



L. RONALD HUBBARD
... founder of Scientology

Scientology: Money-Maker Or Religion?

7/24/71
By Cynthia Gorney
Washington Post Staff Writer

Scientologists say he didn't mean it the way it sounds. That it was a joke. That the audience laughed, in fact, when Lafayette Ronald Hubbard said in the course of a 1949 lecture on science fiction writing, "Writing for a penny a word is ridiculous. If a man really wanted to make a million dollars, the best way would be to start his own religion."

Then Hubbard gave *Astounding Science Fiction* magazine an article about something he called Dianetics, or the Modern Science of Mental Health. The article grew to a book and the book grew to a religion, Hubbard's religion. He named it Scientology, and to this day the man from Nebraska is referred to respectfully as "The Founder" by the members of a church whose international assets amount to many millions of dollars.

He has also been declared *persona non grata* in both England and Rhodesia. His

See **SCIENTOLOGY**, A9, Col. 1

SCIENTOLOGY, From A1

church is prohibited in parts of Australia, is kept under "constant scrutiny" by the government of Ontario, is subject to certain restrictions in New Zealand, and faces fraud charges in France. And three weeks ago, after simultaneous raids on Scientology headquarters here and in Los Angeles, American officials charged the church with stealing thousands of government documents.

Scientologists, meanwhile, have 59 Freedom of Information Act suits pending against federal and state agencies to obtain church-related documents. They are suing the FBI for the break-in. They are suing a Labor Department official for writing a memorandum the Scientologists say was false and was used to keep them out of the country. They are suing a Paris magistrate for his investigation of the church, an inquiry they claim is being conducted for "political, ideological, and other improper reasons."

In fact, both Hubbard and his church have spent much of the last 25 years dueling officials—Medical, psychiatric, and government officials—in a battle over Scientology's right to call itself a religion. The fights have been over taxes, over false advertising charges, over the immigration rights of Scientology officials. But behind all that, behind the details of tax law and international protocol, looms a larger question: just what is this creation of Hubbard's?

Is it a multimillion dollar pseudoscientific hype, as its detractors have charged, posing as religion to keep from paying taxes? Or is it, as its three to five million members say, an honest spiritual alternative to more traditional churches—and one that is being harassed for its teachings?

The answers that emerge from court records and interviews are as bewildering as they are varied. One court denied tax exemption to the D.C. church, saying Hubbard was profiting personally from Scientology activities. Another upheld tax exemption for the Hawaii church. A third approved Scientology ministers' right to claim religious exemption from self-employment taxes, and the presiding appellate judge in that case added, chiding federal officials, "We are disturbed by the length of time that the issue of the tax status of Scientology churches and ministers has been in controversy."

The church's teachings have also entered the puzzle. At least one court has deplored them: a 1974 California jury, for example, heard testimony that a Scientology defector had been labeled "fair game"—in church jargon, an enemy who might be "tricked, sued or lied to or destroyed"—and awarded the man \$50,000 compensatory and \$250,000 punitive damages. On appeal, the California appellate

court reduced punitive damages to \$50,000, but wrote, "Any party whose tenets include lying and cheating in order to attack its 'enemies' deserves the results of the risk which such conduct entails."

Other courts, guardedly, have upheld them. Scientology's "fundamental writings contain a general account of man and his nature," wrote Circuit Court of Appeals Judge Skelly Wright in 1968, when he ruled that the literature accompanying the church devices called E meters was harmless, and not in violation of federal labeling laws. "The fact that it postulates no deity in the conventional sense does not preclude its status as a religion."

There are 73 Scientology churches now operating throughout the world, according to church spokesman—24 of them in the United States. Each is said to be financially independent of the others, although church officials say the "mother church" in Sussex, England, collects 10 per cent of every church's earnings.

The earnings come from the pockets of parishioners, as Scientologists call themselves, who pay for the courses and counseling that are the essence of the church's teaching. Scientology is based on the belief that the human spirit is immortal, flawed in each of us only by memories of painful experiences—either in this life or in past lives. Remembering those experiences ("engrams," Scien-

tologists call them) is said to lift them away from the spirit, bringing the Scientologist one stage closer to the utterly trouble-free state of mind the church calls "clear."

Although church officials insist that a serious parishioner can study the teachings on his own, without cost, the courses and counseling sessions aimed at reaching "clear" are offered for prices that can range into the hundreds of dollars. Federal investigators say Scientologist informers have told them the combined churches of Scientology in the United States may gross from \$2 to \$3 million per week, or more than \$100 million every year.

Church officials refuse to talk about yearly income. "Frankly, I think it's kind of demeaning to ask a church how much money it makes," said Greg Layton, a public affairs officer for the Founding Church of Scientology (so named because it was the first incorporated church) in Washington. "Nobody asks the Catholic Church what their gross income is."

"We don't make anybody take these courses," said Jeff Friedman, another spokesman for the church. "People are very willing to contribute in this way ... My dad gives \$20,000 or \$30,000 a year to his temple, and they don't get anything back. He doesn't take any courses."

Federal investigators have taken a

lively interest in the church's finances for some time, and to date the Internal Revenue Service has granted tax-exempt status to only 13 of the 24 American churches. That does not necessarily mean it has turned down the others, though, because the law says a church need not apply for tax-exempt status—it may simply withhold its taxes. The IRS will not give details on the status of the 11 remaining churches, of which the Washington church is one.

A church qualifies for tax exemption, explained IRS spokesman Leon Levine, only if it is operated for strictly religious purposes, and if (in the words of the Internal Revenue Code) "no part of the net earnings ... inures to the benefit of any private shareholder or individual."

The code does not define "religious purposes," because in a nation committed to the separation of church and state, that is a definition officials are reluctant to put on paper. Sometimes, though, the IRS has to. "We don't prescribe theological conformity," Levine said. "We've recognized a coven of witches as a religious organization."

Levine said the IRS looks for a clergy, for a congregation, for a conduct of worship; and on that basis the government has never publicly challenged Scientology's assertion that it is a religion. But in 1969 the U.S.

Court of Claims ruled that the Founding Church owed \$15,983.75 in back taxes because its sales of courses constituted "a substantial commercial (and hence nonexempt purpose)," and because Hubbard was apparently benefiting from the profits.

During the years in question—those ending in June, 1956, June, 1958, and June, 1959—Hubbard was paid \$125 per week by the Founding Church, plus an additional \$125 church "fee" adopted in October, 1956, according to evidence in the case. He also had a car and personal residence provided by the church, and received 10 per cent of the church's gross income, the evidence showed. In 1959, according to court transcripts, the Founding Church alone grossed \$247,674.

"Such an arrangement suggests a franchise network for private profit," the court said. "Congress intended to extend the exemption only when the sole beneficiary of the institutional operations was the public at large."

Although this Court of Claims case involved only one church, and others have received their tax exemption, government investigators have said that similar tax questions account for much of their continuing interest in the Church of Scientology. Scientologists disagree—strenuously. Using

terms like "Gestapo tactics" and "little Hitlers," church officials say the government is monitoring Scientology because the church has attacked organized medicine and has charged Interpol, the international police organization, with drug running.

The same is true overseas, Scientologists maintain—in Victoria, Australia, where a 1965 law banned the teaching or practice of Scientology; in New Zealand, where the law requires parental consent for anyone under 21 receiving Scientology training; in New Zealand, where the law requires parental consent for anyone under 21 receiving Scientology training; in England, where Scientology students are prohibited from entering the country, and both Hubbard and his wife are excluded by government decree; in France, where Scientology has been accused of fraud on the grounds that it is psychotherapy and not religion.

"They hate us," Friedman said. Like most Scientologists, Friedman believes government officials simply cannot accept either the beliefs of the church or its frequent and sometimes noisy crusades. So they harass the church, Friedman charged, by compiling the sort of files that the government now accuses Scientologists of having stolen.

Getting Hooked on the Electrometer

Washington Post Staff Writer
By Cynthia Gorney

In the midst of an interview at the Church of Scientology's S Street headquarters last week, a Scientologist carried in a Hubbard Electrometer and offered to hook up the interviewer.

"Take off your ring," he said. "That's going to short it."

The E-meter looked incomplete, somehow, as though it ought to be part of something else. Two tin cans, their labels removed, were wired to a small box less than a foot square. A needle rested on the left end of a small screen, and as I picked up the tin cans the needle quivered and began to rise.

These machines have been assailed as bogus medical aids, defended as religious artifacts, and dismissed as overpriced toys that do no more harm than good. Fourteen years ago the Food and Drug Administration confiscated dozens of them, charging the Scientologists with false advertising of supposed E meter medical benefits; 10 years and many court battles later, the meters were ruled harmless (though medically useless) church devices, and were returned.

"Totally ridiculous," muttered church spokesman Jeff Friedman, referring to the FDA seizure, as he

twirled the E meter's control knobs to set it up for me. The machine is an indicator of feelings, he said—nothing more.

"OK," said Friedman. "I'm going to pinch your left arm." He did, and although my grip on the tin cans did not tighten noticeably, the needle shot way over to the right.

The sting of the pinch faded, and the needle fell back to its resting position. "Now," said Friedman, "I want you to think of that pinch."

Still holding the tin cans, I remembered the pinch. Again the needle jumped and moved right, just as it had before. "Now think of it again," Friedman said. I did, and the needle moved a little less. The third time it rose even less, and by the fourth time I remembered the pinch the needle hardly moved at all.

"That's the very, very bottom rung of Scientology," Friedman said. The E meter, he explained, had illustrated for me the memory of pain—and confronting the memory had cleared it away.

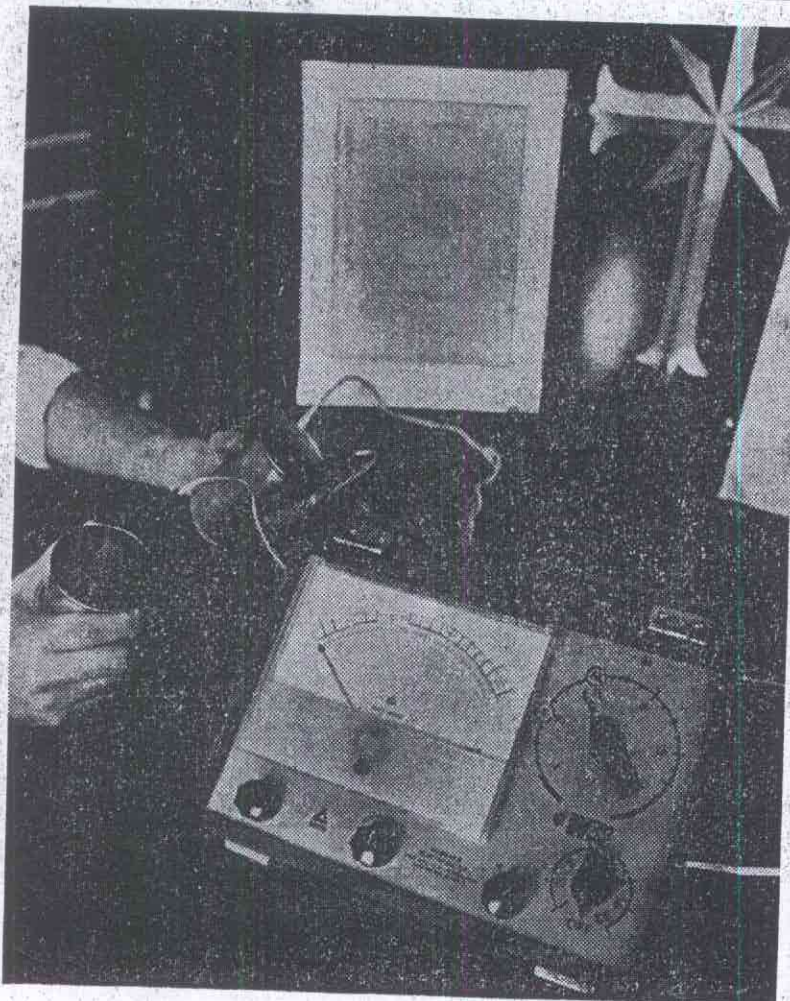
"It's a gimmick," said Dr. Martin Orne, director of the Unit for Experimental Psychiatry at the Institute of Pennsylvania Hospital, in a telephone interview last week. "It gives you the trappings of science . . . They're promising some of the same things which were promised at one time by

psychoanalysis, but we have years ago learned that you can't deliver that."

Like the machines commonly called "lie detectors," Dr. Orne explained, E meters measure the surface skin changes in a person undergoing emotional stress—conscious or unconscious. The heartbeat increases quickly, for example, and the palms and forehead sweat. These changes, first observed by the psychologist Carl Jung, are referred to by doctors as "electrodermal response."

The problem, said Dr. Orne—and many psychiatrists and health officials agree with him—is that emotional counseling should involve far more than simply measuring electrodermal response and believing that trauma can be erased from the mind. "Working through a problem does not mean that you're going to be immune from it," said Dr. Orne. "There is no way a person is going to be without problems, without fears. To fear is human."

The E meters lend an aura of science, Dr. Orne said, to a practice he believes to be useless at best and dangerous at worse. "The purpose of treatment is to do yourself out of a job," he said, speaking of psychoanalysis. "The purpose of the cult is to get you hooked, and make a lifetime proposition out of it."



By Ellsworth Davis—The Washington Post

E-meter is considered a religious artifact by the Church of Scientology.