for over thirty years.[64]
2. A section of the AMERICAN COUNCIL OF CHURCHES headed by H.L. Hunt of Dallas, Texas.[65]
3. A Cuban exile group called FREE CUBA COMMITTEE headed by Carlos Prio Socarras, ex-Cuban president.
4. An organization of United States, Caribbean, and Havana, Cuba gamblers called the Syndicate headed by

Clifford Jones, ex-lieutenant governor of Nevada and Democratic National Committeeman, and Bobby Baker of Washington, DC. This group worked closely with a Mafia family headed by Joe Bonanno.

5. The SECURITY DIVISION of the National Aeronautics and Space Administration (NASA) headed by Werner Von Braun, head of the German Nazi rocket program from 1932 through 1945. Headquarters for this group was the DEFENSE INDUSTRIAL SECURITY COMMAND at Muscle Shoals Redstone Arsenal in Alabama.[66]

The assassination, in other words, at its deepest level represented a coalescence of the interests of the Mafia, American intelligence (and specifically the intelligence and security connected with, of all things, NASA), anti-Castro Cubans, and big petroleum interests, especially those of the Texas oilmen

And there you have it: ***DeMenil was in the circle of Eastern European exiles in Texas that clustered around Dallas and Houston (obvious center of America's space program), and indeed, according to Torbitt was a leader of that community and close political supporter of Lyndon Johnson.***

We must now consider the implications:

2. Implications of the Dellschau-DeMenil-JFK Connection

DeMenil, if the Torbitt document is to be believed, was a leader of the Eastern European exile community in Texas, and thus, this would have placed him in a position to know George DeMohrenschildt— Oswald's "handler" in Dallas— and additionally, since this community was, as I also noted in *LBJ and the Conspiracy to Kill Kennedy,* a large component of Nazi General Reinhard Gehlen's *Fremde Heere Ost* , this places DeMenil firmly within the orbit of the postwar Fascist organization, which, as the Torbitt document notes, was intimately connected to Permindex. This connection to German intelligence also places DeMenil directly in the network of private intelligence connections that was developed by the Texas oilmen Hunt and Murchison.

So what about the Dellschau connection? And why might it be so significant? As noted, Dellschau was German, and according to his strange notations on his paintings, worked for an organization called NYMZA, headquartered in Germany. It is quite the crucial point to note that *absolutely* ***no*** corroborating evidence for these assertions has ever been found, and therefore, we must evaluate Dellschau's assertions contextually.

It is in the light of this *contextual* evaluation that his assertions take on some significance. We have already noted the German connections of DeMenil, the Hunts, and the Murchisons, via Gehlen's exilee front organizations.

But there is *another* contextual connection. As I also noted in *LBJ and the Conspiracy to Kill Kennedy,* one of the reasons

many advance for the murder of president Kennedy was his plan for a joint US-Soviet mission to the Moon, and his willingness to share whatever may have been found there. Additionally, as I have noted in other books, Kennedy also made direct inquiries to the CIA concerning the subject matter of UFOs (and hence, into the *actual state of knowledge of the USA concerning advanced science and technology).* Many assassination researchers believe that this inquiry, plus his willingness to share information with the Soviets, was sufficient reason to get him killed, and indeed, I myself have entertained this notion, simply for the fact that with the heavy Nazi presence and influence within American black projects at that time, they would have balked at sharing their secrets with their hated Communist enemy.

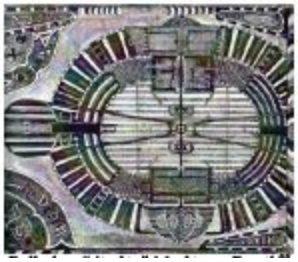
But there is yet *another* disturbing Dellschau-Nazi-Kennedy connection, and again, it comes from Crenshaw's book. Consider this "technical" detail reported by Crenshaw:

> Dellschau wrote that the *NB* gas which was used to *negate weight* was a liquid fuel or *soupe* as he called it, which when dropped into a *lift hold* or chamber, onto a rotating drum containing some unnamed black material, the liquid fuel turned to gas. This has not only provided the lift necessary to get the cumbersome aircraft off the ground, but it also turned a wheel, or turbine, which is designated in Dellschau's drawings as a motor.[67]

Rotating drums containing an unnamed material? That, I thought, "rings a bell." Clearly, whatever sorts of airships Dellschau and his associates were describing, they were not conventional dirigibles being propelled by internal combustion engines. While one might be tempted to dismiss this detail, it does bear an odd and curious resemblance to what is reported concerning the Nazi Bell story.

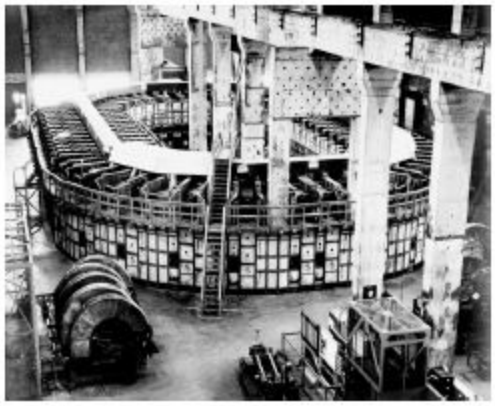
This idea of technical advancement is, of course, completely farfetched without further technical or contextual corroboration. Unfortunately, there *is* such technical and contextual corroboration, and it occurred in a Dellschau picture that literally made this author's jaw drop.

The picture was this:



Dellschau "Airship" Machinery Details[68]

For those with a particle physicist's eye, the above painting (and note the *windings* at its top and bottom), will uncannily resemble something that had not even been *invented* in the 19th century, not to mention the fact that the physics *behind* the invention had not even been invented either. That invention is this:



One of E.O. Lawrence's Beta Calutrons Uranium Enrichment Cyclotrons at Oak Ridge, Tennessee, during World War Two

Another view will make the resemblance even more apparent:

Another view of one of Lawrence's Beta Calutron Uranium Enrichment Cyclotrons at Oak Ridge, Tennessee

Now I am certainly not maintaining that Dellschau and the Sonora Aero Club were flying around in airships powered by cyclotrons in the late nineteenth century!

But we *do* have the following significant points:

1) Dellschau is clearly depicting machinery, some of which bears too uncanny a resemblance to machines not yet officially invented, machines that, in turn, are dependent upon developments in physics that have not yet occurred;
2) Dellschau refers to technical details of some of these ships that also bear resemblances to aspects of the technology reported for the Nazi Bell;
3) Dellschau claims to represent a secret society based in Germany called NYMZA, which is coordinating the secret development of airships, for which secret society there has never been a shred of any further corroborating evidence;[69]
4) Some of Dellschau's paintings-books are purchased by Jean DeMenil, who has connections to Lyndon Johnson, the Texas East European Exile community, and therefore, to the private intelligence organizations of Hunt and Murchison, which was deeply connected to Nazi General Reinhard Gehlen's postwar military intelligence;

5) DeMenil further would have been in a position, and was therefore likely to have known, George De Mohrenschildt and the Dallas exile community.

It is when these five points are considered *together* that one must entertain the possibility that Dellschau did indeed represent some unknown group in Europe developing hidden aerial technologies, and that indeed there may be yet another, little-considered, connection to hidden technologies, groups, and the JFK assassination.

So what was Dellschau's mysterious NYMZA society in Germany, if indeed it even existed? According to Busby, Dellschau's notebooks indicate that it was yet another of the hidden financial hands behind the secretive airship development clubs.[70]

Beyond this, we cannot penetrate.

However, several things have now emerged, and they press the patterns outlined in previous chapters to a new level:

1) Significantly, the propulsion methods and lift generating technologies of the airships do not appear to be conventional by any means, since both electrical systems and compressible gases are mentioned;

2) Significantly, within the same time frame, Tesla will conduct his revolutionary Colorado Springs experiments that will lead, within a decade, to his proposal for wireless transmission of electrical power, one purpose of which he envisions to be flight. This technology is suppressed by his financial backers, and similarly, the airship technology, which promised a revolution in transportation, is never publicly revealed. One can only assume, therefore, that the technology was either superseded by the development of the airplane, or that it was perceived to have to great a potential to be publicly revealed. But most importantly,

3) It would appear that, while the historical impetus for the creation of a vast system of hidden finance and alliances between private, government, Axis, and criminal components began after World War Two, this pattern of secret organizations, private finance, and government interface began on a smaller scale sometime in the nineteenth century, *as did the perception of the possibilities of psychological operations in conjunction with it.*

However, what began in the nineteenth century as a secret "airship" program, quickly morphed in the postwar era into a secret space program, one impelled not only by the need to reconnoiter, contain, rollback, and defeat the Soviet Union, but also by the need to discover what strange thing and entities may have been behind clearly hostile actions that were potentially threatening to the vast thermonuclear arsenals of the two superpowers. It was a dual dilemma, one requiring not only the development of technologies that could, to some extent, do double duty, but the vast system of finance to achieve it. We have already covered the latter, it is now, at last, time to deal with those strange events, entities, and responses to them.

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[1] Michael Busby, *Solving the 1897 Airship Mystery* (Pelican Publishing Company, 2004), p. 15.

[2] Mack Maloney, *UFOs in Wartime: What They Didn't Want You to Know* (Berkeley Books, 2011), p. 7.

[3] Ibid.

[4] Mack Maloney, *UFOs in Wartime: What They Didn't Want You to Know*, p. 8.

[5] Ibid., p. 9.

[6] Michael Busby, *Solving the 1897 Airship Mystery,* p. 13.

[7] Ibid., p. 21.

[8] Ibid.

[9] Ibid.

[10] Ibid., p. 30.

[11] Michael Busby, *Solving the 1897Airship Mystery,* p. 31.

[12] Ibid., pp. 31, 54-55.

[13] Ibid., pp. 55-56.

[14] Ibid., p. 57.

[15] Ibid., 36.

[16] Ibid., p. 64.

[17] Ibid., p. 22.

[18] Ibid., p. 2.4

[19] Cited in Michael Busby, *Solving the 1897 Airship Mystery,* pp. 124-125, all emphases are Busby's.

[20] Ibid., p. 125.

[21] Michael Busby, *Solving the 1897Airship Mystery,* p. 14.

[22] Ibid.

[23] Ibid., pp. 125-126.

[24] Michael Busby, *Solving the 1897 Airship Mystery,* p. 43.

[25] Ibid., 126, emphasis added.

[26] cited in Michael Busby, *Solving the 1897 Airship Mystery,* p. 31, emphasis added. Busby also notes on p. 32 that a fire destroyed the records of the local 1890 census, and hence, one cannot corroborate a McKnight in or near Paris, Texas. Busby also observes, however, that there was a Charles McKnight residing in Sherman in the 1870 census.

[27] Ibid., pp. 95-96.

[28] Ibid., p. 99, Busby's emphases. Citing *The Dallas Morning News,* April 19, 1897, p. 5.

[29] Ibid., p. 73.

[30] Ibiid., p. 89.

[31] Michael Busby, *Solving the 1897 Airship Mystery,* p. 123, all emphases are Busyby's.

[32] "Wilson" becomes the main character in William Harbison's novel of Nazi flying saucer development, *Genesis.*

[33] Michael Busby, *Solving the 1897 Airship Mystery,* pp. 169-170, emphasis Busby's.

[34] This letter is reproduced *in toto* in Michael Busby's *Solving the 1897 Airship Mystery,* pp. 171-176.

[35] Ibid., p. 172.

[36] Michael Busby, *Solving the 1897 Airship Mystery,* pp. 172-173, all emphases Busby's.

[37] Ibid., p. 183.

[38] Ibid., p. 221.

[39] Michael Busby, *Solving the 1897 Airship Mystery,* p. 124, emphasis added.

[40] Ibid., p. 125.

[41] Ibid.

[42] Ibid., p. 124.

[43] Ibid., p. 240.

[44] Michael Busby, *Solving the 1897 Airship Mystery,* p. 247.

[45] Ibid., p. 25.

[46] Cited in Michael Busby, *Solving the 1897 Airship Mystery,* pp. 89-90, italicized emphasis Busby's, italicized and boldfaced emphasis mine.

[47] Ibid., p. 61, italicized emphasis Busby's, boldface and italicized emphasis mine.

[48] See Joseph P. Farrell and Scott D. deHart, *Apocalypse Theater,* Volume 1, *Yahweh the Two-Faced God: Theology, Terrorism, and Topology* (Peripprometheus Press, 2011), pp. 62-80.

[49] Michael Busby, *Solving the 1897Airship Mystery,* p. 128.

[50] This section first appeared in as slightly different form as a "white paper" in the members' area of my website, www.gizadeathstar.com.

[51] This book appeared in 2009 by Anomalist Books.

[52] Dennis Crenshaw, with P.G. Navarro, *The Secrets of Dellschau,* p. 85.

[53] http://en.wikipedia.org/wiki/John_de_Menil

[54] "Nomenclature of an Assassination Cabal," *NASA, Nazis, and JFK: The Torbitt Document and the JFK Assassination,* p. 52.

[55] Ibid.

[56] Ibid., p. 26.

[57] Ibid., pp. 47-48.

[58] Ibid., p. 48.

[59] "Nomenclature of an Assassination Cabal," *NASA, Nazis, and JFK: The Torbitt Document and the JFK Assassination,* pp. 48-49. Torbitt cites for these assertions: "Basel, Switzerland Publication A-Z, August, 1961; Canadian Le Devoir Publication, March, 1967; Rome Paesa Sera Publication, March, April, 1967, also 1959 thru (sic) 1960 files: Il Gornia of Milan, Italy, 1967-1968 files; Il Tempe, Rome, 1967-1968 files; New Orleans District Attorney Records; Swiss Intelligence, J.F. Kennedy files." Torbitt gives no indication how he acquired access to the files of Swiss Intelligence.

[60] "Nomenclature of an Assassination Cabal," *NASA, Nazis, and JFK: The Torbitt Document and the JFK Assassination,* pp. 47-48, emphasis added.

[61] Pay attention to that Dr. Oechner, for we will encounter him later. Torbitt misspells his name, and he was in fact the famous physician Albert Oechsner, about whom more later in this chapter.

[62] Nomenclature of an Assassination Cabal," *NASA, Nazis, and JFK: The Torbitt Document and the JFK Assassination,* pp. 49-50.

[63] Torbitt also points out that New Orleans mobster Carlos Marcello was also a member of Permindex's board! Q.v. p. 117.

[64] Once again, Russ Bellant's, *Old Nazis, The New Right, and the Republican Party: Domestic Fascist Networks and their Effect on U.S. Cold War Politics* (Boston: South End Press, 1991) is crucial for an overview of the workings of this network. This network was represented within Republican Party politics beginning during the Reagan Administration by the Republican Heritage Groups Council (p. xvii). Bellant states explicitly that "the foundation of the Republican Heritage Group Council lay in *Hitler's networks into East Europe before World War II.* In each of those Eastern European countries, the German SS set up or funded political action organizations that helped form SS militias during the war." (p. 4, emphasis added). These groups were coordinated by General Reinhard Gehlen's *Fremde Heere Ost,* or "Foreign Armies East" which, of course, later became the West German *Bundesnachrichtendienst.*

[65] Nomenclature of an Assassination Cabal," *NASA, Nazis, and JFK: The Torbitt Document and the JFK Assassination,* p. 54, notes that an individual known only was "Dimitri" was associated with the Hunts' American Council of Christian Churches. this may or may not be a significant clue, for one might have to look for a Dimitri or Dmitri (1) with ecclesiastical connections indicative of the Slavic character of his name, and (2) with personal or professional links to the Texas oil industry. George De

Mohrenschildt, a member of the Dallas White Russian exile community and an oil geologist, might thus point to other hitherto uninvestigated areas of the assassination. There is, in fact, such an individual whose sister was an oil geologist . . .

[66] Ibid., pp. 26-27, italicized emphasis added, uncial emphasis in the original.

[67] Dennis Crenshaw, with P.G. Navarro, *The Secrets of Dellschau, p. 165.*

[68] Dennis Crenshaw, with P.G. Navarro, *The Secrets of Dellschau,* p. 165. p. 201.

[69] I am of course aware of the survival of the Bavarian Illuminati during the 1830s-and 1840s, and its probable transmutation into the revolutionary movements and societies that circulated in Europe during this time. There is, however, to my knowledge, no evidence that these societies were engaged in secret technological or scientific research, with the *exceptions* or indications that the Masons may have been involved in the secretive development of radio long before Tesla and Marconi, as I have detailed in another white paper in the members' area of my website. In *that* context, it *is* possible that Dellschau's claims may have a basis in some kernel of truth. In that case, the quest must be to establish if there is any known society with the name NYMZA or a name *resembling* it.

[70] Michael Busby, *Solving the 1897 Airship Mystery,* p. 27. For details of Dellschau's life, see pp. 324-325.

11
Spy Satellites, Nuclear Weapons and UFOs

"Behind the scenes, high-ranking Air Force officers are soberly concerned about the UFOs, but through official secrecy and ridicule, many citizens are led to believe the unknown flying objects are nonsense. To hide the facts, the Air Force has silenced its personnel. "

Vice Admiral Roscoe H. Hillenkoetter (Ret.)[1]

When one says "covert wars" and "space" in the same sentence, one normally might think of secret space wars being fought by ray guns and exotic craft that are only visible at night, standing on rooftops, wearing night vision goggles. One might normally think of the now famous NASA space shuttle footage of STS 48, showing glowing disks, one of which makes an acute change of direction and goes zipping off into outer space as something quite evidently appears to be shot at it. Covert field propulsion technology and covert directed energy weaponry, all in one stunning video.[2]

Chances are, however, that one would *not* think of recent Russian charges that its Mars robotic probe failed as the result of American sabotage,[3] or that one would *not* think of the famous German World War One ace, the Red Baron, Manfred von Richthofen, firing on a silver disk more than 100 feet in diameter from his famous red Fokker triplane, sending it crashing into some woods on the ground, and seeing two occupants scramble out of it and escape into the trees.[4] Similarly, one probably would not think of British Royal Naval Air Service Sublieutenant J.E. Morgan, climbing into a rickety biplane in 1916 and taking off on a night flight to defend London against German zeppelins trying to bomb the city. Seeing something that resembled a flying railway carriage with the curtains drawn on lighted windows,

Morgan assumed it was a German dirigible and fired on it with his service pistol. To his surprise, the “dirigible” behaved in most un-zeppelin-like fashion and shot straight up so quickly that Morgan, disoriented, crashed his plane in a swamp.[5]

Such “dirigible” sightings were not uncommon to England, for in 1909 it had its own version of the 1890s American airship show, and to similar effect. On March 23 of that year a police constable in East Anglia heard what he thought was an approaching automobile, but quickly realized the sound was coming from the sky. What he saw was a cigar-shaped object flying at what he thought was 1,000 feet altitude, with a powerful light coming from it. It flew away to the northwest at a tremendous speed.[6] Six weeks later, East Anglia was deluged with such a flood of similar sightings that the British press virtually *had* to become involved.[7]

All the reports “described the object as large and cigar shaped with powerful lights attached; all of them said it was able to fly against the wind and move at extremely high speed.”[8] Of course, many began to suspect they were secret British weapons, or even German zeppelins sent to spy. The problem, however, was that dirigibles of the day at best managed about 50 miles per hour, whereas careful compilation of sightings at the day indicated that some of the ships were travelling at about 200 miles per hour,[9] a figure similar to the performance of some of the reported American airships of the 1890s.

All of this would have led to an initial, and highly secret, attempt to study the phenomenon, since such events would have been perceived as threats to national security, for as the British responses to the 1909 “airship” flap indicate, Britons immediately thought these were German attempts at espionage. But with World War Two and its aftermath, the cultural impetus to create, and emulate, such sightings rose dramatically, and we must review these in some detail to estimate their influence on the shape, policy, and activity of

the breakaway civilization. For convenience's sake, we will deal with military sightings of UFOs, and divide this further into standard sightings, and nuclear-related sightings.

A. Military UFO Sightings

During World War Two, the sightings by Allied pilots of so-called "foo fighters" led to the first prolonged and secretive American military intelligence studies of a phenomenon that would dovetail into the postwar sightings of UFOs, and hence, into the establishment within a national security state of special UFO studies groups. As I recounted in *Roswell and the Reich,* pre-World War Two sightings over Scandinavia led Swedish authorities to posit that some of the technology may have been produced by or at some secret base, and notably, the Swedes did not specify Germany or any *other* major power behind the activity, leaving open the possibility that they had a completely independent group in mind.[10]

During the war, *some* foo fighter activity was clearly hostile to Allied airmen and their aircraft, and in some contexts, this occurred with clear contextual indicators of German origins for the activity.[11] However, it must be emphatically pointed out that not all foo fighter activity could be so attributed, since they were seen by pilots one *both* sides of the war, and in *both* the European and Pacific theaters, though it has been pointed out that sightings of "foo fighter"-like phenomena dropped dramatically after the German surrender.[12] These two facts alone would have inevitably led intelligence and military officers to conclude three things:

1) Some sightings possibly represented a Nazi technology in advance of anything in the Allied arsenals;
2) Some sightings possibly represented a completely *different* origin for the technology, and the Nazis may

have had contact with said group, *or* emulated it, or both; and

3) In either case, the phenomenon represented a potential threat, and it should be studied, and, if possible, emulated, *while means were found to dissuade whoever was behind it from taking any more overt action.*

It is quite important to observe what the implications of the last point really are, for it implies not only *psychological operations directed against the "people" behind the phenomenon, but additionally, that these operations would be of a nature to convince this group—whether human or otherwise—that direct military confrontation would not be in its interest.* This would entail in its turn several possibilities. Operations of a confrontational nature could be designed to convince those behind the phenomenon that humanity had greater technological sophistication than it actually possessed, and this could come in the form of direct military challenges, such as President Truman's "shoot down" order, to more subtle attempts to "communicate", infiltrate, and influence. These points must be remembered in the ensuing review and analysis.

In any case, UFO sightings in military activities escalated during World War Two and remarkable things were observed in both theaters of the war. For example, in 1942, a Royal Australian Air Force pilot observed "a large airfoil, about 150 feet long and 50 feet wide. The airfoil tapered to a fin at its rear, and the RAAF pilot could see sporadic green flashes emanating from this area."[13] Keeping pace with the Australian airplane for a while, the object quickly accelerated and dove straight into the Pacific Ocean, leaving behind a whirlpool where it had dived.[14] If this sighting be true, then while it might be possible to rationalize such an object as the achievement of a human technology, it would appear more reasonable to assume that this was someone *else's* technology. Intelligence estimates, however, would

have assumed a worst case scenario, and in that case would have concluded the latter, and as such, this conclusion would again have compelled the idea that the technology represented a potential threat.

1. The 1951 Korean War Incident: American Soldiers and a UFO Exchange Fire

Other Pacific sightings, however, suggested a technology more human, and less advanced in nature. In August 1944, an American B-29 Super-fortress bomber flying over Sumatra in Indonesia spotted an oval-shaped object approximately 1500 feet away. The object was bright, and pulsed through red and orange colors, and was "spewing a blue green exhaust plume."[15] After a series of maneuvers between the aircraft and the object, the latter finally simply accelerated straight up and disappeared.[16] Again one is confronted with an ambiguity, some of which is suggestive of a secretive human technology, such as the exhaust plume, and some of which is not, such as the disappearance straight up at tremendous speed. In either case, the conclusion for intelligence analysts would remain the same: the technology represented a potential threat, and it was in the hands of an unknown group whose origins themselves were ambiguous. UFO researcher and former NASA scientist Richard F. Haines uncovered one of the most significant instances not only of a military UFO sighting during wartime, but also of an apparent exchange of fire and "ordnance," if one wishes to call it that. The report was first filed as an interview between the witness, Francis P. Wall, who at the time of the incident was a private first class in the U.S. Army in the Korean War, and John Timmerman, who at the time worked with the J. Allen Hynek Center for UFO Studies.[17]

> This event that I am about to relate to you is the truth, so help me God. It happened in the early spring of 1951 in the country of Korea. We were in the army

infantry. I was in the 25th Division, 27th regiment, 2nd Battalion, “Easy” Company. We were in what is known on the military maps are the Iron triangle, near Chorwon. We were to the left of Chorwon, just across from the mountain ridge from this city— town— whatever you want to call it. It is night. We are located upon the slopes of a mountain, between the fingers of a mountain as they run down toward the valley below where there is a Korean village. Previously we have sent our men into this village to warn the populous (sic) that we are going to bombard it with artillery. Upon this night this I’m talkin’ about, we were doin’ just that. We had aerial artillery bursts comin’ in. And we suddenly noticed down, with the mountains to our backs, we noticed on our right-hand side what appeared to be a jack-o-lantern come wafting down across the mountain. And at first no one thought anything about it. So we noticed that this thing continued on down to the village where, indeed, the artillery air bursts were exploding. and we further noticed, by the way, it had an orange glow in the beginning, we further noticed that this object would get right into . . . it was that quick that it could get into the center of an airburst of artillery and yet remain unharmed. And, subsequently, this time element on this, I can’t recall exactly, I would say anywhere from, oh, forty-five minutes to an hour all told. . .

But then this object approached us. And it turned a blue-green brilliant light. It’s hard to distinguish the size of it, there’s no way to compare it. It pulsated. the light, that is, was pulsating. It wasn’t, ah, regular. *Alright, this object approached us. I asked for and received permission from Lt. Evans, our company commander at that time, to fire upon this object, of which I did with an M-1 rifle with armor-piercing bullets, or rounds in it. And I did hit it. It must have*

been metallic because you could hear when the projectile slammed into it.

Now, why do you say, why would that, ah, bullet damage this craft if the artillery rounds didn't? I don't know unless they had dropped their protective field around 'em, or whatever. That this, ah, technology envisions, that they had to protect it. But the object went wild and it. the light was goin' on and off and it went off completely once, briefly. *And it was moving erratically from side to side as though it might crash to the ground. Then, a sound, which we had heard no sound previous to this, the sound of, like of, ah, you've heard diesel locomotives revving up. That's the way this thing sounded. And then, we were attacked, I guess you would call it. in any event, we were swept by some form of a ray that was emitted in pulses, in waves that you could visually see only when it was aiming directly at you. That is to say, like a searchlight sweeps around and the segment of light you would see it coming at you.*

Now you would feel a burning, tingling sensation all over your body, as though something were penetrating you. And ah, so the company commander, Lt. Evans, hauled us into our bunkers. So, I'm in my bunker with another man. We're peeping out at this thing. It hovered over us for a while, lit up the whole area with its light that I'm telling you about, and then I saw it shoot off at a 45 degree angle, it's that quick, just, it was there and was gone. That quick. And it was as though that was the end of it. But, three days later the entire company of men had to be evacuated by ambulance. *They had to cut roads in there and haul them out, They were too weak to walk. And they had dysentery and then subsequently, ah, when the doctors did see them, ah, they had an extremely high white blood cell count which the doctors could not account for.*

> Now let me inform you on this. In the military, especially the army, each day you file a report, a company report. Now, we had a confab about that. What do we do about this. Do we file it in the report or not? And the consensus was “no.” Because they’d lock every one of us up, and think we were crazy. At that time no such thing as UFO had ever been heard of and we didn’t know what it was. And I still don’t know what it was. But I do know that since that time I have periods of disorientation, memory loss, and ah, I dropped from 180 pounds to 138 pounds after I got back to this country. And I’ve had great difficulty keeping my weight up. Indeed, I’m retired and disabled today.[18]

Whatever attacked private Wall and his company, it is worth noting that a similar incident occurred on the Columbia River in the USA in 1981, when many eyewitnesses “described an orange spherical light which hung above the river while emitting a low, throbbing, diesel engine sound that was tape recorded.”[19] One may reasonably assume that when Mr. Wall eventually reported the incident to the J. Allen Hynek center, that the US military-intelligence complex would have taken close note, simply for the fact that the actions of the UFO could clearly be interpreted as hostile and threatening, and because it evidenced an advanced technology.

2. A Vietnam War Incident: North Vietnamese Unit Liquidated by UFO

A similar incident during the Vietnam War definitely appears to have caught the interest of the national security state. During that war, as is now well known, the CIA and US military sponsored special operations assassination squads to conduct assassinations against targeted enemy leaders, sometimes within North Vietnam itself. During one such

mission inside of North Vietnam in August 1968, an American special operations unit was inserted into the country by helicopter. Proceeding on foot, it located its target and assassinated him. North Vietnamese military units detected the team and pursued it back to the location where it would be extracted by helicopter. Once near their pickup point the special operations team spotted two hills and ascended the left one.[20] At this juncture, an extraordinary episode occurred:

> Just as the team was getting under cover, they heard the unmistakable chattering sound of AK-47 assault rifles firing from the next hill over. Enemy soldiers were nearby. But what were they shooting at?
>
> The hit squad saw the enemy tracers going nearly straight up into the sky. The assassins were certain they were firing at their extraction aircraft—but they were in for a surprise.
>
> Instead of seeing their rescue copter, they saw a large semicircular object appear over the hill next to their position. It was immediately clear this was not an aircraft that belonged to either side. This was a UFO, strange and alien. one member of the team recalled that its color kept changing from light blue to bright red. It was making no noise.
>
> As soon as enemy tracers got close to the object, it suddenly stooped in midair, just a few hundred feet from where the U.S. special ops team was hiding.
>
> The Americans saw a streak of light shoot out from the front of the object—then there was nothing but silence. The enemy barrage had ceased.
>
> The UFO briefly lingered over the spot where the enemy had been firing at it, then turned and headed out to sea.
>
> The hit squad waited about thirty minutes. Hearing no more enemy activity, they descended their hill and

went to look around the enemy position. What they found was as startling as seeing the UFO itself. There were no enemy bodies, according to one member of the special ops team. Just the enemy's weapons—and they'd been melted down to almost nothing, leaving a smell that was so bad, it stayed with the team members for hours afterward.

The team's copter finally arrived and lifted them out. On returning to their base, one of the members immediately reported the incident to the high-ups. The other team members never saw him again.

Those remaining didn't say anything about the incident during their postmission debriefings. But soon after, they were questioned directly about it, not by military brass, but by civilians.

Their method of interrogation was extremely unusual. According to one team member, the civilians blindfolded each remaining member of the hit squad, taping their mouths shut as well. They were brought, individually, to an undisclosed location and put in a small room. Inside the room were three men: one wore a hood, keeping his face hidden. This person remained silent the whole time. According to one team member, when the questioning was over, all he recalled was seeing a bright flash of light. The next thing he knew he was back at his base, as were the others in his team.

Startled, he tried to talk to his colleagues about what had just happened, but none of them had any memory of the interrogation or the encounter with the UFO that preceded it. Only he did.[21]

This incident, if true, is significant for the fact that it would have directly involved the CIA in postmission debriefing, since it was involved with running such teams, and also because the sighting again involves the use of an advanced

technology in direct intervention in human military operations between opposing combatants.

In short, it would again have been perceived as a national security issue and threat, and it is highly likely it would have been similarly handled by North Vietnam and by its Soviet backers.

3. The 1953 Kinross Incident

One of the most famous UFO incidents involving the US military is the 1953 Kinross incident, first reported by the famous early UFOlogist, Major Donald Keyhoe. On the evening of November 23, 1953, radar operators observed the return of an unknown object on their radar screens.[22] An F-89 fighter jet piloted by Lt. Felix Moncla, Jr., was scrambled from nearby Kinross field. Flying at over 500 mph, the radar operators watched as Lt. Moncla's aircraft was guided to the object and closed on the return on their screens, when, to their surprise, the two blips "merged into one, and then that blip faded from the screen."[23] No further radio contact with Moncla or his on-board radar operator, Lt. R.R. Wilson, was had again.

Search efforts conducted that night and the next day by both American and Canadian aircraft and ships discovered no remains of the missing aircraft, and the *Chicago Tribune* ran a short article reporting the incident, including the merger of the two radar returns into one.[24] On November 27, 1953, however, a local Canadian newspaper, the *Sault Ste. Marie Evening News* stated that the unknown object "had been identified as a Royal Canadian air Force C-47 transport."[25]

Keyhoe, unconvinced of this explanation, contacted the local U.S. Air Force Public Information officer—one Lt. Robert C. White—who offered the explanation that the Air Force radar operators had simply "read the scope wrong."[26] This only piqued Keyhoe's interest even more, and his conviction

grew when the U.S.A.F. then offered yet *another* explanation, namely, that the other object had been a Canadian civilian airliner, a DC-3.

Compounding matters even further, the Air Force had offered two entirely different explanations to Lt. Moncla's widow, on two different occasions, from two different people! In the first instance, she was informed that her husband's fighter jet had flown too low and crashed into the lake. When she reasonably inquired if she could recover her husband's body, she was offered a second explanation: her husband's aircraft had exploded at high altitude.[27]

In other words, the Air Force *had* no explanation, nor, apparently, did it have any wreckage or any other physical evidence of the event, other than the fact that one of its planes and two of its airmen were missing after an encounter with "something," an encounter that once again may be interpreted as a hostile action. This is reflected by a comment that Jerome Clark makes in his recounting of the Kinross event:

> Then on June 28, 1956—or so Ohio ufologist Tom Comella would assert in *Fate* magazine six years later—Master Sgt. O.D. Hill, a Project Blue Book associate working out of Wright-Patterson AFB, confided to Comella's colleague Edgar Smith that *the project's purpose was to "prevent another Pearl Harbor."* (Smith and Comella had earlier dealings with Blue Book and so were known to the project, though neither had met Hill before this.) Asking not to be quoted, Hill related two instances of alleged UFO-related military-aircraft disappearances. Though he apparently did not mention Kinross by name, one of the cases sounded exactly like it. Immediately following that meeting (in Smith's home), Smith called Comella to tell him Hill was on his way. At Comella's residence Hill repeated the stories. We have only Smith's (or Comella's) word that this conversation occurred. On the other hand, a

> Sgt. O.D. Hill was indeed part of Blue Book during the time period in question, and he did not disavow the story even after its airing in a national magazine.[28]

Whether or not Hill made the statements Comella and Smith alleged he did is, from one point of view, not important, for the Kinross incident would have been perceived as a threat and hostile action. Hill's alleged remarks, that the true purpose of Blue Book was to prevent another Pearl Harbor, rings true in this context.

While these conventional interventions are significant enough to warrant an investigation and analysis as threats to national security, it is when one turns to consider the far more serious issue of UFOs and nuclear weapons that one begins to perceive the dim outlines of actual covert warfare and operations taking place.

B. UFOs, ICBMs, and Nuclear Weapons

Beyond question, UFO sightings at nuclear weapons storage facilities, manufacturing plants, ICBM bases, and nuclear tests not only occur, but would have been viewed at the highest levels as potential threats. Additionally, since such incidents occurred not only in the U.S.A. but the U.S.S.R. as well, we will review some salient cases extensively here, relying upon the vital and seminal research of Robert Hastings, and his excellent study of this issue, *UFOs and Nukes: Extraordinary Encounters at Nuclear Weapons Sites.* These sightings are vital to the argument being advanced here, namely, that a breakaway civilization culture does exist, for as we shall discover, the actions of UFOs during some of these incidents cannot be interpreted, from the human point of view, as anything less than potentially hostile. our examination will look at three different types of cases or sightings: those at nuclear missile sites, those at actual nuclear *tests,* and those at nuclear weapons manufacturing facilities. Considered individually,

any *one* of these cases would have called forth an assessment and possible response; taken together, they are compelling arguments for subtle clashes and maneuverings between human militaries, the potential breakaway civilization technologies, and whoever is behind the UFO phenomena involved. As we shall also discover, close analysis of these cases along two main avenues of interpretation—human origin and non-human origin—will reveal some interesting speculative possibilities about the culture of the breakaway civilization.

1. Sightings near Nuclear Missile Sites and Nuclear-Equipped Military Units

a. The UFO-Haunted Aircraft Carrier, the USS Franklin D. Roosevelt

Commissioned in October 1945 shortly after the end of World War Two, the USS *Franklin D. Roosevelt* piled up a number of firsts in U.S. naval history, being "the first American aircraft carrier to launch and recover a jet aircraft."[29] She also participated in the first large postwar NATO naval war game, along with warships from Great Britain, Norway, Denmark, France, Belgium, Holland, Portugal and Canada, Operation Mainbrace.

It was here that the *Franklin D. Roosevelt's* "haunting" by UFOs began, as UFOs began to be reported by Danish ships and British aircraft.[30] On September 20, 1952, some of her crewmen were observed by an attached newspaper photographer observing a spherical object in the sky travelling very quickly. The photographer snapped some photographs, which were quickly examined by the ship's intelligence officers, who decided that "the large spherical object had to be either a weather balloon—or something *else."*[31] The *Franklin D. Roosevelt* quickly inquired of the rest of the massive fleet if any of its ships had sent up a weather balloon.

The answer: none had.

But the UFOs were not done with the *Franklin D. Roosevelt,* for after a refit the following year, the ship anchored near Guantanamo Bay, where again a UFO was observed by the ship's crew, this time at night, glowing brightly, and performing sudden stop-start maneuvers.[32] Three years later, in 1956, while making a goodwill visit to Brazil, the aircraft carrier anchored at Rio de Janeiro, where once again, it was stalked, "this time by *two* UFOs."[33] The ship's crewmen

> saw two large disks. They described them as one above the other, with a glowing light between the two. The objects were estimated at between 75 and 100 feet long.
>
> They weren't moving, and there were a few hundred feet separating them. The ship's radar fixed them several miles from the carrier and about half a mile high. Each object had bright counterrotating (sic) lights ringing its middle.
>
> Suddenly the top disk ejected a fiery object that fell into the lower object. After that, both disappeared at blinding speed . . .
>
> Anyone in the ship's crew who witnessed the incident was later questioned by the navy and then told never to talk about it again.[34]

Still the UFOs were not done with the USS *Franklin D. Roosevelt.*

By autumn of 1958 the aircraft carrier was again anchored off of Guantanamo Bay, when around 9 P.M. a UFO appeared and began to head directly for the carrier. Approximately two dozen crewmen ran to the flight deck, and spotted "a cigar-shaped object with a row of windows running through the middle,"[35] and some of these witnesses claimed to have seen "figures inside looking down at them," while still others stated that they felt heat "coming from the object."[36]

Whatever it was, it remained near the aircraft carrier for almost five minutes, when it then “turned reddish orange—and then it was gone, leaving the area at very high speed.”[37] Subsequently the CIA sent agents to interview the witnesses to the incident, giving them the customary warning never to talk about it again.[38]

The final incident involving the *Franklin D. Roosevelt* occurred in 1962 when an object appeared on the carrier’s radar, some 500 miles away at 80,000 feet altitude.[39] The ship’s radar operators observed the object drop nearly three miles in mere seconds, then completely stop. The carrier was ordered to turn into the wind and “several F-4 Phantom fighter jets were catapulted off the deck with orders to confirm the bogey.”[40] Closing on the object, the fighters turned on their radars and immediately the object simply completely disappeared from the *carrier*’s radar. The fighters continued to search but after over twenty minutes were recalled. As soon as the fighters had landed and the ship resumed its previous course, the UFO reappeared on the ship’s radar, directly *above* the carrier, “meaning it had traveled a distance of more than 500 miles in just a few minutes.”[41] Under orders from the commanding officer, the crew involved were ordered not to record anything in their logs.

So the question inevitably occurs: why were UFOs targeting the USS *Franklin D. Roosevelt,* seemingly singling it out of all the carriers in the US Navy?

Maloney’s answer is chilling: “There’s only one clue: in 1950, the *(Franklin D. Roosevelt)* was the first U.S. Navy carrier to deploy with nuclear weapons on board.”[42]

With this, we arrive at the heart of a very murky, and potentially very dark aspect of UFO activity and interference with military operations and installations: nuclear weapons. As previously noted, Robert Hastings has done yeoman’s work on this subject with his magisterial work, *Ufos and*

Nukes: Extraordinary Encounters at Nuclear Weapons Sites. His information will be reviewed carefully here. During the world's brush with thermonuclear war during the 1962 Cuban Missile Crisis, UFOs were "conspicuous by their absence," and in fact, it appears that worldwide, UFO activity was at a low level.[43] According to Hastings, however, there was one attempt at a UFO intercept by American fighters during the crisis.[44] But this is merely the tip of a very large UFO-and-nuclear iceberg.

Almost all U.S. Air Force bases that based ICBMs—Malmstrom in Montana, F.E. Warren in Wyoming, Ellsworth in South Dakota, and Minot and Grand Forks in North Dakota—has had recurring UFO incidents.[45]

b. The Malmstrom A.F.B. Case

Malmstrom Air Force Base near Great Falls, Montana, was the scene in 1966 of one of the most stunning cases of UFO interference in American military affairs and nuclear weapons. First reported by ufologist Raymond Fowler, the incident occurred during a night in the early spring of 1966. A UFO was sighted near the vicinity of the launch control center of a flight of ten Minuteman ICBMs.[46] The UFO, a glowing red saucer shape, shut down the flight and fighters were scrambled.[47] One witness to the event, Captain Robert Salas, informed Hastings that an agent from the base's branch of the Air Force Office of Special Investigations (AFOSI) debriefed the men and had them sign non-disclosure agreements, and informed them that the incident had understandably been "highly classified" and was "not to be discussed with anyone, even amongst themselves."[48] The AFOSI agent then confiscated the missile launch officers' logs.[49] According to captain Salas, despite these strictures, the incident swiftly became a major topic of discussion on the base.[50]

Eventually an engineering report was drawn up officially denying that the UFO had anything to do with the shut-down of the missiles.[51]

However, the Air Force contacted engineers from the Boeing company, designer of the Minuteman missile, and these in turn "investigated several possible causes, including weather conditions and commercial power surges, but ruled out all of them."[52] More importantly, the Boeing engineers successfully duplicated the phenomenon "by directly injecting a certain signal, a 'noise,' into the logic coupler" of the missiles' computerized launch systems, though they were never able to "determine the source of such a signal."[53]

This is an important point, for while it would seem evident that the UFO *was* responsible for the shutdown, the ability of Boeing engineers to duplicate the phenomenon indicates that the technology employed was not beyond existing human capabilities. But other incidents at Malmstrom A.F.B. indicated more disturbing capabilities, for in 1967, a UFO returned to the base, and again, interfered with the missiles, only this time, with the missiles' guidance and control systems.[54] According to Hastings, his source indicated that whoever was behind the UFO, they "were demonstrating that they could indeed disable the missiles."[55]

Then, in a repeat performance in January 1972, NORAD informed Malmstrom that ground sensors had recorded a sharp rise in ground temperatures to 80 degrees around one of the ICBM silos.

> A security team was rushed to the silo; when they arrived they saw something incredible. A UFO was sitting on the ground, and the cover to the missile silo had been removed. Apparently the UFO's "crew" had broken into the launch facility.
>
> The security team was close enough that, even though no description was ever recorded, one

> member claimed he saw the UFO crew inside the silo, examining the missile's circuitry. On being discovered, the UFO occupants hurried back to their craft. The UFO lifted off, shooting straight up at a speed estimated to be 50,000 miles an hour.[56]

In yet another incident at Malmstrom in November 1975, an alarm sounded on the base indicating that security at one of the silos had been violated. The launch officers at the silo requested a security team to investigate. Upon arriving at the silo, the security team reported observing a large orange disk hovering over the area, and technicians were dispatched to the ICBM after the disk departed.[57] "To their horror, they discovered that the targeting info stored in the warhead's guidance system had been changed . . . nobody could understand how the targeting info had been altered."[58]

There are two crucial considerations here. Firstly, the actions of the UFOs at Malmstrom, *whatever their origin,* clearly constituted behavior that could be considered hostile, and with the alleged alteration of targeting data, not to mention shutting down an entire flight of ICBM's, constituted serious threats to American national security. Secondly, even though the Boeing engineers were able to duplicate the *shutdown* of the flight via remote signaling, the remote alteration of sensitive targeting data implies a much more sophisticated technological capability, one that suggests the ability to "scan" targeting circuitry and data, and to enter new targeting information.

c. The Ellsworth A.F.B. Case

Malmstrom A.F.B. was not the only U.S. air base and ICBM launch facility experiencing difficulties with UFOs and its intercontinental missiles. Ellsworth Air Force Base just east of Rapid City, South Dakota, control site for 150 ICBMs spread throughout the wastes of the western part of the

state, experienced its fair share as well. Notably, like the Malmstrom incidents, these began in 1966.[59]

In 1966, Staff Sergeant Albert Spodnik and another electromechanical technician were ordered to launch facility to correct what appeared to be an electrical malfunction, for both the commercial and emergency back-up power had gone down at a site code-named Juliet-03, making the Minuteman missile there inoperable.[60]

Spodnik and his partner completed the repairs and initiated a start-up procedure "which would return the missile to normal operational status."[61] That was the end of all things normal for that evening, for as they were leaving the silo, their security escort informed them that there was disturbing conversation taking place on their vehicle's radio: a security alarm had gone off at another silo just six miles away, as it too experienced a total loss of all commercial and back-up emergency power, taking the missile off alert status.[62]

Once again a security team was ordered to the silo. Listening in, Spodnik and his team overheard the security team at the other silo describe a round metallic object was resting on the ground inside the security perimeter of the silo.[63] Climbing on top of their vehicle in order to gain a better view of the nearby silo, Spodnik and his team saw "an intense glow that seemed to envelop the entire launch facility, much brighter than the security lights located there."[64] Meanwhile, the security team at the other silo was ordered to approach the object, which the team commander refused to do, and a helicopter was dispatched from Ellsworth to the silo. The helicopter carried the Base Commander, the Wing Commander, the Missile Maintenance Commander, the Civil Engineering Commander, and the Base Hospital Commander. As Hastings states, "this was extraordinary, to say the least,"[65] for it suggested that the base brass had been quickly assembled in response to the first alert that Spodnik's team had been dispatched to

repair. Spodnik eventually jumped from the roof of his vehicle, and heard over the radio that the UFO had departed. When the helicopter with the base commanders arrived, they found the indentations from the object's tripod landing gear, and the power was restored, without anyone having done anything.[66]

This was not to be the last UFO visit to the Ellsworth A.F.B. missile silos, however, for technical Sergeant John W. Mills, assigned to the base's 44th organizational Missile Maintenance Squadron, reported an even more bizarre incident at the base in late December 1978 or early January 1979.[67] Ordered to a silo to perform a routine targeting maintenance procedure on an ICBM, Mills entered the silo, when his team's accompanying guard on the surface began to bang on the ladder down into the facility, demanding that they come to the surface. Mills ascended the ladder, fully intent on reprimanding the guard, but when her arrived on the surface, he noticed a low frequency loud ambient hum, coming from "everywhere". Mills stated that one could feel it on one's skin, inside the body, in one's teeth, "like a microwave except it wasn't heating you up."[68] Even their truck vibrated.[69]

Looking up, they could not see stars directly overhead, while stars were clearly visible to the sides.[70] Walking out of the silo's fenced-in security area, the hum could not be heard.[71] Mills informed Hastings that "we weren't scared. We were just puzzled."[72] While their surface guard was clearly frightened, Hastings observed that this strange fearlessness and calm on the part of others involved in such missile base sightings suggested some sort of "mental-conditioning field was present."[73] And as with the earlier 1966 Ellsworth sighting, all power at the launch facility inexplicably went off, only to return on the object's departure.[74] Nor was this all: two other teams at two

different silos reported similar experiences, complete with total losses of power at each silo.[75]

Once back at Ellsworth, Mills and his team reported to the missile maintenance hanger, which was “full of people,” many of them colonels and various base commanders.[76] Separating enlisted men from officers, each teams’ members were ordered to fill out reports. Mills and his team reported that they did not see anything, but two teams did apparently report the truth, and their members were passed over for promotion, and in one case, its members were reassigned from the base within 24 hours after being made to sign national security and non-disclosure statements.[77] As with the later Malmstrom incidents, it was discovered that the missiles’ targeting systems were inoperative during the incident.[78]

d. The Minot A.F.B. Incident

Thus far we have encountered UFOs shutting down ICBM flights, turning off power at silos, and altering targeting and guidance system information. As if all that were not enough, the final and most dangerous step and implication for national security was taken during the UFO incidents at Minot Air Force Base, sometime between July 1965 and July 1967.[79] The story was recounted to Hastings by David Schuur, a Minuteman crewmember at the Minot base from December 1963 to November 1967.[80]

While Schuur was on duty, all of the Minot base’s ICBM silos reported a strange object moving over their silos, passing from one flight to the next.[81] What Schuur recounted to Hastings is worth citing in detail, for like Hastings, I find the implications of the Minot incident perhaps the most disturbing of all UFO-nuclear weapons related activity, with clear implications for national security, and, as we shall discover later in our analysis of these

incidents, clear implications for the breakaway civilization and its responses to such events.

> However, when the object passed over our flight, we started receiving many spurious indications on our console. The object was apparently sending some kind of signals into each missile. Not every missile got checked (out) by the object, but there were several that did. Maybe six, seven, or eight. Maybe all ten got checked, but I don't think so. As this thing was passing over each missile site, we would start getting erratic indications on that particular missile. After a few seconds, everything reset back to normal. But then the next missile showed spurious indicators, so the object had apparently moved on to that one, and did the same thing to it. Then on to the next one, and so on. It was as if the object was scanning each missile, one by one. The Inner Security and outer Security (alarms were triggered) but we got those all the time, for one reason or another. *However, on this particular night, we had to activate the 'Inhibit' switch because we got 'Launch in Progress' indicators! After a few minutes, the UFO passed to the northwest of us and all indicators reset to normal.*[82]

Hastings' competence as an astute investigator is revealed by his next question and Schuur's response:

> I wanted to be certain about what I had just been told. I asked Schuur, "So, if you get a Launch in Progress indicator, does that mean the launch sequence has been triggered—that the missile is preparing to launch?" Schuur replied, *"That means the missile has received a launch signal.* When that happens, we get an indication in the capsule that a launch command has been received by that missile. If that happens, without proper authority, you flip what's called an

> ‘Inhibit’ switch, to delay the launch for a given period of time. If an inhibit command comes in from another launch capsule, that shuts down the launch totally. But if that second command doesn’t come in, the missile will wait for a specified period of time and then launch automatically at the end of that expired period—theoretically. Of course, that night, we had all kinds of other indicators coming on from each missile, so in that situation the launch probably would have aborted itself. I honestly don’t know.”[83]

Consider the implications of these statements in the light of the Ellsworth and Malmstrom incidents, for clearly, if targeting information could be remotely altered in the presence of a UFO, and if silos could be completely shut down, then it is equally conceivable that the means existed to “inhibit” the “inhibit switch,” thus allowing the missiles to launch automatically at the end of the expired period of time. This constitutes not only a clear threat and hostile action, it would inevitably have called forth certain responses within the secretive bureaucratic power structures, as we shall argue later in this chapter.[84]

But like the incidents at Malmstrom and Ellsworth Air Force Bases, this was not the only such incident at Minot. In the hours before dawn on October 24, 1968, a UFO was being tracked by the base’s radar as well as the on-board radar of a B-52 approaching the base to land, while concurrently missile security and maintenance teams were also “reporting UFOs maneuvering near Minuteman missile Launch Facilities 0-6 and N-7.”[85] This incident even made the official Project Blue Book file as case 12,548.[86]

At one point, witnesses saw the UFO separate into two separate objects, fly in opposite directions, then “return and pass under each other.”[87] While this was transpiring, the base radioed the approaching B-52 bomber and asked for visual or radar confirmation. The B-52’s radar tracked the

object, and the plane's radar operator activated the radarscope's camera, capturing the radar event on film for later analysis.[88] This analysis revealed that the object was traveling around 3900 miles per hour.[89] As it approached the bomber, the aircraft's radio transmissions were interrupted, and it was only able to receive communications.[90] The aircraft's crew described the object as being orange, oblong, and with what appeared to be windows around it.[91]

The official Air Force explanation?

The interrupted transmissions were due to plasma effects like ball lightning, and the crew had seen either the star Sirius or Vega, or a plasma or ball lightning located near the ground.[92]

Well and good, but plasmas do not explain the *earlier* and much more serious "Launch In Progress" incident at the base, for plasmas do not normally float deliberately from one missile silo to the next, performing scans as they go!

All this is serious enough, but the seriousness is considerably amplified by the fact that one retired Soviet Army Colonel, Vladimir Plantonev, described for ABC News a similar incident at a Soviet ICBM base in the Ukraine on October 4, 1982, an incident lasting several hours. A typical flying saucer was seen near the ICBM base outside the village of Byelokoroviche, when

> an unspecified number of nuclear missiles suddenly activated. As the horrified launch crew looked on helplessly, the automated launch sequence was enabled—without proper authorization—and proceeded to count down for 15 terrifying seconds, before aborting and returning to stand-by status.[93]

As with the American command and control arrangements for ICBM launches, this signal and launch sequence could

only be begun by the transmission of special codes and commands from Moscow.[94]

But there's more, and it should make any attentive reader shudder. In 2004 the History Channel aired an episode called *Soviet UFO Secrets Revealed,* in which Dr. Yulii Platov, a member of the Russian Academy of Sciences, attempted to debunk the whole UFO story, stating that the whole incident was simply due to a military flare being seen near the missile silos. "According to Platov, this explanation had been quickly agreed upon by members of Institute 22, a Soviet government-sponsored UFO research group, which was sent to investigate the incident immediately after it had occurred. 'They established within a very short period, literally half-a-day, *that a military training exercise took place at a nearby (air base),'* he said."[95] For those who have followed the story of 9/11, of the London bombing, or even the more recent Oslo-Breivik bombing and murders, *this nesting of real operations and events within drills will sound all too horrifyingly familiar.*

In my opinion the Soviet UFO-ICBM incident is real, for it follows the familiar pattern we have seen evidenced in the American cases, a pattern that, moreover, would have called forth similar responses within the bureaucratic bowels of Russian black projects, and unique political responses, as will be argued later in this chapter.

e. The Alleged Big Sur Incident

For the present, no survey of UFO interference with nuclear missiles would be complete without a review of the famous, or, depending on one's lights, infamous Big Sur Incident. As Hastings observers of this much-debated event,

> The Big Sur UFO Incident has been studied and debated for more than two decades. Some researchers, including the author, consider it to be an unparalleled example of UFO interest in—and

> interference with— our nuclear missile systems. However, other ufologists dismiss the case, either because they believe it to be explainable in prosaic terms, or they view it as a complete fabrication, an absurd hoax perpetrated by two U.S. Air Force officers, former Lt. Bob Jacobs and retired Major Florenze Mansmann.[96]

Given the controversy surrounding this event, no review of it will be undertaken here.[97]

Our focus will remain on the incident itself, as first reported by Dr. Bob Jacobs and summarized as follows by Robert Hastings.[98]

> Early one morning in September 1964, an Atlas D Intercontinental Ballistic Missile (ICBM) was launched from Vandenberg AFB, California, carrying aloft an experimental enemy radar-defeating system and dummy nuclear warhead. Shortly after nosecone-separation, as the warhead raced toward a targeted splash-down at Eniwetok Lagoon, in the Pacific Ocean, it was approached by a disc-shaped UFO. As the saucer chased and then circled the warhead, four bright flashes of light emanated from the unknown craft whereupon the warhead began to tumble, eventually falling into the ocean hundreds of miles short of its intended target downrange.[99]

All of this was filmed by then Lieutenant Bob Jacobs of the 1369th Photographic Squadron at Vandenberg Air force Base, via a state-of-the-art telescopic camera system at Big Sur, California, over 100 miles northwest of Vandenberg A.F.B.[100] Jacobs maintains that a 16mm version of the film was “shown to a small, select group at Vandenberg” with Jacobs present. At the conclusion of the viewing, Jacobs was ordered to forget the events and never to discuss them.[101]

Subsequently, Jacobs learned that when he had left the viewing area, that telltale frames of the UFO and the destruction of the ICBM were edited out of the film by possible agents of the CIA.[102] Additionally, fellow Air Force officer Mansmann offered that the evaluation of the UFO's origin was that it was extraterrestrial,[103] and Jacobs himself believed that the shoot-down was intended as a warning to humanity and its infatuation with thermonuclear weapons.[104]

As Hastings correctly notes, if Jacobs' story of the Big Sur UFO-ICBM shoot-down incident is true,

> . . . then it is arguably the most dramatic case on record of apparent UFO interference with one of our nuclear weapons systems. As such, its importance can not (sic) be overstated. While the actual motivation behind the apparent shooting down of the dummy warhead remains unknown. the act itself was nevertheless unmistakably provocative and, from a technological perspective, absolutely astounding.[105]

Indeed, if true, then of all the UFO-nuclear weapons incidents reviewed thus far, it formed the most direct challenge to the emerging culture of "full spectrum dominance" within the American national security structure.

f. Summary Thus Far

At this juncture, it is worth pausing to take note of a remarkable pattern that has emerged, for when all these incidents are considered *together,* a remarkable range of flexibility has been demonstrated; UFOs appeared to be capable of:

1) knocking out all power at ICBM silos(Malmstrom and Ellsworth);

2) scanning and reconfiguring the guidance system and targeting data of individual missiles, and then returning them to normal;

3) initiating launch sequences in both American and Soviet missiles;

4) and given all *these* capabilities, one must assume they had the capability to override the “inhibit launch” capabilities in both American and Soviet missiles; and finally,

5) in the case of the Big Sur Incident, shooting down an ICBM in flight with technology best described as directed energy weaponry.

Each of these taken individually would be perceived and interpreted by the national security bureaucracies—both military and intelligence—as potentially threatening national security issues, if not overtly hostile acts. Indeed, we may view these incidents as a kind of covert conflict, covert skirmishes on the edge of credulity, if not outright warfare, a kind of technological brinksmanship or fencing match between two opponents designed to send messages. The analysis of this fencing match and proposed responses to it would have been deeply classified. We shall speculate later in this chapter on what some of those responses may have been. But first, we are not quite done with the subject of UFOs and nuclear weapons.

2. Sightings at Nuclear Tests
a. Pre- and Post-Test UFO “Monitoring “

If UFOs showed such interest in nuclear weapons launch facilities, then what about actual nuclear and thermonuclear tests?

By now it should come as no surprise that UFOs have indeed shown an interest in not only in nuclear weapons facilities, but in actual nuclear and thermonuclear tests. This correlation was first pointed out by the late Frank Edwards,

who noted that UFOs seems to show up in major UFO flaps in Scandinavia with the famous “ghost rocket” wave of 1946, and then over the defense installations of the USA in the West and Southwest of the country in 1947. Edwards correlated this to the 1945 Trinity test, and theorized that someone was reconnoitering our nuclear activity, having been alerted to it by the 1945 test, though Edwards did not offer a mechanism or explanation for this. He also noted that the sightings over Scandinavia in 1946 were simply in the wrong place, though Edwards could not have known at that time the growing evidence after German reunification ca 1989-1992 that the Nazis had indeed exploded some sort of nuclear device in the Baltic in 1944, which would fit neatly with Edwards’ two year “travel time”.

Strangely, however, few have followed up on this correlation of UFO activity to nuclear tests, few except Robert Hastings. Here again, however, we see the strongest evidence not only of a correlation, but of something that, taken with the ability of UFOs to interfere with the launch and guidance systems of ICBMs previously reviewed, would have been perceived as deep national security threats.

One source interviewed by Hastings, Chester W. Lytle, Sr., gave support to the Manhattan Project during the Second World War through his engineering company, Lytle Engineering.[106] This support role continued into the era of tests at the Nevada Proving Ground where, Lytle told Hastings, tests were filmed by aircraft, whose pilots “had observed highly maneuverable, disc-shaped craft in the vicinity of the detonations.”[107] Lytle himself was present as radar tracked these objects, which far out-maneuvered any known American aircraft.[108] Another source, David Middleton, informed Hastings that he had helped erect the tower that held one such nuclear device for a test in the late 1950s. The evening prior to the test, two UFOs came down and performed maneuvers near the tower. The Atomic

Energy Commission personnel present for the test, seeing this performance, postponed it.[109]

Another source, Walter N. Webb, a retired lecturer from the Charles Hayden Planetarium in Boston, and a consultant on astronomy for the Center for UFO Studies (CUFOS) and the Mutual UFO Network (MUFON),[110] informed Hastings of yet another UFO sighting of 18 rotating silvery discs near the atomic test site at Yucca Flat, Nevada, in October of 1951.[111] During one such event of UFOs monitoring the Plumbbob set of nuclear tests in Nevada, Project Bluebook mentioned a UFO monitoring and tracking the fallout cloud from the test, and even responding to encrypted military transmissions by sending "encrypted responses" of its own.[112] Indeed, as Hastings discovered, another source, Daniel Wilson, was able to correlate UFO sightings, and "fireball" sightings, after nuclear tests as the fallout spread across the country, with "fireball" sightings accompanying it.[113]

b. The Ivy Mike and Castle Bravo Tests

I have written extensively elsewhere about the Ivy-Mike and Castle Bravo hydrogen bomb tests, and about the hypothesis that their anomalous and run-away yields may have been the result of hitherto unrecognized "gating" or "transduction" of the energy of the local structure of the fabric of space-time into the reactions by dint of resonant geometries momentarily established within the nuclear plasmas mere moments after the detonation.[114] Previously in *this* book I have suggested that *part* of this mechanism consisted of sending out longitudinal pulses within the physical medium itself, and that this mechanism—if one had the technology to detect such pulses—might be why UFO activity seems so strangely correlated to nuclear tests and facilities.

Two of these tests, in particular, Ivy Mike, and Castle Bravo, have formed the focus of my attention in these speculations, and therefore it should come as no surprise that these two tests also exhibited an unusual amount of UFO activity. No less than the head of the U.S. Air Force's Project Bluebook, Captain Edward J. Ruppelt, whom some believe even coined the term "Unidentified Flying Object" or UFO, wrote the following in his summary of the Air Force project:

> . . . (In) November or December[115] the U.S. was going to shoot the first H-bomb during Project Ivy. Although this was Top Secret at the time, it was about the most poorly kept secret in history—everybody seemed to know all about it. *Some people in the Pentagon had the idea that there were beings,* ***earthly or otherwise,*** *who might be interested in our activities in the Pacific, as they seemed to be in Operation Mainbrace.* Consequently Project Blue Book had been directed to get transportation to the test area to set up a reporting net, brief people on how to report, and analyze their reports on the spot. Secondly, Project Blue Book was working on plans for an extensive system to track UFO's by instruments. Brigadier General Garland, who had been General Samford's Deputy Director for Production and who had been riding herd on the UFO project for General Samford, was now chief at ATIC,[116] having replaced ***C****olonel Dunn, who went to the Air War College. General Garland had long been in favor of trying to get some concrete information, either positive or negative, about the UFO's. This planned tracking system would replace the defraction grid cameras that were still being developed at ATIC.*
>
> Thirdly, as soon as we could we were planning to gather together a group of scientists and let them

> spend a full week or two studying the UFO problem.
> . . .
>
> Our proposed trip to the Pacific to watch for UFO's during the H-bomb test was canceled at the last minute because we couldn't get space on an airplane. *But the crews of Navy and Air Force security forces who did go out to the tests were thoroughly briefed to look for UFO's, and they were given the procedures on how to track and report them. Back at Dayton we stood by to make quick analysis of any reports that might come in—none came.* Nothing that fell into the UFO category was seen during the entire Project Ivy series of atomic shots.[117]

Observe that what was predicted in the Preface is now, apparently, a reality, as the U.S. Air Force appeared at that time to be putting into place a monitoring and tracking system that would not only monitor nuclear tests, but also UFO activity. Observe also that this was under the direction of the Air Technical Intelligence Command (ATIC), at that time headquartered at Wright-Patterson Air Base in Dayton, Ohio.

It is also highly suggestive that one commander of the ATIC— Colonel Dunn—was subsequently moved to the Air War College, implying perhaps that UFO considerations were being gradually and quietly incorporated into the US Air Force's strategic calculations and training.

Most importantly, however, Ruppelt indicates that the UFOs were enough of a concern to military planners, especially during the earliest hydrogen bomb firing, that his own Project Bluebook personnel were ordered to the test area, and Navy and Air Force personnel briefed to be on the watch for, and to report, UFOs. According to Ruppelt, "none came," but in the light of the consistent pattern reviewed thus far, this author finds that hard to believe. It is more likely that such reports *were* filed, and that Blue Book's

difficulty in finding transportation to the test area was a deliberate measure designed to keep it out of the loop. Blue Book was simply too public to allow potential public scrutiny of two sensitive areas—thermonuclear tests and UFOs—at the same time.

That this may be a highly plausible scenario is evidenced by what this author believes to be one of the most significant UFO-nuclear test events of them all: Castle-Koon, of the famous Castle codenamed tests, the most infamous being, of course, Castle Bravo. But why is Castle Koon so significant?

As was outlined in *Grid of the Gods,* Castle Koon was a test of a thermonuclear device, designed by Edward Teller's team at Lawrence Livermore, that *fizzled,* not achieving anywhere *near its pre-test calculated yield.* Here we must pause to recall our remarks about this series of tests, and in particular, the Castle Koon test, from *Grid of the Gods:*

> Its revised yield was a comfortable 1.5 megatons, *but instead, the device "fizzled" and failed to achieve barely any fusion reactions at all, coming in at a mere 110 kilotons.*
>
> We are told that of the fizzled yield, only 10 kilotons was accounted for by fusion reactions, or about 9 percent of the total yield. The other 91 percent of the yield was obtained from the fission reactions of the primary and secondary. The explanation for this "fizzle" (which nonetheless managed to carve out a crater 990 feet wide and 75 feet deep!) was "an unexpectedly long time delay between the primary firing and the secondary ignition. Reportedly this was due to a simple design flaw - the neutron flux from the primary had preheated the secondary leading to poor compression."[118]
>
> Of course, in the thermonuclear kettle of these witches' brews, the slightest change of just a few

> nano-millimeters of the thickness of any solid state item within the device, the slightest change of positioning of various components, *can*—within the split-seconds' timing of the various stages of the reaction—alter its efficiency significantly, and either enhance, or impede, the overall reaction yield. So from one point of view, this explanation has merit.
>
> But from another point of view, do *any* of these explanations really make sense? Are we really to believe that Los Alamos National Laboratory knew *absolutely nothing* about lithium-7 reactions before the "Castle Bravo" test, that it rolled the thermonuclear dice having missed one whole component of nuclear chemistry? Are we really to believe that those reactions burned *so efficiently* so as to account— after the fact!— for a runaway bomb? And are we really to believe that Lawrence Livermore Laboratory, under Dr. Edward Teller, the "father of the hydrogen bomb" himself, could not successfully design the very bomb he is credited with inventing?[119]

In other words, whereas the Ivy-Mike and Castle-Bravo tests ran away to beyond their pre-test calculated yields, Castle Koon *fell short of its pretest calculated yield by approximately three orders of magnitude!*

This extraordinary miscalculation should cast a dark pall of suspicion over any story that the design or calculations of Castle Koon were that far off. In effect, such a story would imply Edward Teller's design team at Lawrence Livermore was grossly incompetent, an explanation that this author finds to be totally incredible and unbelievable.

So some other mechanism for such a dramatic drop in yield must be found. Interestingly enough, Robert Hastings uncovered dramatic evidence of an entire series of UFO sightings throughout the Castle series of nuclear and

thermonuclear tests,[120] including a sighting on April 7, 1954, mere hours after the Castle Koon test.[121]

Consider now what has brought us thus far:

1) UFOs were seen over both American and Russian ICBM sites during the Cold War;
2) In many instances, total power outages accompanied these sightings as ICBMs were taken off alert status, a clear threat to national security;
3) In some instances, targeting and guidance information on these ICBMs was altered while UFOs were present, only to be returned to normal after their departure;
4) In some instances in both the USA and USSR, actual launch sequences on ICBMs was initiated while UFOs were present; and finally,
5) UFOs appeared to be monitoring actual nuclear tests.

Now let us pause and add two considerations to the mix: if some of these UFOs are the product of an actual technology, and this technology includes a field propulsion capability that is based upon the ability to manipulate or engineer the local fabric of space-time,[122] then it stands to reason that this capability could be deliberately employed to alter the yields of nuclear and thermonuclear devices, either greatly magnifying them, or greatly damping them, as is suggestively the case with the Castle Koon test, which failed to initiate any fusion reaction at all, in spite of the clear knowledge of the engineering principles to do so on the part of Teller and his team, and in spite of the fact that the nuclear “trigger” of Castle Koon did indeed fire effectively, and reached the necessary thermal gradients to initiate fusion.

The presence of UFOs throughout the Castle test series, plus the extraordinary inability of American engineers to calculate yields, would indeed have made the UFO matter a priority of the national security state, if for no other reason than that these capabilities implied the ability to render the

whole nuclear weapons enterprise so much useless hardware, *or* the converse ability to render it vastly *more* efficient than its designers intended. Small wonder then, that the matter was classified higher than the hydrogen bomb, for it implied a physics of much more flexibility and destructiveness.[123]

It is similarly important to observe two things here: it was precisely at this time—the 1954 Castle series of tests and their remarkable UFO sightings—that the western military stepped up its incorporation of Nazis into the investigation of UFOs. One such effort is worth mentioning:

> Around 1953 or 1954, according to Frank Edwards, the West German government hired him to head a commission studying UFOs. As a result of this study, (Dr. Herman Oberth) had made a statement, during the summer of 1954, that UFOs were "conceived and directed by intelligent beings of a very high order. They probably do not originate in our solar system, perhaps not even in our galaxy." Like William Lear, Townsend Brown, and Wilbert Smith, Oberth decided that UFOs were "propelled by distorting the gravitational field, converting gravity into useable energy." [124]

This is precisely the *same* time frame that anti-gravity discussion disappeared in the open literature, and precisely the *same* time frame that the Nazi "fusion" scientist in Argentina, Dr. Ronald Richter, was secretly being interviewed by the U.S. Air Force, which was being schooled by Richter in lithium-7 fusion reactions, and his theory that rotating plasmas could transduce what he called "the zero-point energy."[125]

In other words, the Air Force probably came to similar conclusions as we are advancing here: another mechanism of energy production was in evidence in thermonuclear tests, that mechanism was very similar to that behind UFOs,

and more importantly, that mechanism appeared to be able to alter or damp the otherwise ineluctable laws of nuclear reactions.

UFOs, nuclear weapons, gravitational or space-time gating or transduction effects, anti-gravity, and Nazis: all these coalesce at the same time, and, let it also be noted, the first Bilderberger meeting also took place in 1954. In my view, none of these things are coincidental, and all of them are deeply related, for what we are seeing is the formation of a structure to *deal with, investigate, and to the extent possible, control and emulate the phenomenon, which clearly poses a threat simply by dint of its ability to interfere with these weapons.*[126]

3. Sightings at Nuclear Weapons Manufacturing Facilities

No survey such as this would be complete without a brief review of what appears to be UFO monitoring of actual nuclear weapons production facilities. Ruppelt records an incident from 1952 in which US Air Force aircraft sighted an unknown object on their radars over the plutonium production facility at Hanford, Washington,[127] and similar sightings occurred there in 1949, at the Oakridge uranium enrichment plant in 1950, and at the Savannah River plutonium and tritium production facility in South Carolina.[128] UFOs have been sighted at actual a-bomb production and assembly facilities such as Sandia Laboratories, and at storage installations such as Kirtland, Air Force Base, both in Albuquerque, New Mexico,[129] and at the base in Killeen, Texas.[130]

C. Evaluations and Speculations

So what are we to make of all of this? What implications do these incidents have for the formation of the culture of the breakaway civilization, a culture that, as we have indicated, by the turn of the millennium, is bent on a policy

of “full spectrum dominance”? How can one have such a culture and policy if UFOs continue to roam freely and interfere with basic communications, and with the nuclear deterrent itself? What may we conjecture would have been the possible responses to the phenomenon?

I contend that the financial requirements alone of the threat posed by the UFO, as it would have been evaluated ca. 1945-1954 during the era of nuclear and of the first thermonuclear atmospheric testing, would have driven planners to the creation of a vast system of “completely off the books finance” in order to meet the type One or Two civilization potentials that this threat posed. As such, and for this reason alone if not many others—Cold War opposition to Communism for example—these planners would have turned to hidden sources of finance, and that that time there were principally two: the criminal underworld and its activities, and the surviving Axis elites and their treasure not only of plundered loot, but scientific expertise. As was seen in earlier portions of this book, this is exactly what happened.

This would, however, have been an uneasy alliance—elsewhere I have called it merely a detente—in any case, particularly between the Anglo-American and Nazi components, simply for the reason that the latter appeared to have at least *some* rudimentary technology based on the type of thinking being suggested in this chapter, and the former very much wanted to acquire it.

The UFOs, whatever their origin, were clearly threatening to the American military establishment and to the Russian as well, and we may conjecture that this would have led to the creation within both nations of bureaucracies whose mission brief was to emulate the performance via technological development, and if possible, to surpass it. This would, at one stroke, also give those nations the ability to surpass their principal *earthly* opposition: the USA in the USSR’s case, or conversely, the USSR in the USA’s case. *It is*

therefore impossible to disentangle the UFO from the Cold War considerations, or vice versa. But at a deeper level, the phenomenon would have very likely become a component of secret protocols between the USA and the USSR, since in both cases it had demonstrated an ability to interfere and even potentially to launch each side's missiles. This would have required both sides put into place procedures for verifying if indeed one or the other party was responsible, or if a third party—the UFO—was doing so under truly cosmic false flag scenarios.

It is important to understand what the result of this one consideration would have been, namely, the creation of an international bureaucracy composed of representatives of the potentially threatened nuclear powers and any additional members that might come along, such as the USA, USSR, France, United Kingdom, China, India, or Pakistan, as well as of any "potential" or "crypto-"nuclear powers such as Japan, Germany, or Israel. This alone would constitute a breakaway group in its own right, moreover, by the requirements of its mission brief, one with the highest access to the most sophisticated monitoring and surveillance equipment both on earth and in space. This access would likely exist *within* the national security structure of each country, but would, in fact, be a parallel group owing ultimate allegiance to something supranational and international in nature.

By the same token, however, factionalism within such a structure could not and most likely would not be avoided, for the abilities of UFOs to interfere with the nuclear deterrents of these nations would have also presented another scenario, one which would likely *also* have been pursued simultaneously with the emergence of the international group just referred to, for *the UFO represented an* ***unprecedented*** *capacity or potential for false flag emulation technologies,* i.e., if such technologies could be duplicated, it would be conceivable to render an opponent's launch capability null and void—recall Boeing's efforts to

duplicate the Malmstrom Air Force Base UFO shut down capability—or, conversely, to stage a "UFO event" and launch a given country's missiles, which would then be falsely interpreted by the above international group as a false flag accident, with no retaliation required. Such a potential would fit well with the culture of "full spectrum dominance" and the emulative technologies of "plausible deniability" that we have already encountered in previous pages.

One by now sees the major point: *any way one approaches the UFO, it is a geopolitical phenomenon of the highest order, and would have called forth the full spectrum of responses, and the concomitant creation of very secret, and probably very international, bureaucracies to deal with it.* By the nature of the case, this response would have also required the development of technologies to *emulate* the performance, and if possible, to *surpass* the performance, being observed. This would have required hitherto unprecedented levels of finance, completely off the books, and this would have compelled the agreements with former enemies. We know of one such technology already: satellites, which some have speculated probably did double duty not only watching ICBM launch sites, but also UFO activity.[131]

There is yet another potential scenario that opens up as a result of our speculations on the mechanisms of nuclear weapons, longitudinal pulses, and the apparent UFO interest in nuclear sites and *tests,* namely, that if, as Hastings suggests, UFOs were not only monitoring sites, demonstrating threatening potentials (including as I have argued here the potential alteration of nuclear bomb yields), and sending messages by these means and by "performing provocative aerial displays at these locations, often in broad daylight, so the powers-that-be in Washington could not possibly ignore their presence near these key atomic weapons-related sites,"[132] then those powers-that-be may

have also concluded that nuclear detonations were somehow *damaging* or at least sending potentially threatening messages of their own to whomever was behind the UFOs, and hence, a secret reason may here be indicated for the continued nuclear tests of various nations, including the USA, France, China, and India. At the minimum, the correlation of UFO activity with nuclear tests reviewed here indicates that such correlation may itself be an ongoing object of study of such testing.

Notably, when we proposed in earlier pages the idea that UFO emulative technologies implied the ability to manipulate the energy of planetary systems, and a commensurately large financial commitment, we were not far off, for as recent articles are now confirming, the idea of a "space warp drive" or "engine" is now actually being *tested in proof of concept* experiments, and this is in the *open* literature.[133] The problem of course, as I've mentioned many times, any time one is engineering the fabric of space-time locally, one has the potential for a weapon that would make a hydrogen bomb look like a firecracker. Indeed, we have already presented our speculations on why early thermonuclear tests returned such anomalous yields. And indeed, if producing a practical space warp would require the energy of a planet Jupiter,[134] then weaponizing it could also destroy a planet.[135] This must give one pause, for the late Ben Rich, former head of Lockheed's skunk works, was quoted after his retirement and before his death, as having said that the scientists in black projects had found "an error in the equations," and that we now had the capability "to take ET home." In the context, these are chilling words, for if true, then it means the breakaway civilization has truly broken away, and has access to world altering, or shattering, technologies.

But until such time as these capabilities were *actually* achieved, what would a budding breakaway civilization do to control the UFO phenomenon?

It would, in my opinion, seek not only to emulate it, but to control the interpretation of the phenomenon . . . it would seek to control the most powerful force in the cosmos: consciousness, and mind, itself . . .

Lockheed's Skunk Works' Director Ben Rich, 1925-1995

Lockheed Advanced Aeronautics Company

7/21/86

Dear John:

Yes, I am a believer in both categories, full exploration is possible.

Many of our Man-made UFOs are Un-Funded Opportunities.

In both categories, there are a lot of kooks and charlatans — be cautious.

Best regards

Ben Rich

Lockheed's Skunk Works Director Ben Rich's Alleged 1986Letter to Johan Andrews, calling UFO's "Un-Funded Opportunities, "Suggesting Covert Systems of Finance Behind Black Projects

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[1] cited in Robert Hastings, *UFOs and Nukes: Extraordinary Encounters at Nuclear Weapons Sites* (Author-House,

2008, p. 483, citing the *New York Times,* February 28, 1960.

[2] And no, this author does *not* believe it is just ice crystals and rocket exhausts. These are real UFOs, and they're really being shot at.

[3] http://www.nytimes.com/2012/01/18/world/europe/russia-sees-possible-united-states-role-in-space-probes-failure.html?_r=3

[4] Mack Maloney, *UFOs in Wartime: What They Didn't Want You to Know,* pp. 15-16.

[5] Mack Maloney, *UFOs in Wartime: What They Didn't Want You to Know,* pp. 17-18.

[6] Ibid., p. 19.

[7] Ibid.

[8] Ibid., p. 20.

[9] Ibid., p. 21.

[10] See my *Roswell and the Reich: The Nazi Connection,* pp. 329-336.

[11] Ibid., pp. 336-345.

[12] Mack Maloney, *UFOs in Wartime: What They Didn't Want You To Know,* p. 82.

[13] Mack Maloney, *UFOs in Wartime: What They Didn't Want You To Know,* p. 70.

[14] Ibid., p. 70.

[15] Ibid., p. 75.

[16] Ibid., p.

[17] Richard F. Haines, *Advanced Aerial Devices Reported During the Korean War* (Los Altos, California: LDA Press, 1990), p. 18.

[18] Richard F. Haines, *Advanced Aerial devices Reported During the Korean War,* pp. 18-20, emphasis added.

[19] Richard F. Haines, *Advanced Aerial devices Reported During the Korean War,* p. p. 26, n. 4. See also Maloney's reporting of the incident in *UFO's in Wartime: What They Didn't Want You to Know,* pp. 149-150.

[20] Mack Maloney, *UFOs in Wartime: What They Didn't Want You to Know,* pp. 240-241.

[21] Mack Maloney, *UFOs in Wartime: What They Didn't Want You to Know,* pp. 241-242.

[22] Jerome Clark, *Strange Skies: Pilot Encounters with UFOs* (Citadel Press, 2002), pp. 144-145.

[23] Ibid., p. 145.

[24] Ibid.

[25] Ibid.

[26] Ibid., p. 146.

[27] Jerome Clark, *Strange Skies: Pilot Encounters with UFOs,* p. 146.

[28] Ibid., pp. 146-147, emphasis added.

[29] Mack Maloney, *UFOs in Wartime: What They Didn't Want You to Know,* p. 179.

[30] Ibid., p. 180.

[31] Ibid., emphasis Maloney's.

[32] Ibid., p. 181.

[33] Ibid., p. 182.

[34] Mack Maloney, *UFOs in Wartime: What They Didn't Want You to Know, p. 182.*

[35] Ibid., p. 183.

[36] Ibid., p. 184.

[37] Ibid.

[38] Ibid.

[39] Ibid., pp. 183-184.

[40] Ibid., p. 184.

[41] Mack Maloney, *UFOs in Wartime: What They Didn't Want You to Know, p. 184.*

[42] Ibid.

[43] Robert Hastings, *UFOs and Nukes: Extraordinary Encounters at Nuclear Weapons Sites* (Author House, 2008), p. 125.

[44] Ibid., p. 126.

[45] Ibid., p. 212.

[46] Robert Hastings, *UFOs and Nukes: Extraordinary Encounters at Nuclear Weapons Sites,* p. 232.

[47] Ibid., pp. 232-233, 238-239.

[48] Ibid., p. 240.

[49] Ibid.

[50] Ibid.

[51] Ibid., p. 241.

[52] Ibid., p. 242.

[53] Ibid.

[54] Ibid., p. 259.

[55] Ibid., p. 260.

[56] Mack Maloney, *UFOs in Wartime: What They Didn't Want You to Know, p. 222.*

[57] Ibid., pp. 226-227.

[58] Ibid., p. 227.

[59] Robert Hastings, *UFOs and Nukes: Extraordinary Encounters at Nuclear Weapons Sites,* p. 228.

[60] Ibid., p. 228.

[61] Ibid.

[62] Ibid.

[63] Ibid.

[64] Ibid., p. 229.

[65] Robert Hastings, *UFOs and Nukes: Extraordinary Encounters at Nuclear Weapons Sites,* p. 229.

[66] Ibid., p. 230.

[67] Ibid., p. 376.

[68] Ibid., p. 377.

[69] Ibid., p. 378.

[70] Ibid.

[71] Ibid., p. 379.

[72] Ibid., p. 378.

[73] Ibid., p. 380.

[74] Ibid., pp. 380-381.

[75] Robert Hastings, *UFOs and Nukes: Extraordinary Encounters at Nuclear Weapons Sites,* pp. 381-382.

[76] Ibid., p. 382.

[77] Ibid., pp. 382-383.

[78] Mack Maloney, *UFOs in Wartime: What They Didn't Want You to Know,* p. 229.

[79] Robert Hastings, op. cit., p. 303.

[80] Ibid.

[81] Ibid., p. 304.

[82] Robert Hastings, *UFOs and Nukes: Extraordinary Encounters at Nuclear Weapons Sites,* p. 305, emphasis added.

[83] Ibid., emphasis added.

[84] It is to be noted that when asked by Hastings whether he thought the Launch in Progress warning had been deliberately triggered by the UFO, Schuur responded negatively, offering his opinion that it was merely an

accidental byproduct of the “scanning” apparently being done by the object. (Hastings, *UFOs and Nukes,* p. 306)

85 Hastings, op. cit., p. 309.

86 Ibid.

87 Ibid., p. 310.

88 Ibid., pp. 310-311.

89 Ibid., p. 311.

90 Ibid.

91 Ibid.

92 Ibid., p. 312.

93 Robert Hastings, *UFOs and Nukes: Extraordinary Encounters at Nuclear Weapons Sites,* p. 431.

94 Ibid., p. 432. Q.v. also Richard M. Dolan, *UFOs and The National Security State,* Volume 2, *The Cover-Up Exposed: 1973-1991* (Keyhole Publishing Company, 2009), pp. 283-284.

95 Ibid., p emphasis added.

96 Robert Hastings, *UFOs and Nukes: Extraordinary Encounters at Nuclear Weapons Sites,* p. 179.

97 For an excellent overview of the debate, see Hastings, op. cit., pp. 179-207.

98 While we will follow Hastings’ summary of the incident here, the complete and original version of Dr. Bob Jacobs, “Deliberate Deception: The Big Sur UFO Filming: A Critical Analysis of the Curious Events at Vandenburg Air Force Base in September, 1964,” *Mufon UFO Journal,* Number 249, January 1989, 2-9, is available online at http://www.nicap.org/articles/MUJ-January_1989.pdf.

99 Robert Hastings, *UFOs and Nukes: Extraordinary Encounters at Nuclear Weapons Sites,* p. 179.

100 Ibid., pp. 179-180.

[101] Ibid., p. 180.

[102] Ibid.

[103] Ibid., p. 181.

[104] Ibid., pp. 181-182.

[105] Ibid., p. 186.

[106] Robert Hastings, *UFOs and Nukes: Extraordinary Encounters at Nuclear Weapons Sites,* p. 52.

[107] Ibid., p. 54.

[108] Ibid.

[109] Ibid., pp. 51-52.

[110] Ibid., p. 59.

[111] Ibid., pp. 59-60. Hastings reproduces Webb's 1981 article on this sighting on pp. 60-63.

[112] Ibid., pp. 82-83.

[113] Ibid., p. 64.

[114] See especially my (with Scott D de Hart *Grid of the Gods: The Aftermath of the Cosmic War and the Physics of the Pyramid Peoples* (Adventures Unlimited Press, 2011), pp. 1-36.

[115] Of 1951 (ed.)

[116] ATIC, Air Technical Intelligence Command (ed.).

[117] Edward J. Ruppelt, *The Report on Unidentified Flying Objects* (Ace Books, 1956), pp. 258-259, all emphases added.

[118] Ibid.

[119] Joseph P. Farrell with Scott D. de Hart, *Grid of the Gods: The Aftermath of the Cosmic War and the Physics of the Pyramid Peoples* (Adventures Unlimited Press, 2011), p. 22, emphasis in the original.

[120] Robert Hastings, *UFOs and Nukes: Extraordinary Encounters at Nuclear Weapons Sites,* pp. 98-99.

[121] Ibid., pp. 99-100. Hastings also points out the highly significant fact that similar sightings were made after the infamous Castle Bravo test: pp. 104-105.

[122] In this context, it is worth mentioning that Hastings mentions a UFO incident at Vandenburg Air Force Base, site of many Minuteman ICBM tests. In March 1967 a UFO incident also occurred simultaneously with "gravity anomalies" that were measure during a missile test. See Hastings, *UFOs and Nukes,* pp. 233-234.

[123] I am of course referring to the Canadian Wilbert Smith, who was informed by U.S. sources that the subject matter of UFOs was classified higher than the hydrogen bomb. See Richard M. Dolan, *UFOs and the National Security State,* Volume 1: *Chronology of a Cover-Up, 1941-1973,* Revised Edition, pp. 86-88.

[124] Richard M. Dolan, *UFOs and the National Security State:* Volume 1, *Chronology of a Cover-Up 1941-1973,* Revised Edition (Hampton Roads Publishing Company, Inc., 2002), p. 176.

[125] See my *The Nazi International: The Nazis' Postwar Plan to Control Finance, Conflict, Physics, and Space* (Adventures Unlimited Press, 2008), pp. 249-353, and with Scott D. de Hart, *The Grid of the Gods,* pp. 1-36.

[126] It is worth mentioning that Hastings records the fact that prior to the Mike and Castle Bravo shots, the flagship that *controlled the countdown* to the enormous explosions had its power go out, though according to the witnesses interviewed by Hastings, no mention of UFOs in the vicinity was made. See Hastings, op. cit., pp. 110-11.

[127] Edward J. Ruppelt, *The report on unidentified Flying Objects,* pp. 61-62.

[128] See Robert Hastings, *UFOs and Nukes,* pp. 38-39. See also Ruppelt, op. cit., p. 252, for the Savannah River sighting.

[129] Ibid., pp. 45-47. It is to be noted that one such UFO sighting at Sandia in March of 1950, the sighting included witnesses, who were Military Police, seeing a "vapor trail" from the UFO (Hastings, op. cit., p. 47). I have argued elsewhere that such signatures are more condign to human than to presumed extraterrestrial technology, and that remains my view here as well. Yet, we have covered here sightings that by any standard of estimation would seem to defy human capabilities of the day. Hence, one may have an explanation for the earlier statement that the Pentagon was concerned about UFO monitoring of nuclear tests, as some viewed the technology as originating, as Ruppelt put it, from beings "earthly or otherwise." In other words, the Pentagon had come to the conclusion that perhaps it was dealing not only with surviving Nazi research efforts, but with something else and unearthly as well. Such a conclusion would have compelled, no doubt, a further consideration on the part of the US component of this postwar breakaway structure, namely, was this unearthly component known to their Nazi counterparts? And was there any sort of contact or collusion between the two? Such a question would have *inevitably* arisen simply from the normal process of considering all the potential national security risks associated with the phenomenon.

[130] Ibid., p. 43.

[131] For one such analysis of the potential of spy satellites and UFOs, see Ronald S. Regehr, "Do Our Spy Satellites See UFOs?" *MUFON UFO Journal.* Number 312. April 1994, 6-9.

[132] Robert Hastings, *UFOs and Nukes,* p. 48.

[133] Scott Sutherland, “Loopholes in Laws of Physics May Make Star treklike Warp Drive ‘Science Fact,’ “*Geequinox,* http://ca.news.yahoo.com/blogs/geekquinox/loophole-laws-physics-may-star-trek-warp-drive-210452696.html.

[134] Scott Sutherland, “Loopholes in Laws of Physics May Make Star Treklike Warp Drive ‘Science Fact,’ “*Geequinox,* http://ca.news.yahoo.com/blogs/geekquinox/loophole-laws-physics-may-star-trek-warp-drive-210452696.html.

[135] Kerry McDermott, “Bad News Scotty: Star Trek-Style ‘Warp Drive’ Systems Could Turn Spacecraft into Death Stars Which Destroy Planets on Arrival,” http://lewrockwell.com/spl4/bad-news-scotty.html.

12
PSYOPS:
TERRESTRIAL, CELESTIAL AND OTHERWISE:
A SHORT AND SPECULATIVE POSTSCRIPT ON "EMULATIONAL" AND "ANAMNETIC" TECHNOLOGIES AND THEIR POTENTIAL IMPACT ON THE CULTURE OF THE BREAKAWAY CIVILIZATION

"The September 11 operation modified the course of events in the world in the direction chosen by transnational mafias and international oligarchs; that is, those who hope to control the planet's natural resources, the world information network and the financial flows. This operation also favored the US economic and political elite that also seeks world dominance. "

Russian General Leonid Ivashov, Brussels, 2006[1]

One might end this book of speculation on the culture of the breakaway civilization with long and lengthy reviews of how crop circles might be the product of the sorts of broadcast technologies referred to in part two, and how crop circles, with their mathematical formalism and peculiar resemblance to occult and esoteric sigils, might be an attempt to communicate with "them," while at the same time masking as a psyop of "them" trying to communicate with us. One might, similarly, have dissected the whole 9/11 event as one vast ritual, played out on a terrestrial and celestial scale, as a vast invocation of ritual magic and sacrifice on the part of an international breakaway group.[2] One might also point out that many UFO abduction cases are arguably military psychological abductions of some sort, and one might in doing so point out, as did Dr. Jacques Vallee, that some accounts of abduction all-too-eerily parallel medieval accounts of the incubus and succubus. On might similarly argue, as did Dr. Vallee once again, that at

least *some* UFO technology appears to be deliberately designed to be a psychotronic technology, i.e., a technology developed for the express purpose to effect some sort of transformation on the consciousness of its beholders.[3]

In short, one might argue that there is a consciousness aspect to the UFO phenomenon, as well as a nuts-and-bolts, drill-down technological components aspect of it, and this factor would significantly affect the culture of the breakaway civilization. Indeed, as I have attempted to imply in the previous pages, while such a civilization was busily attempting to construct "emulational" technologies, i.e., technologies that *resembled* or *emulated* the performance of UFOs, it might at the same time attempt to control public perception of the phenomenon via emulational technologies of a wholly different sort: those designed to produce an effect in the public consciousness.

It was, once again, Richard M. Dolan who made the connection to the consciousness aspect of the problem of the breakaway civilization's culture, with an extended and detailed series of remarks about an "informal" military, intelligence, and scientific group that came to be known in UFO circles as "the Aviary." Citing a case discovered by researcher Howard Blum of a "fastwalker," i.e., an unknown spatial object being tracked by the U.S. space command inside of the old NORAD headquarters in Cheyenne Mountain, Colorado Springs, Dolan gives the details of this group. We cite Dolan's remarks extensively:

> Blum wrote that a report about the fastwalker ended up on the desk of a "Colonel Harold Phillips" in the DIA's Directorate for Management and Operations. Blum revealed that "Phillips" was also the DIOA's "Associate Coordinator of Space reconnaissance Activities." This was a powerful and sensitive position which helped determine missions for the U.S. spy satellites. Blum then described how Phillips organized an interdisciplinary "UFO Working Group" beginning in

1987. It was comprised of scientists and officers from throughout the defense and intelligence community, and worked deep within a secured “vault” within the Pentagon.

Certain elements of Blum’s narrative were correct. However, the name, time frame, and numerous other details were wrong. Later investigations by at least three researchers (Grant Cameron, Timothy Good, and the author) have corrected and added more detail to what actually occurred, although most of the group’s activities remain unknown to the public.

The identity of “Harold Phillips” is known to be Colonel John B. Alexander. Alexander was a former Green Beret commander who participated in the Phoenix program during the Vietnam era, searched for Atlantis in the Bimini Islands, *was an official in the Silva Mind Control organization,* and a world expert in the field of non-lethal weapons. *He had extensive background and knowledge of remote viewing as well as acoustic weapons which could embed subliminal messages or affect a person’s physiology.*

In forming this group, Alexander sought to avoid undue attention, and certainly never called it anything as obvious as a “UFO Working Group.” Instead, he selected the more suitably vague title of “Advanced Theoretical Physics Group.” According to one group member who confidentially spoke to the author, the group met a total of four times: on May 21-22, 1985, August 6-7, 1985, April 24, 1986, and November 18, 1987. The first three meetings took place at the BDM McLean Secure Facility in Virginia, and the last at the Pentagon. A memo leaked to Grant Cameron included information about the first meeting (according to which occurred from May 20 to 25, 1985), and included a partial list of attendees. Timothy Good later received a complete list of that meeting, which

> included Robert Wood (McDonnell Douglas), Ronald Blackburn (Air Force and formerly Defense Nuclear Agency), Milt Janzen, Don Keuble (Lockheed Aircraft), *Harold Puthoff (head of SRI's remote viewing program, formerly employed by the NSA),* Ed Speakman (Army Intelligence), Howell McConnell (NSA) and Bill Wilkinson (CIA), and Alexander.[4]

The presence of individuals within this "theoretical physics" group with clear connections to "consciousness sciences", such as Colonel Alexander himself, or the famous theoretical physicist and remote viewing program coordinator Hal Puthoff, strongly suggests that at least some in the military-intelligence-physics complex had come to the conclusion that some aspects of the UFO phenomenon represented a connection to consciousness, and that it should be investigated.

But how might one rationalize or "reverse engineer" a chain of reasoning that might have led to this conclusion, and what would be the implications for the culture of the breakaway civilization?

The answer, I believe, lies in a peculiar technique or approach to a well-known, and very public database. The database would simply consist of all those ancient texts that referred to human interactions—interactions inclusive of "cosmic wars"—with "the gods." Additionally, the database would include *all philosophical texts of a cosmological or metaphysical nature,* from the Vedic texts of India to the Pythagorean, Platonic, Neoplatonic, Hermetic and Egyptian texts of the earliest days of Western Civilization. This database would also include certain Gnostic and other texts from the earliest period of the history of Christianity, texts like *The Hypostasis of the Archons,* or the theurgic texts of the Neoplatonic philosopher Iamblichus, which indicated that "higher beings" could certainly be contacted through various theurgic rites and states of consciousness.

The *technique,* however, would not be all that clear, but it would have been readily apparent to people such as Hal Puthoff, with his background in higher order topologies. Throughout many of my books, I have referred, obliquely or overtly, to what I have called the Topological Metaphor of the Physical Medium. This metaphor is found throughout many ancient texts, and I have reviewed some of these in terms of this metaphor in previous books.[5]

Through such a topological approach to such texts, what would have been immediately evident to people like Puthoff in the group, was that the language of classical philosophical metaphysics would be easily "translatable", or decodable, as certain conceptions within mathematics. But what do we mean by this? Here I would like to share some of my private notes that have led to the development of this idea over the years. These are difficult conceptions, and to fully appreciate and understand what is being said here, a familiarity with what has been developed previously about this topological metaphor is required. Nonetheless, I present it here for everyone, to show how *detailed* this method of "seeing" can really be.

The eminent Jesuit philosopher Francis Copleston reproduced the following table in his celebrated history of philosophy concerning the components of the Platonic turn (nepiayroyn) and its doctrine of universals.[6]

Mental State		*Objects Known*	
Scientific Understanding (η επιστημη)	Intellection (η γνωσις)	Sources/Principles (αι αρχαι)	Invisibles (τα αορατα)
Knowledge (η γνωσις)	Discernment (η διανοια)	Mathematicals (τα μαθηματικα)	Intelligibles (τα νοητα)
Opinion-glory (η δοξα)	Belief, Faith (η πιστις)	Living Things (ζωα, κ.τ.λ.)	Visibles (τα ορατα)
	Shadows, images (η εικασια)	Icons (εικονες)	Perceivables (δοξαστα)

Of note here is the term "mathematicals" (ταμαθηματικα), for this is the clearest indicator that Plato had in mind not a doctrine of metaphysical universals in the sense so normally taught in academies, i.e., of a universal "chairness" in which all chairs participate and by which they are known *as* chairs, but rather, that all chairs, and "chairness" itself manifest

common mathematical properties unique to the “chair” form or universal itself. *Plato is, in a word, describing the idea of* ***topology*** *in the disguised language offormal metaphysics.*

This topological conception proves to be an analogical “Rosetta stone”, revealing the formally explicit topological metaphor behind classical metaphysical conceptions and symbols, for from the foregoing considerations, it will be apparent that a kind of analogical calculus reveals that many of the conceptions of classical metaphysical philosophy and the symbolic terms associated with them are but the symbols of the “physics” of the differentiation of the *material prima.* Such, indeed, was the ancients’ view of the term “metaphysics” itself. They would, perhaps, call “metaphysics” by the term “hyper-dimensional” physics were they alive today. Such an idea of an analogical calculus goes further than this and reveals that such terms and symbols are capable of formally explicit topological definition, implying a degree of original sophistication from which the classical metaphysics may be but a declined legacy.

Let the terms on this side of the table be defined as…	*…the terms on this side of the table*
Terms of essence, nature, substance or underlying medium Essence, nature, substance (ουσια, φυσις, υποστασις)	$\varnothing$, $\varnothing_k$, $\varnothing_k^*$, etc.
Terms of utter equilibrium or non-composition, simplicity Simplicity, simple, simplification (απλοτης, απλες, απλοσις)	$\varnothing$, $\varnothing_k$, $\varnothing_k^*$, etc.
Terms of Operation, Power, Cause, Natural Attribute or Property Energy/operation, power, natural attribute, reason of nature, spermatic reason/logos, logos in the mind of god/undifferentiated reason/logos, etc. (ενεργεια, δυναμις, φυσικη ιδιοτης, λογος φυσεως, λογος σπερματικος, λογος ενδιαθετος, κ.τ.λ.)	$(f_x)\in\varnothing_k$, $s\varnothing$, $s\mathbb{S}_k$, etc.
Terms of Composition, Results, Effects Emanatory reason/logos, etc. (λογος προφορικος, κ.τ.λ.)	$\varnothing_{A.k.}$, $\varnothing_{R.k.A.}$ $\varnothing_{A.k.}$, etc.
Terms of Emanation, Mapping Emanation, emanatory reason/logos, etc. (προοδος, λογος προφορικος, κ.τ.λ.)	$\P\varnothing$, $\rightarrow$, etc.
Terms of Return, or the “Reverse Engineering” of the Medium Turn/return, etc. (περιαγωγη, κ.τ.λ.)	“Σ” and “$\int$” as $\in(\P\varnothing)$, etc.
Terms of Temporality, the “Directivity of Time”	$\rightarrow$, etc.

Now, while this excerpt from my private notes may not have made the least specific sense to some readers, one thing—the important thing—that emerges from it is that such terms as “substance, essence, nature, accident,

operation” and so on from classical metaphysical philosophy would *have* direct analogues in mathematics and more specifically topology, combinatorics, and set theory and so on. *This* is the fact that would have been immediately evident to anyone of Puthoff s background, examining certain types of ancient texts.

Thus by *viewing ancient texts in this way, the “analogical” nature of their doctrines of the physical medium would have immediately become apparent to someone like Puthoff,* and this in turn would have implied *a direct connection—whose exact laws were albeit unknown—between the physical medium and consciousness.*

This would have profound repercussions for the culture of the breakaway civilization, for an effort—such as the remote viewing program—would have been mounted to understand this connection.

But there is more.

In the above table of Plato’s doctrine, the process of turning from the perceptible world to the “mathematicals” is also a process of remembrance, or *anamnesis* (αναμωησιζ), a turning from the lower orders to the higher; we might, if we were to put such conceptions in terms of modern physics, say that such a turning (nepiayroyn) would be from a three-space world to worlds of higher dimensions: four-D, five-D, and so on, a process that can only be modeled mathematically, and, interestingly enough, this higher world Plato calls “the mathematicals.”

But for Plato it is important to note that this turning to “the mathematicals” is also a process of *remembrance,* literally of remembering one’s descent from higher realms to the lower, and this gives rise to the highly speculative and radical possibility of what I like to call “anamnetic technologies,” *technologies that, by their very computational power, could recreate with formal precision the detailed steps of this descent or ascent, and thus,*

technologies that have the potential to "invoke" or even "incarnate" some of these higher realms or beings.

Such technologies would, similarly, allow a civilization in possession of them to coordinate psychological operations on a truly celestial, cosmic, scale.

Such considerations are, of course, fanciful, indeed, radical. But given the vast survey of a culture whose lust for power of all kinds is virtually boundless, we must conclude that if we can think of it, it can too . . .

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[1] General (Ret.) Leonid Ivashov, "International Terrorism Does Not Exist," *Axis for Peace Conference,* Brussels, Belgium, January 17, 2006, physics911.net/Ivashov, cited in F. William Engdahl, *Full Spectrum Dominance: Totalitarian Democracy in the New World Order,* p. 209.

[2] For the interpretation of 9/11 as a vast sacrificial ritual, see S.K. Bain, *The Most Dangerous Book in the World: 9/11 as Mass Ritual* (TrineDay, 2012).

[3] See my *Saucers, Swastikas, and Psyops: A History of a Breakaway Civilization: Hidden Aerospace Technology and Psychological Operations* (Adventures Unlimited Press, 2011), pp. 93-134.

[4] Richard M. Dolan, *UFOs and the National Security State:* Volume 2: *The Cover-Up Exposed: 1973-1991(Keyhole* Publishing Company, 2009), pp. 382383, emphasis added.

[5] See my *The Giza Death Star Deployed: The Physics and Engineering of the Great Pyramid* (Adventures Unlimited Press, 2003), pp. 88-91, especially p. 91; *The Giza Death Star Destroyed: The Ancient War for Future Science* (Adventures Unlimited Press, 2005), pp. 98-129; 196-245; *The Philosophers' Stone: Alchemy and the Secret*

Research for Exotic Matter (Feral House, 2009), pp. 25-81; (with Scott D. de Hart) *The Grid of the Gods: the Aftermath of the Cosmic War and the Physics of the Pyramid Peoples* (Adventures Unlimited Press, 2011), pp. 179-190; 275-292; 318-319; (also with Scott D. de Hart) *Transhumanism: A Grimoire of Alchemical Agendas* (Feral House, 2012), pp. 582; (also with Scott d de Hart), *Apocalypse Theater,* Volume 1: *Yahweh, the Two-Faced God: Theology, Terrorism, and Topology* (Peripprometheus, 2011), pp. 11-36.

[6] The following table was reproduced in *The Giza Death Star Deployed,* p. 91.

[7] It should be noted that unoaxaaic; is here meant in its philosophical meaning, and not in its meaning in Eastern Orthodox patristic dogmatic theology.

13
CONCLUDING THOUGHTS

“Within this circle is Jehovah’s name,
Forward and backward anagrammatiz’d;
Th’ abbreviated names of holy saints,
Figures of every adjunct to the heavens,
And characters of signs and erring stars,
By which the spirits are enforc’d to rise”
Christopher Marlowe, *Doctor Faustus,* Act I, Scene III

I have presented in this book a rather lengthy thesis, namely, that the phenomena of the UFO were encountered in a hidden culture dominated by two essential defining features: (1) the culture of “full spectrum dominance,” and (2) the culture of “plausible deniability.” From these two wellsprings I have argued that the approach to the UFO phenomenon would have viewed it, first, as primary and principal threat, in much the same way as the Communist bloc was viewed.

I have also presented the view that while the origins of this group may have been related to the time of the airship mystery of the late nineteenth century, by the time of World War Two, with the appearance of foo fighters, and the dramatic postwar UFO activity over or near nuclear weapons sites, that this would have required a dramatically different approach than the secretive and private corporate funding of exotic research. The scale of what had to be achieved was simply too enormous.

The reasons for this enormous scale of funding are, I have argued, rather simple. Within the culture of plausible deniability and full spectrum dominance, the UFO presented a challenge to both those aspects of the breakaway civilization’s culture, simply because it presented capabilities that, if interpreted from the Kardashev measure

of civilization types, evidenced abilities of at least a Class One civilization, i.e., a civilization requiring the energy of an entire planet, and thus implying the ability to manipulate systems of a planetary scale.

Such a scale, I have argued, implied that the economic response to the phenomenon be commensurate with the need to develop emulative technologies, and that as the technological capacity of emulation grows, so too does the scale of finance and secrecy.

In short, the UFO phenomenon, viewed from this wide cultural perspective, required that the energy of planet Earth be drafted to the task of emulation, for it was only by emulation that it could be in turn confronted and, with proper technological displays such as the ability to manipulate earthquakes and to send longitudinal pulses in the medium, could it be potentially contained and rolled back.

The technological capability of the UFO presented a direct challenge to the aura of “full spectrum dominance” being evolved by the elite during the postwar period, and hence, the UFO presence could not be openly acknowledged—at least, that is, until some technological parity had been achieved. Much less could this breakaway culture come forward and say that it needed to draft the bulk of the Western world’s creativity and financial activity to confront it. Hence financing the development of those responses—both technological and otherwise—had to be dovetailed and made one with the similar goal of the containment and rollback of the Soviet Union; in fact, the UFO phenomenon and the responses to *it,* had to be veiled and concealed within the same structures put into place to deal with the more earthly threat.

In short, a vast hidden system of finance had to be made available to this elite, and that required by the nature of the case that a deal had to be struck with the surviving Axis elites, elites that had access to a great deal of plunder. It

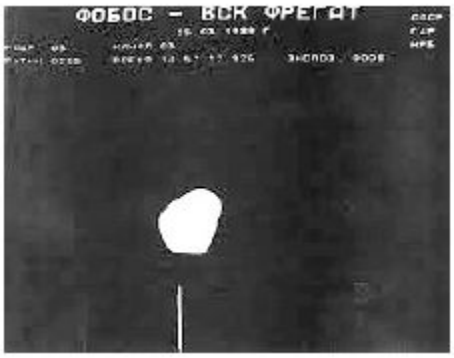
required planetary scale financing to confront both potential threats.

Just what may have been achieved during all this time, from the first murky beginnings of possibilities with the airship mystery, through today, with the vast scale of financing implied by the review undertaken here, we do not know. But it is perhaps worth recollecting at this juncture that United Kingdom subject Gary McKinnon alleges he tapped into secret databases of the United States military and space bureaucracies, and discovered there evidence of a vast, and very secret, space fleet and program, which in the context of Ben Rich's remarks, raise the stakes considerably.

Our focus in this book has therefore been on the necessary cultural background to understand whatever technologies might have been developed. It remains to describe much of that technology in another book, and its possible use in covert operations of a terrestrial and celestial nature. We are thus not done with the subject of covert wars and breakaway civilizations.

For our purposes here, however, we may end on this final note. In the previous chapter I observed that to scientific cognoscenti such as Hal Puthoff, ancient texts and cosmological systems would have made one thing abundantly clear: contact may have been going on for a very long time, and the results, in ancient times, were none too pleasant for humanity. Such realizations, occurring as they did when humanity was emerging from its most bloody and destructive war with the explosions of two atomic bombs, would have impelled this culture and civilization to the task of defending itself against the ancient possibilities.

Sequere pecunia . . .



The Soviet Union's Phobos IIMars Probe Photographed this Image of the Martian Moon Phobos, and . . . "something else". . .

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