

CONSPIRACY NEWSLETTER

"The News Behind The News."

#7

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FINAL ISSUE OF CONSPIRACY NEWSLETTER

This issue of CN is its last. Several reasons:

1. The co-editor who has contributed most of the behind-the-scenes scientific, technological and political stories is being forced to give up this effort because of the press of greatly expanded opportunities and duties in his other activities;
2. As noted in CN#6, our sources of inside information are drying up due to a greatly expanded tightening up on "leaks" by the national intelligence and security services.
3. CN hasn't been worth the effort in terms of money; the magazine pays for its printing, postage, envelopes and cartoons, but loses money on its phone bills.
4. Its other editor (me...you all know who me is) wants out in order to spend more time on his other magazine and especially writing novels.

The big question is: how do we pay off the subscribers? The answer is that the dollar amount due you will be credited to your subscription to SCIENCE FICTION REVIEW in the form of extra issues. This crediting process will begin December 1st. Anyone who wishes a cash refund on his/her CN subscription is urged to notify us before December 1st.

This final issue of CN will consist of a collaborative picture of the political-military-economic forces at work in the world today, as we see them, and some indications of where we think the world and especially this country is headed.

UPPING THE STAKES FOR AWACS

The Reagan administration has rounded up and trotted out 13 former defense and foreign policy officials from past administra-

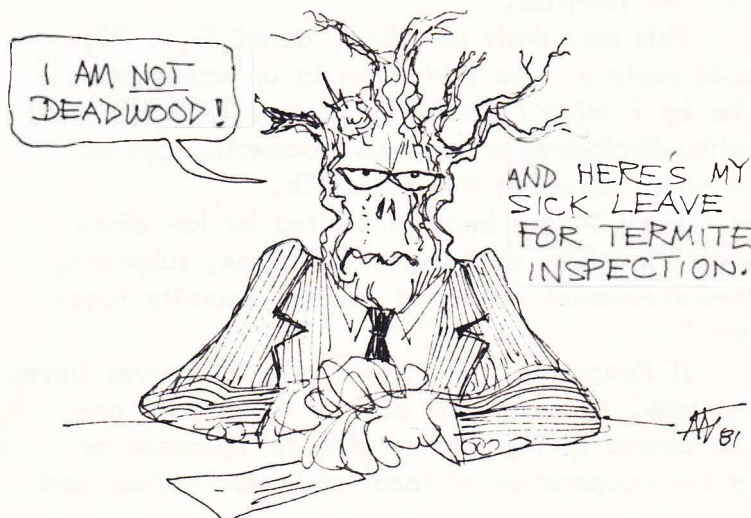
tions and used Henry Kissinger as their spokesman to lend power and weight to the administration's struggle to keep the senate from vetoing the sale of AWACS to the Saudi Arabian government.

This move is significant because: every one of those 13 former bigwigs is a power-elite agent---all members of the Rockefeller Trilateral Commission or the Rockefeller's Council on Foreign Relations.

This gathering suggests that the AWACS sale is desired desperately by the Rockefellers, that this fact is now plain to all senators who follow the Rockefeller line (and wish to be re-elected). It suggests a heavy power struggle between the Rockefellers and the Rothschilds. And it suggests that the reason for this desperate power play by the Rockefeller power locus is a threat by the Saudies and other OPEC Moslem countries (Kuwait, Oman, the Emirates) to wage financial war if the symbolic AWACS sale doesn't go through.

We are seeing a gradual shift of senators back into the fold---almost every day a senator comes forward to pledge allegiance to Reagan and the AWACS sale.

Update 10-10-81 The assassination of Sadat gives the administration another argument for the AWACS sale, even though Sadat was no



friend of the Saudis (who did not send a prince to the funeral).

A defeat of the AWACS sale in the senate would mark a serious defeat for the Rockefellers and a victory for the Rothschilds and Israel. And it would signal a new veto power on U.S. foreign policy in the senate by the Rothschild power elite. Soon after the senate AWACS vote you can expect Israel to move against the PLO in Lebanon.

BIG BROTHER IS COMING

Under the provisions of a new presidential executive order (not yet finalized) the CIA and all other agencies in the intelligence community would be allowed to "cooperate with appropriate law enforcement agencies for the purpose of protecting the employees, information, property and facilities" of any of the agencies.

The new executive order would allow the CIA, the DIA, etc. (and any new, as yet uncreated spy agency) to "participate in or fund" any law enforcement activity within the United States...unless specifically forbidden by law.

In the proposed executive order is a statement saying that collection of domestic intelligence information "will be pursued in an aggressive, innovative and responsible manner...respectful of the principles upon which the United States was founded." A previous draft of this executive order had wording that intelligence collection "should be conducted in a manner that respects established concepts of privacy and civil liberties."

This new draft directive, dated Sept. 23, would replace rules laid down in an executive order by President Carter in January 1978 following disclosures of extensive domestic spywork and other abuses in the mid-1970s.

The CIA has been prohibited by law since its creation from assuming any "police, subpoena, law-enforcement powers or internal security functions."

If Reagan and the power elite he serves have their way, the CIA will become a domestic no-holds-barred spying agency able to command or buy the cooperation of local and state police and

data banks. This country will have a vastly-expanded secret police with powers to break and enter homes, search personal effects and papers, perhaps even arrest and imprison (secretly) anyone it chooses. Certainly it will infiltrate, photograph, and record groups it is suspicious of.

It is probably not a coincidence that the CIA is building a new addition to its facilities in Virginia which will double its office space.

Welcome, America, to a new era: the police state.

Big Brother update: 10-23-81

The House of Representatives went another step down the road to a police state yesterday when it voted to give "limited" police powers to investigators of the Agriculture Dept.'s Inspector General's office. The excuse is to crack down on food stamp fraud. The new police force will have the power to carry guns and make arrests. They will also have the power to make searches...and lie...and probably (if Reagan signs that executive order allowing domestic spying, bugging, etc.) these Agriculture Dept. cops will also be allowed to invade the privacy of anyone who is "suspected" of food stamp fraud, and possibly anyone associated or related to anyone "suspected" of food stamp crime.

POLAND SINKS....

The final stage of the sorry drama that is Poland has been reached. Drastic food shortages, drastically lowered production, and more and more strikes have brought that nation to the brink of disaster. The power struggle between Solidarity and the communist party government has reached crisis proportions, with the radicals in Solidarity and the wild-cat strike actions by local unions adding to the monumental problems.

The police and the military can go into the streets and bang heads, arrest Solidarity leaders and radicals...but to what end? It will only provoke more widespread strikes,

rioting and anarchy. The factories may be burned/occupied/sabotaged. The docks would be inoperable. The country would sink into even worse misery.

And what of the unionized farmers? Would they support Solidarity by withholding food? By refusing to work the fields?

The only likely result will be martial law, forced work, draconian rule by the Polish army or an occupation force of Russian/Warsaw Pact forces.

Soon Western bankers and governments will demand the Russians move in to restore order and production, in order that eventually the Polish debts will eventually be paid and to keep those already "rescheduled" loans on the books as marginally credible assets.

THE COMING DEPRESSION

Reasons:

A. To relieve the debt/loan crunch which has built up over the past twenty years and which threatens to topple the power elite unless it is defused.

B. To allow crisis changes in banking and financial laws which will allow the elite to further "take over, buy up, and repossess" the natural resources, real estate and industries of the United States.

C. To nip the power of the ultra-rightists who have always been suspicious of, if not downright hostile to, the power elite. This will be accomplished by letting the depression last through the Congressional elections of 1982 and the Presidential election in 1984. This will assure a Democrat as president in 1984, probably someone vaguely Liberal...possibly Colorado Senator Gary Hart. Both the Senate and the House will be returned to Democratic control.

D. The new president will ask the power elite ~~bought-and-paid-for-Congressmen~~ to pass laws giving the already powerful Federal Emergency Management Agency (FEMA) dictatorial powers, ostensibly to deal with the social unrest and dislocation, the breakdown of police control in large cities, the massive

unemployment, looting, rioting, arson, etc. which will occur in the depths of the depression. This resort to civilian martial law will be the final brick in the structure of control over this country and its people. FEMA will, in the "emergency," impose censorship on the news media, forcibly move people to areas of pre-planned economic development, control wages, prices and profits, begin various social experiments, and decide national, state, local, and perhaps intimate personal priorities. Basic FEMA policies will in turn be controlled by the power elite.

THE SADAT ASSASSINATION: TERRORISM OR COUP?

The circumstances of Anwar Sadat's death are becoming known in detail, more and more, and are becoming more and more suspicious. There are indications that what occurred was not merely an act of religious/political assassination by a small band of Moslem fundamentalists acting on their own (a brother to the single, insane gunman, acting alone who kills---or attempts to kill--- presidents or near-presidents in our country) as the Egyptian government claims.

Consider the circumstances: the four-man assassination team had to be placed in the artillery truck, and that gun-towing truck had to be placed in the military parade so that it would be in the lane of three-abreast trucks nearest the reviewing stand.

More: the timing of the aerobatic display by Egyptian jets trailing colored smoke had to be coordinated to occur at approximately the time the truck arrived in front of the reviewing stand so that the aerobatics display could act as a distraction.

More: Just before the assassination almost all the security men assigned to protect Sadat were ordered away, to the side, by a high-ranking officer.

Thus from a distance of 60 feet three men with rifles got off a good shot at Sadat in the initial volley. Then at least one man of the team ran to the reviewing stand and repeatedly shot

the fallen Sadat in the back.

Photographers at the scene said that as soon as the gunfire started, some security officers turned their weapons on the cameramen and announced, "No pictures."

But there were photographs showing security guards apparently running away or simply standing nearby without drawing their weapons. In a TV film one security guard could be seen firing his pistol at three fleeing attackers--without hitting them. There was no effective return fire.

Incredibly, Egypt's Defense Minister and Vice President Mubarak, who had been standing shoulder to shoulder with Sadat, were not hit by bullets. The "wounds sustained during the assassination" suffered by the Minister and Mubarak were cuts and scrapes incurred as they scrambled/dove away from Sadat either before or after the first volley of shots.

Mubarak, a war hero and a former high officer in the Egyptian air force, with many friends and associates in the Egyptian military, is now the new dictator of Egypt.

If the assassination of Sadat was a coup by elements of Egypt's military, the reasons for the move are not yet visible, unless Mubarak simply lusted for power and couldn't wait for Sadat to retire. If there is a significant change of policy by Egypt as soon as Mubarak has consolidated his power, we will know that Mubarak and his military cohorts engineered a coup, and we will know why.

Sadat Update 10-10-81 The drumbeat of daily anti-Libyan and anti-Qaddafi statements and threats by top administration officials continues: Haig, Weinberger, Allen, Bush... All Rockefeller men.

Haig and Allen have made it a point to inform the press that Libya is receiving vast amounts of Soviet military equipment; far more tanks, guns, planes, rockets than the Libyan armed forces are capable of using. This implies that the Soviets are using Libya as a staging area, a vast supply depot, for arming rebel groups in central Africa from Libya's recently conquered Chad.

The Rockefeller spokesmen make no bones about proclaiming the Sudan as Qad-

dafi's next target. And in continually to brand Qaddafi as a madman and the world's worst advocate of and practitioner of terrorism, the Rockefeller group are conditioning the American people for an attack on Libya or Qaddafi.

Statements by Begin seem to assure Israel participation in the move against Libya.

The United States is now sending emergency war supplies to Egypt and the Sudan. There will be large scale joint military exercises between U.S. Rapid Deployment Forces and Egyptian forces.

There will be extensive suppression of fundamentalist Moslem groups in Egypt, to prevent civil strife and to "cut off the head" of any attempts to assassinate Egypt's new dictator, Hosni Mubarak.

Sadat's assassination was a professional effort which bears a suspicious resemblance to a formula designed by the CIA in the mid-Sixties after numerous attempts to kill Fidel Castro had failed. It is a triple-threat covert action formula: first, sharpshooters assigned to the prime target; second, a gunman to spray the reviewing stand with automatic weapons fire; third, a man to lob grenades into the area.

Question: how did Sadat's killers become trained or informed in this technique? Answer: probably they were trained in Egypt by agents from Libya. The Libyan agents in turn were trained by ex-CIA agents Frank Terpil and Edwin Wilson who have been in the employ of Libyan dictator Qaddafi for several years.

Sadat had been aware of plots against his life, and many times had foiled assassination plans. He took elaborate precautions against assassination. The U.S., too, took seriously the plots against him: when he left Egypt his plane was guarded by U.S. fighters and an AWACS plane.

Sadat said on one occasion, "If I die violently, it will be the result of a plot hatched in Tripoli (Libya)."

Sadat update: The Egyptian government is attempting to limit the assassination conspiracy to a small fundamentalist group of "fanatics"

and has changed its story several times in this regard. The latest break is a story in an Egyptian newspaper asserting that the plot encompassed far more people than admitted by the government, and more than one group. In addition, rumors persist that Libyan money funded the operation.

Significantly, while Sadat wanted to move militarily against Qaddafi (and had to be blocked by the U.S.), his successor, Mubarak, has stated flatly that he will not provoke or begin a war with Libya. Already Sadat's plans and policies are beginning to be altered by his former vice-president.

Sadat update 10-18-81 The assassination plot against Sadat has now been uncovered to the extent that it has been traced to a "master-mind" who is an intelligence Colonel of the Egyptian army--named Lt. Colonel Abu Abdel Latif el-Zomor. He is described as a Moslem fundamentalist.

It would seem there is a significant vein of fanatic fundamentalism in the military of Egypt.

It is revealed also that Sadat was probably dead seconds after the first volley of automatic rifle fire struck him. At the end of the attack his body held 28 slugs.

The assassins made overkill sure they killed Sadat. They shot at people behind Sadat and at others further up in the viewing stand, and at those to the far left and right. We find it significant that they did not even wound the two most important men

in Egypt after Sadat, who were sitting to Sadat's immediate left and right. Mubarak, the hand-picked vice-president of Egypt, likely to continue to follow Sadat's hated policies, was not targeted by even one of the four assassins. Five other people besides Sadat were killed in the attack, and 28 were wounded.

1500 more Moslem fundamentalists and leftists have been arrested since Sadat's assassination. Mubarak has pledged "no mercy" for his opposition.

CRUNCH!!!! 10-12-81

In late September when the stock market was falling day after day, and when stock market analyst & guru Joe Granville was touring the world predicting disastrous plunges in London and Tokyo and New York stock markets, the stage was set for a terrible fall on Monday, September 28th. He had called the top of the market in January and advised his hundreds of thousands of clients to sell out all their stock holdings. They did, the market fell drastically, then recovered in subsequent weeks to reach that high again before finally starting its long slide from 1030 to 830 in late September.

In essence, Joe Granville had been right. Thus his credibility was very high on September 27 when he predicted a worldwide stock disaster for the next day.

Monday, the 28th, the New York Dow Industrial Average crashed 14 points in the first half hour. Stock brokers were sending out thousands of margin calls which require stock owners to back up with more cash the stocks they had previously bought on credit. (A large proportion of such calls result in sell orders as the buyers decide to cut their losses.) A terrible overhang of sell orders was certain to flood the market within hours.

At that point, facing a debacle, the power elite was forced to intervene. They made hasty, emergency calls, created a huge pool of money, and hit the market with multi-millions of dollars of buy orders. The big banks, the insurance companies, the vulnerable pension funds---all bought stocks!

THE REASON ABSOLUTE POWER
CORRUPTS ABSOLUTELY IS THAT
THE DESPOT REFUSES TO HAVE
ANY WORK MEASUREMENTS DONE
ON HIM!



The result was a dramatic turn-around. The DJIA shot up to erase the 14 point loss and went on to post an 18 point gain for the day. The brokers were jubilant, the manipulators were happy. As one banker said smugly, "We really taught Granville a lesson today."

The markets in London, Tokyo, Hong Kong and elsewhere, which had dropped as predicted, subsequently also recovered.

The DJIA rallied to 880---a fifty point rise as of Thursday, October 7th. But on Friday it dropped again, and the rally seems to have run its course. There is a suspicion that the big boys, having stopped the Granville Drop, have been selling on the rally, having suckered thousands of innocents and optimists into the markets again.

Suspiciously, too, a sudden flood of liquidity hit the credit markets in late September and early October, driving down short-term interest rates and giving credence to the rally and superficial support to the wished-for (finally!) arrival of a sustained decline in the ruinously high interest rates.

We think the rally on Wall Street, and the sudden, sharp decline in short-term interest rates was manufactured by the money elite and with the cooperation of the Federal Reserve. This artificial lowering of interest rates will be short-lived. The power elite have held back on needed borrowing to lower the rates (and they are being helped short term, too, by an influx of frightened millions/billions from the middle east after the Sadat assassination), but the urgent pressures of having to finance their debt loads will compell new, higher borrowing, and interest rates will climb again.

What was created in late-Sept. and early Oct. was a bear market trap...and it has been very successful. A lot of gullible, wishful fools were conned and lured into buying stocks and bonds.

Soon the trap will spring and the values of those stocks and bonds will melt away. Next time the down-leg will be more vicious as those once-burned sell out more quickly and refuse to be lured back in.

Crunch update 10-14-81 The stock and bond

markets are in full retreat again. Today the Dow Jones Industrial Average dropped almost 15 points, to 850. That yardstick has now given up half of its recent gains from September 28. Short term interest rates are hardening again, causing renewed fear and trembling on Wall Street.

A surprisingly large number of well-known corporations will bite the bankruptcy bullet this winter. Sambos restaurants is about to go under, and signs portent that Ramada Inns is teetering. People are eating out less and flying/traveling less, thus using hotels/motels less. All travel-vacation-entertainment businesses will suffer severely from now on.

Crunch update 10-16-81 Disasterous auto sales in the first ten days of October---the heart of the new model season---have sent the industry reeling back to desperate rebates and discounts in efforts to keep the sales volume up. Chrysler is in terminal trouble (though that news is being kept quiet for now).

The nation's industrial production declined .8% last month, sales are down 1%, and inventories are accumulating, especially at the manufacturer's level. This means production will have to be cut back to the sales rate, and that in turn means worker layoffs.

The stock and bond markets continue to sink toward their recent lows. Interest rates have stabilized and even begun to rise again on the long-term debt markets.

The money supply as measured by M1-B (a Federal Reserve money-measure aggregate) surged in the week ending October 7th by \$5.6 billion. This reflects the earlier infusion of reserves into the banking system by the Fed. This surge will drive both the bond and stock markets down on Monday and drive interest rates up.

Any---however brief---resort to credit easing by the Fed now results in only very short-lived benefits in lower rates as the debt markets react swiftly in fear of renewed inflation, devaluation, and future loss of bond values. As a result more and more money is going into short term debt instruments, and less and less into long-term bonds. With banks, thrifts, insurance companies, pension

funds and individuals increasingly unwilling to loan long, construction of houses, buildings, factories, ships, bridges, highways, etc. etc. will fall, more and more, as long as it appears too risky to loan money for more than a few months.

This is the inevitable consequence of inflation and deficits. The inflationary bubble is self-limiting, self-correcting; a long-term policy of inflation by the government defrauds long-term money lenders and sooner or later they all wise up. They refuse to lend long except at ruinous interest rates. These interest rates kill construction and mortgages and a down-spiral begins. It began in this country in 1979.

Crunch update 10-17-81 We are writing so much about the Crunch because it is the most important story. We feel an understanding of the processes and dynamics of what is happening to money and debt in this country (and the world) is the most valuable knowledge you can possess.

Received today a Gold Forecast from James U. Blanchard, editor and publisher of the GOLD NEWSLETTER. He makes 10 predictions for the U.S. economy:

1. While deflation and depression dominate the concerns of most Americans, inflation will begin soaring to a rate of 35% by 1983.

2. Within 24 months, the prime rate will hit 30%.

3. During the first quarter of 1982, several of the nation's top savings and loan institutions will collapse.

4. The Social Security system, despite President Reagan's best efforts, will face an increasingly desperate situation. The system will be saved, but only ... by massive infusions of new paper money.

5. Defense spending, now \$200 billion, will rise to \$500 billion by 1984 and \$650 billion by 1985.

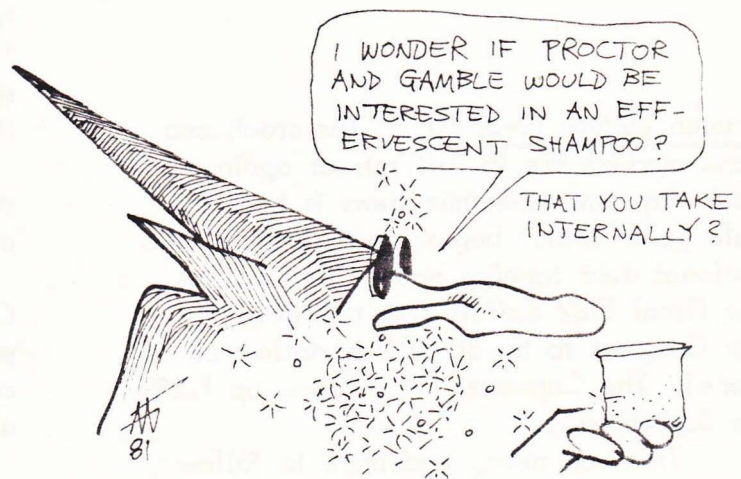
6. Within 36 months, a revolution will break out in Saudi Arabia. Decisive action by President Reagan will prevent prevent pro-Soviet revolutionaries from overthrowing the monarchy.

7. In 1982, Europe will be seized by the worst social and economic chaos in modern history. Expect riots, strikes, bank collapses and business failures in every Western European nation.

8. In 1982, Australia---and the entire Pacific Basin---will experience an economic boom of unprecedented proportions. The Australian dollar will become the Swiss franc of the 1980s.

9. Within 18 months, silver will be \$20 an ounce, and platinum \$750 an ounce.

10. We stand by our earlier prediction that 1981 will be remembered as "the last chance to buy gold at historic lows." By the end of 1982, gold will be \$700 - \$800 an ounce. By 1983, \$1500 to \$2000.



We disagree with the predictions for a fundamental reason: Blanchard believes the U.S. government will attempt to reflate in order to avoid the crash of the inflation-created overhanging debt structure. And that this inflationary splurge will be of such an enormous size (necessarily) that interest rates will climb to the sky and that the inevitable swift collapse of the dollar will force a remonetization of gold to about \$1500-\$2000 per oz.

We believe the mortally wounded debt markets will not accept any reflation; a switch to Democrats in 1982 congressional elections would (if the Dems. promised to

force an easy-money, \$100-\$150 billion federal deficit in order to "revitalize" the economy) simply plunge the economy into even deeper depression; there would be a flight from paper money, a crippling surge in interest rates, a simultaneous surge in sales as people followed the "buy things, don't save!" defense, and shortages of basic consumer goods. All this before the promised easy money was circulated.

Too many people with money are now too smart to be conned by government with the old inflation ploy. The game is over. But it may be that a lot of politicians are too dumb to realize it.

The Market will educate them real fast.

Crunch update 10-23-81 The stock and bond markets are in full retreat again. Each day new economic news is bad: durable goods orders beginning to plunge, the national debt topping one trillion dollars, the fiscal 1982 deficit now estimated by the Congress to be 80 billion dollars or more! The Consumer Price Index up 1.2% for September...

This bad news, and more to follow (especially the unemployment figures to be

released in early Nov.), will all contribute to a further contraction of the economy as people cut back on luxuries and hunker down for the long pull through a recession.

Foreign economic stats show a world-wide depression developing. Yet economists in the U.S. insist in thinking (at least for public consumption) of the U.S. economy in isolation, and insist the onrushing depression will be short, with recovery due in the Spring of 1982.

We do expect 25% short-term interest rates in 1982, and 18-20% long-term interest rates...but are convinced that will be the top. We see 100+ billion dollar federal deficits for 1982-83. We see unemployment at 10% in 1982, maybe higher.

Beyond that... Maybe the administration will seek a war (small scale) in the Persian Gulf/Near East as a way to cure the depression. Maybe there will be a resort to an "emergency" within this country and a police state solution to the "internal threat". Maybe this country will choose that easy way.

But we hope this country has the guts to stick with its traditions and its constitution, and to go back to living within its means.

We hope you will keep your file of CONSPIRACY NEWSLETTER handy and that you will be able to watch and understand the coming economic, social and cultural upheavals with a better, truer perspective.

Hang on tight! It's going to be a hell of a roller coaster ride.

