

RICHARD E. GEIS
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a personal journal
a personal journal with fiction
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PERSONAL JOURNAL #11

5-1-79 THE MOTHER EARTH NEWS #57 has a suitably doom&gloom editorial which is based on the book THE GREAT FRONTIER by Walter Prescott Webb. Published in 1952, the premise is that mankind lived in a virtual steady-state equilibrium in Western Europe from 1300 to 1500 AD. About 100 million people. "Progress" and "Groeth" were alien concepts as we know them.

But then came the New Worlds of America, Africa and Asia were discovered and abruptly (historically speaking) a wealth of riches came to Europe and revolutionized society and culture. Technology was born from science and a 450-year plunder of the planet was to ensue.

Webb's theory is that we've turned the corner on the supply of wealth that can be easily gotten from the ground and from now on—from the 1960s—the direction is downhill to a dismal return to a medieval, equilibrium-type population and economy.

Webb predicted all of our current troubles and predicts very bad times as the industrial nations squabble and fight over diminishing resources.

He saw no new frontier to be plundered. He saw famine, war, pestilence, and the death of democracy and individual freedoms. He foresaw terrible inflations and depressions, a devaluation of society toward more rural life and a contraction of cities.

He thought that even if science made a great breakthrough—such as, I imagine, fusion power—it still will only delay the inevitable.

Yes, I know, a lot of you are pointing up to the space frontier...all those luscious asteroids and planets to plunder.

Maybe.

Maybe anti-gravity will come through and maybe the micro-electronics revolution will help us tremendously...

And maybe not. I tend to think the space frontier is a too-expensive dream, and that as existing resources

become yearly more expensive, the dream will die in a welter of impossible costs.

I suspect the fusion power will also turn out to be a flawed bonanza, with incredible overhead and some unexpected drawbacks and ugly consequences.

I do think microelectronics will save us tremendous amounts of expensive energy but in the end costs will still cinch tighter and tighter on the American standard of living.

But not to worry. It'll take several hundreds of years for the return to a medieval society and economy to be "achieved." With luck we'll all live out our lives in relative affluence.

As to MOTHER EARTH NEWS itself, I note that it has aimed itself at the more well-to-do farmer and ecology-minded college-graduate audience than to its original counter-culture subsistence-farming, pioneer type audience. The magazine has gone for the moneyed reader who loves to play Aint-It-Awful and likes to buy how-to books (which Mother has plenty of to sell!).

IN THE NEWS— I note that the powers-that-be are signaling that a value-added-tax (VAT) —a national sales tax— will be considered seriously to take the place of the payroll withholding tax and to finance the staggering Social Security system. This signals the lip-service end to Social Security as a self-financed retirement fund. Even now retirement benefits are figured by an arcane formula which can be manipulated by a smart worker who can regulate his contributions for maximum benefits. What this comes down to now is that you should earn enough income in the final years (age 60-65) to contribute the maximum SS tax.

IN THE NEWS— Senator McGovern is introducing legislation that if passed would give the president power to impose wage-price controls on the economy.

Carter and his administration spokesmen keep saying they HATE the idea of controls and don't want to use them... Like Brer Rabbit pleading that he not

be thrown into the briar patch (which is exactly what he wants). "Oh, take this cup of ambrosia from my lips! I don't want to control the country! I hate the idea of power over people!" Uh-huh.

IN THE NEWS— The remarkable performance of Senator Kennedy lately —battling Carter publicly over a national health service and over oil decontrol (virtually calling Carter a tool of the oil companies) shows he is NOT going to run for the nomination. He's having too much fun as a senator. He could not say such things about Big Oil if he were seriously interested in the presidency. He would be smeared, and if that failed he would be killed.

IN THE NEWS— NASA has alerted various police departments in the expected area where the Skylab pieces might hit. Sometime in this month or June Skylab will fall to Earth. And—(gulp)— western Oregon is one of the potential 'strike' areas.

IN THE NEWS— The Carter administration has proposed legislation which would allow the CIA to have a "clandestine operations" capability overseas, and which would allow spying on American citizens abroad. The President would be allowed "not to know" about some CIA operations.

Here we go again.

IN THE NEWS— The Portland City Council has before it a proposal to use force after five years to coerce homeowners to insulate and storm-window and save energy. This is a comprehensive energy program—first in the nation—to require buildings and homes to be energy efficient. It will have some public hearings and then probably will be made into city law.

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5-6-79 Jack Carlson, an economist, has said in print (Associated Press) what I've known and said for some time:

"Some sort of symbolic tax relief ...is likely before the election." He said it could be done in the second or third quarter of 1980 "to take effect before the election."

He said it would be symbolic because it would return to Americans only a portion of the taxes that inflation will take from them. Carlson estimated that inflation will increase the 1981 tax burden on each household by between \$800 and \$1,000. over 1979 taxes. A \$15 billion reduction would return only \$200 of this, he added.'

No wonder governments (especially ours) like inflation so much and are so amazingly powerless to stop it. They pretend to fight it, but actually increase the budget and the tax bite every year.

The problem for our government now is that their increased taxes are eating into incomes that are being shrunk by real-cost price increases. Increased energy costs are still (and will continue) working their way through the cost/price structure. As real purchasing power shrinks, people are going into debt further and further to maintain their accustomed standard of living and to buy certain products before the price rises even more.

But soon the ability to borrow and spend will shrink enough for enough people to force them to cut back and endure their government mandated and lowered living standard.

A token tax cut will not fool many people. The tax revolt is gathering power and will likely explode in 1980.

Paul Copperman, author of THE LITERARY HOAX, and president of the Institute of Reading Development in California, declared recently in Senate testimony:

"Every generation of Americans has surpassed its parents in education, literacy and economic attainment—except for the present one. For the first time in American history, the educational skills of one generation will not even approach those of their parents. Only about one quarter of this coming June's high school graduates will have the average level of academic skill recorded in the early 1960's.

"The average high school student today takes 25% less English, 35% less world history, 35% less government and civics, 30% less geography, and 20% less science and math than students a generation ago. ... He is assigned less than half the homework, and his textbooks have been rewritten with a reading level two years lower than the grade he is in."

And we're paying more per student in real money than ever before. Who is screwing up?

#Hardly a day goes by now without a story in the paper about one or more minor leaks or pump problems at nuclear power plants.

A deliberate campaign to discredit and kill nuclear power?

George Bush was on MEET THE PRESS this morning, proclaiming his progress in pre-primary tactics and how he is for the poor people and how HE would have handled the Iranian crisis... God, what a phoney! Nobody in his right mind would vote for that turkey. He's got to be an establishment bid to stop Reagan (as is Connally).

I'm going to devote ten pages this issue, to SPLITTING. The novel should be completed in a reasonable number of issues.

To my surprise (when I counted subscribers) I still have over 500 and will have to run off more of #10 soon. I only have 10 copies left.

5-8-79 The daily stories on TV and in the newspapers about the hassles in California over gas supplies... the long lines of cars waiting to get gas...and the reduced allotments of gas to dealers all over the country is going to severely hurt the big, important tourism trade this summer if the shortages continue.

I remember a report and seeing an imported oil graph in either BUSINESS WEEK or the HOLT EXECUTIVE ADVISORY that showed/told of a reduction of imported oil by the oil companies before the Iran revolution cut off that oil for two months. Iran oil is being pumped now at about two-thirds its former rate while Saudi Arabia has cut back and

Mexico is taking its time about developing its vast reserves.

It appears to me that the present supply situation has been orchestrated by the oil companies and OPEC. The Iran cutoff helped. (I can't quite go whole hog and say the Iran turmoil and replacement of the shah was part of the conspiracy...although U.S. policy was essentially anti-shah).

All I am saying is that in addition to jacking up prices for their current inventory, the oil companies are putting on pressure for decontrol of prices for their "old" oil in their existing oil fields. A bonanza. Old John D. Rockefeller, Senior, would be proud of his sons' present buy-the-government-and-gouge-the-public successful policy.

The point is, a big dent in the tourist trade this summer will positively insure a recession. We live or die on using and abusing automobiles in this country; our economy is based on the car...in a hundred ways.

5-12-79 Two news stories in the paper today throw some light on the next few years: The Yugoslavs have finished constructing a deep-water oil tanker port and facilities, plus an oil pipeline leading to neighboring Balcan countries...and Russia.

And the big oil multinational companies have opposed a World Bank plan to lend third world countries money to explore for, drill for and pump/market new oil supplies.

The Yugoslavia port and pipeline means that the Socialist bloc is sticking a straw into the Middle East oil jug and will be sucking out a significant amount of that oil, thus reducing the amount available to the West. Thus insuring short supplies for years, if not forever, thus putting a de facto cap on the growth of our economy as long as our economy is so utterly oil oriented and dependent. In everyday terms that means stagnation, ever-higher energy costs, lower standards of living, and higher unemployment.

The opposition of the oil giants to third world countries drilling for oil on their own is simply based on a desire to monopolize oil control/distribution worldwide. They don't want competition.

It should be noted that the oil companies have a vested interest in high prices, which equal high profits, which equal the ability to buy vast numbers of companies in other areas of the economy—such as the recent purchase of Montgomery Ward...further extending the owning of America by the gargantuan, interlocked Rockefeller/Morgan etc. fortunes.

I say again, the real battles and wars in the world today and tomorrow are and will be between European, Japanese, American, and other, smaller money/ownership power blocs. Governments and national entities are mere facades...except for the Russians and the Chinese, who are weak and technologically inferior and who think they can use the capitalists without becoming absorbed and used in turn.

The SALT II treaty will be the focus of a lot of sturm und drang, but in the end the Rockefeller/Morgan bloc (which owns our government) will have the Senate votes to pass the treaty. It will be a Panama Canal Treaty scenario all over again. Some senators will pretend to be undecided and will wring their position for all the publicity and extortion it will bring.

I bought some multi-vitamins today at Fred Meyers: 250 tablets for \$1.99. The regular price is \$3.89. On the same shelf were bottles of that nationally advertised One-A-Day brand which has the same exact formula and potencies priced at \$9.98 for 240 tablets!

I suppose that \$9.98 price reflects the high cost of advertising, huh? Also greed. Nothing wrong with greed, if a company can get away with it or can avoid competition. In this case Fred Meyer deliberately placed its sale vitamins next to the One-A-Day bottles. I'm telling you, the marketplace can be vicious!

5-13-79 Buried on a back page of the OREGONIAN today:

A press release by Rep. Jim Weaver, D-Or from Washington:

"There is no question that supporters of the draft are moving now to get a system that will waive the Privacy Act and register young people by computer without their knowledge or con-

cent.

"Such a massive invasion of privacy would only give the government the capability to start a war against the will of the American people."

"Weaver said he is concerned that such a war could be on the horizon in the form of a "disastrous conflict in the Persian Gulf in a futile attempt to secure our oil supplies."

Once the Rulers get away with that kind of registration, everyone is liable for registration for one kind of national service or another, in a "national emergency" "in the public interest".

Watch and see if this computer registration ploy is voted in. And watch the usual "crisis" and "emergency" develop to justify it if strong opposition develops.

Idle thought: Americans used to fight to defend Mom and Apple Pie. Will they now fight to defend their private car? Will they fight in Saudi Arabia for the right (and fuel) to drive it on Sunday?

Now It Comes Out Dept. 'The Three Mile Island-2 reactor's core...' was '....completely uncovered for 50 minutes to one hour and partially uncovered for 10 hours. Without coolant, rods housing the fuel overheated, causing extensive damage.

'So badly damaged was the core that it now looks like an inverted pyramid of debris and fragmented fuel according to NRC reports...' '...93% of the flow path for cooling water through the core is blocked by debris and...resistance to circulating water is twice what it normally is.'

We are told that the body is not important, it's the person inside who counts. I've found that very quickly the person inside becomes a depressingly known boring quantity which is given to pattern talking, obsessive talking, always self-oriented talking. And in the 80-90% of the people I come in contact with their body is usually more interesting (and in some cases attractive) than their 'inner selves.'

I'm not becoming an elitist, I'm being ever more confirmed as an avoidist. Most times the price paid to use the body is in the coin of listening

and listening and listening....

Married or permanently joined people have discovered that the prices paid are worth it by far, since each has different value systems on the intensely personal level where such inner bargains are made and kept. How much companionship is worth a belch, a fart, a picking of the nose? What is worth listening to a joke or a childhood experience for the 50th time in six years? There is a scale inside us which weighs this and that and the other every day, every month, every year.

5-16-79 John Connally, once a Democrat, now a Republican, is seeking the Republican nomination for the presidency.

He is going around the country disagreeing with President Carter's handling of foreign and domestic affairs.

John Connally has hired himself what is called an Issues Director for advice of foreign and domestic affairs. Where did he get this man? He hired him from Carter's National Security Council. The man, Samuel M. Hoskinson, was an aide primarily responsible for legislative and budget matters affecting the intelligence community.

Zbigniew Brzezinski, Hoskinson's boss and President Carter's national security advisor was willing to see Hoskinson go to Connally.

What is Hoskinson's background? He has been a National Security Council staffer off and on since 1969, when he was recruited by Gen. Alexander B. Haig, Jr., a former classmate at Georgetown University's graduate school who then was deputy to Henry A. Kissinger, President Nixon's national security advisor.

(Haig, you may remember, was the man who actually ran the government while Nixon was coming apart at the seams due to Watergate, and it was Haig who engineered the pressures within the government which prompted —forced—Nixon to resign.)

Hoskinson joined the Central Intelligence Agency while at Georgetown, worked for a year at Chase Manhattan Bank in New York, then returned to the CIA in the mid-1960's. He specialized in Mideast affairs on Kis-

singer's council staff. When James Schlesinger was named CIA chief in 1973, Hoskinson became his executive aide.

So this man who has joined John Connally (because of a "philosophical disaffection" with the Carter Administration's policies on international affairs.) is a career man in the upper echelon group of Rockefeller/Morgan agents who take turns running the government in one position or another. He has been placed next to Connally as a control/advisor, and if Connally makes progress and looks good and obeys orders, Connally might be picked to be the next establishment front in the White House.

Ted Kennedy is using his attractiveness as a possible presidential candidate to push his pet legislative goals; National Health Insurance, for example.

But he won't try for the nomination, and won't accept it in my view.

But the interesting thing about the long front-page and p.7 stories about Kennedy's plan is the omission of the fact that 'payments' from workers and employers (to pay for the plan) would be mandatory. Forced. No option for the citizen to have any other (or none) health plan for his money. And of course the government would regiment the hospitals and insurance groups and doctors with mandatory standards, rules and regulations for treating and caring for people—a 500-page manual detailing 257 different Procrustean beds.

5-17-79. So President Carter is increasing California's quota of gasoline. Fine. But from whom is he taking that gas to give to the howling Californians?

Silver Lining Dept. My uncle Claude was stricken with a severe bronchial infection, and we took him to the Kaiser hospital nearby. While waiting for word from the doctor on his condition, we talked with a woman (in the emergency room) also waiting, who had just bought some seedless grape vines. They're adapted to grow well in our climate, and they're called...umm... Interlochen...Interlochen...something like that. They are available, usually, at any BIG commercial nursery.

So we went out to the Seven Dees

Nursery yesterday and got three vines. These, with the six close-out grape vines I got from K-Mart, will provide us with enough grapes for eating, raisins, and wine, in a few years.

Thus the area in back of the garage is a row of raspberries and a row of grape vines.

Oh, Claude is recovering nicely. But not until he had to go back again to the hospital because the six different medicines given him to take were making him more ill than his disease. The doctors changed the medicines. He has a long-time case of emphysema, so any problem that interferes with his ability to breathe is serious!

5-26-79 John A. Spengelink was electrocuted yesterday for first degree murder—and his death got as much front-page coverage as the deaths of 270 jet-crash victims.

The arguments against capital punishment: that it is cruel and unusual, that it doesn't deter others, and that it is selectively imposed, don't hold much water.

Any death is cruel, and electrocution is not especially unusual except to those who wish it to appear to be. I consider electrocution rather dumb and antiquated. A lethal dose of a barbiturate combo is better and more humane—although there are those who object to it on the grounds that it is too humane and makes it easier for judges and juries to opt for the death penalty.

Any severe punishment (especially death!) will deter if it is well observed by the public and the state; punishment must be prompt if it is to be effective, as any parent, animal trainer or psychologist knows. And in the case of a killed killer, he won't be around to kill again.

Killing first-degree killers is a preventive measure as well as revenge. Since psycho-therapy has proved abysmally incapable of correcting flawed, warped minds, killing these minds which have proved to be psychopathic and/or premeditated (cold blooded) killers is the best way of making sure they will not kill again.

The argument that only blacks, eth-

er minorities and/or the poor are executed while rich white murderers who can afford excellent lawyers are sentenced to serve time (or get off) is like saying no crime should be punished because some crime is not or because some criminals don't get caught.

It's well known that the prisons are 90% filled with stupid criminals and those who unconsciously wanted to get caught. Plus maybe 1% of those who were smart and conscience-free enough not to get caught but who were simply unlucky.

Should we empty the prisons and fire all the police because the system is inherently imperfect?

And, finally, I'm amused that most of those who are against the death penalty approve of abortion.

5-30-79 Sometime in the next few days I'm going to a discount lumber yard and get some particle board 4 x 8 sheets and utility 2 x 4s and other boards and make myself another, larger shed for the backside of the house. This area is always/mostly in the shade and not much good for growing anything. This second shed will be for sheltering firewood. I'll make it large enough to hold about a cord of wood.

The first shed is for garden tools and supplies.

The garden grows! Especially in the container boxes which have a combination of last fall's leaves and last winter's organic garbage and a mixture of ordinary dirt and a seasoning of steer or chicken manure. (Also cat manure.) One crop of beets is ready for eating and the carrots are almost ready. The cabbages are heading and the four tomato plants are big, very healthy and forming tiny tomatoes already.

5-31-79 Two items of info about oil and gas: The guys at the pump who sell gas say they haven't been allowed any increases in their profit-per-gallon since last year (which means that all of the price increases have gone to the oil companies), and an Energy Dept. attorney has testified before two House sub-committees

that higher-ups in the Energy Dept. have covered up and ignored and cooperated with the big oil companies in illegal activities which have raised the price of oil (and gas) for consumers.

"I think I could get a jury to convict the oil companies and certain individuals in government of conspiracy," Joseph D. McNeff said.

McNeff has suffered the fate of all govt. employees who blow the whistle: he has been threatened with reprisals, transferred another job, and denied access to Energy Dept. records. He now works in Dallas and has been given little meaningful work to do.

Some congressmen on the committees are scandalized. Albert Gore, Jr., D-Tenn., said Congress may have stumbled on "the largest criminal conspiracy case in our history, involving billions of dollars, and it may be continuing to this day." He endorsed McNeff's idea that a special prosecutor be named, empowered and funded.

Haw haw. Don't hold your breath. The conspiracy (active and passive) goes on up to Energy Chief Schlesinger and President Carter, who are very sympathetic with the wishes of the multinational super banks who own the oil companies.

In a related story today I note that June gas supplies will be down significantly from last year as Conoco, Gulf, Shell and Texaco have announced, with Exxon, cuts of from 2% to 30% in gas deliveries to dealers.

This cut-back cannot be explained by the Iranian shutdown during part of the winter. It is a contrived squeeze to drive up prices by using as much high-priced foreign oil as possible (thus legally justifying the ever-higher per-gallon gas and oil price rises) while keeping their American oil in the ground as much as possible until decontrol allows them to charge OPEC prices for it.

But. This crimp in the summer driving season—vacations—is going to make worse the current slumping economy. Car sales are down, housing sales and starts are down, the balance of payments deficit is up again, and people are beginning to be laid off work.

Some economists and all government spokesmen are still confusing price in-

creases with "inflation". But since the first of the year the government has not been devaluing the dollar. On foreign exchange markets the dollar has been hardening—increasing its purchasing power—with the result that price increases for food, oil, etc. have been real increases and are taking a larger slice of a pie that has not been puffed up by an increasing of govt. debt.

In a nutshell it is no longer possible for most people to pay Peter and Paul with inflated (devalued) dollars spread around from the government fountain. Now we have to pay Peter and make Paul wait, or not buy from him at all. And Paul will lay off employees, who will cut spending....

As Sen. Hayakawa observed crudely, impolitically, the poor won't need much gas since they have few jobs, and that goes for the unemployed, too. The gas "shortages" will disappear as the unemployment rate rises and as the price rises.

#Pacific Gas & Electric Co. here has unveiled a plan and technology to allow its customers to put some electric power back into the system if the customer by use of solar power or wind generator or whatever has a surplus at certain times of the day or night. The company says the customer would be credited on his monthly bill for the \$\$ value of the power. Conceivably some customers might end up with a check instead of a bill every month.

Texas Instruments has developed a new solar powered electricity-producing cell which is very efficient and allows for power storage in a clean, safe, convenient way.

The operative word is 'developed'; commercial tooling-up and distribution is a long way off—maybe five years.

MOVIE REVIEWS—

AUTUMN SONATA, directed by Ingmar Bergman, starring Ingrid Bergman and Liv Ullman. An onion movie as a mother and daughter peel away layers of hate and anxiety in a series of confrontations. Fine acting, but also dull in spots. English subtitles.

SMALL CHANGE, directed by Truffaut. A delightful, real look at the lives and

viewpoints of a variety of French children in school and out. Funny and charming and enlightening. The look at French society and culture is eye-opening in many ways.

CALIFORNIA SUITE with Jane Fonda, Walter Mathau, Richard Pryor, Elaine May and others is a three-story picture (like an episode of LOVE BOAT or FANTASY ISLAND) which gives three kinds of humor. Michael Caine stole the movie as a bisexual husband: bitter-sweet painful humor.

LOVE AT FIRST BITE is a very good use of Dracula in a humorous vein. George Hamilton is excellent as Dracula in New York, and Arte Johnson is a stand-out as his loyal servant. Susan Saint-James was miscast as a drug-using, sexually casual top fashion model: she's too old and it shows.

OLD DRACULA is a movie David Niven would probably like to forget. Still, it has some funny moments.

EVERY WHICH WAY BUT LOOSE is Clint Eastwood as the macho man with sensitivity in this story of a casual for-money fighter. He owns an orang-utan who steals every scene. Ruth Gordon as the old mom is fine but underused. The film is full of laughs and sentimentality.

6-1-79 China is signing pacts with nine big America-based oil multinational corporations allowing a search for oil in the South China Sea.

I suppose it's better for 'our' side to get the oil than anyone else. The price, of course, will be OPEC-level.

The fighting between arabs and Iranian troops near the oil fields of Iran makes the politicians and bankers in this country tremble with foreboding. Any further decline or disruption in the flow of Iranian oil would make far worse the financial/commerce crisis that is beginning to crunch this country.

Carter has granted a \$5 per barrel government subsidy to the big oil companies to encourage the importing of

more home heating oil. Ah, how sweet it must be to own a president. The Europeans are mad as hell, seeing this as an attempt to hog extra oil and force them to pay even higher prices.

The squabbling over oil has really begun, now, and much sooner than I had thought. Oil supply has now become a life-and-death matter for some industrialized countries. And to the extent that we can use middle-east and others' oil and save our own gives us a strategic geo-political advantage against our European and Japanese rivals. (In a very real way our personal lives are at risk with the fortunes of the Rockefeller/Morgan power structure in international affairs.)

Sen. Mark Hatfield (R. Oregon) was quoted yesterday as saying that the CIA has estimated that there will be another major oil stoppage sometime in the next five years due to sabotage, political upheaval, or war.

6-4-79 Nigeria has threatened to cut off exports of its oil to the U.S. if Carter recognizes the Rhodesian election as "free" and drops trade sanctions. Since Nigerian oil totals 15% of our oil imports, the loss of that oil would be a blow and making it up from other OPEC countries would likely be very costly.

This warning by Nigeria is the latest, most blatant attempt to use oil in international politics.

John Swearingen, head of Standard Oil of Indiana let the cat out of the bag yesterday on ABC-TV's ISSUES AND ANSWERS. \$1.50 per gallon, approximately the world price level, will be required before the oil companies will feel impelled (by greed) to develop coal and oil shale deposits and use new technology to draw residual or too-expensive oil from old wells (as well as bother to pump oil from thousands of small, heretofore "uncommercial" pools of oil already discovered and capped).

He also noted that because of taxes "the federal government is the biggest beneficiary of any price increase that takes place."

I'd estimate now that sometime in 1982 gasoline will cost \$1.50 per gal-

lon, supply will be adequate or in surplus, and there will be extensive development of the oil shale deposits in this country. And coal.

6-8-79 I have the lumber now for the woodshed I plan to build against the back of the house. It'll have two large compartments—one for dried wood, one for drying wood.

I purchased extra 2 x 4s to make grape vine frames.

I'm going to try to paint the house this summer and fall, and see if the \$\$ are there to pay for professional two-pane storm windows. Also I am now in the process of refurbishing the gutters.

As most homeowners know, the fix-up and maintenance projects are endless. All this activity is in response to a gut-feeling I have that the recent (and near-future oil price increases will—as in 1974—make the recession we are now entering much worse, all around the world.

Wholesale prices in May increased only .4% because of a 1.3% drop in food prices. Other, non-farm wholesale prices went up at an annual 12-15% rate. During the summer food prices will perhaps fall or rock along at no gain due to good harvests.

The oil price increases in place and due are and will put tremendous new financial pressures on Third World countries and bring a lot of them into clear bankruptcy positions and further put at risk all those billions in loans to them by U.S. banks.

New car sales are down, home buying and construction is down, and layoffs are starting. Retail sales continue their unit-volume decline, and inventories are a-building.

Curious (the the authorities) situation in consumer debt: it went up \$4.3 billion in May (a hefty increase!) but the debt repayment rate went down! This suggests to me that those who can borrow more, did. Those who are being pinched by lower real purchasing power and high debt loads are postponing debt payments.

In 1980-81-82 there will be a big increase in personal and business bankruptcy.

In early 1980 if not before you can expect 'balancing the budget' to be

forgotten and the Federal Reserve to be back into pumping up the money supply in time to put a bloom of apparent improving economic conditions in the air to help the Democratic nominee for President. Of course that will mean 15-20% inflation (price increases as measured by the Consumers Price Index in 1981-2-3, but what the hell, people never learn, right? It's worked this way for generations, so it'll work again, right?

But maybe this time the deflation will get out of control and deficits will do little if any good. There are trillions of dollars in bad debts outstanding, and that overhang is about ready to start an avalanche. Mark me well—increasing real energy costs are the trigger. The oil-producing countries (and companies) will not sit still again as they did in 1974-5-6-7 and allow us to devalue the dollar to reduce the cost of dollar-priced oil. They will index the price—if we inflate 15%, they will up the price 15%. No escape.

The real world is coming to America.

So, while I'm still able to afford a few house improvements of long-term value—storm windows, the woodshed, paint, and maybe a new roof for the garage—I'm putting them in place.

I see that Sadat of Egypt has made a deal with China to buy some of their ancient MIG fighters. Of course there is no way Russia will sell China new MIGs, so where will China get new armaments? Why, dear old David Rockefeller disguised as Uncle Sam will be happy to oblige. The U.S. probably assured the Chinese we'd replace those MIGs before they agreed to sell them to Egypt. (The U.S. taxpayer will probably pay for both the MIG sale and loans to China to buy American-made jets.)

6-9-79 President Carter decided against dropping the restrictions of trade with Rhodesia. The Rhodesian election wasn't fair enough or inclusive enough, he says, as he looks over his shoulder at Nigeria which had threatened an oil cutoff if we did drop trade restrictions....

See you next issue.