

RICHARD E. GEIS  
RICHARD E. GEIS a personal journal with fiction  
RICHARD E. GEIS a personal journal

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5 issues \$3. / 10 issues \$6.

## Journal #15

12-5-79 The reason our government has been so dreading a spy trial for the hostages in Iran is that there ARE spies among them: at least three CIA agents under cover of embassy employment. And, of course, embassy employees legitimately were gathering info about the Iranian government (or "government", since it is/was in such a fluid, mixed-up state) and personalities. The State Department has a right to know such things.

So I would expect maybe 8-10 of the hostages to be convicted by the "students". The rest will be let go one way or another. What happens to the convicted "spies" is up to a host of X factors. The point is, the Iranians will probably be able to make a fair case for the guilt of those they select for conviction. And they might be able to brainwash a few into confessions.

The point of this is that every embassy of importance in Iran (or any other country) has its quota of Intelligence operatives. If the Iranians took over the Russian embassy they'd really find a nest of spies and subversion agents! And that goes for the British embassy, too.

Khomeini may be holding those embassy targets in reserve, in case he needs to rally the masses again.

# If the Iranian takeover of the U.S. embassy and holding our citizens hostage was bad form and not nice, the U.S. retaliation—seizing Iran's assets in this country, was also a "shoot first" mistake. Especially when the Rockefeller banks instantly reclaimed their loans to Iran from the Iranian assets they held.

It was tit for tat, and has hurt the Iran govt., but it has frightened European banks who would be earning interest on some of the assets frozen since they have loans outstanding to Iran which cannot be paid due to the freeze. And the freeze (lacking a declaration of war) has scared other OPEC nations who fear we would seize their billions of deposits and investments in

the U.S.A. Some of them, and some others, are selling dollars, buying gold again, and shifting assets out of this country. Now the \$ has hit all-time lows on the foreign exchanges and this will probably mean a larger—up to 20%—increase in OPEC oil prices Dec. 17.

12-11-79 On the matter of who pressured Carter to allow the shah into the U.S. for medical treatment: Newspaper reports at first identified David Rockefeller, John McCloy, and Henry Kissinger. And David Rockefeller was quoted as saying the shah was his friend and he liked to help friends.

TV reports barely mentioned Rockefeller, and never to my knowledge mentioned McCloy.

Then Rockefeller disappeared from the newspapers and TV (along with McCloy, leaving Kissinger to take the rap. Kissinger denied he had pressured the administration to allow the shah entry. And then good ol' Jimmy Carter said on TV that nobody had pressured him; he had decided 'on humanitarian grounds' to let the shah in for medical treatments not available anywhere but in New York.

Whereupon one of the TV networks interviewed medical authorities in Mexico City and filmed equipment proving that the shah could have gotten that same treatment there.

(And rich, seriously ill people have been known to fly ace doctors and required equipment to them!)

What we have in this episode is a bit of 1984-ish rewriting of history, very soon after it happens.

An interesting footnote: when Mexico decided not to readmit the shah, Henry Kissinger was notified first! Then the U.S. government was told.

This speaks volumes about who really is in control of our country. Kissinger (who can influence government policy, who can influence senators by the score, who is treated as a VIP with enormous power) is not just an ex-Secretary of State; he is the leading representative, the right arm, of the Rockefeller/Morgan power structure. And every-

body in government knows it.

# Today and yesterday and tomorrow, the U.S. dollar is sinking on the international currency exchanges. Gold is back up to record high levels.

This isn't just because Iran is holding U.S. hostages. It is because the U.S. government (at the "request" of the Rockefeller/Morgan power locus) to freeze Iran's assets here and allow the Rockefeller/Morgan banks to seize parts of the Iranian assets to cover bank loans to Iran.

As noted, this glomming onto Iran's money to pay back loans not in technical default (and thereby cheating foreign banks of interest money due them if the loans had not been declared in default—as well as exposing those same foreign banks with possible loss of their part of the loans) caused a wave of shock and outrage and fear in international financial circles and foreign governments...notably OPEC governments, who wonder if their U.S. bank deposits are safe?

The U.S. power structure has time after time ripped off foreign governments and banks in the past, notably by renegeing on promises, making the dollar non-convertable to gold, devaluing the dollar in a covert trade war, etc.

So what is going on now is a two-edged fear reaction: fear that the U.S. will not live up to basic financial contracts and obligations, and fear that Iran will disintegrate into a three or four-way civil war and/or that the anti-western shiite Moslem revolution will spread and plunge other OPEC nations into chaos.

Iran is now refusing dollars as payment for its oil. Other OPEC nations are edging away from the dollar.

As dollars are sold to buy marks and francs and yen and gold, the value of the dollar sinks. This means prices in the U.S. will continue to rise and "inflation" will continue very high...if not increase.

Unless this dollar decline is stopped very soon the government and



the Federal Reserve will have to take steps to reassure foreign banks and nations and individuals.

These steps may include a further tightening of money and higher interest rates as well as some adjustments concerning the freeze on Iran's assets.

The U.S. is still not visibly willing to cut its energy usage (only the current economic slowdown is doing/forcing some cutbacks), and so the mid-December OPEC meeting to raise prices may produce another big shock—and even more "inflation".

It's in the cards that Iran's oil production will sink even more. In a year or two even Saudi Arabia could be lost in revolution and invasions, and its vital oil could be cut off or seriously limited.

# The dip in the unemployment rate for November to 5.8% from 6% in October is deceptive and is the last gasp of the pre-October loose-money policy of the pre-Volcker Federal Reserve Board. Most of the new people hired in the October 17 to November 18 period (counted as November by the Labor Dept. and the media) were sales clerks—hired for the Christmas selling season. The retailers started the Christmas retail push earlier than ever this year. Gone forever is the traditional Thanksgiving Day start. They've been edging into Christmas sales and advertising earlier and this year early November seems to have been the beginning of the Greed Season. They want nearly two full months of High Profit Time. (I suspect part of the reason for the early jump-off was an attempt to beat the recession.)

# Ice ages are the result of regular, subtle changes in the Earth's orbit, according to a theory that is gathering statistical strength.

Deep sea cores and astronomical proofs are reinforcing each other and strongly indicating that a 41,000 year orbit cycle is what triggers ice ages.

The SCIENCE NEWS story didn't tell when out next ice age is expected. Don't hold your breath.

A greater danger is too much CO<sup>2</sup> in the air which would result in the melting of a large part of an unstable (temperature-wise) part of the miles-deep ice

cap of Antarctica. That could raise the oceans level 6 feet and cause incalculable damage to seaports and low-lying countries.

12-14-79 The raise in oil prices by Saudi Arabia and Equador and the Emirates to \$24 per barrel—a 33% raise—in advance of the Dec. 15th OPEC meeting (with a likelihood of more raises by Monday or Tuesday)...and the sudden increase in the price of gold to a new record high—\$455-\$460—and the weakness of the dollar again, suggests no early easy-money policy by the Federal Reserve...which in turn speaks to an even longer and deeper recession/depression in 1980 at the least.

We live in an interdependent economic world, and we are hostage to others' decisions...because we squandered wealth.

This country can no longer get away with ripping off other countries by devaluations and trade tricks. The dollar is on a defacto gold standard...and there is no escaping the discipline that the gold standard imposes on currency and governments.

From now on we pay for our thrills (and a lot of past due thrills) the hard way.

In many ways our recent high standard of living has been built on debt, and our expensive social progress has been financed by debt.

In about a year we'll have to decide if we can afford any longer much of what we've built into our society. We'll have to learn to think in terms of real dollars, not phoney, inflated numbers. Real purchasing power is the key, and the average real wage has been declining for several years. We've papered over that reality by going deeper and deeper into debt.

# I'm sure in 1980 there will be a big tax cut, before the election, which will probably make it possible to earn around \$4,000 and not pay any income taxes after deductions.

I expect to be able to do that. As the year develops I'll show you how it can be done. (And still live well!)

In many ways, the less a person earns, the more tax breaks, local, state and federal, a person is given. The low-income, aged home-owner is es-

pecially blessed, probably because those people vote in large, consistent numbers.

12-16-79 It now seems apparent that the shah was moved to Lackland AFB in Texas to make his next move as secretive as possible.

He is now in Panama. It figured, since that country is in the hip pocket of David Rockefeller & Co...and since David brought the shah into the U.S., it was up to him to get him the hell out.

The shah is on a resort island, Contadora, in the Pearl Island chain. The island is owned, as the AP so discretely puts it, by 'a tourism corporation.' Of course that tourism corporation is probably owned, directly or indirectly, by either the Rockefeller interests or by the shah.

# Now that the shah is out of this country, and with the world court having ruled that the hostages in Iran must be released, and with strong economic sanctions by the U.S. about to be imposed (with the agreement of our European allies), large, powerful forces in Iran are now convinced a way out is here and the hostages, as a 'humanitarian' gesture, should be released. Even Khomeini must see that from now on the price Iran will pay for the shrinking propaganda benefits if they go ahead with the hostage trials will be far too high.

The problem may be that even Khomeini cannot give an order the three factions of militants who hold the embassy and the hostages will obey. Even our big media no longer call them students. Not with 200 or so PLO soldiers on the grounds and with the embassy area mined and fortified against military attack. Everyone knows that if push comes to shove the attack may come from the Khomeini forces who would be trying to enforce rule by what passes as a central government.

# I think it's hilarious how the uptight Elders of the Mormon Church made fools of themselves and of the Church by publically excommunicating a woman who was pressing for the ERA and women's rights. They ended up with na-



tional big media coverage and a million dollars worth of bad image.

# I presume there will be a 1½ billion loan guarantee given by the Congress and the administration to help Chrysler Corporation.

It's a bad move, and will only succeed in losing us taxpayers that 1½ billion as well as make the politicians appear even more craven toadies of big business (and big unions) than they are.

In the end Chrysler will go under. Perhaps shockingly soon given the declining new car sales rate and Chrysler's shrinking share of a shrinking market. The big banks who are holding billions of Chrysler paper may decide to cut their losses.

Some financial analysts are saying out loud that Ford will be the next big car-maker to bite the dust...in three or four years.

12-20-79 We've used about 45 gallons of kerosene in the Kerosun heaters, so far. One gallon heats the ground floor and Paulette's organ room upstairs (we bleed heated air up the stairwell) per day. One gallon of kerosene heats the house from about 7:30 A.M. to around 1 A.M. the next morning.

We use the smaller, round Kerosun to heat the basement offices when one of us feels cool. A gallon in that heater lasts a week.

When the outside temperature gets down to 35° the larger Kerosun in the livingroom barely keeps the ground floor at 68-70°.

At this rate I estimate it will cost around \$150. for kerosene and (at the ever-increasing prices for oil and kerosene) \$200. for furnace oil to heat the house this winter.

Last year we used 525 gallons of furnace oil (with minor help from the fireplace.)

With oil and kerosene at 90¢ per gallon already, we will save enough this winter to pay for the two heaters. Next year we will save enough to pay for the kerosene drums, the pump, and the cost of the furnace oil.

I'd like to add another 50-gallon drum to the two in the garage, but I'll have to revamp and juggle to make room.

With the wood in the sheds and in the garage, a full oil tank, and three

drums of kerosene, we could in a pinch last four winters.

And we save electricity, too. We've cooked on the Kerosun heaters. A simmering kettle of hot water is always ready for tea or coffee-making.

# The completion of this issue of REG, I see clearly now, will be delayed until I get STAR WHORES finished, stenciled and printed and off to those who have ordered copies. The novel has taken longer than anticipated to write, mostly due to sloth and plot complications.

Sloth and plot complications—the story of my life.

# I find I enjoy writing SPLITTING more than STAR WHORES, for some reason. Maybe because science fiction is more work. Make no mistake—creating a different culture and morality and coming up with future slang and technical detail...it's extra labor. Maybe that's why, when I began writing, I went into contemporary sex novels 95% of the time. And maybe, too, my forte is emotional conflict, and that is secondary in sf.

# I find myself in the mood to think about what kind of novel I'll write in-series in REG once SPLITTING is completed. A sex novel, natch, but what kind of sex novel?

I've had a sex-violence novel in the back of my head for several years.... It's about a highly competent man who is hired by a rich man to guard wife and daughter in a mountain hideaway because the rich man has been targeted by a radical group (here in America). The fear is kidnap and hostage-holding to extort millions and key corporate policy changes.

Of course the radicals attack the lodge and the competent man eventually wipes them out. In the meantime—lots of sex and violence, tension, suspense, and strong emotion, a lot of tough talk and viewpoints exchanged.

Yeah...sounds good.

# There was a fine line in THE FAMILY MAN last night, a dull morality TV movie about a straight arrow who yields to temptation, briefly. (Acceptable adultery.)

"Never encourage mediocre talent."

# I understand Jimmy Carter wrote to Santa and asked for a quick release of the hostages in Iran. But he also asked for a 100 hostages to be taken in another nation in time for the Democrat convention. Then, in October....

12-22-79 The Holt Executive Advisory has a graph in its November 30th issue showing that U.S. money supply growth has actually lagged behind the inflation (price increase) rate since the beginning of 1978.

This is at first glance contrary to all current stats. The key is that this graph is rendered in constant 1972 dollars. Prices have risen in the face of this real money supply shrinkage because the existing money stock has turned over (velocity) at ever faster rates. (Nobody holds cash very long—they spend it as quickly as possible.)

Holt says: "For all practical purposes, however, the velocity of money is already excessively high. Any further decline in real M2 will almost surely result in an acute shortage of cash and equivalents. This will bring the long brewing liquidity problem to a head. To be specific, we foresee a period in which consumers and businessmen alike will find it increasingly hard to make payments when due. This will adversely affect the cash flow of most firms. A wave of personal and commercial bankruptcies will then ensue."

And from the December 14 issue:

"We think the OPEC move ((oil price increases)) will be deflationary for the world. The larger the increase, the more deflationary it'll be. Before you think we are nuts, please consider our reasoning.

"There is no question, of course, that increased oil prices will inflate the cost of energy. With any given purchasing power, however, anyone who has to spend more on energy-related items will simply have less money to buy other things. Reduced demand for the latter will then force their prices downward.

"Why hasn't this free-market self-adjusting process worked in recent years? Answer: Americans have supplemented their earned purchasing power with massive borrowings. The loans that enabled consumers to absorb ris-



ing energy costs and still have ample money and credit to buy other goods and services.

"But most consumers are now approaching the limit of their borrowing power. ...The same, in fact, can be said of most less-than-prime businesses. Result: The private economic sector has become highly illiquid; insolvency is spreading."

Thus there will have to be a large tax cut to give people more money to spend.

12-27-79 I suspect that the shah of Iran will return to Mexico once the hostages mess is over.

# The Iranians—looking over their shoulder at the massive Russian troop presence in Afghanistan—may decide that their anti-American rage is too extreme and that Khomeini and the "militants" who make Iran's foreign policy, may be too expensive. Khomeini may die of "natural causes" soon and a new leader may be more interested in saving his country. To that end, Khomeini's successor might be interested in re-establishing an American alliance...as the lesser of two evils.

# The hostages situation is helping Carter here, but it is a two-edged sword; any goof on his part, and any too-long delay in getting those people back will result in a reversal of public opinion.

Too, the sad state of the economy will intrude more and more as the unemployment rate goes up.

# The speculation comes to mind that the hostages situation is being milked and used to ready the American people for an attempt—perhaps overt—to create in Iran a government we can call our own. (Or, rather, one the Rockefeller/Morgan power structure can call its own.)

# Word in the WALL STREET JOURNAL today that the Federal Reserve Board pumped a lot of billions of dollars into its member bank's reserves, thereby allowing lots of new loans, lowering the prime interest rate a bit, and causing foreign selling of the dollar and a further increase in the price of gold.

If this renewed easy-money policy continues, we'll have a big surge in the "inflation" rate and a consequent revolt at the voting booth by the taxpayers and consumers. The Demos will be OUT in droves, and a long-time Republican lock on the White House—and probably in Congress will result. So, too, will result a really hard, hard money policy. Radical tax changes.

But I frankly don't see the Fed going the easy-money route so quickly unless there is a pre-planned political-economic scenario in operation.

# From the medical, professional and trade journals:

# Rhesus monkeys fed the human equivalent of ten cups of coffee a day for six months showed no adverse effects in their blood fat levels (cholesterol and triglycerides).

# Young men who volunteered to add wheat bran to their diet showed a 10% reduction in their cholesterol levels and a 24% reduction in triglyceride levels in only four weeks.

# Lab rats fed large amounts of sucrose (sugar) had higher insulin, glucose and triglyceride levels than rats fed similar amounts of carbohydrate in the form of starch.

# High protein diets result in a loss of calcium from the body. Adding calcium to the diet did not stop the bone calcium loss.

# Fruit sugar (fructose) does not (in a diet in which 20% of the carbohydrates are made up of fructose) raise triglycerides in the blood.

# There was no increase in cholesterol levels among men who ate two eggs a day for three months.

# Autopsies on the bodies of men who had died suddenly of heart attacks showed significantly lower levels of potassium and magnesium than was found in those who had died suddenly in accidents.

The message is stay away from white refined sugar, eat fruit and whole wheat breads, eat eggs as much as you want, and eat a balanced diet among proteins, starches, and fats.

An apple a day will keep the doctor away by providing fiber, fruit sugar.

1-1-80 The 50,000 man Russian invasion of Afghanistan obviously was in the works months ago. The invasion is a sign of weakness: the Russians dare not allow a successful moslem rebellion in Afghanistan against a marxist government because of the millions of moslems in southern Russia. And they dare not let a marxist puppet government on their border go under because it would encourage the peoples of their other puppet states in eastern Europe to do the same.

Thus they find it necessary to go to naked force and scare the hell out of Iran, Pakistan, India, Syria, Turkey, etc. and impell those countries to seek alliance with the Western bloc, primarily the U.S.

And they will have a hell of a time quelling the Afghanistan mountain moslems.

This Russian move strengthens Sadat of Egypt (our man) and gives the U.S. a great opening to establish a strong military presence in the near east oil area.

# The oil price increases of the past few days—Venezuela up \$2. a barrel; Iraq and Kuwait up \$4. a barrel; Libya up \$4.72; Mexico up \$7.40...and Nigeria likely to follow—insure another ratcheting of energy and energy-related prices upward in this country, causing the Consumer Price Index to keep on rising through June or so.

The CPI is commonly thought of as the inflation index, but that is a mistake; unless the government expands the money/debt supply to compensate for the increased costs, the CPI could better and more accurately be considered a Declining Standard of Living Index.

1-4-80 The OREGONIAN today has an editorial titled "Gold 'Junkies' Riding High". The core paragraph is:

"The problem with gold as an international medium of exchange is that its supplies are limited. The amounts being traded by the gold "junkies" in Zurich, Paris, London, Hong Kong and New York represent only a fraction of the investments on the stock exchanges. Thus a relatively few traders can drive the price up—or down."

WRONG! Deliberately, maliciously



wrong! The nearly steady-state amount of gold in existence, and its beauty, weight, and lack of deterioration make it an ideal medium of exchange and store of purchasing power.

It would have no exchange or monetary value if it were as common as dirt.

Gold cannot be counterfeited and it cannot be printed by governments to suit political purposes, which angers politicians no end. Gold simply imposes discipline on the creation of paper currency: if a government resorts to debt (inflation) the price of gold goes up and people will sell dollars and buy gold.

Gresham's Law: people will spend bad money and save/keep good money. That is happening all over the world today and it embarrasses and exposes those people who are responsible for the bad money.

True, as of now the price of gold is in a boom-bust cycle—there will be a severe correction. But if the U.S. government resumes deficit spending and out-of-control money/debt creation for the rest of the country...gold will keep on climbing and interest rates will keep on climbing and the standard of living will continue to decline.

And people will more and more refuse to save bad money and will more and more spend it for good money—real estate, gold, silver....

# I still believe in a personal policy of insulating oneself from the national economy as much as possible. Total independence is virtually impossible; my aim is to cut our exposure to the minimum without paying too high a price in time and effort.

If you are willing to pay a high time/labor price for less dependency on establishment power, food, water, shelter, etc., a journal published by Jim Stumm will be worth your attention. It is LIVING FREE (Box 29, Hiler Branch, Kenmore, NY 14223. \$1.00 per copy) and contains articles, tips, plans, advice, on workable, relatively inexpensive devices, which can be self-made and which save on power and money-outgo.

LIVING FREE is subtitled 'A Personal Journal of Self Liberation,' and the philosophical base is the premise that by changing individual life-styles and value systems, one changes society. In-

stead of working to change society from the top by changing laws, presidents, etc., which is a form of collectivist activity (since it requires heavy organization, politics, etc.) self-liberation works from the bottom up and is potentially the most powerful method of changing society—by personal example and self-interest.

Our society is tilted now to benefit the family which can grow food and make major savings in establishment energy costs. "Poverty" level incomes can assure heavy property tax breaks, even minimum health care costs, and subsidies for fuel oil... (If you want to take advantage in a big way you can be on welfare and live as well as a family making four times your income.)

Is it shameful to apply for welfare and foodstamps and other "free" low-income benefits, since you would be taking that wealth from people who have to pay ever-increasing taxes to pay it to you by way of a bureaucracy? Aren't you joining the army of dependents, the non-producers?

Yes, you are. But by taking advantage of the rules and regulations you are increasing the load and contributing to the eventual breakdown of the system.

If you draw the line at freeloaders, and wish not to be dependent, fine. If you are below the income level where taxes apply, then you are not hurt by those who directly or indirectly live off taxes.

Living Free or Living Dependent is a matter of basic character, I suspect, as much as social/cultural knowledge and propaganda.

Last year, on a taxable income of \$7577, I paid \$1608 in taxes—federal, state, local. Take the taxes from the income and you get \$5969...about two thousand over the point at which I would have to pay no taxes at all!

In other words, folks, earning an extra \$2,000. last year cost me \$1608.

Obviously, my task is to find a way to increase deductions or decrease my need for cash.

Either that, or switch strategy and go for a very high income.

By basic character and personality I am not a high income earner; it would

take a fluke—ONE IMMORTAL MAN becoming a best-seller, for instance—for me to become a high-income man. I'm afraid of the changes big money would make in my life.

So...I'll seek ways to deduct more and need less. A bigger garden, a better budget control of eating out and wasteful purchases is in order. But I doubt I can get down \$2000. I can only hope congress "cuts" taxes enough and raises the floor enough to let me pay a minimum.

# Milton Friedman, the noted economist, said on WALL STREET WEEK that above \$250. or so per ounce, gold is overpriced due to war and revolution fear in the middle east. He said that no doubt a lot of people of means in Pakistan are thinking (and acting) about converting their paper wealth to gold in a Swiss vault or in the ground for emergency exit.

He (with me) is wary of the Federal Reserve's stick-to-it-iveness in controlling the money supply—and inflation.

1-11-80 The Jan. 10th issue of THE WALL STREET JOURNAL has a lead article of great interest: about how most banks are now in a worse loan/debt ratio than before the last recession in 1973.

At the end of 1978 the nation's 15 largest banks were supporting more than \$23.75 of loans and other assets on each dollar of capital...up from \$21.25 for each dollar of capital at the end of 1974. The ratio has undoubtedly widened (worsened) in 1979.

At the end of August, loans on the books of the nation's banks amounted to 87% of their deposits, up from 69% in early 1973 and from 77% in late 1974.

A great deal of the deposits in the banks (and Savings & Loan companies) are in short term high-interest-paying certificates.

The banks and savings institutions have again committed the blunder of borrowing short and lending long: when depositors pull their money and debtors cannot pay off the loans, the banks will be up shit creek as in 1932-33.

Is such a situation likely to recur?



In the 1974-76 period, 33 banks failed, including the billion-dollar biggie, Franklin National.

During and after this current recession/depression, expect 60 or more banks to fail, including some big ones with heavy foreign loan exposure.

The response of the government is promised: the Federal Reserve will be the lender-of-last-resort for banks which are too big to let fail (like big manufacturers—Lockheed, Penn-Central railroad, Chrysler...) And the cost will be in the multi-billions.

And the politicians, having gotten the country into this horrible debt exposure by inflation and consumer-oriented tax policies, will see no way out of the situation of stagnation, unemployment, bankruptcy except more inflation and more rape of the savings of the people, and more taxes.

Even so, a huge amount of debt will be wiped out and with it a million or so homes will change hands by forced sale...millions of cars will be taken back....and millions of small companies will go under.

Howard Ruff—the doomsayer and successful financial advisor, says 1981 will see a renewed surge of inflation that will reach 25% per year or so. I have said this, too.

He, and I, foresee mandatory wage-price controls—sooner if Kennedy is elected, a bit later if Carter or a Republican like Bush or Baker is elected.

Forget Reagan; if he gets the nomination he will be smeared as was Barry Goldwater in 1964.

Your only hope for survival is to put your savings into gold if the price gets down to \$400 or lower in 1980-81 and hope the government doesn't pass a law again forbidding gold ownership. And position yourself and family into a debt-free life in a home you own with a big garden and any practical solar cell electrical system you can afford.

You've got to isolate yourself (be independent of) as much as possible from the government/money economy.

If you rent and live from paycheck to paycheck and are deeply in debt... don't say I didn't warn you. Your best bet is to work out an arrangement with parents to stay/work in their home and help pay off their mortgage and till the backyard garden.

If you think the government wouldn't allow things to get that bad...

Think about how much our vaunted government is able to do about Iran, Afghanistan, the price of oil, gold, silver...

Government does not create wealth; it can only take it and/or make it more difficult to create by its citizens.

# OPEC is likely to replace the dollar with a "basket" of currencies this year. Since payment for oil will be required in marks, francs and pounds and perhaps even gold, the dollar price of oil will climb as the dollar is further devalued by the government and by market forces. This will further increase the cost of living and decrease the standard of living.

# As of December 18th the unemployment rate ("seasonally adjusted") was 5.9%, up only .1% from the November 18 rate. So the first big jump in unemployment won't be "discovered" by the people until Feb. 10th or so.

# I've changed my mind about writing another novel in REG. I'm going to need that time for gardening, reading for review in SFR, and etc. REG will return to its pre-#10 format and more frequent appearance. I anticipate a very active news period this year, with lots to comment upon.

# A few thoughts now on loaning money to friends.

Don't!

NEVER lend money to anyone, on a personal loan basis. But DO give as a gift as much as you can afford to lose.

Because the creditor/debtor relationship will kill a friendship quicker than any other factor—even wife-stealing or seduction.

Why? Because despite solemn promises, the borrower (perhaps after making a partial repayment) will delay complete payment, and will think, "Well, Joe doesn't need it, and I can't conveniently pay it back...maybe next month..." And so on until your debtor friend will "forget" all about the balance of the loan.

If you remind him of the money he owes, you become a money-hungry bastard, you remind him he is breaking promises, and you become the guilty one for putting money a-

head of friendship. And he will not be around as much anymore, if ever (depending on the size of the loan).

This psychology has been noted time and time again.

Now, if you have a "friend" whom you'd rather not see much of, or lose, then you might seize the first opportunity to loan him money, secure in the knowledge that he will soon disappear from your life. The more the loan, the sooner the exit. Of course, this is an expensive, devious method, but sure-fire.

I once loaned a man \$50. (when \$50 was the equivalent of \$125. now) and was given a wonderful education in the selfishness and obliviousness of a debtor. Soon after he borrowed the money we were in Hollywood, and he wanted to go to a bookstore. He is an avid book collector.

In my presence he wrote out a check for \$50 worth of old s-f books, and wasn't aware of what I was thinking. I was much more self-effacing and inhibited then, than now...and besides, he was my editor.

I never did get my \$50 back.

Well, maybe I did: he hardly ever rejected a novel of mine while he was the editor of that line.

As to being a borrower: you should think three times about borrowing from a friend because if the amount is large you'll probably end up hating him for existing, because every sight of him and every thought of him will only remind you of the painful debt and the painful necessity of paying it back. And every sight of him and thought of him will only twist the knife of your failure-to-pay in your guts... And so, inevitably—as a pain-avoiding organism—you will avoid seeing him and avoid thinking about the debt.

So it goes. So it has always gone.

1-29-80 I've been busy for weeks with finishing STAR WHORES, pasting up SFR #34 (now in the mails). I ran off STAR WHORES, collated, stapled, glued on the cover, mailed the pre-paid copies out...

Now I can catch up on REG and settle down to the between-deadlines life.

Much has happened while I was "away" and now to interpret and comment:



# Sen. Kennedy, blistered in his Iowa caucus defeat, now has come out more forcefully; his aims are: an immediate 6-month wage-price freeze and forced wage-price controls after that.

He wants immediate gas rationing.

And he wants a U.N. commission to look into the shah's crimes in Iran.

His most effective lines are these: "We should not be moving toward the brink of sending another generation of the young to die for the failures of the old in foreign policy. Exaggerated dangers and empty symbols will not resolve a foreign crisis. It is less than a year since the Vienna Summit, when President Carter kissed President Brezhnev on the cheek. We cannot afford a foreign policy based on the pangs of unrequited love."

Wow. That last is a great line, a knife deep into the gut—and true. Carter's shock at being lied to by Brezhnev over Afghanistan—he trusted the Russians—is his greatest mistake. Where has Carter been all his life? (This suggests Carter has been making foreign policy and not listening till now to his Rockefeller agent, Brzezinski.)

I hope the people will learn never to put a liberal idealist and Christian idealist into a position of high power.

From now on Carter's star will be in decline: the hostages will be there goading him in the public mind, and the economy will worsen more and more to undercut him.

I still believe we will have Kennedy vs. Bush in November.

Why Bush?

Before the Iowa caucus he was given a puff segment on 60 MINUTES. The Sunday before the Monday caucus he was on FACE THE NATION. And CBS has made him the frontrunner...has "legitimized" him as the man who will beat Reagan and face Carter or Kennedy.

On the JOHNNY CARSON show there are always anti-Brown and Anti-Reagan jokes, but never an anti-Bush joke.

Bush has all the Rockefeller money and organizational help he needs.

Reagan is being subtly "frozen out" of the big media newscasts.

# The president of the Atlantic Richfield oil company said yesterday, "We do anticipate there will be a major inter-

ruption in the flow of oil to this country in 1980."

And what the oil companies "anticipate" they get—and they get the run-up in prices they want, too, as a result of the "interruption".

# The run-up of gold to \$875 an oz. a week ago, and the wild run-up of silver, and the sharp rally in the stock markets speak to the continuing flight from paper currency.

The word for all this is speculation. When you get 40-50-60+ millions of shares trades on the New York Stock Exchange in one day, you are seeing a buy-sell panic of speculation. Everyone is a trader now, an operator, "in" the market, trying for short-term gain. Who buys and holds stocks anymore? We're in the froth-time now.

# When our heating oil tank was filled Jan. 20th, it required only 104 gallons. At 90¢ per gallon.

And we've used about 70 gallons of kerosene. At this rate I expect the oil used to total about 220 gallons, and kerosene about 140 gallons.

We'll see how it works out. Oregon is now in the grip of sub-freezing temperatures day and night—and more snow or freezing rain is due in a day or two.

1-31-80 Good old Walter Cronkite said last night on the CBS News: "Republican frontrunner, George Bush...."

That will be a shock to all the poll-takers, who place Reagan as frontrunner. But it is a signal that the Big Media, and CBS especially, are pushing Bush, and from now on you can expect a "two-man Republican race...and then somehow Reagan will "slip" and be labeled an extremist... Big Money wants Bush; he's their agent. Of course they have strings on all of the contenders with the possible exception of Crane and Reagan.

# I laughed at the marvelous tunnel-thinking and hypocrisy of Iran's Foreign Minister, Sadegh Ghotbzadeh, as he charged Canada with a "flagrant violation" of international law after Canada helped 6 American embassy officials and employees escape Iran yesterday.

But the man is a proven liar and totally impotent as a force in the hostage situation. The "radicals" who hold the embassy and the hostages make all the real decisions, and in fact seem to hold Iran's fate hostage along with the Americans.

# Khomeini's heart attack suggests that one way or another he is not long for this world.

# The Russians are still pouring men and material into Afghanistan, along with, it is reported, 100,000 Russian, Polish and East German bureaucrats to run the country (further into the ground).

This suggests a permanent occupation and a spring offensive against the rebels.

The cost to the Russians internationally for the invasion of Afghanistan has been high: loss of vital wheat and other grains from America (and Argentina doesn't have enough surplus to more than partially offset that loss), loss of American technology and spare parts for American machines in their American-set-up factories and computers...and the likely loss or gutting of the 1980 olympics.

(And wasn't it wonderful how the State Dept. threatened to revoke or deny passports of any athletes who tried to go to the olympics, anyway, in spite of the President's "suggestion" that the U.S. Olympic Committee and athletes boycott the Moscow Olympics?)

Nothing like fighting a dictatorship with illegal, dictatorial methods, hmmm?

# The Federal Reserve has been pumping billions of dollars into the reserves of the banking system lately.

The experts are not sure what this means. To me it means that the Fed is back to its old stand of managing interest rates instead of its promised control of the money supply.

We will see a surge of loans and a resultant aborting of the recession and "good times" this summer and fall, in time for the elections. THEN as the inflation rate hits 20% or so and the dollar sinks to critical levels



after the election of Bush or Brown or Kennedy or Carter, there will (surprise) be another crisis and a big, We-Mean-It draconian move to "tighten" and "solve" by the Fed. Same old shit.

Little by little the dollar is being cut loose as an international reserve currency and gold and other more honest moneys are being used. This means far more devaluation of the dollar and far lower standards of living.

Unless you can manage to make more and ever money (get a bigger slice of a shrinking pie) you are in for a very bad time.

2-2-80 Well, let me back off a bit—the Federal Reserve reported yesterday that M1 and M2 (their measures of the current money supply) shrank significantly—about 1.5 billion by M1 and 2.4 by M2...which takes some of the inflationary curse off the run-up of the past month or more.

# I note that Clark Clifford (a prime Rockefeller agent) visited Pakistan and suggested war would result if Russia invaded Pakistan or Iran. Whereupon the Carter administration went into a tizzy and tried to discount the statement.

Brzezinski, another prime Rockefeller agent (Carter's control and National Security Advisor) is now in Pakistan, too, trying to work out an alliance.

In short, the real first team is now in the field, making policy, and Carter is in the position of either ratifying it or rebelling against his bosses. Trying to get their own policy and implement it got Kennedy killed, Johnson deposed (as a sacrifice) and Nixon booted out (as an unstable, unreliable tool).

Carter thought (and maybe still thinks) that he could use the Big Boys to get elected and then refuse to follow their dictates in very important matters if he wanted.

No way. The Big Boys have very big muscle.

# Edward Kennedy's call for wage-price-interest-profit-rent controls plus gas rationing is a breathtaking revelation of pure Liberal ideology and statist mentality. And since one out of four

Americans gets a government check or benefit, he has a large number of voters who will go along to protect their take from the taxes of others.

Kennedy might not do as well as expected in conservative, old-fashioned upper New England, but he will do a lot better in the big cities further south and East.

As the recession bites deeper this winter and spring, Carter will weaken. And if the American hostages in Iran are still held by May...he will have to take drastic action to recoup in the polls.

# Now Nigeria, Venezuela, Iran, Saudi-Arabia, have raised oil prices again... meaning again that another slow wave of price and cost increases will ripple through the world economy, insuring perhaps \$1.30 to \$1.50 per gal. gasoline prices.

Unless our government inflates to compensate, this means an average consumer will have to drastically cut driving and/or cut other buying...insuring more unemployment, lower standards of living.

Note that unemployment went up to 6.2% in January, from 5.9% in December. So far, rail carloadings, steel production and construction (aside from housing) is holding up fairly well. If those begin to fall significantly.... Given the fragility of the debt structure in this country, one small economic shock could trigger a sequence of bad economic events that even the government could not stem.

Saudi Arabia is an unstable area, with the same social/cultural problems that brought Iran to its present state.

It would only take a little bit of internal revolt, a few sabotages of oil pipelines... You'd see gold at \$1,000 per ounce in a week, and the stock market in a tailspin... Gas rationing, and lord knows what other "emergency" statist measures in this country.

# It must shake up a lot of fundamentalist Christians when they see a picture of the Ayatollah Khomeini—he resembles so much those paintings of the Old Testament Jehova.

Has God come to earth to torment us for our sins?

2-4-80 The revolt by the prisoners in New Mexico State Prison will, I hope, be a lesson to citizens and politicians alike, in that state and in all states.

They naturally tried to save money here and there and were willing to cram too many prisoners into too-little space and as a result created pressures in anti-social men which resulted in the total loss of the prison—estimated ten million dollars damage, so far.

That's a classic case of being penny wise and pound foolish.

# The news that broke Sunday—that the FBI had mounted a "sting" operation that netted a senator and a large number of congressmen and state officials —has 'shocked' other members of congress. I have no doubt that's true. How could the FBI do that to them?

There must be dozens of senators and congressmen sweating blood right now, for fear they will be uncovered, too, as the net widens and some culprits talk and squeal and point fingers....

Does the evidence that prominent politicians can be bought surprise anyone, really?

My constant surprise is that voters have been willing, over the years, to allow these "public servants" to glom onto so much power and to allow the federal government to control so much of their lives, and to keep increasing taxes year after year, in real terms.

# Federal taxes will increase 75 billion dollars in 1980 (and still no balanced budget) because of inflation ratcheting people into higher brackets and thus higher tax rates.

The government (at all levels) have a vested interest in inflation—they get a larger portion of your income, and use your inflation-caused financial and social problems as an excuse to interfere ever more in your lives, to "help" you...thus requiring more of your money in taxes and more power over your affairs. A very sweet feedback system.

And the more people they have dependent on them, the more votes they have to depend on against those (ever-fewer) who produce and pay and pay.

There is an eventual self-correction in this cycle, of course.

#See you all next issue.