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Every Wednesday and Saturday during February 2011

It is sobering to reflect that one of the best ways to get yourself a reputation as a dangerous citizen these days is to go about repeating the very phrases which our founding fathers used in the struggle for independence. - Charles A. Beard

The major world powers, new and old, also face a novel reality: while the lethality of their military might is greater than ever, their capacity to impose control over the politically awakened masses of the world is at a historic low. To put it bluntly: in earlier times, it was easier to control one million people than to physically kill one million people; today, it is infinitely easier to kill one million people than to control one million people.[1]

- Zbigniew Brzezinski

Former U.S. National Security Advisor

Co-Founder of the Trilateral Commission

Member, Board of Trustees, Center for Strategic and International Studies

Bob Chapman with Curtis Wright 2/1/11

<http://www.curtiswrightonline.com/media.html>

Upcoming show with Clayton Douglas

February 4th

Show airs at 7:00 AM Pacific

<http://www.blogtalkradio.com/claydouglas>

Also Live on <http://TalkShoe.com> Host ID 87590

Guest Caller Line 646-915-8774

US MARKETS

Chinese President Hu Jintao has come and gone. During that visit we saw no discussion concerning human rights, as demonstrations and riots continue in China, nor was there any discussion of trade and business practices. How can presidents not discuss economic and financial developments and policies when China is the largest world exporter? We are sure they were discussed, but behind closed doors. It was as if everything was scripted and the media colluded completely. It is important to remember China has a predatory communist government. Their economic and monetary policies

are similar to the Keynesian philosophy practiced in the US, a corporatist fascist program. As a result of the use of what can be considered forced slave labor and currency manipulation they control a good part of world trade, particularly with the US. As a result China has a \$2.85 trillion foreign exchange surplus and holds about \$900 billion in US dollar reserves. In fact, as a result, China has some of the very same bubble problems that America has. China is booming and the rest of the world is not. That is due to investment deals with mainly US transnational conglomerates. Free trade and globalization fit these partners just fine, but none of this is supposedly discussed, nor is the loss of 8.5 million jobs over 11 years, as well as the loss of 42,400 businesses. Thus it will be safely tax-free in offshore tax-free locations. The unlevelled playing field continues as China makes sure its currency is undervalued by 35%. For years that has kept US inflation down and has allowed China to purchase vast amounts of US dollar denominated bonds. Now instead of using those funds to buy those assets they are getting rid of those assets by spending them back into the world economy. In addition the Chinese demand control of every business deal, plus they demand access to all the technology involved, which these transnationals are happy to comply with. They also employ predatory pricing in almost everything they sell. This erodes the industrial base of other countries such as the US and Europe. You have already seen the decimation of American industry and it is going to get considerably worse. As this proceeds China builds up its war machine, far beyond what is normally necessary. China is not using the buildup of its military development to be used peacefully. America's elitists obviously either want a military confrontation eventually, or an excuse not to have war and have all nations joined together militarily under One World government. As this transpires the US government and the controlled compliant media keep the US public in the dark as to what is really going on.

China with \$2.85 trillion in foreign exchange reserves has by far the largest such reserves in the world. We expect China will continue to use US dollar profits, as well as US Treasury holdings to buy a variety of things worldwide as well as influence, as we have just seen with their lending to sick European countries. Eventually they will work off the majority of US dollar investments. The reply will be, as pointed out just a week ago, that the US dollar isn't worth the paper it is written on. In time the Chinese will de-peg from the dollar and make their currency even cheaper. It has already stopped using the dollar in trade with Russia. Next it will be with many more nations forcing world trade to use the yuan and not the dollar. They believe that will eventually lead to the supremacy of the yuan, which will be accompanied by gold backing. Under those circumstances the dollar will in fact become a second rate currency and its eventual destruction will be guaranteed. That is why converting all dollar assets into gold and silver shares and coins is so important. What the communist nations could not do militarily they are now doing financially. The only answer to this policy is tariffs on goods and services, not only for China, but also for all nations, which have been doing the same thing to a lesser degree.

Official Chinese inflation is 5.1%; some economists believe it is more than 10%. Our reports have it over 30%. Just leave Guangdong and shop in Hong Kong and you will see the difference. We published a letter this past week written by a Chinese woman that had just returned from China. It explained the extremely high inflation and the inability of the average Chinese to feed themselves properly. Due to government spies everywhere the terrible situation is never discussed in public, only among family and behind closed doors. If you are heard discussing such real issues you are sent to a retaining camp to learn the error of your ways. That can last as long as 15 years. China is still a totalitarian state.

In an effort to suppress unemployment whole cities have been created with no one living in them. Although not official you are limited to one child in order to suppress

population growth. These are the people American elitists have opened our society to via transnational conglomerates. This we are afraid has been deliberately done to pursue a path to World Government.

Over the past 2-1/2 years china used a page from Keynesian economics and poured \$2.5 trillion into the domestic economy to avoid its collapse just as the US and so many other countries did. Thus, china is faced with the same monetary and financial problems that the US and so many others face. This means China will face the same economic collapse as other nations. Even the increasing of banking reserves and higher interest rates has been ineffectual. This should not go unnoticed at the Fed. The only eventual outcome can be collapse. The remedy of higher rates and bank reserves won't work this time. Western nations are dependent on the largess of the Fed, perhaps in time China will as well. How long can the Chinese central bank and the Fed keep up the charade? We don't know and neither does anyone else. All we are sure of is eventual collapse of the entire world financial system. At that time the elitists expect to implement world government. We have news for them. There are too many people who know what they are up to and it is not going to work. Obama and Hu are front men who do exactly what they are told; everything is totally scripted.

The US and states within the US do not realize that the design is to get America dependent on other nations. That reduces the US's ability to maneuver in relation to other nations. While America descends into austerity the Fed is not only propping up the US economy, but that of Europe as well. China is doing the same thing domestically. All such efforts are doomed to failure and the players know that. This is not stupidity and incompetence. This is the way that the game is to be played out. China knows they are an integral part of this policy.

Last week the Dow fell 1.4%, S&P 1.8%, as the Russell 2000 gained 0.3% and the Nasdaq 100 added 0.1%. Banks fell 2.2%; broker/dealers 1.4%, as cyclicals rose 0.2%. Transports fell 1%; consumers fell 1.8%; utilities 1.1%; high tech gained 0.6% and semis jumped 1.6%. Internets were unchanged and biotechs fell 1.3%. Gold bullion fell \$7.00, the HUI gold index rose 1% and the USDX was little changed at 78.15.

Two -year t-bonds fell 7 bps to 0.55%, the 10-year notes fell 8 bps to 3.35% and the 10-year German bunds fell 3 bps to 3.15%.

The Freddie Mac 30-year fixed rate mortgage rose 6 bps to 4.80%; the 15's rose 4 bps to 4.09%; one-year ARMs rose 1 bps to 3.26% and the 30-year jumbo fell 9 bps to 5.41%.

Fed credit increased \$3.1 billion to \$2.419 trillion. Fed credit rose \$185 billion from a year ago, or 8.3%. Fed foreign holdings of Treasury, Agency paper jumped \$7.8 billion to \$3.351 trillion. Custody holdings from foreign central banks rose \$403 billion year-on-year, or 13.7%.

Now get this, M2 narrow money supply, catapulted \$46.6 billion to a record \$8.862 trillion. Over the past year narrow money grew 4.5%.

Total money market fund assets grew to \$2.7 billion, which tells us that money is again moving out of the markets. Year-on-Year assets are only down \$4 billion.

Total commercial paper outstanding jumped \$71.1 billion to \$988 billion, which tells us the Fed is again in that market reinforcing it.

Over the past 15 years China's success has put other nations into second position when it comes to economic and financial development, but that progress has been accompanied by many problems and the imposition of free trade and globalization. Following the format laid out by the US, China now faces a real estate bubble of major proportions. China's manufacturing infrastructure, high technology level and \$2.85 trillion in foreign exchange is formidable, as is their slave labor component. We should remark

that wages have been rising, unemployment is still very high and the trillion dollars in US dollar foreign exchange could become a burden as US problems manifest themselves and the dollar falls lower against all benchmarks. In time we will find out why the US and UK and Europe deliberately allowed this to happen. We still do not know why this challenge was put into place.

There is no doubt in our minds that China is selling dollar dominated assets and buying gold. They correctly believe that their growing gold position will give them an upper hand in the next phase of monetary problems. The western central bank policy of suppression of gold prices only allows China to build up its gold position very cheaply. From our viewpoint the suppression program is eventually doomed to failure.

There is nothing complex about what the Chinese are doing in Europe. They are buying bonds of weaker nations at a discount and selling US Treasuries to do so. This way they reduce their dollar position, get a high yield and gain major influence in Europe. The Germans are happy about the Chinese move because it relieves them of some of the burden of funding wayward euro zone members. These efforts we view as temporary, because none of the underlying problems have been solved. The fact that China is supporting the euro is external and does little to solve its systemic problems. China's moves are exploitation. That has been their operating procedure in the past, so we expect no change in their policies. Germany has loosened up on technology transfers hoping China will step up and supply a \$300 billion bailout at least for this year. It has also been rumored the Chinese intend to exchange those toxic bonds for gold. As far as the sovereign borrowers are concerned they are trying to buy time, so they'll agree to just about anything.

There is no question by any measure that the US stock market is over priced. Bob Diamond at Barclays Bank says the Fed has already spent \$1.7 trillion buying Treasuries. That means banks and brokerage houses have a massive liquidity backup along with zero interest rates. This means we could easily see a normal correction to 10,000 on the Dow and we could see inflation building throughout the year. Global debt is expanding exponentially threatening the sovereignty of many countries. Along with this we now have problems in Tunisia and Egypt, which could spread throughout the region.

There has been a relentless turndown in the Baltic Dry Index that has to be telling us things could get rocky again in the future. Considering the above and nine weeks of gains in a row, we should soon see a correction in this bear market rally. The transports have never confirmed the highs in the industrials and in fact they have fallen. This year will be full of turmoil, so get ready for it.

“Carlyle Group and KKR & Co. are getting leveraged loans for buyouts at terms similar to those before the credit crisis as investors plow record amounts into funds that buy the debt, driving prices to a three-year high. The private-equity firms are obtaining so-called covenant lite loans, which lack typical protections for creditors, to back their leveraged buyouts...”

The amount of money raised through initial public offerings, or IPOs, of stock around the world in January is on track to set a record this year, according to... Dealogic... Proceeds from 81 IPOs so far this month stand at \$10 billion, the second-largest amount on record.”

“Fundraising by US states, cities, hospitals and other public bodies has plunged as fears of defaults and bankruptcies have intensified this month. ‘It is likely to be the worst month in about a decade,’ said Matt Fabian, managing director of Municipal Market Advisers, citing expectations for less than \$11bn of issuance. That would be a

monthly level not seen since 2000... In 2010, municipal issuers sold an average of \$36bn a month. 'The market has been in disarray and issuers have avoided it,' said George Friedlander, chief municipal strategist, at Citigroup."

"Investors this month are trading the lowest volume of municipal bonds in more than eight years as new issues dwindle with the end of Build America Bonds and demand cools on speculation about state and local defaults. About \$4 billion a day has been traded this month, the least since November 2002... States and local governments plan to sell about \$15.6 billion in fixed-rate debt this month... A year ago, about \$31.9 billion was sold in the month."

"The Texas Senate proposed a \$79.7 billion budget that cuts education and health spending and doesn't raise taxes, mirroring a plan issued by the state House of Representatives. The draft two-year budget would slash general-revenue spending on schools by 7.6%, to \$45.6 billion, from the current biennium. It would slash health and human services costs by 12%.

"The Oklahoma budget-stabilization fund has been so depleted that it's no longer enough to cover the cost of a cup of coffee at most restaurants, let alone help balance the state budget. The rainy-day fund, which topped out at the legal limit of \$596.6 million two years ago, now consists of \$2.03. As in two dollars, three cents. No billion. No million. No pocket lint."

"Hamtramck, a city of 20,000 largely ringed by Detroit that has asked the state to let it file for bankruptcy protection, doesn't have enough spare cash to repave a single street, according to Mayor Karen Majewski. Money for payrolls will run out in March in the Michigan municipality where General Motors Co. builds Chevrolet's Volt... 'There is no money for fixing anything,' Majewski said. 'Finding money to fix roads, it's just an impossibility.'"

"Payrolls decreased in 35 U.S. states while the unemployment rate rose in 20, showing the labor market recovery is slow to gather momentum. New York led the nation with 22,800 job cuts last month, followed by Minnesota with 22,400 firings, and Florida with 17,900..."

"Debt investors are wagering that the worst is over for commercial real estate, driving prices on mortgage bonds to the highest in more than two years. 'Investors have gotten more comfortable and have started putting money back into CMBS,' Chris Callahan, head of commercial-mortgage backed bond trading at Credit Suisse... 'It has gone from being the red-headed stepchild to being a viable asset class again.'"

"The nation's budget deficit will widen to nearly \$1.5 trillion this year, and the country faces 'daunting economic and budgetary challenges,' the nonpartisan Congressional Budget Office said... The budget office noted that 'the deficits of \$1.4 trillion in 2009 and \$1.3 trillion in 2010 are, when measured as a share of gross domestic product, the largest since 1945 - representing 10% and 8.9% of the nation's output.' ...Senator Kent Conrad, Democrat of North Dakota and chairman of the Budget Committee, described the new deficit figures as sobering. 'CBO's report should be another wake-up call to the nation,' Mr. Conrad said... 'In the near-term, due to passage of the tax extension package and the slow pace of the economic recovery, CBO is now expecting to see deficits of more than \$1 trillion a year continuing through at least 2012. And as disturbing as those near-term deficits are, the long-term outlook is even worse. It is the deteriorating long-term outlook that is the biggest threat to the country's economic security.'"

"President Barack Obama faces a new challenge from deficit-plagued states over Medicaid costs just as he squares off with Republicans trying to repeal his 2010 health-care law, which extends coverage to 32 million Americans. Arizona Governor Jan Brewer asked for U.S. permission on Jan. 25 to reduce Medicaid eligibility and drop

coverage for 280,000 people. That would save \$541.5 million for the state, which projects a \$1.2 billion budget deficit for the coming fiscal year. U.S. states must confront potential budget gaps of more than \$140 billion for fiscal 2012 because tax collections declined by the most on record during the recession... That may prompt more to seek release from some Medicaid obligations, their biggest expense, as federal aid that has helped them cover the costs for the last three years ends. 'There are other states contemplating' requests for waivers, said Dan Mendelson... former associate director for health in the Office of Management and Budget under President Bill Clinton. 'Letters are coming from some big states reaching the point of no return.' Mendelson declined to name them, saying 'border states' such as Texas were in 'fiscally impossible situations.'"

"The federal Highway Trust Fund, which pays for U.S. road and mass transit construction, faces insolvency sometime next year as revenue from fuel taxes declines for the sixth year... The Highway Trust Fund will run a deficit of \$7 billion this year, compared with a surplus of \$11 billion in 2010... The highway and mass transit portions of the fund will probably be unable to meet their obligations in 2012 and 2013..."

"California's capital city of Sacramento, facing a \$35 million deficit, will bill out-of-town drivers whose traffic accidents require rescue crews, the latest U.S. municipality turning to a 'crash tax' for revenue. The fees, ranging from \$435 to \$2,275 if a helicopter is needed, may generate as much as \$500,000 a year, according to city data."

The FBI has served more than 40 search warrants throughout the US as part of an investigation into computer attacks on websites of businesses that stopped providing services to WikiLeaks last month.

The FBI statement announcing the search warrants was the first indication that the US intends to prosecute the so-called hacktivists for their actions in support of WikiLeaks. The search warrants were executed on the same day authorities in Britain announced that they had arrested five people over the attacks, which temporarily crippled the websites of Amazon.com, PayPal, MasterCard, Visa, the Swiss bank PostFinance and others. Law enforcement agencies in France, Germany and the Netherlands have also sought to find those involved with the attacks.

FBI officials were unavailable for comment, and the statement did not say who was served or where the searches were conducted. The statement said that attacks, known as distributed denial of service attacks and which use easily available software to shut down a computer network by flooding it with millions of requests for information, violate US law and are punishable by a prison sentence of 10 years.

The statement noted that a group known as Anonymous had claimed credit for the attacks. Anonymous is also believed responsible in recent days for attacks on government websites in Tunisia and Egypt.

British news reports said three of the five arrested were teenagers, aged 15, 16 and 19. Dutch police last month arrested two teenagers suspected of involvement in the online campaign. The attacks were organised through social networking sites such as Twitter in the days after WikiLeaks began publishing US State Department cables that had allegedly been downloaded by a US Army private serving in Iraq. Their first target was Amazon.com, which, at the behest of a US senator, Joe Lieberman, had stopped hosting the WikiLeaks website.

They spread to PayPal, MasterCard and Visa after those businesses declined to process credit-card payments destined to WikiLeaks.

PostFinance, a bank operated by Switzerland's postal service, also closed an account that was registered to Julian Assange, the founder of WikiLeaks. The account number had been published on the WikiLeaks website with a solicitation for donations.

The attacks did no long-term damage and in most cases only lasted a few hours. But legitimate would-be users were unable to contact the sites while the attacks were under way. The FBI said it was working with European governments and the National Cyber-Forensics and Training Alliance to identify the source of the attacks, which the FBI attributed to a type of software it identified as "Low Orbit Ion Cannon" tools. It said major anti-virus programs had been updated to block such software.

The FBI disclosed to a presidential board that it was involved in nearly 800 violations of laws, regulations or policies governing national-security investigations from 2001 to 2008, but the government won't provide details or say whether anyone was disciplined, according to a report by a privacy-watchdog group.

The San Francisco-based Electronic Frontier Foundation sued under the Freedom of Information Act to obtain about 2,500 documents the FBI submitted to the President's Intelligence Oversight Board.

The board was created in 1976 to monitor U.S. intelligence gathering. Intelligence agencies are required to submit reports to the board about suspected violations of civil-rights-related laws or presidential orders.

The nonprofit foundation said it obtained documents from a variety of intelligence agencies, but most of the records were so heavily censored they couldn't be properly evaluated. The FBI provided the most substantive disclosures, although the documents were redacted to withhold names, exact dates and other identifying details, and they don't say what action was taken to remedy or punish the violations.

Nevertheless, the documents "constitute the most complete picture of post- 9/11 FBI intelligence abuses available to the public," says the report, which is to be released Monday but was obtained in advance by the Tribune Washington Bureau.

"The documents suggest," the report says, "that FBI intelligence investigations have compromised the civil liberties of American citizens far more frequently, and to a greater extent, than was previously assumed."

The new disclosures come as the Patriot Act is up for renewal in Congress before it expires in February.

At 10:30GMT on Thursday night, there was a massive interruption in Egypt's internet service an internet blackout aimed to staunch the flow of Egypt's popular democratic uprising.

"The shut down involved the withdrawal of more than 3,500 Border Gateway Protocol (BGP) routes by Egyptian ISPs, according to Renesys, a networking firm. Only one ISP out of 10, Noor Data Networks, appeared largely unaffected. It connects to the outside world via an undersea cable operated by Telecom Italia."

It should come as no surprise that a dictator like Hosni Mubarak and his military-backed regime would attempt to sever internet communication in Egypt, as protestors used social media like Twitter and Facebook to communicate and organize, just as occurred in June of 2009.

Twitter was also used in the G20 protests in Pittsburgh, where protestors *actually* had to sue the city in order to protest, after several protest permits were denied.

And the U.S. response to Americans using Twitter in a time of protests is little known but eye-opening. Activist Elliot Madison used Twitter to help crowds of protesters disperse from advancing police. The government didn't take kindly to Madison using the very same tactics they had encouraged Iranians to use in 2009, and so they raided Madison's hotel room. A week later the FBI raided Madison's home 'Tortuga House' in Queens, NY, on a search warrant related to Madison's Pittsburgh tweets.

The message was profound: Twitter activism used abroad in unfriendly regimes like Iran is okay, but used here at home and it becomes a felony.

Now that Egypt has actually proceeded beyond denying service on Facebook and Twitter to a near wholesale internet blackout, we Americans should remember that Joe Lieberman's parting gift, the "Protecting Cyberspace as a National Asset" bill, would give the president the power to declare certain systems national assets in a time of a national emergency.

And while we have been instructed that the bill will in no way limit our free speech, the definition of a national emergency can be as flexible as a frightened president or Congress wants it to be, or as malleable as the Justice Department can make it.

What is to stop a U.S. president from using the "internet kill switch" to create a blackout similar to what we've seen in Egypt?

The FBI and police have already proven that they don't like the use of Twitter in demonstrations, as seen in the G20 Pittsburgh protests. And even without the legal justification for such a move, a U.S. president could put pressure on internet service providers (ISP's) to cancel service in a popular U.S. uprising like Egypt's.

Remember... Senator Lieberman used the Senate Homeland Security Committee as his personal fiefdom to intimidate Amazon, Mastercard and VISA to deny service to WikiLeaks. The internet blackout in Egypt should be harrowing to any person who values their freedom, because it proved to all governments that they *can* and *will* shut down the internet when it is in their vested interest.

Power only wishes to preserve itself and will go to any lengths to do so.

"Home values are falling at an accelerating rate in many cities across the U.S" As I parse through the Q4 GDP number released on Friday, the more I understand just how bogus it is. A large part of the input data is based on "estimates" and "assumptions." we'll see some downward revisions going forward. But one of the biggest components of the economy, especially over the last 10 years, has been homebuilding, home selling and any activity related to those two activities. As readers know, I expect 2011 to be a bad year for home prices. I think a lot of people will be in for a very rude surprise in this regard. So I wanted to highlight this online Wall Street Journal article from today. Here is the [LINK](#). This article reaffirms a previous post of mine this month that foreclosures, inventory and lack of credit-worthy buyers will force housing prices much lower for the foreseeable future:

Market conditions could get worse in the months ahead. Millions of homeowners are in some stage of foreclosure or are seriously delinquent on their mortgages, and millions more owe more than their homes are worth. Real-estate agents are bracing for an uptick in distressed properties hitting the market, including foreclosures being sold by banks and homes sold by owners via a short sale, in which banks agree to a sale for less than the amount owed.

The dynamic described in that quote is going to accelerate this year, as people continue to lose jobs, unemployment benefits expire and banks are forced to convert serious delinquencies into foreclosures. How can the Government prevent this? By using Fannie Mae and Freddie Mac to monetize the delinquency and foreclosure problem. This could happen but it is more likely that those two GSE's will be used to monetize the debt *after* the properties are transferred to the banks. This of course will entail QE3, 4, etc. and, of course, much higher gold/silver prices. The other issue which is harder to prove is the "shadow" seller. The seller who wants to sell but decides to wait "for the market to come back" or can't sell for a price that takes out the mortgage on the house. But this article reaffirms my point:

Some sellers have opted to pull their homes from the market rather than lower their prices, either because they believe values will improve or because cutting the price would mean selling for less than the amount owed to the bank.

Anecdotal around the Denver area, I am starting to see more "for sale" signs pop up again (some of it early seasonal), more "price reduced" signs and a lot more "for rent" signs. The latter being people who want to sell but can't or want "to wait for the market to come back." The housing problem is causing a lot of pain in this country. Unfortunately, I believe we are entering into an "acceleration" phase, as a larger percentage of homes decline in value to a level below the outstanding debt on the property. I heard an ad from a large Denver mortgage broker last week advertising a 105% of value Fannie Mae refinancing product designed to allow homeowners to consolidate a 1st and 2nd mortgage into one. This is just one more indication of the Government "kicking the can down the road," as it means that the policy-makers are willing to use Taxpayer money to try and fix a problem that can only be fixed by the laws of supply and demand.

U.S. Sen. Bill Nelson of Orlando wants to give law enforcement the edge when trying to capture dangerous fugitives.

So on Thursday, he proposed allowing limited deployment of "sense-through-the-wall technology" developed for use by the military to help deputized federal agents with a warrant determine if a fugitive is hiding inside a building.

That technology could include hand-held radar or heat-detecting devices. Nelson's proposal follows the shootings of 11 police officers in five incidents nationwide since Sunday. Among those were the fatal shootings of two officers in Miami and two in St. Petersburg who were trying to arrest fugitives.

Initial reaction to his proposal has been positive within the Florida law enforcement community. Palm Bay Police Chief William Berger, who is in line to become U.S. marshal for the Middle District of Florida, said he is "in full support of Senator Nelson's attempt to give us some tools to do the job better."

Berger said he believes the technology would be useful to law enforcement, allowing officers to take precautionary measures when they are trying to determine how many fugitives are in a building and where they are. Amy Mercer, executive director of the Florida Police Chiefs Association, said her association "would be supportive of anything that would be protective of our officers. With the loss of lives we've had in the past week, it's an extremely dangerous time out there for our officers."

Steve Wilkinson, division commander at the West Melbourne Police Department, said police "always need any advantage we can get" in pursuing criminals. "I don't know any law enforcement officer who wouldn't be for being able to use a device like this if it is used properly," Wilkinson said, adding that it could help save the lives of both law enforcement officers and innocent civilians.

Palm Bay Deputy Police Chief Doug Muldoon also supports the idea, saying his department backs technology that would help officers do their job "safer, smarter or more efficiently."

One such technology that could be deployed is a radar-based system developed in Orlando by CyTerra Corp., a unit of defense contractor L3 Communication. In September, CyTerra rolled out a version of its system targeted to the law enforcement market, which is being tested by police agencies throughout the country.

In a letter to U.S. Attorney General Eric Holder, Nelson cited the Army's plan to purchase more than 9,000 detectors over the next three years and asked whether the new technologies should be among the tools provided to agents of federal task forces when they have warrants to apprehend felons considered armed and dangerous.

Nelson said the use of such technologies "could greatly shift the odds to the good guys, before they have to enter a building where a fugitive is hiding out. We should arm our law enforcement with the tools that they need to protect themselves."

Nelson asked the Justice Department to consider the matter during its review of the recent attacks on law enforcement officers around the country, and said he would be willing to sponsor legislation in the U.S. Senate to create a pilot program.

Florida is one of the areas of the country where the U.S. Marshals Service set up fugitive task forces combining federal, state and local law enforcement agencies to find dangerous fugitives and assist in high-profile investigations.

Nelson contends that the limited use of the technology would pose no privacy concerns because the U.S. Supreme Court has ruled such devices can't be employed without a warrant.

Connecticut National Guard Detachment 2, Company I, 185th Aviation Regiment of Groton has mobilized and will deploy to the Sinai Peninsula, Egypt, to support the Multinational Force and Observers.

The unit left Connecticut Jan. 15 for Fort Benning, Ga., for further training and validation. The unit operates C-23C Sherpa aircraft and has deployed three times in the last seven years in support of the conflicts in Iraq and Afghanistan. The unit will provide an on-demand aviation asset to the Multinational Force and Observers commander to support its mission of supervising the security provisions of the Egypt/ Israel Peace Treaty.

Chief Warrant Officer Four James Smith of Ivoryton commands the aviation unit.

A House panel chaired by Rep. F. James Sensenbrenner <http://sensenbrenner.house.gov> of Wisconsin is scheduled to hold a hearing tomorrow morning to discuss forcing Internet providers, and Web companies as well, to store two years records of their users' activities for later review by police

"Republicans were put in power to limit the size and scope of the federal government," Harper said. "And they're working to grow the federal government, increase its intrusiveness, and I fail to see where the Fourth Amendment permits the government to require dragnet surveillance of Internet users."

SHORT NOTES

The full text of the decision from Federal Judge Roger Vinson is not available yet, but according to reporters who've seen the decision, he's ruled the entire Patient Protection and Affordable Care Act unconstitutional. The ruling favors of the 26 state attorney generals challenging the law. The judge ruled the individual mandate that requires all Americans to purchase health insurance invalid and, according to the decision, "because the individual mandate is unconstitutional and not severable, the entire Act must be declared void."

"The Pauls' new version of the Audit the Fed bill already has 56 cosponsors in the House and two (Republicans Jim DeMint of South Carolina and David Vitter of Louisiana) in the Senate.

Business Wire describes the bill thus:

The Federal Reserve Transparency Act of 2011 would open up the Fed's funding facilities, such as the Primary Dealer Credit Facility, Term Securities Lending Facility, and Term Asset-Backed Securities Lending Facility to Congressional oversight and audit

by the non-partisan Government Accountability Office. Additionally, audits would include discount window operations, open market operations, and agreements with foreign central banks such as ongoing dollar swap operations with European central banks.

In short, everything the Fed does would be brought out into the open, giving Americans the chance to learn just who has been getting sweetheart deals from the central bank and how much the Fed has been inflating the money supply to fund the U.S. government's century-long spending spree."

<http://www.thenewamerican.com/index.php/usnews/congress/6100-ron-and-rand-paul-introduce-audit-the-fed-legislation>

Electricity and natural gas supplier National Grid will cut 1,200 jobs, roughly 7 percent of its US workforce, in a restructuring the London-based utility company says will help it save \$200 million.

The company said most of the cuts would be in management, not operations. Of its 18,000-strong US workforce, 5,000 are in Massachusetts. But it was not immediately clear how many local jobs would be lost in the restructuring.

GOLD, SILVER, PLATINUM AND PALADIUM

Tuesday was a superlative day for gold and silver. The turnaround is here. Spot gold rose \$5.80 to \$1,339.60, as the outside month rose \$6.70. Spot silver rose \$0.36 to \$28.50, as March rose \$0.35. Gold traded on spot \$3.00 higher during the day and silver at \$28.55. Gold saw a low of \$1,324 and silver \$27.87. All day long the gold and silver shares traded higher as the metals traded lower. Gold open interest fell 15,213 contracts to 463,700, silver OI fell 963 to 123,800. Commodities traded higher. The XAU rose 6.37 to 206.29 and the HUI rose 13.82 to 519.99. AEM rose 3%, or \$2.05 to \$70.49; GG rose 2.36%, or \$0.95 to \$41.16; SSRI rose 3.25%, or \$0.75 to \$23.81; MFN rose 2.58%, or \$0.25 to \$9.94 and PVG rose 1.90%, or \$0.12 to \$6.42. The ECB reported no change in gold and gold receivables last week.

The ISM manufacturing index rose to 60.8 from 58.5 in December. Prices paid were 81.5 versus 72.5; employment was 61.7 versus 62; production was 63.5 versus 63 and inventories rose 52.4 from 51.8.

December construction spending was the lowest in 10-1/2 years. It fell 2.5% to an annual rate of \$787.9. Private construction fell 2.2%. This ended 3-months of gains.

As we predicted last May, QE3 is being discussed when and if economic data proves weaker than expected, says Kansas City Fed President Thomas Koenig.

Last November 4.4 million Silver Eagles were sold. On January 6th, 422,000 were sold. It could be a massive physical shortage is developing.

Gold imports in India rose 18% in January to 40 tons. Next month's wedding season should further boost demand. This figure is substantially higher than the 36.25 tons forecast by Reuters. 2010 gold imports fell to 332.8 tons from 339.8 tons.

The action in the dollar was terrible, as it has been for more than two weeks. The possible loss of influence by the US in Tunisia and Egypt could affect relations over the entire region. If other countries change governments we could easily see the USD testing 71.18.

The Dow rose 148 to 12,040; S&P 193 and Nasdaq 306 Dow points. The 10-year T-note yielded 3.44%. The yen rose .0099 to \$.8133; the euro rose .0137 to \$1.3825; the pound rose .0121 to \$1.6141; the Swiss Franc +.0091 to \$.9350 and the Canadian dollar rose .0109 to \$1.0087. The USDX fell .73 to 77.00.

Oil fell \$1.57 to \$90.62, gas fell \$0.01 to \$2.51 and natural gas fell \$0.07 to \$4.35. Copper rose \$0.09 to \$4.55, platinum rose \$29.00 to \$1,829.90 and palladium rose \$4.90 to \$825.00. The CRB rose .75 to 342.17.

COMMODITIES

"China may expand its range of state commodity stockpiles, possibly adding reserves of meat and sugar, to help stabilize expectations for inflation, Caijing magazine reported, citing the nation's commerce minister. The country may start reserves for more 'important' commodities... citing an interview with Chen Deming. China may boost imports of goods that are rare locally, and also make it easier for companies to buy bulk goods from overseas, including grains and cotton, Chen said..."

"Hog futures extended a rally to the highest in at least 24 years on speculation that U.S. pork exports will climb amid tightening supplies. Cattle also rose. South Korea, the sixth-largest buyer of U.S. pork in 2009, will cull 2.9 million animals to deal with the country's worst outbreak of foot-and-mouth disease... Before today, hogs rose 31% in the past year."

"Sugar prices approached a fresh 30-year high on Thursday as the European Union said it could boost imports of the sweetener in order to address a regional scarcity. Any additional European sugar imports could put further strain on global supplies at what was seasonally their tightest point of the year, traders said. Global sugar inventories have fallen to their lowest levels in decades, helping push raw sugar futures up 145% from June to a 30-year high of 34.77 cents a pound in December."

"Cotton futures soared to a record on speculation that global supplies will fail to keep pace with rising demand in China, the world's largest user. Chinese imports in 2010 surged 86% from a year earlier as economic growth lifted demand from textile mills and adverse weather hurt the domestic crop."

The CRB index gained 0.4% (up 0.8% y-t-d). The Goldman Sachs Commodities Index rallied 1.2% (up 1.6%). Spot Gold declined 0.5% to \$1,336 (down 6.0%). Silver rallied 1.9% to \$27.955 (down 9.6%). March Crude increased 21 cents to \$89.32 (down 2.3%). February Gasoline slipped 0.2% (up 1.0%), and February Natural Gas dropped 8.7% (down 1.7%). March Copper gained 1.1% (down 2.0%). March Wheat was little changed (up 4.0%), while March Corn declined 2.0% (up 2.4%).

"We slaughtered a lot of cows and heifers in 2010, even though the outlook was quite good for saving them and breeding them," Ron Plain, a livestock economist at the University of Missouri in Columbia, said before the report. "A lot of the cow/calf producers just needed cash now."

"The number of calves born during 2010 was estimated at 35.685 million, down 0.7 percent from a year earlier and the fewest since 1950, according to the USDA. U.S. Cattle Herd Shrinks to Smallest in 53 Years, USDA Says <http://www.sfgate.com/cgi-bin/article.cgi?f=%252Fg%252Fa%252F2011%252F01%252F28%252Fbloomberg1376-LFR0W03TCF0N01-5VNFQER95NV94ERQK6J1ACHNPN.DTL>

U.S. farmers are planting the fewest acres with rice since 1989 just as global demand surpasses production for the first time in four years, driving prices as much as 12 percent higher by December.

Plantings in the U.S., the third-biggest shipper, may drop 25 percent this year because growers can earn more from corn and soybeans, according to the median in a Bloomberg survey of nine analysts and farmers. Rice, the staple food for half the world,

declined 4 percent last year, extending a 2.9 percent drop in 2009. The other crops jumped 34 percent or more.

“Why would you want to take that risk to plant rice, knowing that your income is going to be way down?” said Terry Hatley, a farmer in Marked Tree, Arkansas, who may not plant any rice this year after growing the crop for more than three decades. “Farming is a business, and you’ve got to look at the economics of it. Now, the economics on rice are very dim.”

Bangladesh, South Asia’s biggest buyer, doubled a target for imports in 2011 to curb prices, the Directorate General of Food said last week. The Philippines, the world’s largest importer, will probably start buying next month, according to the National Food Authority. While global stockpiles are predicted to be 26 percent higher this year than in 2007, consumption will gain 3.4 percent and harvests 2.6 percent, the U.S. Department of Agriculture estimates.

The Thailand export price, the benchmark in Asia, may climb as high as \$600 a metric ton by December from \$534 on Jan. 26, a gain of 12 percent, according to the median estimate in a Bloomberg survey of eight traders, exporters and analysts.

On Monday spot gold fell \$6.90 to \$1,333.80, as February fell \$9.40. Spot silver rose \$0.24 to \$28.17, as March rose \$0.08. Tunisia and Egypt should be making gold and silver rise, but not in this upside down world of government and central bank manipulation. Gold and silver and the shares are way over sold and under price. The dollar has been falling for about 10 days and gold could not be depicted as a safe haven. Gold fell as low as \$1,322, and silver to \$27.71. While this transpired, Brent oil surged to \$101, on the chance revolution could spread across the region. Copper also hit an all-time high. Gold open interest fell 10,026 contracts to 478,913, as silver OI rose 792 to 124,343. The commercials last Tuesday via Friday’s COT report covered 28,762 shorts. It’s not surprising that in India premiums for gold investment bars are surging due to high demand and limited supply, causing them to reach new highs. Ditto for Germany. The HUI fell 3.50 to 506.17 and the XAU rose .21 to 19.92. Premiums for gold bars rose to the highest level in 7 years in Hong Kong on tight supply, as the Lunar year approaches and unrest erupts in Egypt. Hedge funds are now down to the lowest net long position since May 5, 2009 when gold was trading near \$920.00. Vietnam gold sold at a \$52.20 premium to world gold.

Spending increased 0.7% in December, up from 0.3% in November. The economy grew at a 3.2% clip. Fourth quarter spending grew 4.4%, the fastest in more than 4 years. Incomes grew 0.4%, as savings fell to their lowest level in almost a year at \$614.1 billion versus November’s \$634.4 billion. Year-on-year the core PCE Index rose 0.7%, the smallest increase since records began in 1959, after being up 0.8% in November.

The ISM-Chicago business barometer rose to 68.8 in January from 66.8 in December. The employment component of the index rose to 64.1 from 60.2. New orders rose to 75.7 from 73.6.

The FDIC closed 4 small banks taking yearly foreclosures to 11. The Dow rose 68 to 11,891; S&P rose 89 and Nasdaq rose 78 Dow points. The 10-year T-note yielded 3.39%. The yen rose .0010 to \$.8206; the euro rose .0073 to \$1.3682; the pound rose .0145 to \$1.6008; the Swiss franc fell .0025 to \$.9438 and the Canadian dollar fell .0012 to \$.9977. The USDX fell .35 to 77.78.

Oil rose \$2.52 to \$91.87, gas rose \$0.01 to \$2.49 and natural gas rose \$0.01 to \$4.42. Copper rose \$0.07 to \$4.45, a new high, platinum fell \$9.40 to \$1,795.60 and palladium fell \$2.15 to \$814.85. The CRB Index rose 5.98 to 341.42.

Near Boise, Idaho the Chinese government has been given or has purchased a large property, from which they will manufacture and sell Chinese products in the US. The Idaho Chamber of Commerce has been behind the deal.

In the past year GDP growth rose 1.7% in the first quarter, 2.6% in the third quarter and 3.2% in the fourth quarter.

The first quarter should do fine, but the second quarter will be more problematic. Stimulus by the fiscal route will be fading and higher prices for food and petroleum will be upon the economy in full force. In addition, unemployment won't improve much. As this takes place real wages, which have been falling over the past four months, will continue to do so and real estate, which has currently been falling for the past five months, will continue to do so.

No matter which way you cut it the Arab people, particularly in Tunisia and Egypt, have people around the world on their side. More people are realizing Wall Street and the banks are the real enemy. They should be chanting and holding up signs laying the blame for what is transpiring on the real culprits on Wall Street, banking and the City of London.

China's central bank adviser XIA Bin said China should increase its gold and silver reserves. China owns about \$1 trillion.

CANADA

Canadian house prices fell for a third month in November, the Teranet-National Bank Composite House Price Index showed, on declines in four of the six cities it tracks. Prices fell 0.2% during the month, following declines of 0.4% in October and 1.1% in September.

EUROPE

“Deutsche Bank AG Chief Executive Officer Josef Ackermann said unregulated financial companies such as hedge funds may pose a systemic risk to the economy if oversight isn't increased. ‘You have an unregulated area which becomes as a consequence of all the regulatory changes more and more important,’ Ackermann said -‘You may one day wake up and realize that the systemic challenges are so big that you will have to bail out or at least help support the unregulated sector-.’ Ackermann's warning echoes comments made by former U.S. Treasury Secretary Lawrence Summers, who said this week in Davos that regulators haven't paid enough attention to problems that could emerge in “a large, less healthy buccaneer sector.’ Hedge funds have dodged the brunt of new global banking regulation aimed at avoiding a repeat of the worst global financial crisis since the Great Depression.”

“Speculation and price swings in agricultural markets may threaten food security, 48 farm ministers meeting in Berlin said a month after a United Nations gauge of global costs reached a record. There is a risk of more food riots unless the surge in prices is contained, including through trading regulations, French Agriculture Minister Bruno Le Maire told reporters... ‘Food markets may not be the object of gamblers,’ German Agriculture Minister Ilse Aigner said... Food and agricultural commodities are not like anything else. Sometimes it's about pure survival.”

German retail sales unexpectedly declined for a second month in December. Sales, adjusted for inflation and seasonal swings, fell 0.3 percent from November, when they dropped a revised 1.9 percent, the Federal Statistics Office in Wiesbaden said today. Economists had forecast a 2 percent gain, the median of 15

estimates in a Bloomberg News survey shows. From a year earlier, sales declined 1.3 percent. German economic growth probably slowed to 0.5 percent in the fourth quarter from 0.7 percent in the third, the statistics office said on Jan. 12. Still, unemployment fell by 262,000 people in 2010, lowering the jobless rate to 7.5 percent last month from 8.1 percent a year earlier. German consumer confidence will rise to the highest in more than three years next month, research company GfK AG said last week.

"Retail sales data are pretty volatile and a decline won't change the broader picture," said Mario Gruppe, an economist at NordLB in Hanover, Germany. "There's reason for optimism that domestic demand will sustainably contribute to growth this year." In 2010, retail sales rose 1.2 percent from the previous year, the statistics office said.

German unemployment fell to an 18-year low in January, stoking concerns that the world's second-largest exporter is running short of skilled labor after the fastest economic expansion since reunification in 1990.

The number of people out of work declined a seasonally adjusted 13,000 to 3.135 million, the lowest since November 1992, the Nuremberg-based Federal Labor Agency said today. Economists forecast a drop of 10,000, according to the median of 32 estimates in a Bloomberg News survey. The adjusted jobless rate fell to 7.4 percent from 7.5 percent.

"Spain is beating its own deficit-reduction targets in the clearest sign to date that its reform efforts are paying off, the Spanish government said... According to advance data from the finance ministry, the central government's 2010 budget deficit was equal to 5.1% of gross domestic product, ahead of its 5.9%-of-GDP target, and down from 9.4% of GDP in 2009... The better-than-expected result was the largely the result of a 10.9% rise in 2010 tax revenue, compared with a forecast increase of 8.1%. The government last year raised its general sales tax rate by two percentage points to 18%, eliminated a tax rebate and raised capital gains taxes."

Ireland's embattled prime minister said yesterday he would dissolve Parliament on Tuesday and announce a new date for early elections, as the upper house began debate on legislation to slash spending and raise taxes.

Brian Cowen said he intends to ask President Mary McAleese to dissolve the Dáil, the national Parliament. He would then announce a new election date, which must be within 30 days.

That election is expected to result in a drubbing for Cowen's Fianna Fail, Ireland's long-dominant party, and usher in a new team led by the Fine Gael party. Cowen, who was Ireland's finance minister from 2004 to 2008, is widely blamed for Ireland's stunning slide from Celtic Tiger boom economy to the brink of bankruptcy.

The finance bill is designed to comply with a massive international rescue loan. The legislation is expected to pass. It includes a 90 percent tax on bonuses paid to employees of any Irish bank that needed state support.

European manufacturing growth was stronger than initially estimated in January, accelerating to the fastest pace in nine months on stronger output in Germany. A gauge of manufacturing in the euro region rose to 57.3 from 57.1 in December, London-based Markit Economics said in an e-mailed report today. That's the highest since April and above the initially reported 56.9. A reading above 50 indicates growth. In

Germany, output growth slowed less than initially estimated, with a gauge at 60.5, down from 60.7.

European manufacturers have helped bolster the region's economic expansion as export growth countered the impact of austerity measures on consumer demand. Alstom SA, the world's third-largest power-equipment maker, said on Jan. 20 that order growth may accelerate, helped by emerging markets. German unemployment dropped to an 18-year low in January.

On his second day as head of Iceland's third-largest bank, Arni Tomasson faced a crisis: The firm he had been asked by regulators to run was out of cash. It was Oct. 8, 2008, at the height of the global financial meltdown, and Iceland's bank assets in the U.K. had been frozen, Bloomberg Markets magazine reports in its March issue. Customers flocked to branches of Tomasson's Glitnir Banki hf to withdraw money, even though the government had guaranteed their deposits. By the end of the day, the vaults were empty, says Tomasson, recalling the drama two years later. The only way Glitnir and other lenders could avoid a panic the next morning was to get more cash, which they were having trouble doing. A container of crisp kronur sat on the tarmac at Reykjavik's airport awaiting payment, Tomasson says. The British company that printed the bills, De La Rue Plc, was demanding sterling, and the central bank couldn't access its U.K. account.

"Everybody was panicked depositors, creditors, banks around the world," Tomasson says. "The effort by all of us at the time was to make sure life could go on as normal."

Tomasson, 55, got the cash he needed that night after the central bank managed to open an emergency line of credit with a European lender. Now, he's sitting in an office in Reykjavik, handling about \$24 billion of claims by creditors as life in Iceland's capital returns to normal.

Unlike other nations, including the U.S. and Ireland, which injected billions of dollars of capital into their financial institutions to keep them afloat, Iceland placed its biggest lenders in receivership. It chose not to protect creditors of the country's banks, whose assets had ballooned to \$209 billion, 11 times gross domestic product.

Supposedly the ECB, IMF and EU have reached an agreement behind the scenes, which cuts Greek bond paybacks by 35%. Owners would own a new bond worth 65% of the previously owned bond. New replacement bonds would be for 30 years with a low coupon. A new loan package would be structured at only 25% of the previous commitment.

For those who were unaware of it Ireland has the lowest corporate tax rate in Europe at 12.5%. Unemployment is 14.1% or 400,000 people and 100,000 are now leaving each year. The unemployed receive \$272 a week or \$1,115 a month. 40,000 of 800,000 mortgages are in arrears, or 5% and that will rise to 70,000 or almost 10% this year.

Healthcare is a disaster and many hospitals have been closed and services scaled back. Staff has been reduced and hiring has been frozen. The incompetent Health Minister resigned and received a pension plus \$425,000.

Education is a dumbing down process and hiring has been frozen. These conditions are similar throughout the country. The party in power, Fianna Fail, was along with bankers and developers responsible for the rape of the country, as a result these

banks with all their toxic loans were nationalized. The country has been sold into slavery by the bankers and politicians; sovereignty has essentially been lost. The future for Ireland is bleak and thus there is mass migration. What a terrible waste.

Euro zone inflation rose more than expected in January to further above the European Central Bank's target, but the bank seems more likely for now to step up its rhetoric on price pressures than raise interest rates.

Inflation in the 17 countries using the euro rose to 2.4 percent year-on-year, the European Union's statistics office Eurostat estimated on Monday, holding above the ECB's target of just below 2 percent for the second month running after hitting 2.2 percent in December.

January's rate was the highest since October 2008, when it was 3.2 percent. Economists polled by Reuters had expected 2.3 percent.

ENGLAND

“Household’s face the most dramatic squeeze in living standards since the 1920s, the Governor of the Bank of England warned... as he reacted to the shock disclosure that the economy was shrinking again. Families will see their disposable income eaten up as they ‘pay the inevitable price’ for the financial crisis, Mervyn King warned. With wages failing keep pace with rising inflation, workers' take home pay will end the year worth the same as in 2005 the most prolonged fall in living standards for more than 80 years, he claimed.”

Investment banking giant JPMorgan is locked in a row with tax authorities over a scheme used by some of its senior staff to avoid tax on their cash bonuses. The dispute centres on an offshore trust based in Guernsey, set up several years ago, into which many bonuses are paid.

The trust gives staff benefits in kind - including loans - allowing them to enjoy far lower income tax. The sums paid into the trust over many years are thought to total several million pounds.

However, such schemes are being hit by a change to tax laws announced by Treasury Minister David Gauke last month.

The Treasury plans to treat the schemes as remuneration, meaning staff would have to pay tax on bonuses paid into trusts.

Even before Gauke's announcement, Revenue & Customs had been conducting a clampdown on the schemes, including attempting to recover taxes from past years.

One senior banker familiar with the situation said: 'JPMorgan has a cunning scheme where those people who wished to do so were able to reallocate the cash element of their bonus. 'Instead of it being paid directly, that cash element was put instead in a trust. The trustees could then decide what to do with it.

'The trust can lend money to individuals. Also they might decide to buy things like a Gainsborough or a classic Aston Martin.

'It has undergone very rigorous testing by Revenue & Customs and it's one of the few schemes in the City that has survived while others have fallen by the wayside.'

JPMorgan said: 'Our employee trust is a long-term savings plan which is fully compliant with current tax law.

'We have always been fully transparent with Revenue & Customs in relation to the employee trust and we will remain in compliance with the law as any changes are made.' A Treasury spokesman said: 'The Government is fully committed to tackling tax

avoidance and will take necessary steps to protect the Exchequer and maintain fairness in the tax system.

'The Government has made an additional £900million available to Revenue & Customs to ensure the tax rules are respected across the board.'

Last month, JPMorgan reported worldwide profits for 2010 of £11billion. Worldwide it paid about £6 billion to staff. About £1.5billion was paid in salaries and bonuses to its 10,000 workers in Britain - an average of £233,000 each, though high-flyers are likely to have been granted multi-million pound bonuses.

Project Merlin talks between the Government and banks have stalled. They are trying to agree a package of measures including pledges of higher lending to small businesses and restraint on bonuses. An announcement is not expected until late this week at the earliest.

The banks' reporting season is looming and the first in line is Barclays, whose 2010 figures are due in a fortnight. It is expected to report profits of more than £6billion. Chief executive Bob Diamond is likely to be awarded a bonus of about £8million.

U.K. house prices fell in January as accelerating inflation squeezed consumers and uncertainty about the economic recovery curbed property demand, Nationwide Building Society said.

The average cost of a home slipped 0.1 percent from December to 161,602 pounds (\$259,144), Britain's biggest customer-owned lender said in an e-mailed report today. Economists had predicted a drop of 0.4 percent, according to the median estimate of 18 forecasts in a Bloomberg News survey. On the year, prices fell 1.1 percent.

"The continued uncertain outlook for the economy will probably continue to keep many buyers on the sidelines," Nationwide chief economist Robert Gardner said in the report. "High inflation readings reinforce the notion that the housing market is likely to remain sluggish in 2011" as price growth outpaces wage increases, he said.

U.K. inflation accelerated to 3.7 percent in December, almost twice the Bank of England's 2 percent target. At the same time, plummeting consumer confidence in the face of the biggest budget cuts since World War II and tight lending conditions is deterring potential homebuyers.

Recent reports suggest the housing market is weakening. The Land Registry yesterday said that home prices fell 0.2 percent in December from the previous month. Hometrack Ltd. said last week that values dropped 0.5 percent in January as demand plunged the most in three years.

LATIN AMERICA

"Brazil's mid-month inflation rate jumped more than economists expected, increasing pressure on the central bank to quicken the pace of interest rate increases... Consumer prices, as measured by the benchmark IPCA-15 index, rose 0.76% in the month through mid-January, pushing the annual rate to 6.04%..."

"Brazilian credit expansion slowed last month after policy makers raised reserve and capital requirements to prevent a credit bubble and slow inflation. State and non-state bank lending expanded 1.6% in December to a 1.7 trillion reais (\$1 trillion)... Altamir Lopes, head of the bank's research department, told reporters that credit will grow 15% this year, slower than the 20.5% pace in 2010."

"The shortage of Argentine pesos, driven by accelerating inflation, is pushing up credit card debt to a record as consumers struggle to obtain cash for

purchases. Argentines charged 26 billion pesos (\$6.6bn) on credit cards in December, 49% more than in the same month a year before.”

AUSTRALIA AND NEW ZEALAND

Victorian consumers face price rises of more than 70 per cent on basic vegetable and fruit items such as broccoli, cauliflower, nectarines and grapes because of flood damage.

As fears mount that the recent spike in fresh food prices will lead to more Australians replacing fresh fruit and vegetables with cheaper foods that have poor nutritional value, new economic modelling reveals consumers should expect significant price hikes across a broad range of fresh food products.

The IBISWorld figures, released to The Age yesterday, show the price of stone fruit could jump 76 per cent in coming weeks, and both red and white table grapes could rise by 70 per cent as a result of local flooding. The modelling also predicted broccoli and cauliflower would rise by 80 per cent. Across Australia, IBISWorld industry analyst Suzannah Rowley said, prices for watermelon were expected to rise by 50 per cent, pumpkins to increase by 60 per cent and sweet potato to jump from 80 to 100 per cent. Tomatoes would also probably rise between 60 and 70 per cent.

"The price rises might last two to three months, going through to autumn," she said.

The research found the Victorian floods will result in a \$462 million loss for Australian agriculture, representing a 1 per cent loss for 2010-11.

The nation's vegetable industry will take a hit of \$33 million, the grape industry \$130 million and stone fruit \$38 million. Grain growing will suffer a \$101 million loss, according to the figures, and the sheep and beef cattle sectors will also lose than \$100 million. The research comes after new figures released this week showed fruit and vegetable prices were already rising before the floods - retail fruit prices jumped 15 per cent between the September and December quarters of last year, and vegetable prices 11 per cent.

Professor Kylie Ball, of the school of exercise and nutrition sciences at Deakin University, said rising fresh food prices could cause people to alter their diets. She said overseas studies had shown that cost was the biggest deterrent to consumers buying healthy foods, with shoppers often buying cheaper, fat-rich, filling foods when fresh produce prices were high.

"It's possible to eat a range of fruit and vegetables that people might not normally consider," Professor Ball said. "Frozen varieties for instances, or tinned or canned fruit and vegetables; often these varieties can be just as nutritious but come at a much lower cost." Jane Martin, of the Obesity Policy Coalition, agreed: "It's important people remember fruit and veg is a really significant part of their diet and that they maintain the amount of fruit and veg that they eat and I suppose they can think of other way to do this like frozen and tinned foods."

ASIA

“For years, East Asia's lack of viable bond markets and its companies' consequent reliance on bank lending sparked concern about the region's financial stability. But in the past few years bond issuance has accelerated dramatically. From 2000-2010, Asian credit market issuance as a share of global issuance has grown to 23% from 5%, the result of an annual growth rate of 27%. In 2010, Asian issuers raised

a staggering \$2.8 trillion via the bond markets 3.3 times the amount raised in the equity markets. The largest Asian nonsovereign credit deal was a \$4.4 billion bond by Chinese electric utility State Grid."

CHINA

"China Investment Corp. Vice Chairman Gao Xiqing said that central banks' quantitative easing policies are hurting the value of money just one day after the Federal Reserve maintained plans to buy \$600 billion of Treasuries. 'You know money is gradually becoming not worth the paper it's printed on,' Gao said... Recent gains in commodity and food prices reflect the 'long-term view' of investors that prices will accelerate, he said... 'We've started collecting Zimbabwe notes,' Gao said, referring to an economy whose currency was scrapped in 2009 after inflation reached 500 billion percent. He noted investors are also discussing whether central banks will pursue more rounds of quantitative easing."

"The minimum wages in 30 Chinese provinces were raised last year by an average of 22.8%, the official Shanghai Securities News reported."

"China increased the minimum down payment for second-home purchases and asked local governments to boost land supply, seeking to further limit the risk of asset bubbles forming in the world's fastest-growing major economy. 'China will continue to effectively curb investment and speculative purchases of houses to consolidate and expand on previous measures,' the State Council said... The minimum down payment for second house purchases rises to 60% from 50%, it said."

"Inflation in China could hinder Asia's economic growth and damage the ratings outlook for countries in the region this year, according to Fitch... China's policy makers are likely to face greater difficulty as the world's fastest-growing major economy battles 'hot money inflows' and consumer prices that rose 4.6% in December after advancing 5.1% in November."

"Taiwan's industrial production increased 18.18% in December from a year earlier, the Ministry of Economic Affairs said."

"Record car sales in Indonesia helped fuel 50% growth in Shariah-compliant banking assets last year and Islamic lenders are setting up booths at automobile shows to further develop the market. PT Bank Muamalat Indonesia, the country's oldest Shariah compliant lender, said consumer loans jumped 40% in 2010."

"Singapore's inflation rate last month rose to the highest level since December 2008, adding pressure on the central bank to damp price gains by allowing greater currency appreciation. The consumer price index increased 4.6% in December from a year earlier."

JAPAN

Japan's industrial production increased the most in 11 months in December, boosted by overseas demand that's spurring the nation's recovery.

Factory output climbed 3.1 percent from November, when it rose 1 percent, the Trade Ministry said in Tokyo today. The median estimate of 29 economists surveyed by Bloomberg News was for a 2.8 percent gain. The increase was driven by higher output in the transport equipment and electronic parts industries, the ministry said.

Honda Motor Co. and Nissan Motor Co. are among companies raising production to meet demand from China and the U.S., Japan's largest export markets. The

benchmark 10-year Japanese government bond yield has advanced 9 basis points this year amid expectations of a domestic economic recovery.

MIDDLE EAST

Unrest rippling across the Arab world is putting pressure on Jordan's King Abdullah II, a key US ally who has been making promises of reform in recent days in an apparent attempt to quell domestic discontent over economic degradation and lack of political freedoms.

But his pledges did not satisfy thousands of angry Jordanian opposition protesters who took to the streets again yesterday, pressing demands for the prime minister to step down and the government to halt rising prices, inflation, and unemployment.

More than 3,500 opposition activists from the main Islamist opposition group, trade unions, and leftist organizations gathered in the capital, shouting for the premier's resignation. Another 2,000 protesters in the northern and western cities of Irbid and Karak made similar calls.

The rallies marked the third consecutive Friday of protests after Muslim prayers inspired by unrest in Tunisia and Egypt.

Abdullah has promised reforms in meetings with members of Parliament, former prime ministers, civil society institutions, and even Jordan's largest opposition group, the fundamentalist Muslim Brotherhood Movement.

Prime Minister Samir Rifai announced a \$550 million package of new subsidies in the past two weeks for fuel and staple products such as rice, livestock, and liquefied gas for heating and cooking. It also includes a raise for civil servants and an increase in pensions for retired military and civilian personnel.

"We will continue our protests until our demands are met," said Brotherhood spokesman Jamil Abu Bakr, referring to their calls for electing a prime minister and Cabinet officials; amending a controversial election law they claim had reduced votes in their favor; and implementing reforms that would eradicate corruption and introduce a transparent government policy.

Abdullah has been working to create a more open-market economy that would see a greater flow of foreign capital into a resource-barren country, heavily dependent on US and other foreign aid and whose debt is estimated at \$15 billion, about double the amount reported three years ago.

"The government buys cars and spends lavishly on its parties and travel, while many Jordanians are jobless or can barely put food on their tables to feed their hungry children," said civil servant Mahmoud Thiabat, 31, a father of three who earns \$395 a month.

Such complaints mirror those that ultimately led to the downfall of Tunisia's president, Zine El Abidine Ben Ali, though as a monarch with deep support from the Bedouin-dominated military, Jordan's ruler is not seen as vulnerable as Tunisia's deposed leader.

In Tunis yesterday, police fired tear gas to clear about 1,000 protesters from a square where they have been camped for days, even as many Tunisians welcomed the new interim government that dropped most ministers from the former ruling party.

It was a sign that its concessions may calm down the daily demonstrations that have disrupted life for weeks. In a chaotic scene, police used tear gas to clear the protesters from the front of Prime Minister Mohamed Ghannouchi's office, and later from Bourguiba Avenue, the capital's main thoroughfare.

The North African nation was celebrating a full two weeks free of the iron-fisted rule of its longtime strongman.

Ghannouchi's appointment on Thursday of independents to three key posts in the country's new interim Cabinet, removing ministers from the former ruling party, was a major concession to the demonstrators.

Egyptian President Hosni Mubarak on Friday dismissed his Cabinet, vowed to press on with political and economic reforms and said he was determined to ensure stability in the country. In a televised address, Mubarak said he would appoint a new government on Saturday. His remarks followed a day of escalating violence in Egypt in which more than a dozen protesters were killed and over 1,000 were wounded, according to news reports.

Thousands of people in Jordan have taken to the streets in protests, demanding the country's prime minister step down, and the government curb rising prices, inflation and unemployment.

In the third consecutive Friday of protests, about 3,500 opposition activists from Jordan's main Islamist opposition group, trade unions and leftist organisations gathered in the capital, waving colourful banners reading: "Send the corrupt guys to court".

The crowd denounced Samir Rifai's, the prime minister, and his unpopular policies.

Many shouted: "Rifai go away, prices are on fire and so are the Jordanians."

Another 2,500 people also took to the streets in six other cities across the country after the noon prayers. Those protests also called for Rifai's ouster.

Members of the Islamic Action Front, the political wing of the Muslim Brotherhood and Jordan's largest opposition party, swelled the ranks of the demonstrators, massing outside the al-Husseini mosque in Amman and filling the downtown streets with their prayer lines.

King Abdullah has promised some reforms, particularly on a controversial election law. But many believe it is unlikely he will bow to demands for the election of the prime minister and Cabinet officials, traditionally appointed by the king.

Rifai also announced a \$550 million package of new subsidies in the last two weeks for fuel and staple products like rice, sugar, livestock and liquefied gas used for heating and cooking. It also includes a raise for civil servants and security personnel.

However, Jordan's economy continues to struggle, weighed down by a record deficit of \$2bn this year.

Inflation has also risen by 1.5 per cent to 6.1 per cent just last month, unemployment and poverty are rampant - estimated at 12 and 25 per cent respectively.

Ibrahim Alloush, a university professor, told the Associated Press that it was not a question of changing faces or replacing one prime minister with another.

"We're demanding changes on how the country is now run," he said.

He also accused the government of impoverishing the working class with regressive tax codes, which forced the poor to pay a higher proportion of their income as tax. He also accused parliament as serving as a "rubber stamp" to the executive branch.

"This is what has led people to protest in the streets because they don't have venues for venting how they feel through legal means," Alloush said.

Saudi Prince Turki bin Abdul Aziz Al Saud has warned the country's royal family to step down and flee before a military coup or a popular uprising overthrows the kingdom.

In a letter published by Wagze news agency on Tuesday, the Cairo-based prince warned Saudi Arabia's ruling family of a fate similar to that of Iraq's executed dictator Saddam Hussein and the ousted Iranian Shah Mohammad Reza Pahlavi, calling on them to escape before people "cut off our heads in streets." He warned that the Saudi

royal family is no longer able to "impose" itself on people, arguing that deviations in carrying out the religious concepts that make up the basis of the Saudi government "have gotten out of our hands," so that the opposition views our acts as "interfering in people's private life and restricting their liberties."

"If we are wise, we must leave this country to its people, whose dislike for us is increasing," said Prince Turki, advising Saudi officials to escape with their families. "Do it today before tomorrow as long as the money we have is enough for us to live anywhere in the world; from Switzerland to Canada and Australia...we should not return as long as we are able to get out safely, we must take our families quickly and pull out," he urged. "Do not fool yourself by relying on the United States or Britain or Israel, because they will not survive the loss; the only door open is now the exit door of no return. Let us go before it closes."

He finally warned against a military coup against the ruling family, saying "no one will attack us from outside but our armed forces will attack us."

Prince Turki is a member of the liberal Free Princes movement founded in the 1950s amid tensions between King Faisal and his brother King Saud, requesting the Saudi authorities to implement political reforms and set out a constitution.

The late King Faisal expelled members of the civil rights group to Egypt but later on pardoned them.

Fraud and mismanagement at Afghanistan's largest bank have resulted in potential losses of as much as \$900 million - three times previous estimates - heightening concerns that the bank could collapse and trigger a broad financial panic in Afghanistan. Afghan bank's losses could reach \$900m.

The acting chief financial officer and other Pakistani employees of Kabul Bank have fled Afghanistan amid an investigation into the scope of the bank's reckless lending and allegations that its shareholders paid large bribes to many senior Afghan officials, according to Afghan officials and others familiar with the issue.

Kabul Bank employees flee to Pakistan amid investigation into lending, officials say

INDIA

"India's central bank raised the benchmark interest rate to a two-year high and signaled further increases in borrowing costs as it boosted the country's inflation forecast. Stocks fell. Governor Duvvuri Subbarao lifted the repurchase rate to 6.5% from 6.25%."

The Egyptian authorities are revoking the Al Jazeera Network's license to broadcast from the country, and will be shutting down its bureau office in Cairo, state television has said. "The information minister [Anas al-Fikki] ordered suspension of operations of Al Jazeera, cancelling of its licences and withdrawing accreditation to all its staff as of today," a statement on the official Mena news agency said on Sunday.

In a statement, Al Jazeera said it strongly denounces and condemns the closure of its bureau in Cairo by the Egyptian government. The network received notification from the Egyptian authorities on Sunday morning.

"Al Jazeera has received widespread global acclaim for their coverage on the ground across the length and breadth of Egypt," the statement said. An Al Jazeera spokesman said that the company would continue its strong coverage regardless.

'Designed to stifle'

"Al Jazeera sees this as an act designed to stifle and repress the freedom of reporting by the network and its journalists," the statement said.

"In this time of deep turmoil and unrest in Egyptian society it is imperative that voices from all sides be heard; the closing of our bureau by the Egyptian government is aimed at censoring and silencing the voices of the Egyptian people. "Al Jazeera assures its audiences in Egypt and across the world that it will continue its in-depth and comprehensive reporting on the events unfolding in Egypt.

"Al Jazeera journalists have brought unparalleled reporting from the ground from across Egypt in the face of great danger and extraordinary circumstances. Al Jazeera Network is appalled at this latest attack by the Egyptian regime to strike at its freedom to report independently on the unprecedented events in Egypt."

As their signals have been taken off Nilesat, our Arabic sister channels are now broadcasting on the following new frequencies:

1) New frequency for AJA & AJM on Nilesat 7W: 10949 vertical (new)
SR: 27.500 Msps FEC: 3/4

2) New frequency for AJA & AJM on Arabsat 26E: 11585 vertical (new)
SR: 27.500 Msps FEC: 3/4

3) Arabic and Mubasher on Hotbird:12111 MHz Vertical (Old) SR: 27.500 Msps
FEC: 3/4

4) Arabic and Mubasher on Arabsat Badr4 (Old):12034 MHz Horizontal
SR: 27.500 FEC: 3/4

5) Arabic and Mubasher on Arabsat Badr4 (Old):11996 MHz Horizontal
SR: 27.500 FEC: 3/4

Embattled Egyptian President Hosni Mubarak has reportedly given his armed forces the authority to shoot-to-kill as anti-government protests gain momentum. Reports say the army has been ordered to shoot when it sees fit. Military helicopters and jet fighters fly over major locations as the numbers of protesters multiply there. Tens of thousands of people have practically taken over the Tahrir Square in the city center despite heavy military presence, a Press TV correspondent reported. Clashes between demonstrators and police have left at least 150 people dead and thousands more wounded since anti-Mubarak rallies began in Cairo, Suez and Alexandria on Tuesday.

Protesters have one demand and that is the resignation of President Mubarak. They want a regime change and have dismissed Mubarak's appointment of a vice-president and prime minister.

The Egyptian president has visited an army military operations center on the sixth day of the protests against his regime.

Local media say Mubarak has met with top military commanders and troops at their headquarters.

Mubarak's newly appointed vice president, defense minister and chief of staff have also attended the meeting. No further details have been released.

On Friday, Mubarak ordered the army out to the streets in an effort to maintain control. Thousands of people across the world have taken to the streets to express support for the anti-government demonstrations in Egypt.

HEALTH

THE POWER OF THE THRONE

What throne am I talking about? When we think about a throne we think about absolute power of a ruler. It isn't the royal throne of England or any world leader that I am referring to. I am talking about the porcelain throne. Growing up I often heard the World War II generation refer to the toilet as "the throne." We spend a considerable amount of time on the throne and we each have our own way of utilizing the throne room. It isn't the decisions we make while on the throne but what we deposit into the throne that will tell us a lot about our health. Yes, I am talking about poo. You don't like to think about poo but if you really think about it (and look at it), poo reveals your true picture of health.

THE SECRET IS OUT

Natural healers and medical doctors know the importance of poo. I knew an oral surgeon once who said, "If you want to be healthy, get the poo out." However, the C.I.A., secret service agents and our enemies also know the importance of poo. While George W. Bush was President he took with him an official White House toilet on overseas trips. Why? Secret service agents were literally assigned to collect, secure and dispose of the President's poo so foreign intelligence agencies could not glean information from the poo about the President. Now, some might say the secrecy of the Oval Office is a little paranoid and taking security too far. On the contrary, this is how some information about world leaders is collected to deduce the truth about their health. The US, world governments and Israeli Mossad do this kind of fact collecting to determine the health of such world leaders as Mikhail Gorbachev. The royalty of the past have used the porcelain throne to literally unnerve and intimidate members of the court, servants and other foreign rulers. One such ruler is Louis XIV who regularly defecated in the presence of his court to show his command of power. He ruled for 72-years and his toilet-throne room made it difficult for opposing rulers to negotiate while witnessing the king's bowel movements. Paleontologists have studied the excavated poo of dinosaurs and our ancient ancestors for a better understanding of habitat and ancient diseases.

FORGET READING TEA LEAVES

Instead of reading your tea leaves to predict your future, you should instead take a closer look at what you produce in the throne room. Think of your poo as having a fingerprint, which can identify your physical or emotional health status – good or bad.

THE PERFECT POO

Winnie the Pooh was always looking for that perfect honey and we should strive to accomplish proper bowel evacuation. Professional athletes count on their pre-game bowel movement to enhance their performance. Face it, poo (or the lack of it) can ruin your day. The characteristic of stool is also important. For instance, if you experience hard, pebble-like stool or unrelenting diarrhea you know something is wrong with your digestion caused by your lifestyle. Why is some stool smooth and silky and other times it is hard and bumpy in appearance? According to medical science the varied texture of stool is connected to the transit time of stool in the bowel. A slow and sluggish bowel will allow food debris from many meals to accumulate. Meat will take longer for the digestive tract to break down while fruits and vegetables take less time to digest.

POO TRIVIA

Have you wondered why some poo will float? How many bowel movements per day should we have? Is it normal for poo to be different colors other than brown? Why do some foods like corn and other vegetables do not completely digest and remain whole in the stool? These are all good questions. If you eat a balance of protein, starch and fiber you will move the bowel more frequently. The fiber retains water, swells and presses against the colon wall stimulating the nerve endings of the bowel muscle to move. Meals without adequate fiber will make the bowel sluggish and stool will remain in the body longer than necessary. This is why the Asians expel three times more poo than English people due to their diet of more fiber. Your high fiber foods are whole grains, peas, turnips, figs, blueberries, lentils, black beans, almonds and pistachios. Also stool containing more fiber (especially from beans) will float. Other foods that make your poo float are; broccoli, cabbage, Brussels sprouts, onions, artichokes, asparagus, pears, apples, peaches, whole grains, soda, milk and artificial sweeteners (sorbitol). Meals that contain insoluble fiber such as corn and oats will not break down as much because they resist stomach secretions more than soluble fiber such as nuts and carrots. Weak digestive tracts which do not produce the necessary enzymes to digest certain plants will produce bits of undigested food in the stool. What about color? Why is stool sometimes green? When we have an overgrowth of bacterium it can change the stool's color. This usually is the case if taking antibiotics. According to medical studies, the average weight of stool excreted per day is about one pound, healthy stool is 90% water and we should have one bowel movement per day for each meal that we eat.

STRESS EXPRESS

When we experience stress it affects the way we defecate. Why does stress cause our digestive tract to cramp and spasm? When we are under stress our brain sends a chemical signal but it isn't just the brain that is involved. The intestines release hormones and neurotransmitters as well and this will energize the nervous system and light up the nerve fibers that regulate the digestive system. Dr. Michael Gershon of Columbia University found that our bowels actually have a brain and can work independently of the mind. So, if you get nervous just before debate class you may need to make a stop at the bathroom first.

WHEN TO WORRY

Some signs that indicate there is a problem with the digestive tract are if the stool is greasy or exceedingly foul smelling. Often this will indicate that the pancreas or liver needs healing. Your liver, pancreas and gall bladder work together to help digest fats. If fat shows up in your stool it means one or more of these organs is diseased. Oil saturated stool will also float. Bowels that do not move every day are also at risk of developing disease. I once knew a lady that lived on caffeine and cigarettes and had one bowel movement monthly with her menstrual cycle. If you think that is not normal, then also know a bowel that moves 2-3 times weekly is also not normal. I have more to say on this topic but will have to wait for Part II.

HEAR YE, HEAR YE

We have over 70 million Americans with bowel disease. That can be avoided with a royal decree of a healthy lifestyle and semi-annual organ cleansing. I like to add a little extra insurance to my bowel cleanse and include an herb the American Indians called "sacred bark" (cascara sagrada). I also recommend adding black walnut to the bowel cleanse if you think you have parasites. If you eat raw meat (animal or fish) you probably have parasites. There are hundreds of parasites in just one square-inch cube of raw meat. Herbs that cleanse the bowel have emodin-containing properties. Emodin is bitter

and stimulates the liver (along with aloe) to work better. Herbs such as aloe, cascara sagrada, senna all contain emodin. These herbs also increase the peristaltic action of your colon to move and move more often to release toxins. Bitter herbs such as these are also known to encourage tumors to exit the body. The National Cancer Institute has done studies on how emodin destroys certain types of tumors. So, instead of stressing over what herbs to get, how much to use – just call Apothecary Herbs for their Organ Cleansing Kits. Their Bowel Kit contains the emodin herbs to cleanse your bowel. They also have Black Walnut tincture for parasites and herbal liquids to help you handle stress (Valerian Root, Relaxation Formula & Emotional Stress Formula). Call Apothecary Herbs for a free product catalog toll free 866-229-3663, International 704-875-8010 online <http://www.thepowerherbs.com>. Your health care options just became endless.

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US – LETTERS

From a fellow subscriber

Hi Bob: I hope and I pray that Dr. Ron Paul runs for president in 2012. And, I hope that Dr. Rand Paul runs for vice president. I can't imagine the Pauls not being on the ballot. Anything less would be a choice of the 2 headed, one party lackeys. We're tired of Fee-First, attorney presidents. We are tired of one-way ticket to Dallas fearing Cowards. We are tired of Greedsters, Globalists, Corrupt Elite Sucklings, Closet Socialists, Secret Cabal and Undocumented presidents. Mostly, we are tired presidents who get their orders from parties other than We The People. I won't apologize for the doctor related points that I make. Because its right there on their resumes. We want someone who believes that they should "First, Do No Harm". We need to let the good doctors do their jobs. Dr. Paul need only give the American people his doctor's consultation, his recommended remedies and his pledge to act in their best interest and he is our next president. No other candidate has the credentials to offer the American people the Sovereign Cure that they desperately need. And while he is at it, he can tell us exactly, who we should fill the open House and Senate seats with. In addition to asking the American people if they feel that they are better off now than they were 4 years before, they should be asked if they feel betrayed. Who better could we trust in 2012, other than Drs. Ron and Rand Paul? God's Speed, Ron and Rand.

From a Fellow Subscriber:

Hi Bob, Just want to recommend the book They Own It All, (Including You!), by R. McDonald and R. Rowen, MD. Many subscribers have probably been exposed to it via The Power Hour. For those subscribers who don't know about this book, it is another resource to help clarify how we got into the mess we are in.

Also want to recommend an out of print but obtainable book that will shed light on the situation with China called Dope, Inc., Britain's Opium War against the U.S. As part of

the British monarchy's opium business, it looks like China is menacing us on behalf of the bankers with whom they collude. Rarely does the finger of blame point all the way back to the British elite relative to the drug trade, but this book spells it all out. Thanks,

From a Fellow Australian Subscriber:

Hi Bob,

I just read your article regarding the vulnerability of bank safe deposit boxes in the US. Excellent information. About 4 years ago I cancelled my bank safe deposit boxes and got one at Los Altos Vault and Safe Deposit Company in California. This is one of the few PRIVATE vault facilities in the US. It's located on the San Francisco Peninsula about a half hour from SFO. These folks really know what they are doing.

They spent about 9 million dollars to design and build from the ground up. Any of your subscribers in the Bay Area, or really anyone looking for secure storage in the US, should visit their facility and check them out. See www.losaltosvault.com <http://www.losaltosvault.com> or call. 650.949.5891

Best Regards,

From a Fellow Subscriber:

Hi, Bob:

The US is preparing to participate in the Egyptian revolution, obviously to install Soros candidate el Baradei and to enforce a pro-Israel policy on the new government.

US airborne troops deployed to Sinai
<http://www.presstv.ir/detail/162832.html>

Clinton has called for a meeting of all US ambassadors. Apparently they plan to physically converge on DC. Video conferencing is only for the common people, it seems.

They will get to sit there passively while Clinton goes through her talking points. My source assures me that there is confusion in DC and London. The spread and vehemence of the demonstrations took everyone by surprise. Now they are unsure how to restore order, that is, keep their grip on the Middle East and north Africa. A big element in the confusion is that key figures in Mubarak's government are insisting that everything is already under control, a statement plainly belied by al Jazeera's live coverage and also by satellite photos, which somehow are not being publicly mentioned.

Meanwhile (my source continues) revolution is contagious. The situation in Pakistan is volatile. A mood of rebellion is spreading around the world.

The only question is how long it will take before the United States also gets Fed-Up Fever.

Warm regards,

From a Fellow Subscriber:

All the CNBC boobs are already making tons of excuses for unemployment numbers and retail sales numbers...

it of course won't have anything to do with holiday layoffs. First of the year layoffs (remember challenger and grey said layoff intentions were hitting 8 month highs in early December). It won't have anything to do with all the municipalities laying people off. A tapped out consumer who now has to pay off those big time credit card bills from the holidays... it won't have anything to do with tax increases in a lot of states, which more than offset the supposed payroll holiday.... it won't have anything to do with the election and end of year huge stimulus money now gone. The absence of cash for clunkers.. cash for appliances... green credits... closing of all the ghost stores like toys r us, which open up only for the holidays and then close...it won't have anything to do with inventory replenishment which has not only completed. But is perhaps starting to over build....it won't have anything to do with more and more disposable income going for things they don't count going up double digits... like insurance, food, gasoline.... you know. the stuff you consume every day...

GOLD – LETTERS

From a Fellow Australian Subscriber:

Hi Bob and Judy,

I forgot to tell you a friend of mine went to the Perth mint on Friday.

They are out of all 100oz bars and 1 kgs bars of silver.

My friend also said that he was waiting for over 0.5hrs in the bullion line before the sale lady attended to him else where in the store.

He got 2kgs but must wait for delivery 3-4 weeks away.

My parents got a few kg's of silver on Tuesday on the major dip at \$930 and of course on for me. They also said they waited in line for over 45 minutes.

Maybe the people are starting to wake from their slumber.

I already spent my January, February and now March precious budget, and its not even out of January yet.

Take care and keep your powder dry.
Regards,

From a Fellow Subscriber:

Most Americans do not know or care about what happens in countries around the world. Many others believe the crap they see on network news which is total propoganda and almost totally omits the truth and real reasons for the unrest that is spreading across the earth and will soon hit home. The bottom line is everything that is happening is a result of a long-planned move to take over the world's population by the elites and whatever "power" may be behind them. Whether this power is Satan, Reptilian aliens, or simply the bankster families such as the Rothschilds, Rockefellers, her "majesty" the Queen of England, etc. will probably eventually be revealed. They continue to do everything possible to turn us, their victims, against each other so they can continue their plans towards global control and slavery. One hopes that at some point they lose control and mankind awakens to whom and what are their real enemies. But most people I know are far more interested in the super bowl than what is happening all around them.

Inflation Inflation Everywhere and Not a Drop to Drink

At last, the doubters have nowhere to hide. The world is starkly revealed as an interconnected political economy force, and not as a disparate grouping of various nations, some authoritarian, some choosing democratically agreed upon policies, creating policy choice and thereby shaping of political outcome. Greece, Ireland, Tunisia, and now, the fulcrum of the Arab world, Egypt, stand as testimony. They are countries caught up in the machinations of a monetary policy to debase the world's reserve currency.

All "he" wanted was some inflation, a little inflation to get America and the west out of the deflationary spiral caused by the failure of financial instruments (a.k.a. OTC Derivatives) and un-payable government debt – but he can't get it. Everywhere it rages, but the place he wants it – home. So it erupts in global food prices and manifests itself in the attempts to bail out stone dead banks on the backs of the marginal economic player – post-destruction of the middle class. Most of the world has no savings to get through difficult times. Most of the world cannot "hedge" inflationary outcomes. Those outcomes appear quickly and change realities violently. The inflationary reality is their reality – the difference between starvation and survival. The result? Global upheaval, leading to where, we are not sure... but probably nowhere nice. Think American monetary policy was a uniquely sovereign, American affair? Think again. You are watching QE II live on television. American monetary policy and the global "race to debase" is that raging crowd you see on the television from Ireland to Greece and Egypt. It is that nascent force which Chinese leaders awake in terror, wondering what a billion plus people might do if faced with stark choices. If you can't make the connection between the monetary policy and the political reality, you need to change the causal way you look at the world.

Nations hold dollars in reserve to meet the demands of running an economy. When debasement takes place, the marginal economic player gets hit first. This is what we see now. But there is another, geo-political aspect many are missing. The western

attempts to control multiple political outcomes and a global geo-political/military order rests on the ability to finance and control that order. When the money gets degraded, the ability to finance that order goes with it. Degradation of currency inhibits foreign force projection, both militarily and politically. Nobody in Egypt believes America is capable of controlling political outcomes, as they did from Suez to Mubarak. That era has passed. It passed with the Shah of Iran, and the death of the widely despised (in Egypt) Anwar Sadat. The Mubarak intermezzo is over. In the Arab world, what happens in Egypt doesn't stay in Egypt. The potential for "regime change" in Saudi Arabia is growing. Now we find that the financial necessity for Dollar debasement wasn't as politically benign as people in Washington thought. Instability rages across a region that could usher in an era of global conflict. People say, "be careful what you wish for" when you talk about the end of western hegemony, but while the political hegemony is dying by the hour, the monetary hegemony is currently intact and its results are evident. When those results swing full circle and return to the west, currency upheaval will be guaranteed. Global system breakdown, which made its debut in 2008 is now back for its main act. Money printing didn't quite work out the way it was supposed to. This time, a rush to the security of Treasury instruments is unlikely to be the fallback position for global capital that now sees Fed monetary policy as a destructive boomerang cutting inflationary swathes across the planet... en route to its place of origin.

US – LINKS

Forget federal government, we'll build fence ourselves!

http://www.liveleak.com/view?i=6ef_1296428874

Mohamed ElBaradei: Globalist Pied Piper Of The Egyptian Revolt

<http://www.infowars.com/mohamed-elbaradei-globalist-pied-piper-of-the-egyptian-revolt/>

Revolutionary Middle East Change - by Stephen Lendman

<http://sjlendman.blogspot.com/2011/01/revolutionary-middle-east-change.html>

Brzezinski's Feared "Global Awakening" Has Arrived

<http://www.prisonplanet.com/brzezinskis-feared-global-awakening-has-arrived.html>

Tunisian Wikileaks Putsch: CIA Touts Mediterranean Tsunami of Coups; Libya, Egypt, Syria, Algeria, Jordan, Italy All Targeted; US-UK Want New Puppets to Play Against Iran, China, Russia; Obama Retainers Cass Sunstein, Samantha Power, Robert Malley, International Crisis Group Implicated in Destabilizations

<http://tarpley.net/2011/01/16/tunisian-wikileaks-putsch/>

Medical examiner: Homicide victim John Wheeler died of 'blunt force trauma'

<http://www.delawareonline.com/article/20110128/NEWS01/110128028/Med.+examiner+releases+Wheeler+cause+of+death>

Is the President of the United States deliberately trying to subvert the constitution? Watch this video and you decide!

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Commentary: Income gap peaking; crash, revolution dead ahead

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Germany promised U.S. in 1967 not to convert dollars to gold

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The Crunchy Snack That Fights Cancer

By Joseph Mercola

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