

# CONSPIRACY NEWSLETTER

"The News Behind The News."

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AUGUST 1, 1981

## A LITTLE HOUSE CLEANING AT THE CIA

Since its beginnings under Allen Dulles, its first Director, the CIA has been an arm of the power elite of this country. It has overthrown governments, assassinated leaders... all in the service of certain megafortunes. The modern history of Iran, for instance, is actually a history of CIA manipulations, covert operations, successes and failures.

The power elite has staffed the key cabinet posts in every American administration in modern times. Republican or Democrat--it doesn't matter; Defense, State, Energy and often the President and Vice President are members of the Rockefellers' Trilateral Commission, or Rockefellers' Council on Foreign Relations. The President's National Security Advisor is always a Rockefeller man. The key domestic cabinet posts always go to Rockefeller people. Their Under-Secretary posts are layered with up-and-coming Rockefeller people.

The Director of the CIA has always been a Rockefeller man.

William J. Casey, a long-time member of the CFR, and the man chosen to run the Reagan presidential campaign when it was in disarray last fall, is the present Director of the CIA. He has extensive intelligence experience from WWII.

But he blundered in appointing Max Hugel as Deputy Director of Operations. Hugel is considered grossly unqualified for the job and is seen (on the surface) as a disaster.

But CN believes there is far more than meets the media eye in this affair.

Hugel resigned when certain shady business dealings of his were exposed by one-time associates on Wall Street. Since then, these two accusers have disappeared! And

the brother of one of these men has just died of a ruptured spleen after being out jogging!

Calls for Casey's resignation came thick and fast in an attempt to panic Casey and the administration into removing him from the CIA Directorship. Then a counterattack was mounted by other supporters---one clique of U.S. Senators against another---until in an executive session the Senate CIA Oversight Committee found that Casey was okay after all---none of the charges of shady business dealings or bad judgement could be considered severe enough for a dismissal recommendation to the President.

Behind all these maneuverings is a major policy disagreement.

Casey wants to go slow---or go in a different direction---in removing Libya's strongman Khadaffy from power. To abort the ongoing plan to use Egyptian and Israeli forces for an outright military invasion of Libya (backed by an American Naval Task Force) Casey leaked the plan to some members of the House CIA Committee, thus guaranteeing it would become widely known in Washington and would surface as rumors.

If he didn't know before, Khadaffy certainly knows of the invasion plans and alternate coup plans now.

This "going public" by Casey so enraged Sen. Goldwater and others that they used derogatory information about Max Hugel to get rid of Hugel, and dredged up ten-year-old charges a-

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gainst Casey to try to pressure him from the CIA, too.

But Casey has high, powerful friends, the least of whom is the President, and he kept his job as CIA Director, and won a policy battle.

But why have Max Hugel's accusers suddenly disappeared? Why did another man associated with them suddenly die mysteriously? CN suspects Hugel and Casey have resources---friends of friends---who can play very very rough when Somebody wants something done.

The CIA now has a career CIA man as Deputy Director of Operations. Hugel is out and will stay out--and also will stay out of jail.

The situation is at rest now. But the power politics in Washington and the CIA resembles that of Imperial Rome --- people can get killed!

#### UPDATE 7-31-81

Authorities in Queens County, NY, are going to exhume the body of Dennis McNell, the 42-year-old brother of two men who recently disappeared after accusing the CIA's "spymaster" Max Hugel [now resigned] of wrongdoing in business affairs with them.

Dennis McNell died June 1, a week after his brothers made the accusations against Hugel to the WASHINGTON POST. The brothers, Thomas and Samuel McNell, disappeared after the Post published on July 14 the accusations of their brother.

Max Hugel immediately resigned as head of covert operations at the CIA.

At first it was said by doctors that Dennis McNell died of a ruptured spleen. McNell's physician later told the WALL STREET JOURNAL that McNell suffered from severe cirrhosis of the liver and was living on borrowed time. The liver wasn't making proteins needed to stop the hemorrhage that apparently started in his abdomen.

A ruptured spleen is often associated with "trauma" or injury such as might

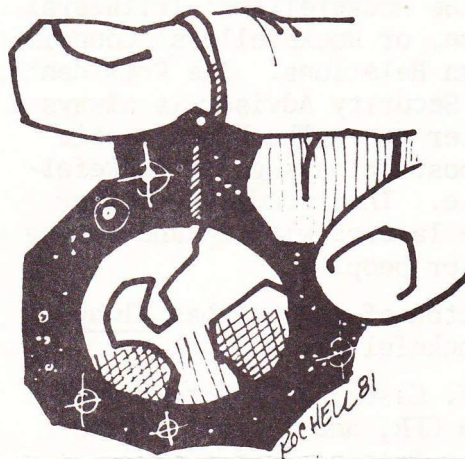
be inflicted by a beating.

Before his death, Dennis McNell worked with his two brothers in the downtown Manhattan office of Triad Energy Corp. of which his brother Samuel was President.

Triad and another concern controlled by the McNells are missing over \$3 million in assets.

Reports---by a Triad director, and by a friend of Dennis McNell---tell of beatings reported by McNell in recent months.

The disappearances or death of all three McNell brothers suggests various conspiratorial scenarios. Certainly there is more to this CIA-CASEY-HUGEL-MCNELL chain reaction than we are likely to ever know.



#### STRANGE REPORTS....

A source reports that a very sophisticated slow-acting poison was found in the blood of Nelson Rockefeller after he died in such "embarrassing" circumstances in the apartment of a woman friend last year.

Now we learn, too, that the same advanced, complicated, "unknown" poison was detected in the blood of John D. Rockefeller III after he died in an auto accident several years ago.

And in June or early July of this year a sniper shot at David Rockefeller



from the roadside, from a tree, on the Rockefeller Pocantico Hills estate. At least one other person was with Davis Rockefeller at the time. No one was hit. The shooter got away.

Something heavy is going on. A major conflict between the rival megafortune alignments of the capitalist world that has reached the point of final solutions---like powerful mafia families in a death war for territory and rackets?

Or is there a "palace coup" being attempted?

Or is Russia behind these events?

Is Khadaffy sending a message?

Again, we peasants may never know the full truth of these hidden struggles. In the chess game that symbolizes the running of and battle for this planet, we are not pawns. We are not even important enough to be on the board.

#### SPACE SHUTTLE UPDATE

Sources have told CN that the first Shuttle mission did place several advanced spy satellites into orbit.

NASA denies that the mission had any military purpose.

There are people in the Reagan administration who favor private development of the Shuttle. This plan would include a minimum of ten Shuttles in operation by the end of the '80's. Three Shuttles would be operated by the Dept. of Defense and would be based at Vandenberg AFB. Three of four Shuttles would be used by NASA. The remaining three or four would be used by private corporations, especially Boeing, which has shown great interest in the Shuttle.

In addition, the administration is looking for private investment in space, and is reported offering huge one-year depreciation and government guaranteed loans, as inducements.

This "private sector tilt" is being

done quietly by those in the Reagan administration who favor the multinational corporations because they are afraid to go public for fear of a political blow-up and policy crisis inside and out of the government.

This quiet support involves anonymity to the extent of no-names-mentioned in the pro-space press when think-tank sessions are transcribed and issued to the press.

One example is Jerry E. Pournelle's science column in the Aug. 17, 1981 issue of ANALOG. He reported a space think-tank session but did not mention the name of anyone present, with the exceptions of a few science fiction authors.

#### CHINA SELLS NUCLEAR FUEL TO SOUTH AFRICA

China is selling enriched nuclear fuel to South Africa. Why? The Chinese motive is probably simply commercial: they need the gold or dollars desperately to help finance the modernization of their industries and the development of their mineral resources.

South Africa will buy the nuclear material from anyone, since the U.S. has refused to sell them a supply and has pressured NATO and France not to sell to them.

It has reported that S.A. has been working on their nuclear bomb in collaboration with Israel and Taiwan. It is likely the Chinese government is aware of the marginal linkage to Taiwan and that the Taiwan situation will not result in Taiwan receiving an atomic bomb from either South Africa or Israel.

In any case China now has her own atomic bombs and the means to deliver them to Taiwan. Everyone concerned is aware of this.

Alexander Haig, Jr., U.S. Secretary of State, was briefed on the China sale of nuclear fuel before he visited Peking earlier this year.

## SIGNS AND PORTENTS---READING THE FINE PRINT AND DREADING THE IMPLICATIONS

# The oil companies are diversifying into copper and coal very heavily.

# The oil companies are adding millions of gallons of crude oil to their "glut" of inventories by renting empty oil tankers and using them as floating storage tanks---by the dozens.

# Huge multinational corporations---Seagrams, Mobil, Dupont---are in a bidding war to acquire Connoco Oil (a smaller oil company with lots of oil-in-the-ground assets).

# The Army, Navy and Air Force are scheduled for vast increases in hardware and manpower in the next four years.

# Poland is sinking into ever-greater turmoil as the people rebel against near starvation and a severe lowering of their standards of living.

# Israel and the PLO stage military confrontations for hidden reasons. [The PLO, even with all the tanks, missiles and artillery the Russians via Libya and Syria can provide, cannot even hope to defeat Israel. Israel, even with massive bombings and incursions into Lebanon, cannot hope to seriously damage the PLO.]

# Western governments and Western multinational banks are staring at the actual real loss of \$50 BILLION DOLLARS in loans to less-developed and under-developed countries.

# Over 700 Savings & Loan companies and banks are actually, technically insolvent now, with more crossing the line every week.

# The increasing certainty that the U.S. is sinking into a recession due to oceans of debt and the impossible load of servicing that debt at prohibitive interest rates.

# Reagan's 3-year 25% tax cut and indexing of tax rates after 1984.

## WHAT'S IT ALL ABOUT, ALFIE?

Trying to make sense of all the swirling forces at large in the world is almost impossible.

But just as there are power struggles in families, in clubs, in offices, in local, state, and national governments... So also are there power struggles---for immensely larger stakes---between the powers that operate in the international, planetary level.

Identifying those forces, pinpointing the prime movers, the powermen, their motives, their aims, their techniques...ah, that's the challenge.

One thing is sure: the surface of events is always misleading and often deliberately deceptive. The peoples of this nation---any nation---are lied to systematically by their governments and their top commerce leaders. Just as parents lie often to their children, to their mates, to their relatives, to their neighbors...

There is a public (surface) morality and a private (personal, hidden) morality in society, and there are public policies and private, hidden policies---in business, in government, in international power relationships.

And what adds even more complication is the cyclical sweep of events in men's affairs---mostly long-wave economic and social/political trends ---that carry even the strongest power structures in their iron (and sometimes ironic) grip.

## SO WOT'S GOIN' ON?

Since 1945 the United States has been sending billions of dollars overseas every year--loans, grants, aid, etc. ---more than it has been taking in.

Every year [with one or two exceptions] a large deficit.



The wealth of this country has kept Europe, Russia, and most of the rest of the world economically viable.

These billions were given, loaned, etc. for selfish reasons---to promote trade, to let other countries buy our goods, etc.

Soon the U.S. government and the big banks found they had to borrow to keep the flow of money going overseas. This produced national and worldwide inflation.

The point was reached in 1979 when it was obvious that the debt structure was too large and the deficits required per year too large, and the inflation too large; the United States was on the ragged edge of a runaway hyperinflation. The total collapse of all paper currencies was in sight.

In October, 1979, the power elite of this country decided to draw back from the precipice. They decided to harden the dollar, to restrict the rate of increase of the money supply.

At that point the debt bubble began to waver and crack. An inflationary debt structure needs ever-increasing amounts of debt to keep it going. Any lessening of that needed rate threatens the structure.

Since that time the strain has increased as the amount of new credit (debt) has been restricted and as all the debtors struggle to borrow enough to pay interest on their loans and are increasingly unable to pay back the principle. The result has been a bidding war for credit---and steadily climbing interest rates.

The consequences have been terrible for many industries and some countries.

For almost two years interest rates have been grinding away at the debt structure. For almost two years the amount of money spreading through the world from the U.S. has diminished...and Europe and the lesser-developed countries have been sink-

ing into economic swamps.

Now the powers-that-be are facing the other side of the economic disaster coin brought on by the 34-year inflation and debt bubble; if they continue to maintain their steady, low rate of money growth the debt structure will dissolve into terrifying chain reactions of bankruptcies---from the top down and from the bottom up.

A severe recession will cause an avalanche of personal bankruptcies with people losing their homes, causing mortgages to become valueless, causing S&Ls and banks to fail or contract severely as their money-to-loan melts away--thus killing new home building further. Real estate values will tumble as foreclosed homes are sold at sacrifice prices... Other people, seeing their homes losing value, will not borrow against them. A down spiral, a great contraction in spending, will occur. Retail sales will collapse. More and more businesses will disappear....

The government will struggle to help this group, that group, this industry, that industry, but its income (tax revenues) will be shrinking, too, and it will be politically impossible to raise taxes or run the enormous deficits required to salvage the situation--reflate the collapsed debt structure.

Once burned by a debt collapse, a people do not rush to get into debt again.

The question -- the overriding question---is: are the power elite going to try to stop the collapse soon? Or are they able to stop it even if they wish to try?

We at CN believe the power elite are going to attempt to use the collapse to their long-term advantage.

There are financial mechanisms in place which will allow the Federal Reserve [which they own] to buy their bad debts. There are mechanisms and plans in position to allow the inter-

national banks to spread branches into every town in this country. A great, terrifying concentration of financial power is about to take place--waves of mergers and acquisitions (forced by insolvency, forced by the government) will bring to the power elite incredible amounts of foreclosed real estate, manufactured goods, buildings... THEIR bad debts made good by the government, the huge banks and holding companies will use that liquidity to buy and take over vast portions of this country---lock, stock and barrel.

During this period of on-going economic adjustments the government will run tremendous deficits---and most people will expect these deficits to bring inflation to higher levels. But this money-creation on the federal level will be more than countered by the money destruction of decreasing real estate values, bankruptcies, and money-flight to other countries.

At some point in the next five to ten years we expect the U.S. and leading European nations to adopt a gold standard---to back their currency with a specified amount of gold.

#### IN THE MEANTIME, OVERSEAS....

The shrinkage of the required injections of capital from the United States will make worse the economic slumps elsewhere in the world, and the resulting social unrest will cause government upheavals and often revolutions. 1980 was The Year The Money Stopped coming into Poland---and the year the basic flaws of the Socialist system revealed themselves in stark contrasts to promises.

France has turned to Socialism and inflation to reverse its slump.

England is working through its own debt bubble and cultural shock.

The underdeveloped countries of Africa and Asia and South America will seethe with turmoil as living standards sink lower and lower.

Wars will break out here and there.

In the Near-East another Israeli-Arab blow-up seems certain, with increasing U.S. military involvement. We expect U.S. forces to be used to maintain a friendly-to-U.S. govt. in power in Saudi Arabia. We expect increasingly naked power moves against Khadaffy in Libya.

Russia will find itself increasingly boxed in by U.S. power along its southern borders and by the U.S. working alliance with China, and by the increasing U.S. mastery of space. Russia will have increasing problems with its East European satellites as they suffer dismal economic problems and as mother Russia herself is in a long-term slump.

#### THE TRUE SIGNIFICANCE OF THE REAGAN TAX PLAN

It gives---over three years---a tax "cut" of 25%, then ties tax rates to the Consumer Price Index: If inflation [prices] rise, the tax brackets will be adjusted to allow for overall price level rises (assuming your income increases at about the same rate). Thus you wouldn't pay more taxes in real terms.

Reagan himself admits that 22% of the tax "cut" will be eaten up in three years by inflation and increased Social Security Taxes. Leaving the average person with a real 3% tax cut from current tax rates.

The estimate is for inflation of 6-7% per year in 1982-3-4.

But if a titanic reflation is undertaken in order to stop the ongoing credit/debt collapse, inflation would go out of sight.

On the other hand, if the debt bubble collapses and the government and the power elite cannot or will not stop it---and instead merely try to help worst-off sufferers and use the collapse for their own enrichment, long term, then inflation will sink to near zero, and lo, the 25% three-year tax cut really will be a 20% or so tax cut!

And that would severely crimp govt. spending or require massive yearly deficits.

The 1982 congressional elections will be verrrry interesting.



RIOTS, REVOLUTION, AND RUIN... WHAT WILL YOU DO? WHAT WILL YOU DO?

The Survivalists of southern Oregon and northern California expect a devastating depression, riots in the major cities, great upheavals... They expect breakdowns in food distribution, failures in delivery of electricity and gas...

They expect desperate, hungry, panic-stricken people to desert the cities and loot the suburbs, the towns... They are positioned more than one gas tankfull away from any big city. And they have guns.

Theirs seems to be an extreme position. But they expect these events in case of an atomic war, too, and that scenario is accurate.

But in a depression like that of the 30s the government will manage to keep people in the cities and keep them under control with expanded police forces and the national guard. Even the army.

So if you're living in a house in a city there's a good chance you'll get through the riots undamaged.

But you should prepare for a period of chaos...of food shortages, of fuel shortages, of roving bands of youths breaking and entering houses late at night--hit and run looters.

Most looters will hit stores and supermarkets. But if you live very close to a major blvd...be wary.

CN believes in keeping a low profile: don't advertise wealth or unusually valuable possessions.

DO build up a larder with foods that will last you and yours for a year.

DO make sure you have alternate heating and cooking facilities and fuels for those facilities.

DO have a shotgun or two around.

DO make sure your doors and windows are very difficult to break into.

DO put a six foot barbed fence around your back yard and DO begin growing fruits and basic veggies.

DO "take the curse" off the fence by hiding it behind a hedge or tall rose bushes (as seen from the street).

DO consider cost-effectiveness in deciding which vegetables and fruits to grow. For instance, dried beans are so cheap and easy to keep for years, that using the space, time, energy and water to grow them in your backyard garden is a waste. Better to buy a 50 lb. or a 100 lb. bag and keep them in sealed, dry containers until use.

The same applies to dried peas.

BUT DO plant a few pea vines and bean shrubs or vines if you like the fresh pea pods and string beans. Our point is that for drying and preserving purposes, beans and peas are not worth the effort.

We advocate growing a year's supply of onions---easy in well drained containers, for instance---and potatoes. One Zucchini plant and one cucumber plant will provide enough of their type of salad makings of a summer. Same for five or six tomato plants, well tended. A patch of leaf lettuce will do the job.

The bulk of your garden should go to a series of fruit trees and grape vines, strawberry patches and raspberry vines. Raspberries and grapes do best along the border of your property---raspberries mostly in shade, and grapes mostly in the sun. Lettuce does best in the shade. Onions in partial shade.

Carrots can be stored for long periods in a cool, well ventilated basement area. Onions, allowed to grow till the tops wither, will store for a year. Grow beets, cauliflower, cabbage, squashes to your taste and amount of garden space.

The concentration on fruit and storable vegetables is based on the high costs of fruit. With strawberries, for instance, selling for \$1.00 per small basket, you can easily harvest that much per day from a patch 6'x9'. Always plant everbearing strawberries. They will yield all summer and into the fall. And a strawberry patch is virtually care free and if covered with leaves in the winter will survive to yield again and again...

It is no trick at all to save \$600. or more per year on food bills by spending one hour per day in the back yard.

And if riots, bankruptcies and social disruptions do occur, it's nice to have all those bulk dried beans, all those home-grown potatoes and onions (and maybe some stored apples) in the pantry.

#### THE ALPHA STRATEGY-THE ULTIMATE PLAN OF FINANCIAL SELF-DEFENSE

By John A. Puglsey  
Stratford Press, \$13.95

This best-seller advocates buying NOW at whatever bargain prices you come across those household items you will be using constantly: toothpaste, razor blades, soaps, blankets, curtains, towels, underwear, shoelaces, certain dried foods, sugar, honey, salt, pepper, spices, tools, blades, bits, saws, various supplies for your car...

Puglsey's rationale is devastatingly clear and accurate---if you buy his basic premise: that by direct or devious means the government will continue to devalue the currency in the coming years.

He feels that the economy is so far along the inflation road that nothing can stop the willingness of government to respond to special interest pressure groups in the population to give them special treatment at the expense of others, and to paper over inequalities and social injustices with more and more paper money.

If he's right--if inflation [devaluation] is in fact going to continue at a rate which makes it impossible to profit from saving cash---then his buy things strategy is best for the average person.

He wrote this book when 12% devaluation was in effect, when interest rates were only about 12%, and taxes on the interest earned made saving a losing proposition.

Thus buying a 50c bar of soap now for use when it would cost \$2.00 made sense; you are not taxed on the "increased value" of \$1.50 that your initial 50c has "earned".

But at this writing devaluation is at 8-9%, interest available to the small saver is at 15-16%, and even after taxes the real profit is at least the

historic norm of 3%. And all signs thus far point to the administration and the Federal Reserve's determination to continue to restrict the money supply to a yearly 6-7% growth.

Plus there is this little-recognized fact: each person has his or her own inflation rate to contend with. The Consumer Price Index includes interest rates---mortgage rates---in its weighted makeup. IF YOU ARE DEBT-FREE, your personal inflation problem is about 5% less than those who do pay mortgages and time payments on cars, furniture, etc. And if you own your home free and clear you are in an even lower inflation bracket; your apt. rent will not leap upward to compensate for the apartment owner's higher debt servicing costs.

THE ALPHA STRATEGY is excellent as a guide to survival if the government yields and is forced to flood the banks and S&Ls with new reserves so that multi-billions of new loans can be made to drive down interest rates and "save" the economy. Shortly thereafter the price of gold will go up, and prices will begin to climb. THEN start putting money into long-term supplies.

