

# CONSPIRACY NEWSLETTER

"The News Behind The News."

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97211

SEPTEMBER 1, 1981

## THAT LIBYAN "INCIDENT"....

We are told that two Libyan jet fighters attacked two American navy F-14 jet fighters in Libya's Gulf of Sidra, and that in a short-lived dogfight one Russian-made heat-seeking missile missed, and two Sidewinder American heat-seeking missiles made hits.

Both of the Russian-made SU-22 jets were downed.

There are cheshire-cat denials by Reagan, Haig, Weinberger, etc. that the two U.S. Naval battle groups operating in the Gulf of Sidra during "missile exercises" were there to 'test' Libya's dictator Qaddafi's will/guts/sanity. But past statements and private conversations by U.S. leaders---past and present ---tell of the American power elite's desire to either cow Qaddafi or get rid of him.

The power elite has orchestrated a long series of stories and reports in the American media which paint Qaddafi as our enemy, and the U.S. government has warned U.S. oil companies to get their people out of Libya, with the most recent warning in the third week of August. Some oil company personnel have left, and now Exxon is pulling even more people out.

CN suspects strongly that the accounts of the air battle given the U.S. media are half-truths. We note these facts:

The Russian SU-22 is an old plane, easily outclassed by the Navy F-14 in armament, speed, maneuverability, computers and climb rate.

Any fighter pilot in the world would think three times before willingly engaging in combat with those odds against him. There had to be a very good reason for those two Libyan pilots to risk attacking two F-14s. [If they did attack.]

The crews of the two F-14s were from the elite navy fighter pilot group known as the Black Aces.

We think it a strange coincidence

that our best pilots happened to be on perimeter patrol when two Libyan pilots suicidally attacked for no apparent reason.

We have a report from a source which tells us that the "exercises" in the Gulf of Sidra were multi-purposed: to provoke Qaddafi and to act as cover and protection for a covert operation undertaken by the CIA in Libya.

Our source tells us that Libya had acquired a stolen atomic bomb---presumably from France or America, it being extremely doubtful that Russia is stupid enough to have given Qaddafi a warhead.

A crack CIA covert action team infiltrated the secret Libyan base where the atomic warhead was being kept---and stole it back. Their escape was via an American oil tanker off the coast of Tripoli.

The elite Black Aces fighter team was flying escort and protection for the CIA and the tanker. They shot down the two SU-22s who were pursuing the tanker.

It is entirely possible the entire Black Aces squadron was in the area.

Update 8-25-81 The drumbeat of anti-Qaddafi opinion and news continues. Today NEW YORK TIMES syndicated columnist William Safire's column traces Qaddafi's international sins and quotes a 'high geopolitician' as saying (of the Russians and Qaddafi) "if the Reagan administration is to be taken seriously, it will have to take one of their ((the Russians)) pieces off the board." That 'piece' is Qaddafi.

Safire ends his column with: 'If

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that troublesome piece is to be taken off the board, the United States should talk less and get on with the game.'

And today Charles William Maynes, editor of FOREIGN POLICY magazine (and member of David Rockefeller's Council on Foreign Relations), a power elite foreign policy spokesman, in a long article which appears in hundreds of large newspapers in this country, echoes the Safire sentiments, portraying Qaddafi as wild, uncontrolled, crazy, comments:

'The test for the Reagan administration now is one of focus. Unlike the crisis in El Salvador, the administration has not identified the wrong target or uncovered misleading information. Khadafi does need to be restrained.

'The debate must now determine how to accomplish this. Is the administration, through the totality of its policies in the area, particularly toward critical countries like Algeria, making it more difficult to do with others what clearly can be done alone only with enormous cost?'

Maynes is voicing the power elite position here: use Algeria, perhaps in league with Egypt and Israel, to do the dirty work. If the U.S. moves in with naked force the uproar will be costly to us and might force Russia to make a move.

CN notes with some cynicism that a move against Qaddafi would also likely cut off the production and shipment of Libyan oil for a while, permitting a rise in gasoline and heating oil prices in this country.

Plan "A" was to force Saudi Arabia to raise its price for crude from \$32 to \$34 or \$35 and to cut production. That fell through. The American multinational oil companies are left holding millions of barrels of "glut" oil in expensive storage in rented oil tankers.

Plan "B" is to eliminate Libyan oil for a while.

Watch for further anti-Qaddafi propaganda and "incidents".

CN notes that William Safire reports in his column: 'Moscow probably knows, as does the CIA, that a West German multinational has been dickering to supply Libya with an intercontinental missile.'

We believe that confirms that Qaddafi

has/had/will have an atomic bomb. You don't spend billions of dollars for missiles and launch facilities unless you've got a warhead or two.

Also: be aware that OTRAG, the private German syndicate which is mounting a satellite/space program independent of the U.S. and Russian programs, has its main space facilities in Libya. There could be a link between OTRAG, Qaddafi, and the West German multinational mentioned by Safire.

Both the U.S. and Russia would like to see OTRAG put out of business. We might see some Russian crocodile tears if the OTRAG facilities are trashed by CIA covert operations.

Note also the coincidence that these American naval "exercises" were timed to occur when Qaddafi was thousands of miles away on state visits to South Yemen and Ethiopia.

There have been some "tough talk" face-saving statements by Qaddafi and some upper-level Libyan diplomats about how they hold President Reagan personally responsible for the fighter plane incident, and some call for an Arab oil boycott of America.

But it is only talk.

The power elite want to provoke Qaddafi into harming or imprisoning some Americans in Libya. They want an excuse for further action against him.

But he is a very clever madman. He will strike back at us in his own way, in his own time and place.

## IRAN SINKS INTO CHAOS

The final stages of the Revolution/Counter-revolution cycle are beginning in Iran.

As the country sinks into economic ruin and as sectarian and political small armies form and battle in the cities (unformed guerrillas have been reported) as in Lebanon...the army of Iran will have to take over the country. There is no other force capable of restoring order and setting the country right.



But if the Iranian army turns from the border war with Iraq (where no significant action has taken place for six or eight months) to battle a gamut of power hungry religious and political forces...what will Iraq do?

The Iran generals will move to save their country only if they have first covered their rear---by a secret agreement with Iraq.

The death of Khomeini---by assassination or by natural causes---will signal the final power struggle. The army will be forced to act by then.

### WHY SELL AWACS TO THE SAUDIS?

Those five Airborne Warning and Control Systems (AWACS) planes the Reagan (power elite) administration wants to sell to Saudi Arabia---to be manned by American technicians---will be used to monitor (spy on) not just the Iranians, but also South Yemen and Ethiopia. Not just Iraq and Israel (no more nasty surprises, thank you!) but on Pakistan and possibly India and Oman and the Emirates. All nations within 250 miles of Saudi Arabia's borders (including Egypt, natch) will be watched and listened to.

The American media are portraying the AWACS as radar planes. But their main function is long-range listening to distant military and commercial radio transmissions. U.S. intelligence services will receive all Saudi AWACS data; the Saudi's may not get it all.

### TOO MANY CHIEFS SPOIL THE SPYING

The Reagan administration is cutting down the bothersome red tape involved in okaying spying on American citizens and corporations.

Too many safeguards. Too many layers of officials have to okay investigations, tailing, questioning of friends, etc. Even garbage analysis has been fraught with red tape!

Awww, pity the poor CIA, FBI, DIA, etc. Bound hand and foot by foolish Carter-era regulations to protect constitutional rights.

Under the new, looser, revised regs only break-ins, bugging, television

monitoring, and mail-opening will require top-level okays.

Physical torture is still an official no-no. But in a "national emergency" when the President or whomever is in dictator-control...then special squads and secret intelligence organizations of the government will of course get information at any cost.

What crimes will justify this "new freedom" to snoop? Well, if you are suspected of Mafia links, drug traffic links, Russian or other-country spy links... And ANY federal crime: income tax cheating, kidnapping, dealing in porno, illegal liquor, smuggling cigarets...

Remember, you don't have to be guilty of anything, merely suspected of involvement or knowing somebody who is suspected of involvement...

We are moving into a masked police state.

### SOCIAL SECURITY FOR FELONS?

Do you find it outrageous that convicted felons, serving time in prisons, should be qualified for and be getting Social Security Disability pensions?

Congress thought so ten months ago and passed a law barring such payments. Thus far the administration has suspended benefits for 1900 prisoners and is in the process of cutting off 1000 more.

But think: these men and women legally qualified for those disability pensions. Their disability is based on legitimate physical and mental injuries and disabilities---mostly suffered and developed outside prison. These people have all paid into the Social Security Fund.

But congress has decided that their felony also disqualifies them from SS benefits as long as they live! Even if they are in prison only a year---no subsequent payments. Even if they qualified for SS Disability benefits before they committed their felony crime!

We are not crying Liberal tears for criminals here. We are alerting you to the distinct possibility that congress---and the Reagan administration---may decide that lesser crimes may also disqualify people for SS benefits. Maybe former felons will be stripped--even though

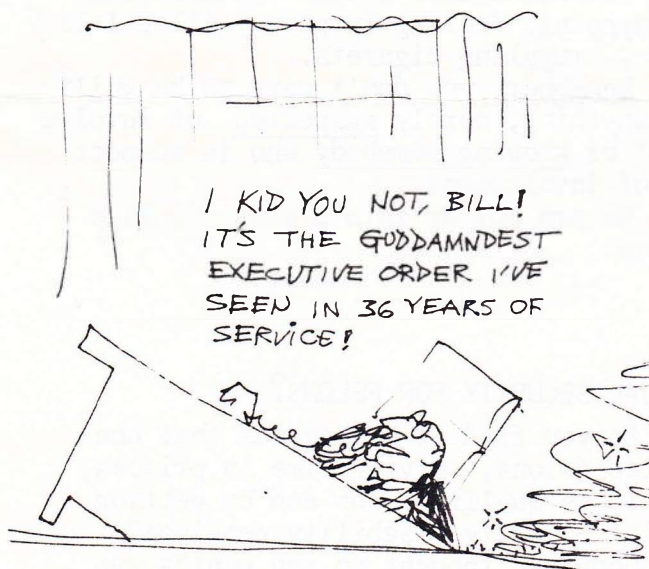


hey have been out of prison and lived an exemplary life for forty years...

And, of course, new crimes are a tempting method of cutting down on SS deficits: the old "conspiracy" fraud can be trotted out and linked to "thoughtcrime".

You think we exaggerate?

Just wait. Mounting deficits, angry voters and a depressed economy make for very desperate politicians who will grab for any scapegoat, any victim that can be contrived.



## SPACE WAR CONFIRMED

Congressman Denny Smith (R-Oregon) in a speech at a town meeting in Pendleton, Oregon during the August congressional recess, said that the United States needs to develop laser weapons and forget about the MX missile.

He also alleged that the Russians have a manned space station which has been shooting down our military spy satellites.

The Defense Intelligence Agency disputes his claims, but congressman Smith remains adamant. A first-year congressman, Smith serves on the House Armed Services Committee where he has access to top-secret data. He served as an Air Force pilot during the Vietnam War, where he flew over a hundred missions over Vietnam.

CN believes the government is sitting on some uncomfortable facts and is desperately trying to stop embarrassing leaks.

The future of Earth (and the control of Earth) lies in space, and until the U.S. power elite has firm control of space the U.S. government will attempt to keep secret the existing Russian military activity in space and the significance of Russian particle beam weapons and weapons research.

## THE NEW MISSILE GAP

CN has learned that the Russians have about twice as many missiles in silos as their factories could have produced. The extra missiles are considered by American intelligence to be "dummies."

Yet the 1980-81 furor over an alleged "window of vulnerability"--a few years (1982-84) during which Russia will have a strategic superiority in missiles---has been used by the power elite via the Reagan administration to justify a gigantic expansion of American military power in order to "close the gap."

The myth of Russian superiority (short term) in one area of power or another has, since the 1950s been used by the power elite via the mass media to scare the American people into accepting one arms buildup after another. And always subsequently it is learned that the headlined Russian superiority was a phoney reality.

Now we are seeing it again.

CN believes the current missile crisis is being used as an excuse to reap vast profits from building military hardware and as a cover to allow the power elite to use the military to secure needed natural resources, to maintain client governments and to eliminate enemy governments.

On a strategic level the USSR will be allowed to continue to exist--as a valuable boogey man which can be used to scare the American people whenever necessary, as in the past 60+ years.

## THE POLISH TAR BABY

For the Russians and for the big Western power elites, Poland has become a tar baby each has a foot into and from which each cannot get free.

Russia may eventually be forced to take over Poland by force or by default simply



because the falling production of that economy and its labor/social turmoil make the bankruptcy of Poland more and more obvious and final.

Western governments and banks have lent Poland at least 27 billion dollars and are facing an endless series of "reschedulings" of those debts. Even interest payments on the debts seem increasingly impossible. And pouring more billions into the Polish rat-hole is not bloody likely.

Beyond some charity shipments of food, not much further help can be expected from the West.

It is becoming clearer by the week that a military occupation by Russia and its Eastern European satellites (of Poland) and the imposition of a tough leadership in the Polish communist party is the only workable solution for both the Russians and the Western banks and governments.

The economic damage done by a takeover will probably be less in the longer run than a continuation of the current Solidarity-Communist Party government struggle with its strikes and production slowdowns, demonstrations, marches, and power plays.

The Solidarity unions will likely be destroyed or gutted.

There may already be a quid pro quo agreement in place between Russia and the Western power elite: Russia will set up a strong Communist Party govt. in Poland, force workers back to their jobs, correct some stupid priorities and favoritisms in the economy in order to increase production, especially in the private farm sectors, and will guarantee the eventual repayment of those 27 billions of debts to Western banks and governments. It is likely Poland will join the International Monetary Fund and be forced to accept stringent economic guidelines in exchange for IMF loans.

The other end of the deal will see the Western elite and the Western media make a big noise about how awful of the Russians to invade and destroy or gut Solidarity---but do nothing meaningful to punish Russia for its actions.

The end result will be "stability" in Poland and the slow wringing of 27 billion dollars from the Polish people.

Russia will have its secure control of Eastern Europe and we will all wait for the next Polish rebellion in a few years.

NOTE: The debts of other Warsaw Pact Russian

satellites are very high to Western banks, and that recently Romania has been forced to sign close economic cooperation deals with Russia and has cracked down on "subversives" and workers' movements. Liberalism and freedom is being squelched and living standards reduced.

#### ADMS TO ADMS, DUST TO DUST

Suitcase atomic bombs exist in the U.S. arsenal. It's probably only a matter of time before several are stolen by an extremist group and used to either blackmail a government or eliminate a government.

These portable weapons, called Atomic Demolition Munitions (ADMS), can be carried in knapsacks and fired by only two people. They are powerful enough to destroy a large city block.

Hundreds of ADMS are stored in America and Western Europe. They were created for use by soldiers operating behind enemy lines.

Keep these weapons in mind if the news comes of a large explosion of city-block size in a foreign government building...a critical nuclear facility...a vital communications center....

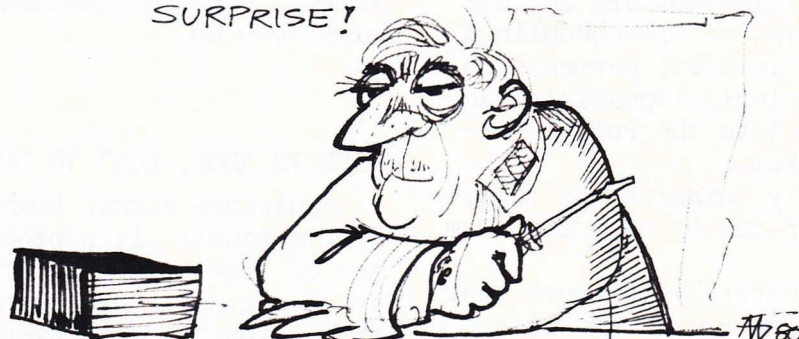
#### NEW TECHNOLOGY NOTES

ANTI-GRAVITY: CN has acquired a copy of a study done by the Rand think-tank for the Air Force. It states: "This note was prepared to document the results of the first phase of an analytical effort that explored the possibility that anti-gravity might be the result of elementary ... particles."

The report goes on to mention that the report "falls largely outside the normal management confines of Rand's Project Air Force, and is more aptly described as 'exploratory research'. Although it is only in the early stages of development, this information should be of special interest...."

The report then proceeds to give a lengthy explanation of Special Relativity, and goes on to mention Newton's Law, "because the force F has been found to be an attractive force in all experiments done to date, and because the force F repre-

REORGANIZING THE GOVERNMENT  
IS LIKE SCREWING AROUND WITH A  
BLACK BOX... IF YOU DON'T KNOW WHAT  
YOU'RE DOING, YOU CAN GET A NASTY  
SURPRISE!



sents the gravitational force (which has been defined as positive), one would expect the anti-gravity force in the same equation. But how does one make the force show up as negative."

The report goes on to a discussion of imaginary terms and the possibility of applying them in Newton's equations, "then the denominator would be negative and we would achieve a negative force."

Negative force = anti-gravity.

Not all scientists are convinced the Rand study is on the right track. One scientist who has done preliminary research in anti-gravity says, "The math in this report is available in any college-level physics textbook, and the physical theories proposed have been around since the early Fifties. What puzzles me is why all the fuss, unless this report is for public consumption and they are hiding the real direction the research is taking."

The report is marked Approved For Public Release; Distribution Unlimited.

#### IN THE FUTURE, LURKING...

The air controllers are the latest group to underestimate and misjudge Ronald Reagan. This president has more guts and principles than any major politician in memory.

PATCO thought they could whipsaw Reagan

and discovered he was tough as hell; for their efforts they got wiped out and 80% of them don't work here no more.

Below and beyond this surface drama, however, is a new message to government workers at every level who have signed a no-strike contract. That message is: from now on city, county and state politicians are likely to be very tough on government workers who go out on an illegal strike.

Suddenly, striking teachers, garbage men, transit workers, etc. will be fired. Suddenly, public opinion will be neutral or against the strikers, and suddenly the fast and loose "screw the public" tactics and philosophy of the past decade or two will no longer be tolerated.

Over the next year or two this new, strict economic/cultural morality shock wave will wash back and forth across this country...perhaps over the world.

And watch---this "the law is the law" approach, with the added crackdowns on "welfare fraud" and so on--foodstamps, unemployment benefits, excess and unwarranted Social Security benefit cutbacks, etc., will force Reagan and his administration to impose the same "no-favoritism" and "no special treatment of special interests" to big corporations when they come begging to the administration and congress.

Some favoritism and special subsidies will be given, but not much: most supplicants will go begging and will subsequently go bankrupt.

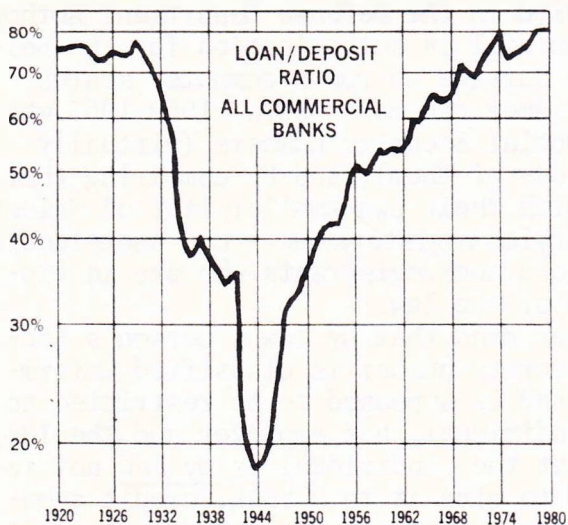
We want to make it clear that we are



referring to second-level business here; the power elite corporations, the huge multinationals, the world banks---they'll get what they want. Much of the special legislation in the recent tax bill is aimed for their benefit. And the 1980 Monetary Control Act also is loaded with devices and angles that will be used when needed.

### HANDWRITING ON THE ECONOMIC WALL... WRITTEN IN RED INK

Study the graph printed below.



The U.S. banking system is more "loaned out" now than ever before, following 35 years of unprecedented credit expansion. Inevitably, credit expansion has been followed by credit contraction---and deflation---in approximately 50-year cycles.

As you may perceive, there may be a few years left---a kind of plateau---before the debt structure collapses. Perhaps three years. Maybe no time at all.

In any case the message is clear---get out of debt and get liquid, because the ongoing money crunch is going to drive interest rates even higher, cause even more turmoil in the bond, stock and commodity markets, the real estate and housing industry...and reward those who have savings.

Long-term Treasury bonds look very

very good. It will be nice to be getting 15% interest as the economy disintegrates into rolling tides of bankruptcy, as demand for debt collapses, as interest rates sink to 3% and stay there for fifteen years or so.

This scenario is based on the cycle theory of debt expansion and collapse as pictured above. Debt bubbles have come and gone with sickening (or happy) regularity in the past.

The knowledge of this cycle and of the current weakening and undermining of the debt bubble has spawned a series of best-selling "doomsayer" books in the past ten years. The success of these books is due to a gut-feeling, a dread, among the older people in America--and the world--who have been through it before, and among the younger, conservative people who can see the imbalances and stresses which have developed. The survivalists are another side-effect of this undercurrent of unease and distrust which is permeating the country.

The August, 1981 statistics show a further erosion in purchasing power: real \$ take-home pay has declined .8% more, and the cost of living has increased 1.3%---worsening the squeeze.

To maintain their accustomed standard of living, people are borrowing more (consumer debt increased \$1.9 billion in June ) and saving less.

This inability to save money is putting increasing pressure on the money markets as more and more people, corporations and local, state and the federal government bid higher and higher to borrow ever-greater amounts from a pool of savings and liquid money that is not growing fast enough.

The federal deficit for fiscal '82 is now estimated by smart private financial experts to be in the 62 billion dollar range. This extra \$20 billion will have to be borrowed---putting more and more pressure on interest rates---unless by then---sometime in 1982---the grinding maw of extraordinarily high real \$\$ interest rates has collapsed corporate and private demand for new debt.

At some point, at some level of interest rates, there will be an event---a major corporate collapse---which will signal THE END.

At the present time the bond markets are in a shambles as hundreds of billions of dollars in values have been lost. The stock market has penetrated 920 on the downside and indications are it will sink to at least 850 in the next few months. Commodities are again in a plunge.

The economy is still walking, still talking, still showing a semblance of normality... But it's being bled white, and sooner or later....

### FEAR OF (MED)FLYING

The environmentalists of California have found a deep hole and gone to ground as the Medfly devastates the California economy.

Left to swing by his neck is Governor Brown, who opposed spraying for a year until the Medfly spread beyond control and imposed horrendous costs and damage.

Jerry Brown has now been destroyed by his basic philosophy. His run for the Democratic nomination for Senator is doomed, and his political future is nil.

Everyone is now agreed that the Medfly must die! But---wouldn't that tend to imperil the little bug's very survival? Wouldn't the federal government be required by law to declare the Medfly an Endangered Species? Isn't the Medfly as important as the Snail Darter?

After all, if God didn't love Medflies---why did he make so many of them?

In any case expensive fumigation of all California fruits is about to become mandatory, and the costs of that fruit in retail grocery stores is about to leap.

That leap in prices will of course be reflected in the Consumer Price Index for the next few months. People will eat less California fruits, "inflation" will surge, and a lot of people in California will suffer income deprivation.

But there is always a silver lining: next year a lot of workers and Social Security recipients will get "cost of living" increases in wages and pension checks that will be larger because of the Medfly.

To be fair, all workers and SS pen-

sioners should vote for Gov. Brown in gratitude. But we don't expect such logic to carry the day. Sic transit gloria mundi, Jerry.

### PRIVACY? PRIVACY? WHAT'S THAT?

It happens all the time...a few paragraphs in an obscure part of a big, omnibus bill, passed by Congress (and signed by the President) in the heat and scramble of August recess...

Buried in the Defense Department Authorization bill is authorization for the Selective Service to run a computer search of all American males born 1960-1963 who have Social Security numbers (virtually every one of them), and by comparing that list with their own smaller list of Selective Service registrants -- can spot, locate all those non-registrants who are in violation of the law.

Never mind that by law a person's Social Security number is classified information and is supposed to be restricted to the individual, his employer and the IRS, and that the individual is by law not required to give it to a bank, credit agency, or any other private concern (or govt. bureau), unless the White House objects to the Selective Service's new powers this new, seductive use of Social Security numbers will be used for law enforcement and recruitment purposes.

We just thought you'd like to know that a further erosion of your liberty and privacy has taken place. The thin entering wedge of tyranny is in place. [Rather, another spike in the heart of freedom is in place.]

The Social Security number is now well on its way to becoming a National Identity Number...and a lock on the individual.

The next move will be to require each individual to carry an Identity Card with his SS number on it, and which must be presented to any policeman or security officer or govt. clerk upon demand. Failure to comply will be punishable by....