

CONSPIRACY NEWSLETTER

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"The News Behind The News."

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HIGH STAKES RIDING ON THE POPE'S DEATH

Here's a fascinating scenario which explains why a professional assassin was given the assignment to "hit" the Pope:

The Russian rulers believed the Pope when he said that if they invaded Poland he would "lead the resistance" even if it meant "putting my body in front of the tanks."

Thus, a successful assassination of the Polish Pope would eliminate that possible intervention. There are, remember, significant numbers of Catholics in all the East European Soviet satellite countries, and they would be galvanized if their Pope personally intervened in Poland's occupation by primarily Russian armed forces.

A healthy, determined Pope coming to Poland... The Russians would be in a dog fight with an aroused Polish army as well as millions of Polish workers. The Catholics in Western countries would force drastic economic retaliation by their governments...

Russia stood to lose tremendously in economic and ideological terms by invading Poland. And there is evidence---clues---to suggest that the Pope alone kept the Russians from moving.

Now---the Pope is immobilized in the hospital for at least another month, and recuperation in the Vatican will take further months.

Watch and see if the Russians move soon.

In any case the Russian rulers have sent the Pope a message he can't ignore.

CN's sources in and out of the U.S. government agree with this interpretation of events/forces. CN has talked to a retired State Dept. official who said, "We're told the Turk (who shot the Pope) was a 'hit man' for both the left wing and the right wing extremists in Turkey, before this adventure. Sure! That smells of KGB."

A retired person from the Defense Department said, "Having the assassin

leave a note in which he slams the Soviet Union is a nice touch."

A retired Intelligence person said, "The use of a Moslem (assassin) with connections to the right wing in Turkey and radical leftist elements in the PLO (is an) obvious cover."

Mehemet (or Mehmet) Ali Agca, the 23-year-old Turk who shot the Pope, had previously assassinated a Turkish editor. It is reported he escaped prison with the aid of rightist prison officials.

He fled to West Germany, married a German girl to avoid extradition, and during the subsequent 17 months before shooting the Pope, Agca spent an estimated \$50,000, visited Bulgaria, France, East Germany, Yugoslavia....Italy.

All this without working.

He carried expertly forged identity papers and passport. He had pre-arranged contacts in every country he visited.

Agca is not talking to the Italian police and intelligence questioners. It is said he is on a hunger strike.

CN believes Agca may die "mysteriously" soon.

SPACE SHUTTLE UPDATE

In CN #1 we were told by an informant to watch for construction at Vandenburg Air Force Base, which would be a signal of the military near-monopoly of the Shuttle.

It has been confirmed that Space Shuttle launch pads and facilities are now under construction at the base.

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In addition, the projected number of civilian-use Shuttle launches from Canaveral have been reduced, and more scheduled for military purposes.

We repeat: there is a tremendous behind-the-scenes space effort being mounted to overcome a temporary Russian lead in the race to control orbital space around Earth, and the control of Earth that will result by 1985-6.

WHO WILL REALLY CONTROL THE OVERSEAS LEGIONS BEING PLANNED?

The American expeditionary force (to replace the Rapid Deployment Force) which will eventually involve three Army divisions, two naval battle groups, four air wings, and a Marine amphibious unit---as many as 200,000 men, dozens of ships and hundreds of aircraft and tanks---will be based in the Persian Gulf area and will be under separate command structure from the usual Pentagon control system.

The force won't come into final form for several years (as the parts are brought together and the command structure is set up).

But already there are rumors and whispers that the Persian Gulf Command will be under the direct control of the President (naturally), and then (in the event of a national crisis) the Federal Emergency Management Agency (FEMA) will take over.

FEMA is a "shadow" agency with people in every federal government department who are empowered to take over control of every aspect of government in event of a declared or universally acknowledged national emergency.

FEMA had a test run at the Three-Mile Island nuclear crisis last year, and took over in the Mt. St. Helens disaster.

By Presidential Executive Order FEMA has extraordinary powers on the books to act in dictatorial fashion.

We'll detail these powers in a future issue of CN.

What these command-shift rumors imply is that if the President and v.p. are killed in a disaster/war/crisis, the Speaker of the House will be by-

passed, and an nonelected elite of bureaucrats whose top executives are (on the record) loyal-to and allied-to the core of the American power elite, will take over this country and run it to suit the power elite.

THE IMPLICATIONS OF THE PERSIAN GULF FORCE

The consequences of this new American overseas force are these:

It will put tremendous strain on the existing armed forces and compell a draft of 20-year-olds.

The federal government is already beginning to set up draft boards. An "experimental" or "test" draft is in the works. It will probably begin in 1982. Events overseas could "force" a draft in the summer or fall of this year.

Where will this overseas force be based? An AP story (4-26-81) says:

President Anwar Sadat said Saturday that the United States has agreed to build bases for the Egyptian army and that he has approved stationing an unlimited number of U.S. troops in Egypt if there is a threat to Saudi Arabia. ((Underlining ours.))

And who will decide if there is a threat to Saudi Arabia? The U.S., of course (with Sadat saying what he is told to say).

The story goes on to say:

A team of American geologists and engineers has done preparatory work for the proposed upgrading of a remote Egyptian military base on the Red Sea, less than an hour's flight from Saudi Arabia.

The base, known as Ras Banas, has a port and airstrip, and sources said the Pentagon is proposing to prepare it for use by its Rapid Deployment Force. Construction is estimated to cost \$2.6 billion.

We know now from a subsequent story (only 4 days later, in the WALL STREET JOURNAL) that the RDF is being superseded by a new, larger force.

ISRAEL, SYRIA, AND THE WHOLE BLOODY MESS

The crisis over the Syrian anti-aircraft missiles set up in Lebanon, and Israel's deadly insistence that those "threats" be removed is so full of powerful national and international pressures, interests, hidden motives...even dirty-end-of-the-stick implications for Americans...that presenting the story is like displaying a rat's nest.

Here are some of the elements and speculations:

Lebanon is a no-man's land, a military vacuum, as far as a national army and political control is concerned.

Israel has been and is supporting the Christian forces with arms, money and an air-power-enforced guarantee of survival.

The United States government has given and is giving this Israeli policy tacit support. We have actually taken sides in that civil war. [And it wouldn't surprise us if the Israeli support of the Lebanese Christians was urged on them by the U.S. power elite in order to save and re-establish investments and control in Lebanon.]

The Moslem forces, and the PLO forces in Lebanon are trying to wipe out the Christian armed forces and make Lebanon a Moslem state which inevitably would be socialist, pro-Russian, and anti-American. Syria, already a Russian client state, is in Lebanon as a U.N.-approved peace-keeping force. But Syria is openly helping the Moslems and the PLO.

Israel probably will annex southern Lebanon if ground fighting erupts between Israel and Syria. This would give the southern Lebanon Christian forces a safe staging area, a base, and would push the PLO forces far from Israel's prime home territory.

An insight into Israeli strategy is given by in interview with Israeli Foreign Minister Yitzhak Shamir. He said, "It is preferable that Israel's wars be fought outside of its borders, rather than inside Israel itself. Israel is fighting a war for its own security in Lebanon. In the age of long-range weapons, Israel's security cannot be protected without crossing the border."

Thus Israel's need and desire is to create buffer states or areas between it and its Arab enemies. Southern Lebanon is an obvious next acquisition.

Israel Prime Minister Begin is making a political comeback as a result of his tough talk and leadership during this crisis, and will probably be re-elected in the June elections.

The Arab nations have pledged to support Syria if war breaks out between Syria and Israel. These Arab nations, including Saudi Arabia, could not sit by and let Syria be defeated, see the Moslems lose, see the PLO lose, without doing something to inflict severe pain upon Israel and Israel's giant ally, the United States.

They have two major weapons: oil and money.

In the world there is now an oil glut. In the United States gasoline and oil prices are actually declining. Oil company profits are vanishing. Excess profit taxes are vanishing. The Windfall Profits Tax is yielding zilch to the U.S. government. Revenues will soon fall far short of estimates and "needs."

It would serve the interests of the U.S. government, the oil companies, and the megabanks and the power elite who own them all, for a middle-east crisis to blow up enough to force Saudi-Arabia and the other Moslem countries cut oil production, to shift billions and billions of dollars here and there...to force another gasoline and oil "shortage" in the U.S. and force up prices (and profits and taxes) again.

This sequence would allow the U.S. to have its national emergency, would let the power elite dictate the renewed draft it wants, would allow it to have the new people-control laws it wants passed, and would permit the Persian Gulf force to be put into high gear.

The OPEC countries would even gain: higher prices for their oil, a safe blow against Israel and America...

Everybody wins except the American (and European and Japanese---everyone who has to use oil and gas) citizen and small businessman.

What would Syria gain? What would Russia gain?

We cannot see any real gain for Syria. Russia would make points by supporting Syria, by being anti-Israel and anti-American. Russia, under cover of a Syrian-Arab war with Israel and America, could invade Poland, make a major effort to clean-up in Afghanistan.

THE COMING INDIA AND PAKISTAN ATOM BOMBS

Pakistan's nuclear bomb program is on schedule. They are digging a horizontal tunnel in the Baluchistan mountains, about 40 miles from the Afghanistan border which U.S. officials believe is a probable nuclear weapons test site.

As for India, there is little doubt that excavations by India in the Phar Desert, about 100 miles southeast of the Pakistan border, are in preparation for an underground test of a nuclear warhead.

India tested a nuclear bomb in 1974. Their next test may occur in the next few months.

CN has just received word from a trusted source that around May 15-18 U.S. spy satellites detected a nuclear explosion in the Indian Ocean. U.S. aircraft with radiation detecting equipment flew immediately to the area and discovered that a nuclear device had been exploded. They also spotted a Pakistani warship in that area.

This news implies that the Pakistani nuclear program is farther along than had been thought; the best guess for their first test had been the end of 1981 or sometime in 1982.

It is an open secret that Libya is financing Pakistan's nuclear program, and that when nuclear weapons are produced, Libya will receive some of them.

At present, only Israel possesses atomic weapons in that area of the world. (Excluding the possibility of small atomic weapons aboard U.S. aircraft carriers in the Mediterranean Sea and in the Indian Ocean near the Persian Gulf. And excluding Russian atomic weapons in southern Russia near the Iran border and the Afghanistan border.)

Sooner or later something will have to be done to either stop Pakistan's nuclear weapons program, or the funding of that program: an overthrow of Khadafy of Libya or an invasion of Libya would be the most likely avenue...possibly an invasion of Pakistan by India (which will have useable atomic weapons before Pakistan) will occur.

We must not forget Iraq's atomic program, which also threatens the area if it continues uninterrupted for two more years.

These atomic realities will force policy decisions and underly all politics and military moves in the next few years.

It should be noted the the U.S. recently decided to resupply India with nuclear fuel for its nuclear power plants. This fuel can be converted to weapons-grade plutonium and used for nuclear bombs. There may be an "understanding" in place between India and the U.S. concerning the strategic uses of India's atomic bombs.

THE POWER ELITE'S STRATEGY IS CLEAR

The strategy has been outlined by both Casper Weinberger, the new Defense Secretary, and by General David Jones, Chairman of the Joint Chiefs of Staff.

[Weinberger is a member of David Rockefeller's Trilateral Commission, and David Jones is a member of David Rockefeller's Council on Foreign Relations. It was recently decided to keep General Jones on for a second term as head of the Joint Chiefs, an unusual move.]

The strategy: The U.S. must prepare to fight long conventional wars in several parts of the world simultaneously.

Defense Dept. spending will at least double in the next five years: Fiscal 1981---\$162 billion.

| | | | |
|---|---------|-------|---|
| " | 1982--- | \$189 | " |
| " | 1983--- | \$226 | " |
| " | 1984--- | \$256 | " |
| " | 1985--- | \$304 | " |
| " | 1986--- | \$343 | " |

The U.S. must create highly mobile, survivable, long-range military forces.

The strategy is that advocated by Gen. Jones, who believes the U.S. should be ready to respond to Soviet moves in areas where America is weak, such as the Persian Gulf, as well as counterattack in places where the U.S. is strong, such as the Caribbean. [Cuba]

Weinberger, in a little-reported speech, said, "We must be prepared for waging a conventional war that may extend to many parts of the globe, if persistent local aggression by superior forces cannot be turned around."

He conceded that "Soviet-backed aggression against some of our vital interests in distant regions of the world might overwhelm some of our forces." ... But... "what counts in a war is not winning the first battle, but the last."

"More and more," he said, "it is apparent" that reliance on nuclear weapons isn't enough to deter aggression. "We will need a strong conventional capacity."

Another element needed: a defense industry able to react quickly to wartime military needs.

This mandates huge stores of weapons and ammunition, expanded weapons factories ready to go, an expanded, available skilled workforce. This implies a draft of civilian workers and a near-total control of wages-prices-resources and people.

We will be told it is necessary to destroy our freedom in order to save it..

COAL, COAL, WHO NEEDS COAL?

If there is an oil glut in the world, who needs coal? Why would the oil corporations and the huge oil banks busily buy up all the major coal companies?

Do they know something we don't know?

Why are major mining companies being bought up?

Maybe the buyers of all this mineral wealth expect another major oil cutoff and long-term shortage? Maybe they expect coal to become very expensive, too?

Maybe they expect other minerals to

become expensive---during a long-term "police action" ?

All but two (at latest count) of the large independent coal mining companies have been acquired by the power elite of this country.

And now we have the Reagan administration beginning the process of developing a national coal policy aimed at giving every encouragement toward the increased use and export of coal.

Lionel Olmer, incoming undersecretary for international trade in the International Trade Administration (a Dept. of Commerce post) said recently, "Coal exports are the single largest dollar volume potential over the next ten years."

Supporting this speculation is a report by Petroleum Analysis Ltd., a research and consulting service: "In spite of losses in some cases, and only slow growth in others, the oil companies continue to be optimistic about the future of the coal industry."

Many coal divisions are operating at a loss, but "no company has actually sold its coal operations and many are planning expansions.

Among companies moving ahead with expansion plans are Atlantic Richfield, Gulf, and Standard Oil (Ohio). "Several others are confident enough to be establishing coal operations for the first time." These include Cities Service, Mobil, and Standard Oil (Indiana).

The following list is of oil corporations heavily into coal:

- Ashland
- Atlantic Richfield
- Conoco
- Exxon
- Gulf
- Kerr-McGee
- Mapco
- Occidental
- Shell
- Standard of Ohio
- Sun

This massive acquisition strategy is based on solid expectations. When the oil giants spend billions of dollars they know they will make a profit. They have the power and leverage to affect events and policies to suit their plans.

THE ECONOMY IS GOING TO HELL---BUT WHICH DIRECTION?

A twenty-percent prime interest rate is, from a historical perspective, so extraordinary, and so dangerous, that the apparent equanimity of many investors today is astonishing.

The prominent doomsayers are telling us we are headed for hyperinflation and financial disaster.

Another set of doomsayers point to other facts and statistics, and say a terrible deflation is in the cards.

Let's look at the current financial landscape and try to make a judgement.

Money market funds (so popular now with small savers) which yield 10-18% on small accounts---\$500 on up---have literally sucked money [\$120 billion!] from the savings and loans and banks like a too-thirsty vampire, to the point of driving many S&L's and small banks to the brink of bankruptcy.

But these money market funds are not required to keep reserves, are not insured, and some of them invest heavily in certificates of deposit issued by foreign banks. It is estimated that \$60 billion of the \$120 billions of the money market assets are invested in banks outside the U.S.

This is a breathtakingly dangerous situation. One foreign bank failure could start a run on all the money market funds and could precipitate a panic.

One failure by a large American bank could start a panic.

The Federal Reserve Board is tightening the money supply during a period of increasing demand for debt by people, businesses, and government. The result is an increase in the rent (interest) that savings will bring.

The reasons for this huge and growing demand for debt is that too many people, businesses and governments are in debt too far, and are forced to borrow new money just to pay interest on their previous borrowings.

At the same time, banks and other loan institutions are facing (increasingly) the hard facts of massive loan defaults and bad debts. Their ability to make loans is actually shrinking

and they in turn must borrow from the Federal Reserve, from money market funds, from foreign banks in order to make new loans.

All this demand and contraction of supply (except by more debt) has driven the price of money up and up and up, to incredible historic highs.

We are witnessing a desperate race to keep going at any price; a terrible ballooning of the debt structure at a time when the Federal Reserve is seriously trying to stop the wage/price/interest spiral by making it too expensive to borrow money.

This can only lead to increasing losses as marginal debtors give up and go bankrupt.

But it is unlikely that the federal government will allow [will dare allow!] a banking crisis to happen.

On June 1, 1981, the Federal Reserve Banks of this country will be empowered to buy bad loans (including bad foreign loans) from American banks or from their foreign branches, in order to save those banks from collapse.

A small, little-noted but very important amendment to the recently passed (by Congress) Depository Institutions Deregulation and Monetary Control Act of 1980 gives the Federal Reserve this power.

So what?

So by buying bad debts from the huge multi-national American banks, the Fed will be replacing good money for lost money. The Fed will be pumping God-only-knows how many billions of fresh printed money into the national and world economy.

This will be an engine of pure inflation if used to any extent.

Will it be used? Betcha ass it will be! Our government will be the lender-of-last-resort not only to our own U.S. bad-debt-loaded banks and savings and loans associations, but also to the huge Citibank, Chase-Manhattan, Bank of America, Morgan Guarantee, etc. in New York, but also to such institutions as The World Bank and the International Monetary Fund which loan additional multi-billions to poor, undeveloped countries.

According to the wording of this amendment, all a defaulting country need do is solemnly assure the Federal Reserve

that its worthless bonds and debts are guaranteed and will be honored some day, and our friendly, helpful Federal Reserve will authorize one of its member banks to buy some or all of the worthless debt instruments. The Fed creates this new money with a bookkeeping computer entry.

A flood of new dollars will quickly be spent or loaned out again to be spent and in short order:

Prices will climb;

Gold and commodities will surge in cost;

Interest rates will climb to ever-higher, record-breaking heights;

A fevered, spend-spend-spend boom will result;

Financial and economic dislocations will become ever more extreme.

The critical countries due to recent or current debt problems are:

Bolivia

Jamaica

Nicaragua

Peru

Poland

Sudan

Turkey

Zaire

Plus Brazil, which alone owes \$50+ billions to mostly American banks, and which is now borrowing the interest it owes.

Poland owes \$27 billions and is unable to pay even the interest. Most of these billions are owed to West German banks, though 70 to 80 U.S. banks are involved in syndicated private loans to Poland.

Alan Greenspan, worrying about long-term lending rates, says, "The markets don't trust the Reagan budget cuts to do the job of curbing inflation." ... He says that interest rates on long-term Treasury bonds imply an assumption that a high rate of inflation will continue through 1990, "that fiscal processes are out of control and that the built-in rate of growth in government outlays exceeds the rate of growth in the tax base."

"Unless this assumption is fundamentally reversed, we'll be plagued with huge inflation in the decade ahead."

Another financial commentator, J. Anthony Boeckh, of the respected BANK

CREDIT ANALYST, calls the situation "a real crisis of confidence in the markets." and "We look for a peak (in interest rates) probably associated with a crisis in the financial system that might serve as a catalyst for a (bond) rally." "Thrift institutions, 'country' banks and the international financial system are likely sectors in which to expect trouble." "The strong dollar is playing havoc with foreign currencies."

"One of the problems domestically is that consumer confidence, which is related to the extremely high level of inflationary expectations, has sustained consumer spending in spite of the current level of interest rates. The people who don't believe inflation is going to come down are on a collision course with the Federal Reserve."

Will the Fed continue to keep the growth of the money supply under tight control?

It tried to do it in late 1979 and even slapped on credit controls in the spring of 1980. The result was a collapse of the economy---and a panic by the Fed to reverse the slide: the Fed pumped bank reserves out by the billions and "saved" the economy. Now it is trying to gain credibility back by keeping money tight and allowing interest rates to go to whatever heights are necessary.

Another slide will come soon---some think it is beginning now---and then as the economy collapses again, as unemployment rises toward 10%, as everyone screams in agony---will the Fed lose its cool and frantically reflate again?

That's the belief of the hyperinflation doomsayers.

The deflation doomsayers are saying that political and economic considerations will prevent the Fed from reinflating enough next time, that already the erosion of values in the housing markets, the collapse of the commodity markets, the ruin of the bond markets...all point to a tremendous loss of assets (money) which cannot be replaced even by the Fed, and that increasing bankruptcies will "kill" money even faster than the Fed can create it, and that the debt structure is self-destructing.

The next several months will give us a strong indication of the real direction of the economy---and its doom.

tion and state-required population movement would be desirable.

A decentralized, small-group population is easier to control.

'ROCKEFELLER PROJECT FINAL REPORT'

CN recently acquired a copy of a report titled, ROCKEFELLER PROJECT FINAL REPORT. The report is the result of a \$500,000 Rockefeller grant to Oregon State University in 1972. The report was made to the Foundation in (we believe) 1976.

The report used OSU graduate students, a former dean of the OSU Graduate School, and an associate professor of Journalism at OSU, assorted OSU professors in the disciplines of History, Agriculture, Political Science, Economics, Sociology, Anthropology, Forestry... Forty people in all.

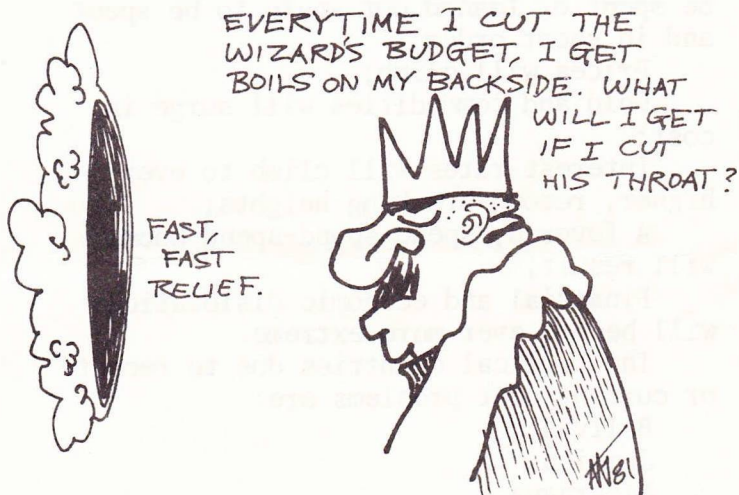
The survey was organized into two units, largely computer simulation models---one of Oregon's natural resources, the other of Oregon's people and its industry.

The basic purpose of the Report was to discover if Oregonians would accept centralized planning on a massive scale, including relocation to new jobs where the government decided certain natural resources needed development/exploitation. The Report considered resistance factors, age, location satisfaction and existing work satisfaction. Entertainment and leisure activities needs were factored in.

Oregonians have a reputation as liberal, progressive citizens, which may explain why the study was conducted here.

The ROCKEFELLER PROJECT FINAL REPORT was ignored by the major newspapers and TV stations in Oregon. We don't know if it was made available to them.

There is a conclusion in the Report that large cities tend to attract more and more people, requiring even larger expenditures for police and welfare. The implications are that decentraliza-



THE MX SPELLS DOOM TO SALT LAKE CITY

President Reagan recently waffled on his decision to go ahead with the giant program of coverting the Great Basin areas of Nevada and Utah into a huge interconnected series of railways linking underground MX missile sites.

The theory of the MX missile siting in the Basin is that by shuttling 200 or so missiles around among hundreds of sites, the Russians would not be able to knock out all of the missiles and would suffer terribly from our retaliation.

But that argument falters in the face of a likely first strike by Russia of enormous destructiveness: dozens---perhaps hundreds---of 100 megaton atomic or hydrogen bombs would rain down on the Basin in a calculated pattern designed to shake loose and damage vital computers and wiring, and to make the entire Basin a radioactive hell.

Salt Lake City---the site of the Mormon Church---a major population center...is immediately downwind of the Basin. The Mormon heirarchy screamed bloody murder---and Reagan backed off.