

RICHARD E. GEIS  
RICHARD E. GEIS a personal journal  
RICHARD E. GEIS a personal journal

Journal #20

Copyright (c) 1980 by  
Richard E. Geis, POB 11408,  
Portland, OR 97211

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

9-6-80 There are more and more crisis points in the world, politically, and especially economically.

The two most crucial are the Polish situation and the Israeli-Arab conflict.

Clearly the Polish communist government has yielded to its workers because it had to, but it will now try to limit the democratic damage and play it tough, tougher, toughest from now on.

Russia is probably readying a contingency plan for the take-over of Poland and the erection of a ruthless regime—again. They have to intervene every ten years or so to keep a socialist state dictatorship in place.

Russia and the other East European governments will try desperately to keep their own skilled industrial workers from getting the same ideas as the Polish workers.

Economically, Poland is in a crisis as it can only barely earn enough money in trade with other nations to pay the interest charges on the \$20 billions it has borrowed. Yet it has promised its workers raises and shorter hours and other benefits to keep the strike from immediately collapsing the debt house of cards. Estimates are that Poland will have to borrow \$4 to 6 billions next year to keep up its interest payments. The international banks will not loan more. It cannot borrow from Russia or its East European socialist neighbors because they also are in hock to the hilt.

Now get this—President Carter is talking about giving or loaning Poland hundreds of millions of dollars in credits (to buy food, but that frees Polish funds to pay debts) and is suggesting other (West European) governments do the same, in order—the public line goes—to "encourage the liberalization of Poland."

So now Rockefeller & Friends want the U.S. taxpayer to subsidize an incompetent communist dictatorship so that dictatorship can keep on paying money owed to Rockefeller & Friends.

That takes guts.

# The Israeli/Arab scene is equally ob- scene—and more dangerous. In the last two days all the presidential candidates have fallen all over themselves sucking up to the Jewish voters in New York. All have promised aid, no basic changes in US policy...Reagan said the Israeli takeover of Jerusalem was okay and supports it. Anderson said Israel is a vital strategic asset for us in the Near East.

While the Moslems burn, we ignore their growing frustration and rage.

While we are training a large expeditionary force in Egypt to either "protect" the oil fields of Iran or the Arabian peninsula, the Saudis, Syria, Libya, and Iraq are cooperating, meeting, planning.

The Arabs have warned us again and again, but...

I suspect the Israelis have a string on Carter and/or the Rockefellers. I think the fact that the Israelis have atomic bombs and will use them in an emergency is the lever.

Soon the Saudis will cut their oil production and raise their prices. They will also set up an automatic oil pricing system which will raise oil prices to adjust to the inflation of the \$ and Franc and Mark and Yen. In other words we won't be able to devalue our way out of this recession as we did in 1975-6-7-8. The real cost of energy will stay as it is.

(I think the current agreement to have a US/Israeli/Egypt summit after the election is only a ploy to keep the Arabs off-balance, force them to wait a few more months.... It may help Carter a bit in New York, but it's so obviously a fraud.... Sadat of Egypt is a kept premier, and Begin won't yield any real ground on the matter of Palestinian rights in the West Bank, the Gaza Strip... All this diplomatic activity is only window dressing to buy time—perhaps only until that expeditionary force is trained and equipped.

Something is cooking over there,

and it could be a disaster.

# The US economy is in serious trouble for fundamental reasons. The ending of credit controls in June, the slump of interest rates in April-May-June, and the big "inflation adjustment" increase in Social Security checks in July gave the economy a short-term shot in the arm.

But now interest rates are climbing upward again and beginning to hurt borrowers and would-be borrowers, cutting into housing sales, car sales, business plans....

In 1972 dollars, the money supply has shrunk since March. Yet this supply is being fought over by those who must borrow to survive and by the govt. to finance current 60 billion dollar deficits as well as the continuing 900+ billion dollar public debt which is costing 79 billion dollars this year in interest.

Fundamentally: real purchasing power is still shrinking; productivity is declining; the real costs of food and energy are still rising, squeezing people in a vise which is forcing a reduction in their standard of living—it takes more and more of their money to buy basic necessities, leaving less and less for luxuries like movies, eating out, drinks, magazines, trips, etc. This is happening to enough of the people to significantly put a dent in retail sales.

The problem is not inflation. The problem is an absolute increase in the cost of living.

(A primitive family in a jungle who must spend practically every daylight hour getting food has a very high cost of living. They don't suffer from inflation of their currency and the concurrent devaluation of the currency.)

I suspect it would take a 10% inflation of the money supply (including debt) to keep this economy on an even keel...for now. (As time goes on the requirement increases, until a terrible acceleration sets in. That was beginning to happen in late '79 and ear-



ly '80, and that is why the govt. stepped on the brakes.

The govt is taking ever-greater percentages of income and profits from the private sector, starving the economy of money it needs and the people need. The govt. is insatiable. Next year the govt. tax "take" will rise an estimated 60-70 billion more than this year because of various small tax increases, the big Social Security tax increase, and "bracket creep" as increases in wages and salaries inch workers into the next progressive tax bracket which means a bigger bite from their pay. (And of course Congress and the Administration resist any suggestion that the brackets be changed to stop this automatic "inflation tax" increase year by year.) So govt. will take 60-70 billion more and pass a big generous tax cut of 39 billion (if Congress has its way), or 29 billion if Carter has his way. And at year end they will still have a 30-40 billion dollar tax increase!

Isn't government wonderful? Look at the following table showing the US govt. budgets since 1958....

IN BILLIONS OF DOLLARS  
Fiscal Year    Receipts    Outlays

1958	79.6	82.6
1959	79.2	92.1
1960	92.5	92.2
1961	94.4	97.8
1962	99.7	106.8
1963	106.6	111.3
1964	112.7	118.6
1965	116.8	118.4
1966	130.8	134.6
1967	149.5	158.2
1968	153.7	178.8
1969	187.8	184.6
1970	193.8	196.6
1971	188.4	211.4
1972	208.6	231.9
1973	232.2	247.1
1974	264.9	269.6
1975	281.0	326.2
1976	300.0	366.4
1977	357.8	402.7
1978	402.0	450.8
1979	465.9	493.7
1980	517.9	578.8
1981	604.0*	633.8*

\*Estimated. Receipts will probably be less, and outlays much higher.

I believe there will be a 100 billion dollar deficit for fiscal 1981.

And consider: the interest charges for the public debt in 1981 equal the entire govt. budget of 1958.

Of course the dollar has been devalued by inflation (debt) by at least 200%, but still...govt. budgets have exploded and govt. taxing to mostly finance them, <sup>has increased</sup> in constant dollar terms, to a degree that is killing the private economy.

The Administration and Congress say they realize this, and promise to stop the spending increases and deficits, but they have put so many voters and special interests on the federal teat that it is probably impossible for them to stop the machine they have created.

It will take an economic/geo-political disaster and/or a revolution to reverse the federal monster; more likely we will end up with an "emergency" dictatorship. We'll have a draft, a war, rationing, wage/price/profit control ...and maybe a lot more, including press censorship, civilian registration, forced relocation, an end to elections.

So—what do you do about what is coming?

Not too much. If you own a home (I mean really own it, not lying on a 30-year mortgage which involves paying 400,00 dollars interest on a 100,000 dollar house!) you can do as I am—trying to insulate myself from the "inflation" as much as possible by growing as much vegetables and fruits as possible, and by switching to space heaters—as much as possible—and using the whole-house-heating furnace as little as possible. If you can get a free or small-cost supply of wood, a good wood stove will pay for itself in a year.

Try every way you know to cut down on the use of hot water; that will save a lot of electricity. You can heat dishwashing water on a wood or keorsene stove, and even sponge-bath water. Substituting a sponge bath for a bathtub bath once a week will really mount up in utility savings.

The year is fast approaching when I will be able to pay no income tax at all state or federal, because of my low income. Yet an income of \$5,000 (poverty

level for most) is enough for me to live very well. Cut down on debt any way you can. Even in a highly inflationary era debt is a high risk tactic. Especially a 30-40 year 12% mortgage. You'll NEVER pay that off. The only good thing about a mortgage is that the interest you pay is tax deductible. This encourages a lot of people to go into great debt and leaves the housing industry no more customers once the pool of buyers has been used up. There are millions of 1-2-3-4-5-6-year old houses being "paid-for" by extremely vulnerable couples who are now or soon will be unable to make those high mortgage payments month after month.

In 1982 enough houses will have been repossessed by Savings & Loan Co.s to force them to sell them cheap, to cut their losses.

# The Federal Elections Commission has ruled that if Anderson gets 5% of the votes in November, he is entitled to federal election funds afterward.

5% of those voters who vote in November. Since 50% or less of the registered voters do vote, a new or small party needs to convince/recruit only about 2% of the adults in this country to become legitimate and get federal funds which help it expand and get more federal funds...

John Anderson will get at least 5% of the vote and he will probably run again in '84. But by then I suspect the Libertarian Party will have grown enough to qualify.

In 1984 we will have four legitimate political parties in this country.

# A thought: A Russian move into Poland would help Reagan, since he is saying he will spend more on defense, and Russian aggression would tend to prove his thinking correct—we need to be strong, and the Russians are not ever to be trusted.

# Did you know that the CIA tried, a few years ago, to have the body in Lee Harvey Oswald's grave exhumed and cremated? True.

Did they want the evidence destroyed? Now Marina Oswald is saying she doesn't think the body in the grave is



Lee. Why does she think this? No answer in the media; CBS, NBC, and ABC have a lot of reputation invested in Lee Oswald as the "lone assassin." They won't ask the lady pertinent questions like that.

The legal attempt is still going on to get court permission to exhume and examine the remains. An expert team of pathologists swear they can tell within a few hours if the body is really that of Lee Harvey Oswald—or that of a possible Russian agent.

Wouldn't THAT open a can of worms?!

There is a new "assassination" book coming out from Macmillan in January, called BEST EVIDENCE by David Lifton, which destroys the Warren Commission Report again, totally, claiming a systematic, high-level conspiracy to kill JFK and cover up the evidence pointing to the real killers. Oswald was the convenient patsy.

You can count on CBS at least to poo-poo the book and the evidence.

# Have you noticed how Henry Kissinger keeps popping up on TV in the company of Ronald Reagan? Advising Reagan, walking with Reagan in the country...commenting on the Stealth bomber controversy...

The signs portend a high post in the Reagan administration...if Reagan is elected.

9-10-80 Carter's refusal to debate if Anderson is included is going to cost him. This proof of fear of Anderson, as well as his using his office so blatantly — with cabinet members going around attacking Reagan—and Carter's promotion of another Israeli-Egypt-Carter summit (after the election), will give Anderson a boost in the polls....and cut Carter's 39% to maybe 34%.

The headlines following the first debate without Carter will bring another loss. The point may be reached where Carter will trail Anderson in the polls.

All this can only help Reagan, who has just yesterday modified his economic plans for the nation and pledged not to end any major federal program. He has pledged not to touch Social Security.

He is now a safe man to elect; the "wild man" label Carter & Co. are trying

to stick on him won't stick, now. As a consequence of his backing off from his previous "extreme" position, Reagan should improve in the polls.

But this move to the center and this surrender of sharp differences with Carter means Reagan will be simply another president who will preside over the further destruction of the American economy and social structure.

But, is he only saying these things to get votes, to avoid scaring people with the somewhat extreme, necessary plans really needed? I doubt it; he's giving up for good the luxury of truth and reality.

His plan to cut the budget but not cut away any major programs (like the total loss Energy Dept., the new Education Dept., parts of Health and Welfare) is the same old shit Carter, Ford, Nixon...every presidential candidate promises to cut the budget and/or balance the budget.

Take another look at the list of federal budgets since 1958 on page two.

I plan to vote Libertarian this year.

9-12-80 The military have taken over the government in Turkey. Turkey has had 4000 or so social-political assassinations in the last year or so, and is up to its eyeballs in debt. Maybe the generals can crack down on the fundamentalist moslems who are part of the problem, as well as the communists, etc. But this move will not help Turkey's ability to pay its debts. A month ago Turkey forced those governments which had loaned billions of dollars to "reschedule" loan payments and allow a year or so of moratorium as well. There was no alternative for the loaners since they couldn't admit to their taxpayers that they had blown billions on a country that was bankrupt. All this news doesn't get reported on national TV, of course. You find it in small stories in the WALL STREET JOURNAL and BUSINESS WEEK. On Monday or Tuesday of this week Turkey officials were trying to force its multinational big-bank lenders to accept the same stretch-out and "rescheduling" of those billions of dollars in loans which have already been rescheduled.

These "gone sour" loans by the big US and European and even Japanese banks will be put in a kind of limbo, I imagine. Billion dollar losses can be papered over and the pretence will continue. The debts to bankrupt foreign countries will be carried on the books as "assets". (Maybe Rockefeller can take it in raw opium from Turkey's poppy raisers.) (Maybe he already is.)

But Lesser Developed Countries are sinking incredibly deeper into debt each year—hundreds of billions are at risk—and the eventual forced public bankruptcy of some of these—their open repudiation of their debts—will be a terrible trigger of an avalanche of defaults. A terrible destruction of assets and a contraction of the money base of the world which will result in a total depression and deflation. A terminal collapse of the Great Inflation of the 70s.

The big private banks are resisting Turkey's need to delay payments on the loans. We'll see now what if any effect the military take-over will have on the debt situation.

9-13-80 AP reports that Iranian exile factions are planning on an exile govt. with the shah's son, Prince Reza Cyrus Pahlavi as "the figurehead monarch."

'Iranian experts in Western countries believe that the chances for a pro-Western coup are feasible if the separate militarist, monarchist and republican factions could unite.'

They seem to have united. It appears their army is being gathered and trained in Egypt.

# Did you note the news that the Pentagon is stripping 6000 non-commissioned officers from its European NATO divisions and returning these men to the USA to help "upgrade" the ten existing home divisions?

But then the Army also turns around and says it is normal and natural for some home divisions to be below strength and in partial untrained or undertrained condition because of their role as training divisions for new recruits and as sources of trained men for the NATO and Korea forces.

But 6000 key non-coms are needed?



Excuse me, but I suspect strongly that those men taken from USA NATO divisions are going to be used as the core personnel of a training corps for large numbers of draftees next year.

# The US-Egypt military training exercises in Egypt (which are being kept very quiet in the news) are the beginnings of a rapid deployment strike force being readied "to protect vital American oil interests".

Meaning, crudely, that if the Saudi's and Iraq try any really severe oil-cut-off moves against us, or try big money shifts to punish us for moving against Iran or critical supporting of Israel, we will move in and secure the oil fields. (And may never give them back.)

The recent surge in gold prices is because of heavy Saudi buying. They're afraid...of us.

I don't think it matters who is elected President—Carter or Reagan—the policy, the plans, are set and the decisions are made at higher levels.

# Now, as I follow this line of thought, it occurs to me that a Middle-East war plan may be behind the recent surge in stock market prices as the market reflects these same realizations; a war mobilization or tremendous increase in govt. defense spending would be good for corp. profit margins.

Taking a million young men out of the labor force and into the army would "fix" a lot of problems. It would also probably require across the board controls, possibly rationing of oil, gas, maybe meat, sugar, etc.

9-20-80 — As it turned out, the recent OPEC meeting was almost a non-event. The Saudis raised their price \$2. to \$30 per barrel, and said they would put off cutting production til the end of the year—after the election here and after the USA/Egypt/Israeli summit on the Palestinian question. (Actually, I think everyone is hoping Begin will have another heart attack, one severe enough to force a change of government in Israel.)

# Carter has authorized over half a

billion dollars worth of farm commodity credits for Poland. And Russia has been forced to give Poland credits. The situation must be worse than first perceived. Oh, those USA credits are loan guarantees, so that when Poland cannot pay for what it has bought/borrowed in this country, good old Uncle Sam will pay with tax money....or printing press dollars.

# WHERE DOES ALL THE MONEY GO?

'Over the past 15 years, government transfers—ranging from Social Security and veterans' benefits to medicare, food stamps and child nutrition—have risen from \$39 billion to \$281.5 billion. They now account for 49% of all federal expenditures, and transfers from all levels of government represent 12% of total gross national product.'

—BUSINESS WEEK, Sept. 29, '80

Say I: No matter how worthy these programs, this rate-of-increase cannot be sustained; they can only be financed by sucking the private economy dry, and/or by debt which instantly is translated into higher and higher inflation rates and real costs of living.

We probably cannot now stop this process—and a collapse is inevitable.

# Did you say Hooray when you heard that personal income in the USA rose 0.8% in August? Did you think that is another "signal" that the recession is over?

Read the small print: after taxes this income "gain" was 0.7%. The rise of prices in August was 12-13%. Also reported: personal spending rose 1.2%. The savings rate declined again. 2%.

What all this means is that the public spent more of its income to maintain its standard of living, and saved even less than before. Its income "gains" were wiped out by price increases and increased taxes, and it had to save even less. (Actually, considerable numbers of families had to dip even deeper into savings or go deeper into debt.)

The fundamentals have not changed.

# The Sept. 22 SPOTLIGHT reports:

'With an eye to possible military action in the Middle East, the Army is designing new desert warfare uniforms

—floppy bush hats; tan, brown and black camouflage suits; plus lined, hooded parkas for cold desert nights. The new uniforms will be issued early next year, first to on-call units like the 82nd Airborne.'

It takes a lot of forethought and preparation to react to a "sudden emergency."

9-23-80 The emergency may have arrived before we are ready. The blow-up between Iran and Iraq which at first scrupulously avoided attacks on oil facilities by either side has swiftly degenerated to all-out air, sea and apparently land attacks—with the largest refinery in the world, Iran's Abadan, reported in flames. Also, Iraq oil ports and oil tanks and installations have been bombed and set afire. The Iraq first strike against Iran's air force apparently failed to significantly impair Iran's ability to strike back in the air.

Iraq probably has a land-force advantage.

Within a week, if this goes on, Iraq's oil exports will be zero, and with Abadan shut down with Kharg Island, Iran's oil exports are already zero.

This means that Iraq's 3.2 million barrels of oil per day, and Iran's 1.5 million production per day are gone.

There was an oil glut and an excess of production over use in the world of one million barrels per day.

Overnight there is now a shortfall of about 2 million barrels per day. There has been a great deal of inventory build-up in the world, but that will melt away quickly, and prices will shoot up again on the spot markets. The other OPEC countries can step up production, but unless Saudi Arabia raises its production from 9.5 to at least 10.5 million barrels per day, there will be another oil panic and gas lines in this country.

And gasoline prices will go up to around \$1.50 per gal.

It all depends on how much real damage is being done to Iraq's oil facilities. With Iran's oil refinery gone, that country will be soon out of oil and kerosene for its own people—with winter coming on. They will be in

desperate condition and will—if they have a coherent government—be forced to give us the hostages in return for oil, kerosene, and a freeing of their \$8.4 billion in assets frozen by Carter and Rockefeller.

Why is Iraq attacking Iran? Several reasons. To get back territory taken by the shah (when Iran was very strong and Iraq was weak), to dethrone Khomeini and stop Shiite agitation in Iraq, and possibly to help install the shah's son on the Peacock throne in Iran...in exchange for all kinds of U.S. favors and leverage and arms.

But the price of this war may be disastrously high. If oil prices escalate to \$40 per barrel from the present \$32 average, the international credit/debt crisis will be sharpened as the industrial nations sink even quicker into depression, and the debt-heavy small countries go bankrupt all the sooner.

This Iraq-Iran war has got to be stopped soon or we're all in the soup indirectly.

As things stand now, with Europe sliding into a recession, that recession could be very deep, with harsh secondary effects here and in the Socialist bloc in Europe, as trade slackens and those huge debts take their toll.

This latest 50-year cyclical house of cards built with debt is teetering....

10-1-80 Military experts say the Iraq-Iran war must stop soon because both countries will run out of gas and bullets.

Bullshit. If you will recall, Iraq conferred long and hard with Saudi Arabia before starting this war (And as I recall received a visit from David Rockefeller). There are agreements in place and these call for supplies from the Saudis and probably Kuwait if needed. Iraq will not run out of war supplies or fuel for its planes and tanks and trucks.

The sending of four super radar planes by the U.S. to Saudi Arabia to protect the Saudi oil fields is insurance against a desperate Iran attack on Saudi Arabia and Kuwait for helping Iraq.

Iran is now in a terrible strategic situation. Winter is coming on and the

country will be out of heating oils, gas, and food—with no way to get these essentials.

Russia is waiting for social and governmental disintegration to help its communist party in Iran. Iraq is aiming at getting rid of Khomeini and his fanatic Shiite religious government, and it probably also aiming at keeping the southern Iran oil fields it is now in the process of occupying. This would give Iraq oil reserves equaling or exceeding those of Saudi Arabia and would make it the most powerful Arabian nation.

Iran may be forced to make peace with the U.S. by giving up the hostages. I don't think that will save Khomeini, but it might save Jimmy Carter.

# Poland is likely to go on strike again, and force its communist government to call in Russian divisions. The government is balking and delaying in keeping its promises to its workers.

# Here in the U.S. interest rates continue to surge as the Federal Reserve is forced to tighten money again because it went hog-wild in the last few months with easy money.

That surge of easy money will continue to jazz the economy for a while longer, but by the end of this month—if not already—the renewed tight money measures will be tightening the noose again.

# On a personal note: I've the opportunity to sell sex novels again, at a reasonable price, but there doesn't seem to be time in the day to write fiction anymore. I'm behind in writing THE CORPORATION STRIKES BACK by about a month, behind in my reading-for-review, behind in my yardwork... I don't remember having this much trouble keeping with with SFR while writing 6 novels a year in California.... Maybe I'm running out of gas!

10-4-80 Each day the figures change. As of now the estimate is that with both Iran and Iraq out of the oil exporting picture, there is a 4 million barrel per day minus in worldwide production. Other OPEC countries will be upping production, but most of that increase

will be claimed—by Iran and Iraq for their daily needs, since their own oil productions are now zilch and likely to remain zero for months—maybe a year—after the war stops.

Right now there is probably roughly a 1 to 1½ million barrel per day shortfall between production and consumption.

Yes, as the government tells us almost daily, there are huge reserves of oil in storage—a glut. (It's almost as if The Word had gotten out months ago that Iraq was going to attack Iran and everybody had better build up a huge inventory.)

We are told the world has a 3 months supply of oil. But 80% of that is in the distribution system, with only perhaps a real 20% reserve. That will melt away inside a month, and then prices will start up like a rocket again. Already on the spot market the per barrel price is at \$38-\$40. Further, anyone with a big tankerful (or million-gallon storage tankfull) of oil will want to hold that oil off the market as long as possible—while waiting for ever higher selling prices.

Probably sometime in November gasoline prices will really start to go up.

The longer the Iran-Iraq war goes on & the more damage is done to those oil production and refinery facilities, the longer the coming oil "crunch" will last.

As to the war...it sounds now as if Iraq has shot its wad and is trying for a cease-fire in order to give its men a rest and change generals. The capability of Iran to counter-attack and make a successful paratroop drop, as well as the superiority of Iran's air force over Iraq's, suggests that Iran, if it has enough military stocks in reserve, may even end up winning this war!

But this will be a cruel winter for Iran's people, no matter who wins.

# Ronald Reagan and his advisers are so terribly afraid of making a mistake they are not willing to take a strong stand anymore on any issue. I suspect this failure of nerve—this cowardice—is being noted and that Carter will win re-election...by a hair. The last few days of the campaign will tell the tale. Anderson, even with loans from the Chase-Manhattan Bank, is fading.



10-11-80 IN THE NEWS— King Hussein of Jordan has allied himself with Iraq and opened his Red Sea port of Aqaba to ships supplying Iraq. That supply line is at least 600 miles across desert, by truck, but once set up and correctly managed will solve most of Iraq's supply problems.

Iran is still up shit creek, with only token supply shipments from far-away friends by air.

Why is Hussein of Jordan suddenly becoming an active ally of Iraq? Well, partly because he is a big beneficiary of Iraq charity, and because he has for decades been receiving CIA "subsidy" payments to keep him loyal to vital USA interests. The CIA has been a Rockefeller agency since its inception.

So it will take longer than expected, but eventually Iraq will topple Khomeini and probably end up with a major Iranian oil field and probably the entire delta area of the Euphrates. I don't think Arabs, once they spend so much in men, arms and suffer so much in oil installations destructions to conquer an enemy's valuable land, are going to give it back.

Iran may be dismantled—with part of it a new nation of Kurds. Pakistan and Russia may take a chunk, too.

Interesting speculations.

# In this country housing sales and starts are down again. I'll betcha by November the new car models are a qualified flop as far as sales because of exorbitant prices. Chrysler will be staring at doom again.

# I suppose I can talk a bit about a personal happening now.

This is to put in place some valuable info and freeze a memory in print for my benefit/recall years from now (given the quality of my memory—low).

In late July, I think, I received a series of phone calls from C—, my girl friend of the 60's. She has persistently kept in contact even though I have been reluctant to continue the long-distance 'friendship'. C— is the clinging, dependent type. There is, too, a lot of pride and aggression in her dependency. I've told her several times over the years—especially since my relationship with Paulette firmed—that I did not want her to write or call me anymore. It's like talking to a brick wall. She'll agree,

then when her "need" for support or advice reaches a certain level, she'll call or write again.

In that first phone call in July she told me she had hooked up with a guy who said he had killed some people. Maybe she said he killed girls. I don't remember.

I was incredulous. But I humored her and told her to get clear of him, that she might be next! (Obvious advice, for Christ's sake! She's a very smart woman.) But she had a lot of reasons why she couldn't do it—not enough money, something was wrong with her car or cars...etc. I figured she was feeding me a story. Oh, I think she said she'd called the police about him and they hadn't believed her!

I didn't either. If she had really been living with a killer and really believed his stories, then she should have left him, even left the state in the dead of the night! THEN called the police again.

But all this business about not being able to leave, of having called the police and not being believed.... It was fishy.

Anyway, after she hung up she called back a few minutes later and told me to forget what she had said in the first call, that she had been trying out a story plot on me. Testing me...or it. I don't recall the exact phrase.

I agreed to forget it and that was it. Very short call.

If I ascribed any significance to these calls it was that she was really reaching for excuses to call and keep me involved with her.

Then a number of days later—a week, maybe two weeks—she called a third time and seemed serious, saying she was in serious trouble, that the guy she had talked about before was angry at her and was accusing her of "talking too much." She was afraid for herself and her little boy.

I told her again to do a disappearing act...just cut and run. I asked her (I think it was this call—maybe the first) if she had seen the movie, LOOKING FOR MR. GOODBAR (about a young woman seeking self-destruction) and she said no. I said she probably had a death wish. She said maybe she did.

The call ended when I made it clear I didn't want to hear from her again.

She said goodbye with a finality that made me think that maybe she meant it.

No such luck. Several weeks later I got a letter from her—from the L. A.P.D. jail. She wrote that she had broken down at work and confessed to fellow workers and to the police, had turned herself and this guy in for murder. Seems she had killed a man herself. And she wanted to subpoena me to testify that she had been terrified of this killer she had (apparently) been living with.

I wrote her a very cool letter saying I didn't remember much of her calls and would resist any attempt to make me a witness.

I have a terror of being the center of attention in public situations. I almost at times become paralyzed and mind-frozen. Hence my avoidance of conventions almost completely. (I'll suffer myself to be introduced at a con, but will never appear on a panel or make a speech....nor accept a Hugo.)

All this extreme self-consciousness comes from several traumas suffered as a child. At my age, with my blood-pressure, having to appear at a spotlighted trial with great media attention (this guy is supposed to have killed at least eight young women in the L.A. area) might cause a heart attack or a stroke. Shit on that! I want to grow old quietly. Calmly.

A few days after C—'s letter I got a call from a police sergeant in L. A. He said C— had told them of the calls and wanted to know what I recalled of them, so see if it was worth it to send a team up to Portland for a closer questioning. Well, I told then essentially what I have said in this report.

They were, of course, recording the call. Police and other law-enforcement agencies love to record your words.

Maybe two weeks later this sergeant called to say he and another man would fly up to interview me on those calls.

I agreed.

They came to my home. They arrived all neat and well-dressed and friendly. Indeed they were courteous in all respects that day and the day after.

But one had an attache case which he placed on the floor with his coat over its handle. The other had a thin

briefcase from which he took papers which from his reading and questions indicated were transcripts of his first call and my responses, as well as perhaps a transcript of what C— said she told me during her calls.

At no time did the other detective move or open his attache case.

They tried to trap me in their questioning, and, I think, tried to lead me to make statements that were not true.

When I said I wouldn't participate in an attempt to manufacture evidence they backed off.

Now, the Los Angeles Police Department would not send two detectives up here at considerable expense for two days and not make a recording of the Qs and As.

There was surely a tape recorder in that attache case.

Be aware of that probability (I would say certainty) if you are ever in a similar situation. And the way this country is drifting toward a quasi dictatorship by the federal government, the odds are that sometime in your lifetime you will be questioned or investigated by an agency of one kind or another.

Later, as the Sergeant was writing out in longhand the 'statement' I agreed to sign (which was the distilled essence of my memory of C—s calls and of my previous relationship with her in California, he and the other detective revealed that C— herself had killed a man and cut his head off! (With her killer-lover, I presume.)

I cannot really believe C— capable of that. Maybe shooting or stabbing a guy given the right circumstances, but to afterward deliberately take a knife or a cleaver and cut off his head?!

Wow. And Ugh.

I don't want to dwell on that.

The detectives left and said they would get my statement typed up and would return the next day with it for me to sign.

They did. But they had only the typed original. I read the original, corrected a few mistakes and slanted statements, and cut one sentence. I then refused to sign the statement unless I was provided a copy.

The Sergeant said they'd send me a copy from L.A.

I refused, saying they could get it

copied locally in five minutes.

The Sergeant asked why I wanted it done this way and I answered flat out that I simply didn't trust policemen.

They had nothing to say to that. They left and returned quickly with a xerox copy.

I was waiting with a sheet of carbon paper, and insisted on having their witnessing signatures, as well as mine, on the second copy.

My copy is in a very safe place... along with my recording of that Q & A session about the phone calls.

They may have suspected I was recording, too, but no one ever said anything about recording during or after the session.

Paulette was in her bedroom, too, listening, and later joined us in the livingroom.

Soon after they first came into the house I took a 10mg Valium and was able to cope with the tension. I told them of my nervousness and high bloodpressure, and that it might be injurious to my health to be pressured in a courtroom during a big-publicity trial, and they took the name and address of my doctor. When they returned the next day with the typed statement they did not mention if they had checked with my doctor. I forgot to ask.

When next I see Dr. Myers I'll ask him if the detectives called on him.

So that's where it stands now. C— is in jail awaiting indictment and/or trial, and has apparently been cooperating with the police/prosecution and may get off with a less-than-death sentence. Although her diabetic condition suggests, as one of the detectives said, that she will get at least 15-20 years to serve and will as a result die in prison. She has always been overweight.

I hope I won't be called upon to testify before a grand jury or at the actual trial, because I'll have to hire a lawyer to fight a subpoena on medical grounds.

By the time I mail the next issue of REG I'll know my fate, I suppose. I'll keep you informed.

10-16-80 It's becoming clearer and clearer that the Federal Reserve hasn't

the guts to follow its avowed policy of keeping the creation of new debt within reasonable bounds, because they are afraid of another credit crunch and a crisis.

The federal deficit of 35-45-65 billion dollars (projected for 1980) (different guesses) is forcing the Fed to finance these government debts by borrowing in the public money markets, and to keep refinancing the existing 900 billion dollar public debt as it keeps coming due in the form of maturing Treasury Notes and Bonds. Thus the Fed is taking bigger and bigger bites out of the investment moneys available, while at the same time the public and private business is borrowing heavily to finance their new and continuing debts, and as the cities and counties and states are attempting to float more and more and more bonds and other debt instruments.

The only way to keep this increasing demand for debt from driving interest rates through the roof again (and causing another severe economic contraction as in March-April-May) is to keep feeding reserves into the banking system to make loans possible at a "reasonable" interest rate.

Of course this easy money policy then expands the money supply and enlarges the money base which in turn devalues the dollar and drives up prices and wages.

Time after time the Federal Reserve Board has proven itself unwilling or unable to keep its word—for very long.

The debt structure nationally and internationally is so precarious that any sustained firming of the dollar (That is, any period longer than three or four months in which the dollar does not lose more of its value) results in a beginning collapse of the economy which forces the Fed to reflate again, and resume devaluations.

The markets are more and more aware of this policy, and Paul Volcker, who had some credibility and respect when he took over the Fed., has lost it now.

But Volcker and the Board are in the position of juggling increasingly hot potatoes—trying to keep things going and losing the battle. There will come a time, soon, when the dy-



namics of forced financing of ever-greater debts will bring on a terrible self-correction—simply unavoidable by any means—when the costs of debt payments will break the private and public ability to pay. There is a point where taxes and debt payments take such a large proportion of income that not enough is left to keep business alive. Businesses will fail, go into bankruptcy and unemployment will creep upward year by year as living standards fall and fall....

As tax receipts fall, deficits will increase, and the Fed will have to monetize them, further devaluing the currency and inflating prices.

We are into this process now, I think.

The fault, dear friends, lies in the election of politicians who are willing to keep election promises with debt money, and in a population who think that by God you can get something for nothing. Individuals and small groups can, but not the whole country. We are a rip-off society now—every person and every group which can exert pressure on the President or on Congress is trying and mostly succeeding in getting special favors, special extra moneys, treatment, etc. and not caring that somebody else has to pay extra taxes...or that the resulting debt is translated to higher prices.

This process has been repeated all through history. A point is always reached where the system becomes unworkable any longer.

The choice then becomes one of letting the economy correct itself, or of resorting to a dictatorship to keep the existing social structure going. That eventually leads to a revolt, a savage putting down of the revolt, and during all this time greater and greater misery, falling living standards, unemployment, ever greater inflation...

# The signs now are that Carter is gaining on Reagan by picking up most of the voters who are leaving Anderson. Reagan has been trying to be "moderate" in image, to reassure the voters he isn't a dangerous warmonger or a scrooge, with the result that he seems to be promising no real changes if he is elected. So why elect him? He hasn't the guts to be different and take the

criticisms and yelps of those many special interest groups (voters) who would be hurt by his changes if elected. He's saying, "I'm just another politician; I'll say anything to get elected and if elected I'll yield to pressure groups and do the expedient thing. Elect me because I promise to be a little better at it than Carter."

With that stance he deserves to be passed over. Carter actually helped himself by getting tough and calling names a few weeks ago. He had an image as a weakling, gutless. Then the dumb shit couldn't stand the heat and apologized and went back to talking bland crapola again.

Neither of these men has earned anything but contempt.

# Israel disguised two of its US-made Phantom jets to appear Iranian and sent them to bomb the French-built nuclear construction site near Baghdad on Sept. 30th.

This caused a diplomatic stink between the U.S. and France.

The Israelis do not want any Arab country to develop an atomic bomb capability. They took this opportunity to severely damage the Iraqi soon-to-be capability.

Valery Giscard d'Estaing sent a personal envoy to Washington by military jet to deliver a secret protest to President Carter.

But you didn't hear about this on TV news, did you?

# It is claimed that it would be physically impossible for Iran to close the Persian Gulf to oil tankers. It is claimed that the US could easily clear the narrow Strait of Hormuz of any mines sown there, and US navy ships and planes could prevent the small Iranian navy from interdicting the Strait.

Bullshit. Iran has only to attack one oil tanker and the rest of them will stay clear for weeks! And Iran could easily keep one jet hidden and fueled and armed for an occasional, unpredictable attack on a tanker in the Gulf. That would effectively close the Gulf as few if any oil tanker owners would risk the voyage into a 600-700 mile danger area coming and going.

Hell, one armed-with-rockets helicopter could do the job!

And what could the U.S. do about it? Join Iraq in attacking Iran? Keep a hundred planes in the air constantly patrolling that loooong coastline, day and night?

Then there are the highly mobile ground-to-ground missile systems we armed Iran with when the shah was in power. A few of those, still operational, used against tankers...

We're not being told these things, are we? Iran has a lot of cards to play if it gets desperate enough. In another month when winter closes in—with its oil ports and refineries gone—Iran may decide to blackmail the Arabs and the US and Europe and Japan.

#### # RECENT MOVIES

SMOKEY & THE BANDIT II (PG)

is a sorry excuse for a sequel. The producers tried to "top" the first film by resorting to exaggeration and farce; if one Jackie Gleason character is good, then three will be better? If some one-on-one fast & fancy car driving and humiliate-the-law incidents are fun, then a ridiculous cowboys & indians (with police cars & hero truckers) battle on the desert will be a wow!

And so on. But the prime mistake was in tampering with Burt Reynolds' Bandit character; making him into a drunk, then a mean, fame-hungry shit was a movie-breaking error. And adding a full-grown pregnant elephant to the complications was idiocy, too.

Only Dom DeLuise and Jerry Reid and Sally Field showed well; Reynolds was forced to play pure farce and at the same time be serious. It didn't work. No man could have carried that part well.

The outtakes shown during the credits at the end of the movie were better than the film that preceeded them.

Don't bother with this.

HOPSCOTCH (R)

is a good Walter Mathau serio-comedy. He plays a CIA field officer who resists demotion by going on the complicated, clever run while writing a CIA-spy expose book. He is too smart for his CIA boss to catch, though there is a doubt at the end, true to formula.

Fun.