

# THE RON PAUL SURVIVAL REPORT

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Our 10th Year!

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## Why Militias Scare the Striped Pants Off Big Government

Could the end of big government be near? When the Founding Fathers decided that they could no longer endure the tyranny of Britain, they turned to the even-then ancient institution of the militia, organized and armed men loyal to family, community, and property; not a distant state apparatus.

Patrick Henry said: "Guard with jealous attention the public liberty. Suspect everyone who approaches that jewel. Unfortunately, nothing will preserve it but downright force. Whenever you give up that force, you are inevitably ruined."

Henry was talking—not about George III—but about the new central government, which he feared would eventually become tyrannical as well. He wanted the militia preserved as a defense against domestic oppression.

The militia atrophied, and was hamstrung by the politicians and bureaucrats. But now, in a conscious recreation of these early years of our Republic, militias are forming all across the country. Some have been formed to protect against crime. Others are conspicuous displays of the military ethos that survives among the nation's gun owners. But nearly all understand that an armed and organized people is the final protection against government tyranny.

Indeed, the Founders wrote the Second Amendment not to preserve our ability to hunt. It was written so we could protect ourselves against a tyrannical central state. As Thomas Jefferson said, "the strongest reason for the people to retain the right to keep and bear arms is, as a last resort, to protect themselves against tyranny in government."

The Supreme Court doesn't like to talk about this historical fact for an obvious reason: those nine tyrants-for-life are the epitome of centralized tyranny. But Supreme Court or not, militias are popping up all over the country. The people who join them spend one night per week, or sometimes per month, drilling, shooting, and forming themselves into a coherent force of community protection. They

pledge to defend each other's properties and families in time of crisis, large or small. They bond socially and politically.

This radical new movement is a magnificent sign of the times, one of many indications that the central state faces massive resistance from average people and is losing its grip on political power. Psychologically, people no longer feel themselves bound by its dictates. Bill Clinton has discredited the whole federal enterprise.

These militias are not only found in Southern states and the rural West, but even in the Midwest. An Associated Press article reported the forming of a militia in Petoskey in Northern Michigan. The article ridiculed the group and painted them as outlandish radicals associated with fringe elements that our government likes to define as cults. At the same time, it pointed out that the first brigade was formed this past April. Today, eleven other Michigan counties have organized their own militias.

Washington fears such movements, but even Republicans have no idea just how far behind they are in calling for fundamental reform. It's the domination of the country by Washington that is driving the militia and other heroic movements around the country. People do not trust anything associated with the current crop of politicians.

One of many unintended effects of Clinton's attack on gun ownership has been to cause a rush on private guns. People who have never thought about owning anything big-

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ger than a BB gun are buying serious military-style weapons, and training with them. Every gun dealer and manufacturer in the country reports record sales and profits. I'm no "gun nut," but this seems to me to be another great sign.

Most of the new gun owners say they fear street crime, but they also admit to fearing their own government. They point to the episodes involving Randy Weaver and the Davidians at Waco. As a result, they must do what they sincerely believe the Constitution allows them to do—arm themselves.

Whole towns are being organized on the principle of protection from government. The *New York Times*, in a sneering report, tells of a remote community in central Idaho founded by Bo Gritz, the decorated Green Beret and political activist. His new community is designed mainly for self defense from government, and each home owner is required to protect the others in the event of an emergency.

The *Times* article can be interpreted another way. The reporter and the paper's editors were putting the FBI and BATF on alert. In fact, I suspect that many of these movements are already experiencing government infiltration of their ranks. These are the times that try men's souls. So if you belong to one of these groups, be careful not to let down your guard too easily if at all. Expel the FBI or BATF secret agent who counsels violence (one way you can tell the feds from the Americans). You are ultimately responsible for your own protection.

Big government is forever, says the Beltway elite. But don't believe it. If people form their own communities of internal protection, the central state becomes an even more obvious parasite. It is an encouraging sign that the end of government as we know it may be near.

### South African Gold Developments

South African gold shares have rebounded nicely since Nelson Mandela was elected, which may be proof that he is playing ball with Trilateral business interests. Mandela is not anxious to go the way of Noriega, Kaddafi, or Castro. But the problems of South Africa are far from solved. Tribal hatreds remain, of course. Corruption is now the norm. And a new problem has arisen: massive crime increases.

The car jackings that are occurring in South Africa are more than occasional. In Johannesburg, the first six months of 1993 saw 1,879 car jackings compared to 4,656 in the first six months of 1994. Property crimes are increasing at a rapid rate. And black communities are being disturbed by waves of witch burnings.

The rosy scenario of South Africa is yet to be shattered. Just as the internationalists wanted us to believe things were rosy

in Russia, they are doing everything possible to make sure that there is no negative news that may reflect on Mandela.

Even though I anticipate that South Africa will slip into economic chaos, it is not likely to happen immediately. Harry Oppenheimer and other mine owners have been able to bribe Mandela and his communist friends to tolerate the special interests of capitalism. Even when blood flows in the streets, there are profits to be had, and this case provides no exception.

The gold shares, as one would expect under current conditions, far out-performed any other industry group. In fact, both fundamental and technical factors point to sharply higher gold prices.

Investment insiders I talk to expect a price of \$460-\$470 by December, and much higher prices for gold on the long run. Some even think we've entered a secular bull market in gold that will last 12-15 years, similar to 1968 to 1980.

### North American Gold

As the price of gold moves toward \$475, which I consider inevitable, high-cost gold producers will do well. Royal Oak Mines is one example. It got quite a bit of publicity for its attempted takeover of Lac Minerals, but even without Lac, it's an interesting property.

Most North American producers have a cost per ounce produced of about \$225, Royal Oak's is \$305. Its production this year will be about 350,000 ounces, rising to 475,000 ounces next year from its four Canadian mines.

The cost of production is higher not because of inefficiency, for the most part, but because of the grade of ore. Its underground workforce is unfortunately unionized, but the ore averages about .10 ounces of gold per ton. Most mines have .30 or more. But Greg Orrell, my recommended broker, and I believe it's an interesting speculation.

Royal Oak trades at around \$4 3/8 on the American Stock Exchange under the ticker symbol RYO. Due to the company's sensitivity to the gold price, Greg and I recommend a stop loss at \$3 5/8.

### Go Minorco

For several years, I have recommended Minorco as a gold hedge investment. It is controlled by the Trilateralist Anglo-American DeBeers group of South Africa, though their assets are not located in South Africa (the Insiders aren't stupid, just evil).

Until twelve months ago, Minorco was strictly a holding company with a lot of cash. Now it has transformed itself into