



Secretary: Marlea Sheridan

Editor: Penny Esplin

June, 28, 2012

**SHORT AND SWEET FROM THE PREZ:**

Good weather is finally upon us after the longest winter/spring I can remember. I am literally rusted throughout this year leaving no need to get a tan this summer. Many of our members are getting out searching for treasures and enjoying the good camaraderie we are developing among our membership. I am pleased that so many members, including our new members are stepping up and sharing their skills and interests with us all.

We had two club outings in June and those that attended had a wonderful time and have better honed their treasure hunting skills. There were members wanting to attend these outings that could not make it including myself...no worries, Fermin who lead the metal detecting outing has more treasures hidden for us all to find later this month.

Terry and TJ have invited us to another trommel outing in the near future at their mining claim. Those that could not make it to the South Umpqua outing have a second chance to come join in the fun working together and getting to know each other better.

Dredging is also beginning and there is a thrill in the air around those now carrying out there dredging plans, setting up their summer camps and getting to test out the equipment they spent so much time tuning up this winter.

I wish all a prosperous safe season,

Claudia Wise

**Call to Order:** Claudia called the meeting to order. New visitors and members were introduced and members shared their interests.

**Meeting Minutes:** Penny read the May newsletter minutes. They were approved and seconded.

**Report:** Delmon read the Treasury report as Joe is still mending.

**Claims Committee Report:** Buzz was not in attendance.

**In Attendance:** There were 11 present.

**Health Updates:** Penny gave us an update on three members: Gene Smith (surgery), Jim Miller (surgery) and Joe Greene (broken leg). Members are all continuing to improve. We miss them and wish them speedy recovery! Penny has sent each of them a "Hurry and Get Well" card on behalf of our club members.

**New Member:** Bob Goodrich, formerly from Utah, now relocated and anxious to get some gold! He has made a new sluice to show to the club. Demonstration to follow.



**Old Business:** Ferman and others shared about June 9th's Metal Detecting Outing in Stayton. As many of the club members were not able to attend, we will meet again on July 28, 10:00 am at Pioneer Park in Stayton to find the tokens still hidden. Prizes will be given.



Larry and Delmon shared about the Trommel Outing on June 16-17th on the South Umpqua. They ran the trommel at two locations: Lawson's Bar and Poverty Flats. Penny, Walt, Marlea, and Tim Kelly's family joined them.

**New Business:** Members are planning another trommel outing lead by Terry and TJ in the near future.

We are almost out of table raffle items and are asking members to donate items to the club. Let Delmon know what you might bring and he will plan the raffle for the meetings.

**Next Club Outing:** Metal Detecting Outing! Saturday July 28th at 10:00 at Pioneer Park in Stayton, OR. Don't forget!!

**Rocks Shared Beginning With the Letter C:** Penny brought **Chalcanthite** (copper sulfate crystals she grew at home), **Coke** (made from de-volatized bituminous coal for retorts) , **Calcite** (calcium carbonate), **Celestite** (strontium sulfate) and **Corundum** "**Sapphire**"(aluminum oxide).

Bill Moore brought: **Celestite**, **Citrine** (clear yellow quartz, silicon dioxide), **Cerussite** (lead carbonate), **Chrysocolla** (basic copper silicate), **Cinnabar** (mercury sulfide) and a huge hunk of **Native Copper, with Silver inclusions.**

**Next month's Letter is:** "D" Perhaps : Danburite, Dolomite, Diamond, Diopside, Diopside, diggings, dirt?

**This month's Presentation was "Colloidal Silver" by Bill Moore** He talked about its benefits and how to make it. His presentation was both interesting and informative, colloidal silver has been used as a natural antibiotic for many years.



## ***FOSSILS***



**An ancient sealion**

Our member from Newport sent the following:

I saw my name is mentioned in vain in the newsletter so I thought i'd share a couple pictures of a new skull I found last Friday. Its apparently an *enaliarctine pinniped* of some type. Possibly a new one.

Gibby



# ***METAL DETECTING***

## **Fermin's Outing Report**

We had a good time but there were only 7 people there counting myself.

I hid 30 tokens and was expecting a larger turnout so I hid them over a larger area so everyone would not be on top of each other. The result were that they only found think 6 of the 30 tokens.

Our thought was, if the club would like, to have another hunt 28th July or 4th Aug. to locate the rest of the hidden items.

There were 4 special tokens of which none were found. First prize is a 1.45 gram gold cross pendant (\$44.22 MELT VALUE) and the other 3 are silver ( a Half, Mercury Dime and Some silver chain worth \$11.00 Melt Value.

Cost to hunt was \$5.00. If more come next time we can up the prizes. Those who paid last time do not have to pay again. We can discuss this at the next meeting.

We barbecued some hamburgers then spent about two hours hunting and then went to my house in Aumsville for some videos on metal detecting.

Fred did the best with 4 tokens and some change. Two of the tokens found were for free root beer at A&W.

Here are a few pictures, forgot to get a picture of Larry. Penny took some also.

Ferman





## Barbarian Hoard

Will the euro go the way of the 50,000 Iron Age coins unearthed in Jersey?

By Telegraph View, 26 Jun 2012

<http://www.telegraph.co.uk/comment/telegraph-view/9356535/Barbarian-hoard.html>



Many of the unearthed coins bear heads with strange haircuts – perhaps representing Iron Age bond-holders

An astonishing hoard of 50,000 Iron Age coins has been unearthed in Jersey. They are thought to have been hidden from the European power of the time, Caesar's Rome. Being silver, they had an intrinsic value. Many bear heads with strange haircuts – perhaps representing Iron Age bond-holders who had unwisely invested in the debts of the Aedui and the Segusiavi, the Veneti, the Senones and the Aulerici, all economies operating at different speeds in Gaul.

In future millennia, archaeologists might come across great piles of discarded discs marked "euro". What, they may wonder, could these unheard-of tokens be? Of copper, zinc, nickel, aluminium and tin, their intrinsic value will be marginal. Perhaps, future historians might speculate, these were used as some kind of propaganda rather than as currency, a passing fad, like cathode-ray tubes and compact discs.



# **COLLOIDAL SILVER**

## ***FOLLOW UP OF PRESENTATION TO THE CLUB***

### **How to make your own Colloidal Silver**

**How I ended all disease with three nine volt batteries.**

**NOTICE:** Colloidal silver comes up on the [quackwatch.com](http://www.quackwatch.com) website as a scam. It states that Silver Chloride causes liver damage if to high a dose is taken and can turn your skin blue permanently. Other websites discredit this claim and ask the question of how many blue people have you ever seen?

<http://www.quackwatch.com/search/webglimpse.cgi?ID=1&query=colloidal+silver>

The problem is probably due to the fact that some individuals have added salt making Silver Chloride that can cause adverse effects. Bill Moore, in his presentation, clearly stated that you should **NEVER ADD SALT** to the solution because then you would make Silver Chloride that could cause adverse effects.

**MEMBERS SHOULD DO THEIR OWN DUE DILIGENCE BEFORE USING COLLOIDAL SILVER. ALSO NEVER ADD SALT.**

Imagine having your own hospital. Not just any hospital either. After all, the mortality rate generally drops when hospitals go on strike.(1,2,3,4) Death due to toxic drugs, unnecessary treatment, rampant ignorance and a sea of antibiotic-resistant bacteria make most hospitals the Devil's own playground.

No, I'm talking about a hospital that makes people well again. Now, imagine that your new hospital is essentially cost free, works anywhere and is the size of a transistor radio, neatly fitting in your shirt pocket. Impossible? Not at all. The only thing unbelievable about it is that every American doesn't already have one.

The "hospital" I am talking about is a Colloidal Silver generator.

Silver is a powerful, natural prophylactic/antibiotic, used for thousands of years. Ancient Greeks lined their eating and drinking vessels with silver, as did many other cultures throughout the world.(5)

Pioneers of the American West would put a silver dollar in a jug of milk to keep it fresh without refrigeration.(6)

Did you ever wonder why silverware was made from silver? One of the properties of silver is that it kills bacteria on contact in six minutes or less.(7) It may be that gold and silver were first used as valued currency because of their medical properties.

Dr. Robert O. Becker, "The Body Electric," recognized a correlation between low silver levels and sickness. He said silver deficiency was responsible for the improper functioning of the immune system. Dr. Becker's experiments conclude that silver works on the full spectrum of pathogens without any side effects or damage to the body. He also states that silver does more than kill disease-causing organisms.

It also causes major growth stimulation of injured tissues. Burn patients and even elderly patients notice more rapid healing. And he discovered that all cancer cells can change back to normal cells. All strains of pathogens resistant to other antibiotics are killed by silver.

What is Colloidal Silver?

Colloidal Silver is the result of an electro-magnetic process that pulls microscopic particles from a larger piece of silver into a liquid, such as water.(8) These microscopic particles can more easily penetrate and travel throughout the body.

Colloidal Silver works as a catalyst, disabling the enzyme that all one celled bacteria, fungi and viruses use for their oxygen metabolism. In short, the bad guys suffocate. Unlike with antibiotics, resistant strains have never been known to develop.

In fact, antibiotics are only effective against perhaps a dozen forms of bacteria and fungi, but never viruses. Because no known disease-causing organism can live in the presence of even minute traces of the chemical element of metallic silver, Colloidal Silver is effective against more than 650 different disease-causing pathogens.(9)

Since there is not enough room to list all the diseases against which Colloidal Silver has been used successfully, here is a tiny sample: acne, allergies, appendicitis, arthritis,

blood parasites, bubonic plague, burns (colloidal silver is one of the few treatments that can keep severe burn patients alive), cancer,(10) cholera, conjunctivitis, diabetes, gonorrhea, hay fever, herpes, leprosy, leukemia, lupus, lymphangitis, Lyme disease, malaria, meningitis, parasitic infections both viral and fungal, pneumonia, rheumatism, ringworm, scarlet fever, septic conditions of the eyes, ears, mouth and throat, shingles, skin cancer, staph infections, strep infections, syphilis, toxemia, trenchfoot, all forms of viruses, warts and stomach ulcer.

In addition it also has veterinary uses, such as for canine parvo virus. You'll also find Colloidal Silver very handy in the garden since it can be used against bacterial, fungal and viral attacks on plants.

Simply spray diluted Colloidal Silver on the leaves, and add to soil water.

It would appear highly unlikely that even germ warfare agents could survive an encounter with Colloidal Silver, since viruses like E Bola and Hanta, or even the dreaded "flesh-eating bacteria" are, in the end, merely hapless viruses and bacteria.

To top it off, Colloidal Silver is virtually non-toxic, making it safe for both children and adults, as well as pets.(11, 12)

In short, anything bigger than a one-cell animal seems to like it.

Nor does one have to worry about that FDA (Food and Drug Administration) fox being put in charge of this home remedy hen house. Colloidal Silver is a pre-1938 healing modality, making it exempt from FDA jurisdiction under the grandfather clause.(13)

So why haven't you heard of it?

I suspect the user friendly economics of Colloidal Silver may have something to do with its low profile in the media. Colloidal Silver can't help but shine a spotlight on the expensive and deadly nature of our pharmaceutical industries, who are bigger than the Pentagon economically.

For example, the pharmaceutical cartel's relentless promotion of dangerous vaccines for humans and animals through government programs have now been linked to everything from increasing crib deaths in infants (who in many documented cases scream for hours before dying), to the increasingly common disease, feline leukemia, in house cats.(14) Colloidal Silver, on the other hand, is a safe and reliable alternative to expensive pharmaceuticals.

It is true that consuming large amounts over long periods of time may kill some friendly bacteria in your intestines. If taking large amounts, you should supplement your diet with yogurt or acidophilus, or compensate for possible bacteria loss in some other way.



This is not, however, a serious problem, and unlike antibiotics, Colloidal Silver does not weaken the body's immune system. In fact, it is said to give the body a second immune system, creating a shield against disease of all kinds.

A good quality Colloidal Silver can be diluted as much as 8 to 1 and still be highly effective. An average adult dose might be one or two ounces of concentrate mixed in an eight-ounce glass of water, not more than three times a day. However, there would appear to be a great deal of leeway here, since no toxic dose is known.

Sadly, some Colloidal Silvers currently on the market have as little as 1 part per million (ppm) and sell for as much as \$60.00 for eight ounces. However, thanks to physicist Bob Beck's brilliantly simple design outlined below, you can now construct your own generator and produce unlimited amounts of high-quality Colloidal Silver concentrate. And for only 1/10th of a cent per gallon, plus the price of water!

How to make your own Silver Colloid Generator.

While it has been discovered that 30 volts is the ideal for Silver Colloid production, 27 volts is very effective and happens to be the convenient result of wiring three 9-volt batteries together.

Therefore,

you'll need three 9-volt transistor radio batteries,  
three battery snap-on lead connectors,  
2 insulated alligator clips,  
1 "grain-of-wheat" 24 volt 40 mA sub miniature  
incandescent bulb,  
a foot of 3/32" heat-shrink insulation tubing,  
a foot of 2-conductor stranded insulated wire  
for clip-leads,  
a small box to put it all in, and  
10" of pure silver wire (.999 fine).

This should cost under \$30.00 for everything. Assuming some skill with a soldering iron, you should spend about thirty minutes constructing the generator.

Solder your three snap-on battery clips in series (red to black) to provide 27 volts. Connect a 24V incandescent lamp in series with either positive or negative output lead.

Solder the red insulated alligator clip to the positive (anode) and the black insulated clip to the negative (cathode) 2-conductor lead wires. Insulation is shrunk over soldered connections using a heat gun or hair dryer.

Cut your 10" of silver wire in half. Bend top ends of your two 5" silver electrode wires so they can clip over the top rim of a plastic or glass cup (not metal).

About 4" of each wire should be submerged.

WARNING! Use ONLY pure silver (.999 fine) electrodes. #14 gauge is the preferred thickness. Pure silver is sometimes available at electroplating supply companies. Or, inquire at a jewelry store specializing in silver about who their wholesale supplier is.

**DO NOT USE STERLING SILVER (.9275) SINCE STERLING CONTAINS COPPER AND NICKEL.**

NICKEL CAN BE TOXIC. (With this in mind, you may want to have a chemical analysis (assay) of your purchased silver in addition to the written word of your supplier.)

**If the Silver Colloid is to be ingested or injected, be sure to use distilled water.** Tap water is fine for other uses, such as for a topical spray or for plants. Also, before beginning to make your Colloidal Silver you will need to make a saline solution for enhancing conductivity.

\*\*\*\*\*

NOTE: Two points of interest since this file was posted;

- 1) **DO NOT USE SALT - JUST USE DISTILLED WATER**
- 2) An ingot of silver cut in half works better than wire

\*\*\*\*\*

Saline solution can be made by mixing six ounces of distilled water with one tea-spoon of sea salt in a separate container.

Do not use common table salt as table salt has chemical additives. After stirring the salt solution, pour some of the water into an eye dropper bottle.

Now you're ready to make Colloidal Silver. Pour eight ounces of water into your glass. Add 1 or 2 drops of saline solution (3 drops at the most; if you use too much salt, you'll be making silver chloride instead!) to distilled water and stir with a plastic/non-conductive utensil.

Insert silver electrode wires. Placement of wires is not critical, but they must not be touching each other or the process will stop. (You cannot shock yourself in this process so do not be concerned.)

Attach alligator clips to the ends of the silver electrode wires coming over the outside rim of the glass and you will see a grey mist inside the glass start to peel away from the positive polarity wire while bubbles of hydrogen rise from the other.

Laboratory tests show that this method creates a silver colloid of approximately 1 ppm per minute of activation time.

Since you are only taking microscopic particles from the silver wire, your silver wire may very well last for years.

The brightness of the light bulb is related to the conductivity of the water. It is not necessarily a problem if the bulb is very dim or even remains dark as long as the process itself is occurring. (If the bulb is dark you can always consider adding one more drop of saline solution next time.) Do not add saline solution after process has begun.

Of course, when batteries are old, the light will also become dimmer, signaling it's time for a change. Touch the two alligator clips together to test the brightness of the bulb as a battery check. A fresh set of three alkaline batteries should make several hundred thousand batches of concentrated Silver Colloid.

Also, put a few drops of Silver Colloid in the saline solution to prevent fungus growth.

When finished, detach alligator clips. Clean silver electrode wire after each use to remove dark oxide on the anode. Use a small piece of 1/4" thick nylon kitchen scouring pad to polish dried silver, then wipe with paper napkin to make ready for next use.

Store your Colloidal Silver in dark, non-conductive (and if plastic, non-reactive) containers, like empty hydrogen peroxide bottles. Keep away from light as even room light will degrade colloids rapidly by turning solution grey or black just as exposure to light darkens the silver in camera film. Stir thoroughly or shake each time before using. Keep cool, but do not refrigerate.

In using your own home-made silver colloid generator it will become apparent that you now have the power to safely protect yourself, your family, your pets and plants, your community, and (through the dissemination of this information), our nation, from over 650 pathogens, viruses, microbes, fungi and parasites.

Upon creating your first batch of Colloidal Silver, you will find it tastes the same as untreated water. And it won't sting, even in a baby's eyes.

Congratulations and bon appetit!

## **References**

1. "Medical malpractice alone kills an estimated 45,000 people annually (in the U.S.), making it the leading cause of accidental injury and death." -- Adriane Fugh-Berman, MD
2. As many as 14,000 people die in Australian hospitals every year through preventable mistakes, ranging from misdiagnosis to being given the wrong drugs. This makes hospitals the third largest killer in Australia after heart disease and cancer. For those who survive, between 25,000 and 30,000 patients are left with a serious and permanent disability as a result of such mistakes. -- The Sydney Morning Herald, 6/2/95 and the New Scientist, 6/10/95.

3. Using statistics from the 1984 Harvard study, the National Safety Council and other sources, the Campaign to Protect Consumer Rights says that more people die in the U.S. from medical negligence than any other accidental cause. If these statistics are valid, medical errors kill more people each year than automobiles, falls, drownings, fires, choking, guns and poisons combined.
4. "Only 10 to 20 percent of all medical procedures currently used in medical practice have been shown to be efficacious by controlled trial. -- U.S. Office of Technology Assessment
5. Encyclopedia Britanica, 1910
6. Health Consciousness Magazine, vol. 15, no. 4
7. "Use of Colloids in Health and Disease." Colloidal Silver is proven particularly effective in cases of intestinal troubles. Dr. Henry Crooks found that Silver in the colloidal state is highly germicidal, quite harmless to humans and absolutely nontoxic. Rather than in a chemical compound, the Silver, in the colloidal state, may be applied in a much more concentrated form, with correspondingly better results. All fungus, virus, bacterium, streptococcus, staphylococcus, and other pathogenic organisms are killed in three or four minutes; in fact, there is no microbe known that is not killed by Colloidal Silver in six minutes or less, a dilution of as little as five parts per million, though there are no side effects whatsoever from high concentrations. -- Provo Herald, Feb. 2, 1992, pg D1: Colloidal Silver as a cure for AIDS.
8. "(Colloidal Silver) is not a chemical compound containing Silver, but pure metallic silver of submicroscopic clusters of just a few atoms, held in suspension in pure water, by the tiny electric charge on each atom." -- Health Consciousness, Vol. 15, No.4
9. As an antibiotic, Silver kills over 650 disease causing organisms; resistant strains fail to develop. Silver is absolutely nontoxic. Silver is the best all-around germ fighter we have. Doctors are reporting that, taken internally, it works against syphilis, cholera, and malaria, diabetes and severe burns. -- Bio/Tech News, 1995
10. Dr. Bjorn Nordstrom, of the Karolinska Institute, Sweden, has used Silver in his cancer cure method for many years. He says the whole thing is quite simple. This brought rapid remission in patients given up by other doctors. -- "Silver, Our Mightiest Germ Fighter" Science Digest, March, 1978.
11. Metallic Silver (Colloid) is non-toxic, however, silver nitrate and other compounds of silver are and should not be ingested. --Dr. Bob Beck
12. Environmental Protection Agency's Poison Control Center reports no toxicity listing for Colloidal Silver, considering it harmless in any concentration.

13. The FDA has stated that because Colloidal Silver is (by fifty years) a pre-1938 drug, it may continue to be marketed. Sept. 13, 1991, letter received from consumer safety officer Harold Davis, U.S., Food and Drug Administration. Moreover, the FDA has no jurisdiction regarding a pure, mineral element.

14. The following significant adverse events have occurred following administration of DTP vaccines: inconsolable crying for more than 3 hours (1/100 doses), high-pitched, unusual crying (1/1000 doses), fever higher than 105 degrees Fahrenheit (1/330 doses), transient shock-like (hypotonic, hypo responsive) episode (1/1750 doses), convulsions (1/1,750 doses), sudden infant death syndrome (SIDS). (Interestingly, no percentage of SIDS is given author.)

Encephalopathy occurring within 7 days following vaccination.

This is defined as an acute, severe central-nervous-systems disorder occurring within 7 days following vaccination, and generally consisting of major alterations in consciousness, unresponsiveness, generalized or focal seizures that persist more than a few hours, with failure to recover within 24 hours.

Studies have indicated that a personal or family history of seizures is associated with increased frequency of seizures following pertussis immunization. The ACIP and AAP do not consider a family history of seizures to be a contraindication to pertussis vaccine despite the increased risk of seizures in these individuals.

As reported with Haemophilus b polysaccharide vaccine, cases of Haemophilus type b disease may occur... -- Excerpts from Lederle Praxis Biologicals' own DPT Vaccine package insert.

Lederle Praxis Biologicals is a division of American Cyanamid, which is itself a division of I.G. Farbin, the former Nazi chemical combine who manufactured Zyklon-B. Zyklon-B was the nerve gas used for exterminating millions of human beings in concentration camps.

"Concentration" stands for mass "concentrations" of civilian population. In other words, a complete cross-section, including infants, children, senior citizens, etc.



The Washington Post confirmed recently there are an estimated 20,000 labs around the globe capable of creating deadly, fast-spreading pathogens. The story noted medical supplies necessary to creating an epidemic in population centers now cost about \$2,000 on the Internet and merely a third-year medical student's expertise!

Such an attack could be launched with complete impunity, because the source would be untraceable. One point numerous officials have stressed privately to me: Members of the general public are oblivious to the bio-terror threat. The point they make is



terrorists tried to topple the World Trade Centers in 1993 with a bomb – it was only eight years later they succeeded!

Even more concerning is the growing resistance to prescription anti-virals and antibiotics of flu strains and so-called Super Bugs (as recently covered in both Time and Newsweek magazines).

All of these factors set me to finding a low-cost, safe-to-use, home-prepared alternative to expensive antibiotics and anti-virals for anyone who wants to boost their immune system and wipe out virulent germs.

So although the drug czars at the Food and Drug Administration cover up the facts about COLLOIDAL SILVER – and even insist you not be told of COLLOIDAL SILVER's nearly one-hundred-year history of effective use to promote health, stop disease, and cure infection – I am willing to risk their wrath and tell YOU the facts. Then you can decide for yourself.

### **Silver's Centuries of Effective Medical Use**

For hundreds and hundreds of years, silver's incredible power to kill germs and stop disease has been known throughout the world – in fact, since long before anyone knew what a germ was!

- **Silver coins dropped in fresh milk prevented souring and kept unhealthy bacteria from growing.**
- **Scientists put silver dimes in Petri dishes to sterilize the dishes.**
- **Silver nitrate was required for years in babies' eyes in most states to stop blindness caused by rampant venereal disease. (It probably still would be if it hadn't been replaced by a milder alternative for sensitive newborns.)**
- **Until the advent of penicillin and other patented antibiotics, finely ground silver suspended in water (the forerunner of modern COLLOIDAL SILVER) was considered the best treatment for burns, fungus, infections, and disease.**
- **When NASA scientists needed a compact, highly efficient water purification system to send into space with U.S. astronauts, they too turned to silver ionization, developing a small, lightweight generator at the Johnson Space Center.**

If silver is embraced by NASA – a world leader in technology and innovation, and highly experienced at keeping human beings alive and very well in extreme conditions – that's more than good enough for me.

### **Colloidal Silver is the Wonder of Modern Medicine"**

These benefits have been known for decades. In the March 1978, issue of *Science Digest* the article "Our Mightiest Germ Fighter" quotes expert Jim Powell, "Thanks to eye-opening research, silver is emerging as a wonder of modern medicine. An antibiotic kills perhaps half a dozen different disease organisms, but silver kills some 650. Resistant strains fail to develop. Moreover, silver is virtually nontoxic."

The same article reported on research by Dr. Carl Moyer, Chairman of Washington State University's Department of Surgery, which found a COLLOIDAL SILVER salve to be the most effective treatment for severe burns... a treatment with no evident negative effects.

And in many ways, COLLOIDAL SILVER is superior even to prescription antibiotics.

Prescription antibiotics – penicillin, ampicillin, etc. – kill harmful AND BENEFICIAL bacteria, especially in the stomach and bowels. That's why so many people experience intense stomach pain when on these powerful drugs. And of course antibiotics' dangerous interactions with other medicines and other harmful side effects are well known to most folks.

A 2006 Wall Street Journal article confirms what I have been telling my subscribers for years: *"Silver, in the form of dissolved ions, fights microorganisms by interfering with processes such as how they breathe and reproduce. Tests show that silver ions kill microorganisms ranging from harmful strains of e. coli that cause food-borne diseases to the staphylococcus bacteria responsible for serious infections."*

Meanwhile, tens of thousands of COLLOIDAL SILVER users report no side effects.

The Association for Colloidal Research flatly states: *"Medical journal reports and documented studies spanning 100 years indicate no known side effects from oral or I.V. administration of properly manufactured COLLOIDAL SILVER in animal or human testing."*



## **MINING**

We did not receive a written report about the mining trip to Lawson's Bar where the club's trommel was used. However, Larry Sheridan shared this photo with us.



~~~~~

## **US 9th circuit ruling could reach further than gold dredge miners**

*The 9th Circuit Court has ordered the Forest Service to consult with wildlife agencies prior to granting notices of intent to mining and exploration activities in critical wildlife, fishery habitat areas.*

Author: Dorothy Kosich, 04 Jun 2012 , RENO (MINEWEB)

<http://www.mineweb.com/mineweb/view/mineweb/en/page72068?oid=152590&sn=Detail&pid=68>

A Court of Appeals ruling ordering the U.S. Forest Service to consult with wildlife agencies prior to granting Notices of Intent to weekend hobbyists using suction dredges to mine for gold in the Coho Salmon critical habitat in northern California could eventually be bad news for all U.S. small miners and explorationists working on Forest Service lands with critical wildlife habitat.

In a news release distributed to the nation's news media Friday by the Karuk Tribe and the Western Mining Action Project ,the plaintiffs observed the court "made a historic decision in giving the Endangered Species Act precedent over the 1872 Mining Law when it decided in favor of the Karuk Tribe and endangered Coho Salmon in California and Oregon over recreational miners in the Klamath River area."

"This decision [Karuk Tribe of California v. USFS] sets a major precedent across the western states," declared long-time environmental attorney Roger Flynn, who represented the tribe and is director of the Western Mining Action Project in Colorado.

"The government and miners had argued that the archaic 1872 Mining Law, which is still on the books today, overrides environmental laws such as the Endangered Species Act. The Court today re-affirmed this guiding principle of federal public land management," he observed.

And, the 9th Circuit Court of Appeals judge who wrote the dissenting opinion in the 7-4 ruling, also believes the ruling has far-reaching ramifications well beyond the weekend hobbyist miners who dredge for gold along the Klamath River south of the California-Oregon Border.

In his dissenting opinion, Circuit Judge Milan Smith, Jr., wrote, "By rendering the Forest Service impotent to meaningfully address low impact mining, the majority effectively shuts down the entire suction dredge mining industry in the states within our jurisdiction."

Those states include the mining states of Alaska, Arizona, Idaho, Nevada, Montana, Oregon and Washington.

Prior to the aforementioned appellant court decision, informal Notices of Intent allowed low-impact mining projects to proceed within a few weeks. "In contrast ESA interagency

consultation requires a formal biological assessment and conferences, and can delay projects for month or years," Smith noted.

"Most miners affected by this decision will have neither the resources nor the patience to pursue a consultation with the EDA; they will simply give up, and curse the Ninth Circuit," the judge warned. "As a result, a number of people will lose their jobs and the businesses that have invested in the equipment used in relevant mining activities will lose much of their value."

The judge noted that in 2008, California issued about 3,500 permits for suction dredge operations and about 18% of those miners received "a significant portion of income from dredging."

"The majority's opinion effectively forces these people to await the lengthy and costly ESA consultant process if they want to pursue their mining activities, or simply ignore the process, at their peril," Smith wrote. "Unfortunately, this is not the first time our court has broken from decades of precedent and created burdensome, entangling environmental regulations out of the vapors."

Chief Judge Alex Kozinski and Circuit Judges Sandra Segal Ikuta and Mary Murgia also dissented from the majority.

#### MAJORITY OPINION

Nevertheless, the en banc majority opinion of seven circuit judges requires the Forest Service to consult with fish and wildlife agencies before granting permits for notice level gold dredging operations along a 35-mile stretch of the Klamath River.

The 9th Circuit decision overturned rulings in 2005 by a district court and in 2011 when the appellant court's own three-judge appeals panel in a lawsuit originally filed by the Karuk Tribe.

The case was brought by the Karuk Tribe, which originally filed the lawsuit in 2004 in the federal court in Oakland, California, against the U.S. Forest Service. The new 49'ers, a group of weekend mining hobbyists with gold mining claims along the Klamath River, intervened as a defendant in the litigation. The tribe not only challenges suction dredge mining in the Klamath River, but also mining activities outside the stream channel, such as motorized sluicing.

Circuit Judge William A. Fletcher, writing for the majority, said the appellant court had to concern itself with whether the approved NOI mining activities 'may affect' a listed species or its critical habitat. "The record shows that the mining activities approved under NOIs satisfy the 'may affect' standard."

"We therefore hold that the Forest Service violated the ESA by not consulting with the appropriate wildlife agencies before approving NOIs to conduct mining activities in the

Coho Salmon Critical Habitat within the Klamath National Forest," said Fletcher. The Coho Salmon in the Klamath River system were listed as threatened under the ESA on May 6, 1997.

The Karuk Tribe says it depends on Coho Salmon in the Klamath River System for cultural, religious and subsistence uses.

Commercial gold mining in and around the rivers and streams of California "was halted long ago, due in part, to extreme environmental harm caused by large-scale placer mining," the judge observed, noting that miners who use gasoline-power engines to suck streambed material through flexible intake hoses dredge from about five feet to as much as 12 feet beneath streambeds.

The moratorium is the result of a state court lawsuit filed by the Karuk Tribe against the California Department of Fish and Game in 2005. The moratorium will expire on June 30, 2016.

The California Department of Fish and Game has published proposed new state suction mining regulations that "fully mitigate all identified significant environmental impacts." The Karuk Tribe, environmental NGOs, and recreational fishing groups have sued to block the regulations, as have The New 49ers and other holders of mining claims in California's rivers and streams.

Fletcher noted, "The Forest Service and Miners argue that the controversy is moot because the California Legislature has imposed a statewide moratorium on suction dredge mining. ...No suction dredge mining may occur in the Six Rivers or Klamath National Forests until the temporary state ban expires."

"The moratorium does not moot this appeal for two reasons," he insisted. "First, the suction dredge moratorium does not prohibit other mining activities at issue in this case."

"Second, even if these other mining activities were not at issue, the state's moratorium on suction dredge mining is only temporary," he added. "Similarly, here, despite any changes to the state suction dredge regulations, 'dispute would continue' over whether the Forest Service can approve NOIs allowing mining activities in critical habitat of a listed species without consultation under the ESA."

"Moreover, the record in this appeal includes ample evidence that the mining activities approved under the NOIs in the Happy Camp District 'may affect' Coho Salmon and their critical habitat," the judge concluded.

Voting in favor of the majority opinion were Circuit Judges Barry G. Silverman, Susan P. Graber, Kim McLane Wardlaw, Ronald M. Gould, Richard A. Paez, Marsha S. Berzon and Fletcher.





## California state budget may ban suction gold mining forever, mining hobbyists fear

*California's newly adopted state budget cuts not only state health care, welfare and education programs, but could wind up banning dredge mining forever in the waters of the "Golden State".*

<http://www.mineweb.com/mineweb/view/mineweb/en/page68?oid=154244&sn=Detail&pid=110649>

Author: Dorothy Kosich, 29 Jun 2012, RENO (MINEWEB)

California Gov. Jerry Brown has approved the state's newly adopted \$92 billion state budget which contains a rider which continues the state's moratorium on suction dredge mining until the state adopts new rules which "fully mitigate all identified significant environmental impacts."

The rider also directs California's Department of Fish and Game, which regulates suction dredge mining, to work with public health, water and tribal authorities in a review of the practice.

Opponents contend the new rider essentially bans the practice in California waters forever.

Former Gov. Arnold Schwarzenegger and Brown both approved temporary moratoriums on suction dredge mining in 2009 and again in 2011. Legislative analysis found the practice cost California taxpayers more money that it earns; costing \$1 million in 2009.

The new law requires a fee structure be in place that will cover all costs to administer the regulatory program. Brown does not have line-item veto power in authority over the rider.

"After efforts to reach a compromise were rejected by the miners, we had no choice but to pursue the moratorium. Now we can rest assured that our cultural and fisheries resources are no longer at risk from dredge miners," said Leaf Hillman, director of natural resources for the Karuk Tribe.

The tribe has successfully sued the U.S. Forest Service to force the agency to consult with wildlife agencies prior to granting Notice of Intent to weekend hobbyists using suction dredges to mine for gold in the Coho Salmon critical habitat in northern California. The tribe also sued the California Department of Fish and Game, resulting in a moratorium on gold dredging operations throughout the state of California.

No suction dredge mining may occur in the Six Rivers or Klamath National Forests until California's temporary ban expired in 2016. The new rider signed by Governor Brown now extends the moratorium beyond 2016 if needed.

In a recent news release, Gold Pan California, a supply shop located in Northern California's San Francisco Bay Area, declared, "Through secret use of budget trailer bills,

legislators are feverishly creating last-minute laws with no bill numbers and no accountability or fiscal responsibility for these new laws."

Gold Pan California said the rider by Jared Huffman, D-San Rafael, extended the previous rider the lawmaker had inserted into the 2011 state budget, which enacted a temporary moratorium on suction dredge mining. The mining supply shop said the current budget rider language "would essentially ban the practice forever."

It is estimated that there are 56,000 gold claims in California. In 2008 California issued about 3,500 permits for suction mining with about 18% of those miners earning a significant portion of income from gold dredging.



## **Leaked Interior Department emails point to political motives in mining ban**

<http://www.wlj.net/article-7505-leaked-interior-department-emails-point-to-political-motives-in-mining-ban.html>

June 1, 2012, Western Livestock Journal

I

In what could prove to be a major embarrassment for the Department of Interior (DOI), a clutch of recently leaked emails suggest that the department may have had little to no scientific evidence supporting its January decision to withdraw over 1 million acres in northern Arizona from new uranium mining claims due to concerns about ground water contamination.

In January, Secretary of Interior Ken Salazar hailed the Bureau of Land Management's (BLM) decision to impose a 20-year moratorium on new mining claims on land surrounding Grand Canyon National Park as a sensible move that would protect environmental and cultural resources.

"Numerous American Indian tribes regard this magnificent icon as a sacred place and millions of people in the Colorado River Basin depend on the river for drinking water, irrigation, industrial and environmental use," Salazar announced. "We have been entrusted to care for and protect our precious environmental and cultural resources, and we have chosen a responsible path that makes sense for this and future generations."

But in an internal email exchange, recently made public on U.S. Congressman Rob Bishop's, R-UT, website, National Parks Service (NPS) hydrologist Larry Martin explained to NPS Water Operations Branch Chief William Jackson that in his view, BLM's draft environmental impact statement (DE- IS) justifying the mining ban was scientifically without merit.

"My professional and personal opinion," wrote Martin, "is that the potential impacts stated in the DEIS are grossly overestimated, and even then they are very minor and negligible."

Martin went on to cite numerous examples “buried” in the environmental report that support his position, but complained that the report’s authors failed to draw the conclusion supported by the evidence, and actually obscured the scientific facts.

“The DEIS goes to great lengths in an attempt to establish impacts to water resources from uranium mining,” wrote Martin. “It fails to do so, but instead creates enough confusion and obfuscation of hydrologic principles to create the illusion that there could be adverse impacts if uranium mining occurred.”

In what is perhaps the most damaging part of the exchange, Jackson informs a superior that Martin “basically has it right” in his assessment that uranium mining in the area would pose essentially no threat to water quality.

But Jackson goes on to observe that “[t]his is a touchy case where the hard science doesn’t strongly support a policy position,” suggesting that the best way to “finesse” the situation is to ban further mining on a “precautionary” basis, despite the fact that the scientific evidence strongly indicates that the danger to ground water, if any, is negligible.

The leaked documents drew sharp words from congressional leaders tasked with overseeing the nation’s natural resources, many of whom have repeatedly charged the Obama administration with putting politics before science.

“I am concerned and troubled by the Department of Interior’s decision to proceed with the ban despite the fact their own experts cautioned that scientific evidence was lacking,” said Bishop, chairman of the House Subcommittee on National Parks, Forests, and Public Lands. “It is now increasingly apparent that the decision was motivated by politics rather than science as the administration would have us believe. These emails illustrate that Secretary Salazar blatantly ignored the scientific analysis in order to advance the administration’s narrow minded political agenda.”

Any confirmed attempt by NPS personnel to ignore Martin’s scientific opinion would be all the more embarrassing, given the heavy stress the Obama administration has laid on policy being guided by sound science. For example, in 2010, Salazar issued explicit instructions to all bureaus under DOI (including NPS and BLM) for “[e]nsuring scientific integrity within the Department.” The Secretarial Order explicitly stated that “DOI employees, political and career, must never suppress or alter, without new scientific or technological evidence, scientific or technological findings or conclusions.” It remains to be seen whether Jackson’s proposal to “finesse” the disconnect between Martin’s scientific findings and an apparently predetermined policy decision falls under this description.

What is clear is that administration watchdogs will be carefully scrutinizing whether Interior has breached its own rules, as well as federal statute. On May 23, Bishop and Congressman Doc Hastings, R- WA, chairman of the House Natural Resources Committee, issued a letter to Salazar requesting all documents pertaining to the creation of the BLM’s final Environmental Impact Statement, including briefing papers, memoranda, notes and emails, be provided to the committee “in order to better understand the circumstances surrounding the withdrawal decision.”

The revelatory emails may also play a key role in the numerous lawsuits that have been filed against Interior by various mining companies and associations following the January decision to impose the 20-year moratorium. The National Mining Association, Northwest Mining Association, Quaterra Resources, Inc., and Mohave County, AZ, have all individually initiated legal action against the DOI on the grounds that by failing to give sufficient scientific justification for its action, Interior violated the National Environmental Policy Act.

Located outside of Grand Canyon National Park, the affected land reportedly contains 40 percent of the U.S. domestic uranium reserves and is of the highest grade known to exist in the U.S. Although the ban would not void existing claims, critics maintain that the ban will unnecessarily suppress economic development in Arizona's Mohave and Coconino counties, where the affected area is located, as well in Utah's San Juan County, site of a uranium processing mill. According to a study released by the American Clean Energy Resources Trust, a ban on mining in this region could impact as many as 1,000 jobs and cost more than \$29 million in lost economic revenue. — **Andy Rieber, WLJ Correspondent**



# **ENVIRONMENT AND PUBLIC ACCESS**



216 16th Street, Suite 1250  
Denver, CO 80202  
Phone 303/575-9199  
Fax 303/575-9194

E-mail: [ssanderson@coloradomining.org](mailto:ssanderson@coloradomining.org)  
[www.coloradomining.org](http://www.coloradomining.org)

## NEWS RELEASE

FOR IMMEDIATE RELEASE: CONTACT: STUART A. SANDERSON  
June 21, 2012 303/575-9199

# STATES, TRADE GROUPS JOIN COLORADO MINING ASSOCIATION IN ASKING UNITED STATES SUPREME COURT TO REVIEW NATIONAL ROADLESS RULE

**Denver, CO** – Eight states and dozens of trade, recreation, agriculture, mining, and other public lands users have joined the Colorado Mining Association (CMA) in asking the United States Supreme Court to strike down the U.S. Department of Agriculture's national "2001 Roadless Area Conservation Rule," which bans road building or maintenance on 58.5 million acres of public lands.

In its petition for a writ of certiorari filed with the U.S. Supreme Court, CMA contends that the Roadless Rule "is a sweeping usurpation of the authority vested solely in Congress to designate lands as wilderness." States and groups filed *amicus* briefs this week with the Court in support of CMA's argument that the Roadless Rule usurps Congress's authority to designate wilderness lands. In Colorado alone, more than 4.2 million acres will be designated as *de facto* wilderness under the Roadless Rule.

Lower federal courts have found the Roadless Rule to violate multiple federal land management and environmental protection statutes. However, the U.S. Court of Appeals for the Tenth Circuit subsequently upheld the Rule. CMA has challenged the Roadless Rule since 2007, intervening in an action originally brought by the State of Wyoming.

CMA President Stuart Sanderson stated that: "CMA greatly appreciates the support of these organizations and states, which represent many diverse interests and millions of citizens not just throughout the west, but throughout the entire United States." "It is clear" he added, "that the Roadless Rule will cause harm well beyond the mining industry, impacting agriculture, recreation, tourism and many other businesses which rely on access to lands designated for many uses, which the 2001 Roadless Rule prohibits." The Roadless Rule will effectively prevent future mining and oil and gas operations on Roadless lands, leading to decreased production, job losses, and sharp decreases in taxes and revenues from industry that are critical to local governments and public school systems. It will harm the recreation and tourism industries and will prevent states from



conducting necessary activities to manage these lands, including protecting these lands from wildfires and other environmental harm.

The list of organizations asking the U.S. Supreme Court to take the case is a veritable “Who’s Who” of American business and resource users, including the National Mining Association (NMA), the American Petroleum Institute, the National Cattleman’s Beef Association, the American Forest Resource Council and the American Sheep Industry Association. The NMA joined several state/regional organizations – including the Alaska Miners Association, Arizona Mining Association, Arizona Cattle Growers’ Association, Mining Minnesota, Montana Mining Association, Northwest Mining Association, New Mexico Mining Association, Utah Mining Association and the Western Business Roundtable in a brief filed by Matt Morr, with the Denver based law firm Featherstone Petrie DeSisto LLP.

The Colorado Mining Association (CMA) is represented by Paul Seby and Marian Larsen, with Moye White LLP, also of Denver.

The eight states filing *amici curiae* or “friend of court” briefs are Alabama, Utah, Alaska, Arizona, Michigan, North Dakota, South Dakota, and Virginia. Also joining CMA are the Western Energy Alliance, Mountain States Legal Foundation, Wyoming Stock Growers Association, Intermountain Forest Association, and the Wyoming Farm Bureau Federation. The Blue Ribbon Coalition and the California Association of 4 Wheel Drive Clubs also filed briefs with the Court.

CMA, founded in 1876, is an industry association whose more than 900 members include the producers of coal and other critical and strategic minerals, as well as individuals and organizations providing services, equipment and supplies to the industry.



## **ARCHEOLOGY NEWS**

### **Massive Gold Trove Sparks Archeological Dispute**

By Matthias Schulz

<http://www.spiegel.de/fotostrecke/photo-gallery-of-german-treasure-trove-fotostrecke-83890.html>



**A 3,300-year-old treasure trove of gold found in northern Germany has stumped German archeologists. One theory suggests that traders transported it thousands of miles from a mine in Central Asia, but other experts are skeptical.**



**One theory says that traders transported it thousands of miles from a mine in Central Asia, but other experts are skeptical.**



**The trove was found during construction work for a natural gas pipeline.**

Archeologists in Germany have an unlikely new hero: former Chancellor Gerhard Schröder. They have nothing but praise for the cigar-smoking veteran Social Democratic politician.

Why? Because it was Schröder who, together with Russian leader Vladimir Putin, pushed through a plan to pump Russian natural gas to Western Europe. For that purpose, an embankment 440 kilometers (275 miles) long and up to 30 meters (100 feet) wide had to be created from Lubmin, a coastal resort town in northeastern Germany, to Rehden in Lower Saxony near the northwestern city of Bremen.

The result has been a veritable cornucopia of ancient discoveries. The most beautiful find was made in the Gessel district of Lower Saxony, where 117 pieces of gold were found stacked tightly together in a rotten linen cloth. The hidden treasure is about 3,300 years old.

The 1.8 kilograms (4 pounds) of gold, which was found in a field, consists of some jewelry, but primarily spirals of gold wire, which are tied together in chains consisting of 10 spirals each. This isn't jewelry, but an ancient form of gold bullion.

### **Traveling the Continent**

When Johanna Wanka, the Lower Saxony science minister, unveiled the treasure to the press in February, the story became even more surprising. She explained that testing done at the University of Hanover had revealed that the gold had come from a mine in Central Asia.

"Using a mass spectrometer, we examined more than 20 trace elements, allowing us to determine the fingerprint of the metal," explains chemist Robert Lehmann. "The gold vein must have been created deep in the mountains of Kazakhstan, Afghanistan or Uzbekistan over a period of millions of years."

Lower Saxony can now consider itself the owner of what Wanka calls the "find of the century." Merchants trading in luxury goods used to travel across the entire continent, says state archeologist Henning Hassmann. "Trips of 10,000 kilometers were nothing to them."

He suspects that the gold found in Gessel was initially brought in caravans from the mountains to the nearby Indus Valley, where a giant riparian culture flourished until about 1,800 B.C. From there, says Hassmann, the merchandise was sent by ship to Mesopotamia and, after that, somehow reached the northern flatlands.

### **'Pretty Bold'**

But is that really the right explanation? Not everyone has faith in Lehmann's analysis of the gold. Some say that, despite the advanced testing equipment at his disposal, Lehmann is "inexperienced." Ernst Pernicka, an archeologist who studies ancient metallurgical processes in the southwestern city of Tübingen -- known for his groundbreaking metal studies on the famous Nebra sky disk -- calls Lehmann's conclusions "highly speculative."

Because almost nothing is known about ancient mining in Central Asia, Lehmann could only compare the Gessel find with a few Scythian gold coins. To arrive at such ambitious theories on the basis of such scant facts is "pretty bold," says Gregor Borg, an expert on gold deposits at the University of Halle in eastern Germany.

Despite the criticism, Lehmann remains undeterred, noting his use of first-class equipment. With these devices, he says, he can also perform confocal white-light microscopy and laser ablation ICP mass spectrometry. "We're counting individual atoms here," he says.

Who is right?

### **The Asia Connection**

As audacious as the Asia connection seems, it could be true. There is plenty of evidence that human greed led to globalized trade more than 3,000 years ago. The ancient Egyptians' [folding-chair designs](#) reached Sweden, and magnificent Spondylus shells from the Mediterranean have been found as far away as Bavaria.

Valuable metals such as tin, copper, gold and silver were a favorite among long-distance traders, who dragged them across the continent in rucksacks or on oxcarts. Ötzi the Iceman, a natural mummy found in the Ötztal Alps, probably traded in gold and flint, and was murdered in the process.

But did the merchants' extensive trading networks reach as far as the remote mines in Central Asia as long ago as the 2nd century B.C.? It certainly would have been worthwhile. A massive gold-and-tin belt extends from the Altai Mountains to the Aral Sea. A prehistoric gold mine, the largest in the central Caucasus region, was also recently discovered in Armenia.

This could explain the origins of the myth of the Argonauts, who in the story sail through the Black Sea to steal the Golden Fleece.

Whether the treasure found inland from the North Sea coast truly originated in the faraway steppes remains disputable for now. Lehmann has invited his critics to attend a presentation in Hanover on July 13, when he intends to elucidate the details of his research. "It will be a closed meeting," he says.

Apparently Lehmann doesn't want anyone to lose face in the dispute over the prehistoric gold.

*Translated from the German by Christopher Sultan*



## **NEWS**

### **Gold pays no interest, has no use and no fundamental value - really?**

By Dominic Frisby Jun 19, 2012

<http://www.moneyweek.com/investments/precious-metals-and-gems/gold/what-if-gold-became-a-global-currency-once-again-22500>

I know I'm supposed to be taking the summer off, but comments on Twitter from Alan Beattie, international economy editor of the Financial Times, raised hackles and lured me from my bunker.

Beattie declares that there is "no fundamental valuation model" for gold; that "it pays no interest" and that therefore it's "intrinsically speculative". Really?

These are common arguments we hear from the gold-has-no-use brigade. I want to address them.

First, gold pays no interest. True. But then, nor does cash - unless you lend it to people. The world needs to realise that by putting cash in the bank you are lending it. Gold can pay interest - if you lend it out. And lots of people do (though for what purpose I cannot say).

But in this environment of negative real rates (when the central bank rate of interest is below the rate of inflation), who gives a hoot about interest anyway? 1 or 2% interest. Whoopee-do.

Next, there's this idea that "gold has no use". Really?

Gold has very little industrial application, yes. It's too expensive. But no use?

Gold, unlike bubbles and [government bonds](#), lasts forever. This makes it a highly effective form of money, as I'm about to explain.

But how can gold be money, runs the next argument, when you can't go into a shop and buy stuff with it? Absolutely. You can't.

Err ... actually, you can. The gold sovereign is still legal tender. But it only has a face value of one pound, when it's worth over £250. You'd be a plum if demanded that some poor shopkeeper accept it as payment. (And he'd be a plum if he refused it). But I'm splitting hairs.

As a day-to-day medium of exchange, gold has never found much use. A piece of gold the size of a penny (about £125 or \$200 in today's money) contains too much value for anything other than expensive transactions. Copper, nickel, silver, paper and now digital money have all found far more prolific use.

But to assert that you can't buy stuff with it therefore it isn't money, is a facile and ignorant argument. Money is more than just a medium of exchange. Indeed, this is just one of the three essential functions of money: it also has to act as a store of wealth and as a unit of account.

It is gold's very inert, intrinsic, eternal uselessness - and we have Mother Nature to thank for that - that makes it such an effective form of money. It has no other function other than to be a store of wealth. Even its use in jewellery is an extension of that function - to store (and display) wealth.

Governments can't print gold, they can't '[quantitatively ease](#)' it, they can't loan it into existence. They can't debase it the way they do their own currencies. It just stays there, unconsumed, forever. Which all means that gold is constant - and therefore an excellent unit of account, far better than government money.

Demand for a store of wealth tends to fall during times of economic expansion - such as in the 80s and 90s - and so the [gold price](#) falls. People are looking for opportunities to grow their wealth, not simply hang on to it.

On the other hand, demand for gold increases during periods of economic contraction and monetary stress - such as we have experienced, on and off, since the turn of the



century. These are times when people are more concerned – as the oft-quoted saying goes - about the return of their capital, rather than the return on their capital.

Gold's fundamental use is to be money.

### **But how do you value gold?**

Let's move on to some fundamental valuation models.

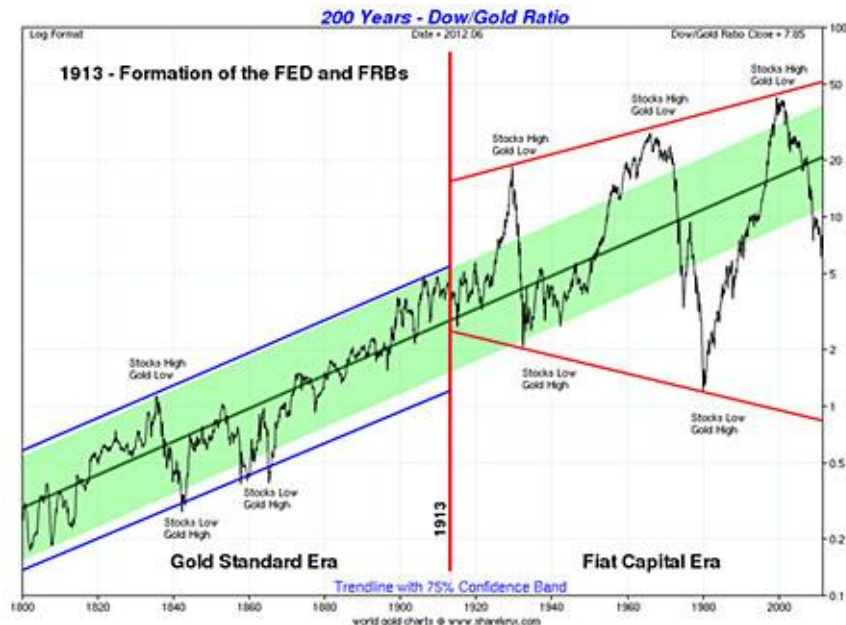
Ratios are the simplest. There all sorts for gold. You look at the ratio of gold to any asset - stock markets, [house prices](#), food, currencies, bonds or commodities - over a time frame that suits your investment horizon and you quickly get an idea of value and trend.

Here, by way of an example, I show the historical ratio of the price of gold to the leading American public companies - the Dow. This chart (my thanks to Nick Laird of sharelynx.com) is on a 200-year timeframe. But you can look at the ratio on an intraday basis too, if you so desire.

Next, I want to suggest another, rather more hardcore valuation model.

In the global rushes for liquidity of 2008 and now, the government bond markets of the US, UK and Germany have been investors' safe havens of choice - not, to the surprise of many, gold. But how long can this go on for?

The implosion of the government bond market is every goldbug's dream. That's when gold resumes its safe haven role as money of last resort. There are all sorts of things that could trigger said implosion. It may or may not happen. But the more they print, the more they debase, the more likely it becomes.





In such circumstances, you might consider as your fundamental valuation model, the ratio of the senior economy's gold holdings (261 million ounces, in the case of the US, though this is unaudited) to its external debt (now about \$5 trillion). To pay off its external debt with its gold, the gold price would have to be some \$19,000 an ounce.

**LOL.**

Or you could look at the Federal Reserve Monetary Base (money on issue), which now stands at \$2.6 trillion. For this to be 100% backed by gold, you're looking at \$10,000 per ounce.

**LOL again.**

As a point of note, during the 19th century, the pound was usually only about 25% backed by gold. In periods of stress this went to 50%. In booms it went to 15%. ([I outlined this previously here](#)). If the dollar – today's global reserve currency – was to be 25% backed, the model would give a price of \$2,500 per ounce.

But if gold went to 25% of the MZM (money with zero maturity) money supply measure, the price would be higher. I quote Tom Fischer, professor of mathematics at the University Of Wuerzburg, who has devised this model.

"The rationale of the model is fairly simple. MZM, ie financial assets redeemable at par on demand, is what the Federal Reserve system has to underwrite in the case of a banking crisis to avoid panics. If the central bank fails to underwrite sufficiently large parts (potentially all) of MZM, a panic might ensue where money could be withdrawn in such large amounts that it could become systemically dangerous. The Fed therefore has no choice: it has to underwrite MZM."

Current MZM stands at just under \$11 trillion. Divide that by the 261 million ounces of US gold and you arrive at a figure of \$42,000 per ounce. 25% of that is \$10,500.

What's interesting about this figure is that, at the now-infamous 1980 gold spike to \$850 an ounce, US gold holdings did go to 25% of MZM, so that's another possible model.

The notion of gold officially resuming its natural and historical role as money is one that has steadily been gaining traction since the turn of the century. Unofficially it already has - hence this bull market. But all of the above models rely on that notion gaining broader public and market recognition, plus some kind of official recognition - be it in the form of some kind of gold standard or confiscation.

The resumption of this role may never happen and gold could some become obsolete commodity. I wouldn't bank on it though. In fact, given the way this banking crisis is unfolding, I'd bank on the opposite. Just expect wild, wild volatility en route.



# Gold's value is more than just its price

## A bumpy period for gold may be ahead

June 20, 2012 | Marcus Grubb

[http://articles.marketwatch.com/2012-06-20/commentary/32318866\\_1\\_world-gold-council-financial-crisis-liquidity](http://articles.marketwatch.com/2012-06-20/commentary/32318866_1_world-gold-council-financial-crisis-liquidity)

NEW YORK (MarketWatch) — The recent decline in the price of gold has led some market commentators to the conclusion that gold is no longer performing the function for which it was bought: as protection against macro-economic uncertainty.

If it was, goes the argument, the price would be rising as people continue buying. This reaction is unsurprising given gold's [\(US:GCQ2\)](#) strong performance since the onset of the financial crisis, with the price climbing to just shy of \$2,000 an ounce last August on rising demand in response to continued volatility and the accelerating sovereign debt crisis.

Why, many are asking, is gold not responding to pronounced uncertainty now in the same way it did in 2011? It is a valid question, the answer to which can be found when one examines gold's performance during previous crisis periods.

It is not uncommon for gold to have a delayed reaction to macro-economic events. As one of the few assets which holds its value during turbulent economic times, investors often sell gold in order to raise liquidity to meet actual and potential margin calls in other sectors.

Take Black Monday of October 1987, which saw markets around the world crash and billions wiped off stock prices over the course of the month. Rather than increasing in response to demand for safe haven assets, the price fell as gold was sold to generate cash and shore up accounts.

Moreover, research conducted by the World Gold Council shows that gold has a vital role to play as a protector of wealth within portfolios, not solely as a liquidity asset, a role very much in evidence during the course of October 1987. During this period, according to our research, investors would have gained or saved between \$22,000 and \$178,000 for every \$10 million invested by holding 3% to 6% of their portfolio in gold.

Perhaps the most extreme example of gold's delayed reaction to a crisis, and its vital role as liquidity, was during the Asian currency crisis of 1997-1998. When the Korean won became unacceptable in international currency markets, the Korean government offered to buy gold from the local populace in return for interest-bearing won-denominated bonds.

The population responded and the Korean government refined the 250 tonnes of recycling it received in the first three months of 1998, sold it into the international market to raise dollars and was thus able to service its debt.

At crucial moments during the early stages of the current financial crisis, gold has also performed this liquidity function. In the period after the collapse of both Bear Stearns in March 2008 and Lehman Brothers in September 2008, gold experienced a decline in price initially as investors sold for liquidity before emerging as the strongest asset class in the following months as the credit crunch unfolded.

We are now at the early stage in a new phase of the crisis, with gold's historical pattern of behavior repeating itself. Gold is being sold by investors to meet margin calls and may also be being lent into the market to provide European banks with liquidity. As a result, gold is not yet reacting to the worsening euro zone news and its current behavior is much like its behavior prior to and shortly after the Lehman bankruptcy.

Some have also expressed the view that gold's diversification properties have been overstated.

While it is true that gold's correlation to equities and other risk assets during the first quarter of this year was higher than average, the long-term correlation between the two is statistically insignificant. The price of gold is driven by a unique set of factors, often quite at odds with those driving other assets, particularly equities.

Gold is flat on the year but equity markets in many countries have given up all their gains, with some down by as much as 20%. Gold's performance remains largely independent of risk asset performance.

Finally, the fundamentals which underpin gold demand remain firmly in place. From a rapidly expanding middle class in China purchasing more gold, to central bank buying and the lasting cultural affinity Indian consumers have with gold, demand remains supported by a diverse set of drivers. One should also consider that jewelry demand comprises the largest component of overall demand and, especially in India and China, is less affected by events in Europe.

No two periods are ever the same and we are currently experiencing extraordinary economic events for which there is no precedent. There is however a precedent for gold's current behavior. A bumpy period for gold may be ahead until clarity on the future of the euro zone is established.

Once a sense of direction does materialize and margin calls have been met, history suggests that investors will return to an asset which is proven to hold its value and can be relied upon as liquidity and a protector of wealth during extreme uncertainty.

Marcus Grubb is managing director of investment for the [World Gold Council](#).



# Mines are being reopened as gold fever sweeps state

Max Jarman, The Arizona Republic, Jan. 22, 2008 12:00 AM

Gold fever is sweeping Arizona.

Mining companies are scouring the earth, looking for new deposits and working to reopen venerable mines, some with histories that date to territorial days.

With the yellow metal selling for just under \$900 per ounce, more weekend gold diggers are heading for the hills with pans, picks and metal detectors.

Prospecting outfitter Promack Treasure Hunting in Apache Junction has seen its business triple in the past year, and membership in the Superstition Mountain Treasure Hunters gold-panning club has grown to 400 from 70 in the same period.

Club leaders say members can return from a weekend of prospecting with \$1,000 or more in gold.

"I wouldn't recommend quitting your day job, but you can make some real money out there," "Minnesota" Ray Ose said.

Ose said he has been prospecting in Arizona since 1948, when he and his father came out from Minnesota to search for the Lost Dutchman Mine in the Superstition Mountains.

Investors increasingly have looked to gold as a haven because of falling stock prices and the real-estate slump.

Demand has pushed up the price of gold as much as 45 percent in the past 12 months and brought a dozen or so mainly Canadian mining companies into the state.

While the state is known as one of the world's top copper-producing regions, it also has a gold-mining legacy.

Gold has been found at thousands of locations around the state, with the largest concentration of claims and mines in Yavapai, La Paz, Mohave and Pima counties. Since 1860, Arizona has produced more than 16 million ounces of gold, valued at today's prices at about \$15 billion. It also is home to one of the world's best-known "lost" mines: the enigmatic Lost Dutchman.

All of Arizona's gold mines eventually closed as ore bodies played out or price declines made them unprofitable. The last, the Gold Road near Oatman, closed in 1998.

But interest is surging again, and a lot of the activity is focused in La Paz and Mohave counties in western Arizona.

There, American Bonanza Gold Corp. of Vancouver, British Columbia, is working to reopen the old Copperstone Mine, 10 miles north of Quartzsite. Bonanza President and

Chief Executive Brian Kirwin said the group has identified a high-grade gold deposit of about 400,000 ounces and has made new discoveries nearby that are being evaluated.

Bonanza is converting the original open-pit mine, which produced 500,000 ounces of gold before closing in 1993, into an underground operation.

The company hopes to have the Copperstone back in production by 2010, with a full-time crew of about 100 miners.

Kirwin said the company also is exploring other promising sites along "Walker Lane," a narrow gold-bearing strip that runs through Arizona, California and Nevada.

"There are a lot of potential gold mines in western Arizona that have been overlooked for a long time," he said.

Other companies prospecting for gold or looking to reopen old mines include:

- Columbus Gold, exploring four projects in western Arizona.
- Patriot Gold, drilling at the Moss Mine near Oatman.
- Tonogold Resources, which optioned the Deeman mine property and is exploring the site west of Kingman.
- Sage Gold, which optioned the Gold Hill property and is exploring the site in Maricopa County north of Phoenix.

### **Investment capital**

"There are a lot of people out there looking," said Nyal Niemuth, chief mining engineer with the Arizona Department of Mines and Mineral Resources.

The activity has been spurred by soaring prices for copper, silver and gold. Since 2002, gold prices have risen to more than \$900 per ounce from \$280, and copper has gone from 60 cents to more than \$3 per pound. Silver prices also have increased substantially.

The high metals prices are making old mines economically viable again and are attracting investment capital, which is helping drive exploration.

"There are a lot of people who want to put money in mineral exploration," said Andy Wallace, owner of Cordex Exploration Co. in Reno.

Wallace is exploring several Arizona gold prospects for Vancouver's Columbus Gold Corp.

Arizona Deputy Land Commissioner Jamie Hogue said applications for permits to

explore for minerals on state trust lands are up significantly. The 12-month permits cost \$100 and cover 20 acres.

Hogue estimates they will bring the state \$300,000 in revenue this year, up from \$96,000 in 2006. If something is found, the discoverer then has to negotiate a mineral lease before any mining can occur.

Unlike federal leases that require no royalty payments, Arizona collects an excise tax on the value of the extracted ore.

Mining claims on federal land in Arizona also have risen sharply.

### **Weekend prospectors**

While high metals prices have drawn companies to the state, they also have sparked an interest in weekend prospecting and treasure-hunting.

Membership in gold-panning clubs, which often own their own claims and leases, has skyrocketed.

"These days, our store is constantly full of people," said Dan Ware, owner of Promack Treasure Hunting. Promack sells gold pans, scales, sluice boxes, rockers and other weekend gold-mining supplies.

Gold-panning is allowed on Bureau of Land Management and U.S. Forest Service land where there are no existing claims. Determining ownership of surface and mineral rights can be a complex process, however.

The Lynx Lake Area near Prescott has been set aside for recreational gold-panning. Gold pans and hand tools can be used, but not mechanized equipment. No permit is required.

Weekend prospectors can pick up bits of ore to turn into cash, but many dream of stumbling into a bonanza, as legend says Phoenix prospector Jacob Waltz did in the 1880s.

Nicknamed "the Dutchman," Waltz died penniless in 1891 but told a caretaker about a fabulously rich mine he had discovered in the Superstition Mountains east of Apache Junction. People have searched for the mine since, and tales of mysterious deaths, peculiar signs and enigmatic stone maps have embellished the story.

The Superstition Mountains have been declared a wilderness area. Mining and motorized equipment are prohibited today, as is taking any artifacts. But the lore of the Dutchman has made Apache Junction sort of a treasure-hunting mecca.

Although some believe the Lost Dutchman is a myth, Ose is convinced it is real.

"I can tell you where it isn't," he said, "but it's out there somewhere."

---

## Will Congress Aggravate Silver Manipulation?

By [Michelle Smith](#) - Exclusive to [Silver Investing News](#), June 19, 2012

**In 2008, the US Commodity Futures Trading Commission (CFTC) began investigating silver manipulation. That investigation is still underway and manipulation continues to plague the market. Members of the silver community have grown increasingly cynical about the CFTC's ability and willingness to reign in manipulative practices, and US lawmakers' decisions regarding the CFTC's responsibilities and funding are raising the question of whether it is reasonable to expect improvement.**

In the past, the CFTC's job was to oversee the commodities markets, ensuring that they were transparent and free of fraud and manipulation. Many believe the agency has executed these tasks poorly as silver price manipulation is considered ongoing and obvious.

Now, in the era of Dodd-Frank, lawmakers have decided that the CFTC should also oversee the swaps market.

Swaps are financial products that are so opaque and complex that US authorities have yet to define them. They played a central role in the 2008 financial crisis, and according to CFTC Chairman Gary Gensler, the swaps market is eight times that of the futures market.

Yet a recent budget [vote](#) by the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies revealed that lawmakers want the CFTC to oversee both the futures and swaps markets with reduced funding, which Gensler portrays as virtually impossible.

In 2012, the CFTC had a budget of \$205 million. For 2013, the CFTC wants to increase that to \$308 million. However, Gensler [said](#) the House Subcommittee wants to chop the CFTC's budget to \$180 million.

"Picture the NFL expanding eightfold to play more than 100 football games in a weekend, leaving just one referee per game, and in some cases, no referee. Imagine the mayhem on the field, the resulting injuries to players and the loss of confidence fans would have in the integrity of the game," Gensler said.

According to the chairman, the effect of cutting the CFTC's budget amounts to Congress siding with Wall Street instead of the American public.

### **Impact on silver manipulation potentially negative**

That US legislators would vote for this cut while expecting the agency to take on such a huge set of responsibilities definitely raises questions about their commitment to



regulation. And, given the potential “mayhem on the field” that Gensler describes, silver investors should be wondering if the CFTC’s handling of silver manipulation will improve or worsen.

At first glance, it would seem that an agency claiming to be underfunded and understaffed would perform poorly in the circumstances. However, according to Gensler, the oversight of swaps may help to spur progress in regulation of the silver market.

Individuals who allege that there is silver manipulation tend to believe that prices are artificially low because certain large firms – such as [J.P. Morgan](#) (NYSE:[JPM](#)) (JPM), the poster child of these allegations – use massive short positions to cap the metal’s price.

Ted Butler of Butler Research is considered a leading authority on the issue of silver manipulation. He [alleges](#) that JPM has an inexplicable short position equaling about 25 to 30 percent of the total world market for paper and physical silver.

Butler says this type of concentration does not exist in any other major market. And, he has been waiting for years for the CFTC to answer one question: how can such a massive short position be anything other than manipulation?

### **Position limits needed**

During his recent C-SPAN appearance, Gensler advocated transparency and regulation. He would not comment directly on the silver manipulation investigation because it is still active. However, he did reveal that his agency already has a solution in the works that will help to address the concerns.

“One of the things we are putting in place – it’s still a work in progress – are position limits,” Gensler announced.

He said the silver markets are concentrated and it’s critical that the CFTC completes these limits so that no one speculator can have an outsized position.

“Position limits goes to the heart of the matter,” said Butler, who noted that he has been fighting to have them implemented for 25 years.

You cannot have a free market when one party has an extremely large position on one side, according to Butler. Thus, the absence of limits facilitates market manipulation.

“To put position limits in place is like the putting the stake through the heart of Dracula,” Butler said.

### **Implementation of limits delayed**

One of the holdups with implementing these limits is Wall Street’s substantial and staunch opposition to these measures. Last year, the International Swaps and Derivative

Association and the Securities Industry and Financial Markets Association jointly filed a [lawsuit](#) against the CFTC after it proposed the rules.

Also, Gensler claimed there are rules that must be jointly established with the US Securities and Exchange Commission (SEC). He encouraged people to call the SEC and urge it to help finalize the rules.

Gensler portrayed the commission as committed to upholding its mission. And while position limits may help, there is also the issue of enforcement.

Gensler said a well-funded cop on the beat is needed to fight against fraud and manipulation.

But, he also admitted that the CFTC, with a staff of about 700, does not have enough people to directly examine market participants on a regular basis. He said it gets to the CME every several years and because it is thinly staffed, with hundreds of market participants to oversee, it relies on self-regulatory agencies.

With resistance from deep-pocketed Wall Street players and increased responsibilities that are not matched with adequate increases in funding, one can only wonder how much more thinly spread the CFTC will become and whether it is realistic to expect silver manipulation to be a priority.

As far as the CFTC's need for increased funds, Butler said that when he looks "at the agency's performance in terminating silver manipulation as an indication of what they would do overall with additional funding, [he] wouldn't give them a dime."



## 8 Chinese miners rescued after 3 days underground

**AP** By GILLIAN WONG | Associated Press

<http://news.yahoo.com/8-chinese-miners-rescued-3-days-underground-115032333.html>



Liu Yunqing, the first miner rescued, ...

BEIJING (AP) — Eight Chinese miners were rescued Sunday after being trapped underground for more than three days in a flooded coal mine, while seven workers in another mine were killed by a gas explosion.

State broadcaster CCTV said the eight miners were lifted to the ground in Leiyang, a city in central Hunan province. Three other miners were believed to be still alive underground.

State television showed rescuers in orange suits and helmets lifting the workers on stretchers while a crowd of miners and others applauded. The survivors were placed in ambulances where nurses treated them before they were driven off to hospitals.

At another coal mine in the same province, a gas explosion killed seven workers Sunday morning in the city of Lianyuan, the official Xinhua News Agency said. Thirty-nine other workers managed to escape and an investigation into the cause of the accident is under way, the report said.

Calls to the Lianyuan city work safety bureau rang unanswered Sunday.

The Leiyang mine flood trapped 16 workers on Wednesday and 11 of them were confirmed alive on Saturday, said a provincial official who refused to give his name as is customary.

Many of the miners were injured, Xinhua said. It said the flood in the mine occurred when 40 miners were working underground, and two dozen escaped.

Managers of the mine failed to report the accident in the required time, causing rescue efforts to be delayed by at least 12 hours, the agency reported. Mine managers often attempt to avoid punishment by either rescuing miners themselves or covering up accidents.

The mine owner is under police custody, Xinhua said.

Mine floods usually occur when miners drill through to abandoned shafts that have been allowed to fill with water. Along with gas explosions and cave-ins, they make China's coal mines the world's deadliest, although the death rate has fallen.

Safety improvements have cut annual fatalities by about one-third from a high of 6,995 in 2002. That improvement has come despite a tripling in the output of coal, which generates most of China's electrical power.

Technological advances, better training and the closing of the most dangerous, small-scale mining operations have also made rescues more successful.

In April 2010, 115 miners were pulled from a flooded mine in the northern province of Shanxi after more than a week underground. They survived by eating sawdust, tree bark, paper and even coal. Some strapped themselves to the walls of the shafts with their belts to avoid drowning while they slept.



## **New Gold starts production at BC mine**

**The Canadian miner started production at its New Afton gold and copper mine where it expects to produce 35,000 to 45,000 gold ounces and 30 million to 35 million pounds of copper this year.**

29 Jun 2012, (REUTERS)

<http://www.mineweb.com/mineweb/view/mineweb/en/page504?oid=154300&sn=Detail&pid=33>

New Gold Inc said it started production at its New Afton gold and copper mine in south central British Columbia, on track with its expectation.

The Canadian miner said in April that New Afton would begin milling in June and start commercial production in August.

The first ore was processed through the mill circuit on Thursday, the company said in a statement.

The company continues to expect production of 35,000 to 45,000 ounces of gold and 30 million to 35 million pounds of copper this year.

New Gold, which said the daily milling rate will continue to increase, still expects total development cost of about C\$765 million for the mine.

Shares of New Gold, which has a market value of C\$4.45 billion, closed at C\$9.54 on Thursday on the Toronto Stock Exchange.



## **Global warming, second thoughts of an environmentalist**

**Fritz Vahrenholt, one of Germany's earliest green energy investors, is not convinced that humanity is causing catastrophic global warming.**

By Fritz Vahrenholt, 18 Jun 2012

<http://www.telegraph.co.uk/comment/9338939/Global-warming-second-thoughts-of-an-environmentalist.html>

Scientists of the Intergovernmental Panel on Climate Change (IPCC) are quite certain: by using fossil fuels man is currently destroying the climate and our future. We have one last chance, we are told: quickly renounce modern industrial society – painfully but for a good cause.

For many years, I was an active supporter of the IPCC and its CO<sub>2</sub> theory. Recent experience with the UN's climate panel, however, forced me to reassess my position. In February 2010, I was invited as a reviewer for the IPCC report on renewable energy. I realised that the drafting of the report was done in anything but a scientific manner. The report was littered with errors and a member of Greenpeace edited the final version. These developments shocked me. I thought, if such things can happen in this report, then they might happen in other IPCC reports too.

Good practice requires double-checking the facts. After all, geoscientists have checked the pre-industrial climate, over the past 10,000 years: this isolates natural climate drivers. According to the IPCC, natural factors hardly play any role in today's climate so we would expect a rather flat and boring climate history.

Far from it: real, hard data from ice cores, dripstones, tree rings and ocean or lake sediment cores reveal significant temperature changes of more than 1°C, with warm and cold phases alternating in a 1,000-year cycle. These include the Minoan Warm Period 3,000 years ago and the Roman Warm Period 2,000 years ago. During the Medieval Warm Phase around 1,000 years ago, Greenland was colonised and grapes for wine grew in England. The Little Ice Age lasted from the 15th to the 19th century. All these fluctuations occurred before man-made CO<sub>2</sub>.

Based on climate reconstructions from North Atlantic deep-sea sediment cores, Professor Gerard Bond discovered that the millennial-scale climate cycles ran largely parallel to solar cycles, including the Eddy Cycle which is – guess what – 1,000 years long. So it is really the Sun that shaped the temperature roller-coaster of the past 10,000 years.

But then coal, oil and gas arrived: from the 1850s onwards, Man pumped large amounts of carbon dioxide into the atmosphere and the CO<sub>2</sub> level today stands at 0.039%, compared to 0.028% previously.

With our empirically proven natural pre-industrial pattern, however, we would predict that solar activity had risen since 1850, more or less in parallel with an increase in temperatures. Indeed, both timing and amount of warming of nearly 1°C fit nicely into this natural scheme. The solar magnetic field more than doubled over the past 100 years.

Remember, there are three climate parameters that go up at the same time: solar activity, CO<sub>2</sub> and temperature. Modern climate is likely to be driven by both anthropogenic and natural processes, so CO<sub>2</sub> will undoubtedly have contributed to the warming, but the question is just how much?

Yet the IPCC's computer models consider the solar-forcing as negligible, requiring an unknown amplifying mechanism to explain the observed temperature variations. A promising model is proposed by Danish physicist Henrik Svensmark but is still under research.

Whether this mechanism is understood or not, the IPCC's current climate models cannot explain the climate history of the past 10,000 years. But if these models fail so dramatically in the past, how can they help to predict the future?

Furthermore, what is little known is that CO<sub>2</sub> also requires a strong amplifier if it were to aggressively shape future climate as envisaged by the IPCC. CO<sub>2</sub> alone, without so-called feedbacks, would only generate a moderate warming of 1.1°C per CO<sub>2</sub> doubling. The IPCC assume in their models that there are strong amplification processes, including water vapour and cloud effects which, however, are also still poorly understood, like solar amplification. These are the shaky foundations for the IPCC's alarming prognoses of a temperature rise of up to 4.5°C for a doubling of CO<sub>2</sub>.

In the last 10 years the solar magnetic field dropped to one of its lowest levels in the last 150 years, indicating lower intensity in the decades ahead. This may have contributed to the halt in global warming and is likely to continue for a while, until it may resume gradually around 2030/2040. Based on the past natural climate pattern, we should expect that by 2100 temperatures will not have risen more than 1°C, significantly less than proposed by the IPCC.

Climate catastrophe would have been called off and the fear of a dangerously overheated planet would go down in history as a classic science error. Rather than being largely settled, there are more and more open climate questions which need to be addressed in an impartial and open-minded way.

Firstly, we need comprehensive research on the underestimated role of natural climate drivers. Secondly, the likely warming pause over the coming decades gives us time to convert our energy supply in a planned and sustainable way, without the massive poverty currently planned.

In the UK and Germany, for example, power-station closures and huge expenditure for backup of volatile wind or solar energy or harmful ethanol production will raise energy prices massively and even threaten power cuts: the economic cost will be crippling, all driven by fear.

We now have time for rational decarbonising. This may be achieved by cost-improved and competitive renewable technologies at the best European sites, through higher energy efficiency and by improving the use of conventional fossil energy.

The choice is no longer between global warming catastrophe and economic growth but between economic catastrophe and climate sense.

*Professor Fritz Vahrenholt is one of the fathers of Germany's environmental movement and the director of RWE Innogy, one of Europe's largest renewable energy companies. Last Wednesday, he delivered the 3rd Global Warming Policy Foundation Annual Lecture at the Royal Society, London*



## Northwest sees record returns of sockeye salmon

**AP** By JEFF BARNARD | Associated Press 06/27/12

<http://news.yahoo.com/northwest-sees-record-returns-sockeye-salmon-214721088.html>

Record numbers of a once-waning population of sockeye salmon have been returning to the Northwest's Columbia Basin this summer, with thousands more crossing the river's dams in a single day than the total numbers seen in some previous years.

Since Bonneville Dam outside Portland was built in 1938, there have been plenty of times there weren't 38,000 sockeye salmon swimming over the fish ladders in a whole year. But on Monday that many passed the Columbia River dam, and another 41,000 swam over the dam on Wednesday — a rate of nearly 30 a minute. That brought the total so far to 290,000.

A record run of more than 400,000 of the Columbia Basin's farthest-swimming salmon are expected to return this year, almost all of them wild fish bred in rivers, instead of the hatcheries that produce most Northwest salmon.

Sockeye cross nine dams to reach spawning grounds in northern Washington and Canada.

Biologists credit habitat improvements in the Okanagan Basin of northern Washington and Canada, improved dam operations, and **favorable ocean conditions** for the numbers. Okanagan sockeye swim more than 500 miles to spawn.

The bulk of the record returns are going back to the Okanagan River Basin, which drains a series of lakes straddling the Canadian border and flows into the Columbia.

"I have been telling people if they get the opportunity, to go up and visit the Okanagan," said Bill Tweit, special assistant to the director of the Washington Department of Fish and Wildlife. "It's going to be an incredible natural spectacle."

Smaller than most salmon at three to five pounds, sockeye are also the brightest in color. They are popularly known as bluebacks for their silvery blue hue as they pass Bonneville Dam, but as they get closer to laying their eggs in the gravels of rivers and lakes in the fall, their bodies turn bright red and their heads green.



Though the Okanagan sockeye were never listed as an Endangered Species, as Snake River sockeye in Idaho were, the future was not looking bright for Okanagan sockeye in the late 1980s and early 1990s, said Joe Peone, fish and wildlife director for the Confederated Tribes of the Colville Indian Reservation, which is in the Okanagan Basin.

Fewer than 9,000 sockeye returned to the Columbia Basin in 1995.

The operation of hydroelectric dams regularly washed out the eggs after the fish laid them in the river, or left them high and dry before they hatched. Sockeye proved difficult to rear in hatcheries, so tribes on both sides of the border teamed up with local utilities that owned the dams to work out rules for maintaining flows that the fish could live with. Natural meanders were restored to rivers that had been straightened to reduce flooding.

"Right now those fish are utilizing maybe a quarter of their historic habitat," Peone said. If more habitat is restored, "You could see 1 million fish coming back here."

Ritchie Graves, a NOAA Fisheries Service biologist who makes sure federally owned dams are living up to their Endangered Species Act obligations not to kill too many salmon, said the survival rate for young salmon swimming downstream to the ocean has been higher than ever the past three years, hitting about 50 percent for sockeye.

Those improved dam operations have also benefited chinook, coho, chums, pinks and steelhead, said Graves. The six species combined accounted for 1.8 million salmon over Bonneville in 2010, compared to 471,144 in 1938.

**Once young salmon get to the ocean, scientists have only a vague idea where they go, and an incomplete understanding of why some years they thrive and some years they starve. Generally, years when climate and weather cause the ocean waters to well up, salting the water column with food, fish do better. But unlike most salmon, which eat other fish, sockeye eat plankton, tiny shrimplike animals.**

**Though poor ocean conditions have been blamed for a nosedive in chinook salmon in Alaska this year, sockeye have done well, not only in the Columbia, but in Canadian and Alaskan rivers as well.**

"Whatever is going on in the ocean is basically being good to sockeye," said Tweit.



## **Alabama Adopts First Official State Ban on UN Agenda 21**

Written by Alex Newman, June 04, 2012

<http://www.thenewamerican.com/tech/environment/item/11592-alabama-adopts-first-official-state-ban-on-un-agenda-21>

Alabama became the first state to adopt a tough law protecting private property and due process by prohibiting any government involvement with or participation in a controversial United Nations scheme known as Agenda 21. Activists from across the political spectrum celebrated the measure's approval as a significant victory against the UN "sustainability" plot, expressing hope that similar sovereignty-preserving measures would be adopted in other states as the nationwide battle heats up.

The Alabama Senate Bill (SB) 477 legislation, known unofficially among some supporters as the "Due Process for Property Rights" Act, was approved unanimously by both the state House and Senate. After hesitating for a few days, late last month Republican Governor Robert Bentley finally signed into law the wildly popular measure — but only after heavy pressure from activists forced his hand.

Virtually no mention of the law was made in the establishment press. But analysts said the measure was likely the strongest protection against the UN scheme passed anywhere in America so far. The law, aimed at protecting private property rights, specifically prevents all state agencies and local governments in Alabama from participating in the global scheme in any way.

"The State of Alabama and all political subdivisions may not adopt or implement policy recommendations that deliberately or inadvertently infringe or restrict private property rights without due process, as may be required by policy recommendations originating in, or traceable to 'Agenda 21,' " the law states, adding a brief background on the UN plan hatched at the 1992 "Earth Summit" in Rio de Janeiro.

The people of Alabama acting through their elected representatives — not UN bureaucrats — have the authority to develop the state's environmental and development policies, the official synopsis of the law explains. Therefore, infringements on the property rights of citizens linked to "any other international law or ancillary plan of action that contravenes the Constitution of the United States or the Constitution of the State of Alabama" are also prohibited under the new measure.

Of course, as the law points out, the UN has enlisted a broad array of non-governmental and inter-governmental organizations in its effort to foist Agenda 21 on the world — most notably a Germany-based group called ICLEI, formerly known as the International Council of Local Environmental Initiatives. But the new measure takes direct aim at that problem, too: "the State of Alabama and all political subdivisions may not enter into any agreement, expend any sum of money, or receive funds

contracting services, or giving financial aid to or from" any such entities, as defined in Agenda 21 documents.

"This bill, that would bar the state from taking over private property without due process, is intended to shelter Alabamians from the United Nations Agenda 21, a sustainable development initiative that some conservatives see as a precursor for the creation of a world government," explained Alabama GOP Executive Director T.J. Maloney when announcing that it had been signed into law. The Republican National Committee (RNC) adopted a resolution earlier this year blasting the global scheme and urging policy makers to oppose it, and state parties have followed suit.

Public support for the Alabama law was overwhelming and bipartisan as citizens who had been terrorized by Agenda 21-linked schemes targeting their private property spoke out. But according to analysts and state Republican Party officials cited in press reports, Gov. Bentley was originally hesitant to sign the bill — almost certainly due to concerns over the potential loss of some federal funding.

The U.S. Senate, of course, has never formally ratified Agenda 21. But the executive branch — in conjunction with accomplices at the international, state, and local levels — has for two decades been quietly attempting to impose the plan on Americans by stealth, mostly using deceptive terms like "Smart Growth" and "Green." And proponents of the global scheme consistently threaten that states seeking to protect citizens from the UN plot could end up losing some federal funds.

"Every time you take a dollar of federal money, there's strings attached," explained Ken Freeman, chairman of the Alabama-based group Alliance for Citizens Rights (ACR), an organization that fought hard to ensure that the Governor signed the bill into law. "We were originally walking soft on this issue, to tell you the truth, because when things were going our way, why change anything?"

But when Gov. Bentley did not immediately approve the bill, Freeman told a reporter, ACR turned the activism up a notch, urging citizens to contact the Governor's office and express their support for the measure. The grassroots pressure paid off: Alabama became the first state to be officially shielded by law from UN-linked anti-property rights scheming.

"It seems that Agenda 21 does actually bring people together in communities — just not in the way the U.N. had hoped for," remarked Justice Gilpin-Green in a column for the conservative site Townhall, citing Freeman and other instrumental supporters of the effort. "Hopefully other states can mirror Alabama's determined nature in passing their

anti-Agenda 21 legislation. It was citizen awareness and direct action that finally brought about the needed changes last week and that same awareness and action will be needed for the future of every other state."

Legislative analysts said the bill, sponsored by GOP state Sen. Gerald Dial, was extremely well crafted: protecting citizens and individual rights from UN decrees in a simple, straightforward manner that Agenda 21 advocates would have a hard time criticizing. Liberty-minded organizations and lawmakers are already examining the measure for potential use as a model in other states currently struggling to expel the global scheme and its myriad tentacles.

"Alabama House Bill 618 [SB 477] is a large step towards protecting Alabamians against UN meddling. It protects the due process rights of Alabamians. It keeps Constitutional Law above International Law," noted Jason Baker, a Montgomery-based conservative pundit with the Examiner. "Now state after state awakens to the threat it poses to freedom and sovereignty."

Across America, Tea Party groups, liberty-minded Democrats, libertarians, and a broad coalition of activists have been turning up the heat on Agenda 21. Tennessee, for example, adopted a bipartisan state resolution slamming the UN scheme as an "insidious" and "socialist" plot that is completely at odds with American traditions of limited government, individual freedom, private property, and self-governance under the Constitution. Numerous other states are pursuing similar measures.

A bill similar to Alabama's seeking a complete ban on Agenda 21 and unconstitutional UN "sustainability" efforts in Arizona was approved overwhelmingly in the state Senate. The legislation died in the state House even after clearing several hurdles, however, when the legislative session ended before a final vote could be taken. New Hampshire is reportedly working on a bill to ban Agenda 21 that sailed through the state House last month.

Meanwhile, local governments across America — under intense pressure from citizens and activist groups — are slowly awakening to what critics call the "dangers" of the UN scheme. Dozens of cities and counties have withdrawn from ICLEI in recent years, and as awareness continues to grow, that trend is expected to accelerate.

The UN, however, is doubling down on its controversial plan. In June, governments from all over the world will be meeting in Rio de Janeiro for the so-called "Conference on Sustainable Development" — known as Rio+20 for short. According to official documents released by the global body, the summit, headed by Chinese Communist

Sha Zukang, will be seeking to dramatically transform human civilization under the guise of environmentalism.

Production, education, consumption, individual rights, and even people's thoughts will all be targeted under the global plan to create a so-called "green economy," the UN admitted. But with the tidal wave of opposition in America growing stronger every single day, analysts expect fierce U.S. opposition — if not from the Obama administration, at least from the increasingly outraged citizenry.

**Related articles:**

Arizona Bill Would Ban UN Agenda 21 Within State

Tennessee Passes Resolution Slamming "Socialist" UN Agenda 21

Kansas Lawmakers Seek Resolution Against "Insidious" UN Agenda 21

EPA's Plans for Implementing UN's Agenda 21

What are the UN's Agenda 21 and ICLEI?

Texas City Withdraws From ICLEI, UN "Agenda 21"

UN Report for Rio+20 Outlines Top-down "Green" World Order