

East Grinstead Courier

THURSDAY, MAY 19, 1988

FAX EG 410736

TEL EG 23652

15p

1

Man loaned cash for Scientology courses

AS the Church of Scientology hits back at last week's report outlining its "hard sell" techniques, we can reveal that some people were so desperate to raise money for courses that they used the services of a fellow Scientologist who loaned them money at exorbitant rates of interest.

Dozens of people rang to confirm the details of last week's story and some provided documents showing how one wealthy Scientologist loaned his own money to help people pay for the cult's expensive books and courses.

On the literature accompanying the loan agreement the lender says his purpose is to "help Scientologists up the bridge".

The man makes it clear that he is using his own money. To ensure repayment he says he takes two pre-

cautions: "I use a loan agreement which imposes heavy penalties, even if only one day late, and I ascertain that no more than two thirds of the borrower's surplus income is required to make monthly loan payments."

As a further check the lender then says he will make sure that the applicant can make payments without hardship. This is done by having every agreement checked and approved by the Director of the Department of Income, part of the senior management structure (Advanced Organisation Saint Hill UK) at Saint Hill.

The lender admits that his interest rates are higher than banks — in 1983 he charged 25 per cent per annum on a loan of £5,800, compared with a High Street bank rate on a personal unsecured loan of approximately 20.7% APR — but he says they must be high enough to compensate for possible increases in counselling and course prices, plus any losses from default. In

another case he charged interest at 30 per cent.

He adds that there is not much chance of him recovering his losses on the falling value of "the pounds to which I converted my American dollars in order to make these loans."

He says he makes loans only above £5,000 because he believes an able Scientologist can manage a smaller amount without borrowing from him.

The maximum of a loan is two years and he says pre-payment is "OK" so long as the loan is prepaid in full — including an extra charge to repay the initial cost of making the loan.

Closer inspection of the loan agreement reveals some hefty financial penalties for Scientologists who default on the loans. One applicant signed an agreement which committed him to a £40

● turn to P53

Scientology

from P1

penalty for each month or fraction of a month that he was late with payments.

The lender also has the rights to demand immediate payment of the total loan if the instalments are late, and that while the borrower can choose to pre-pay his loan it must include 110 per cent of the unpaid balance plus accumulated interest and penalties.

He concludes: "I consider the breaking of agreements to be, as Ron says in *The Way To Happiness*, 'not a casual matter', and it is my policy to be quite unreasonable as to resort promptly to Scientology Ethics and Justice."

Among the many people to contact us was Oswald Lindsay, of Wray Close, Ashurst Wood. He joined the Sea Organisation at Saint Hill in 1980 but left after 10 months, but carried on taking courses.

He said he met some sincere people with high ideals, but that he was disillusioned. "I had my doubts about the organisation and its motives. Something just didn't ring true: L Ron Hubbard always putting himself on a pedestal as though he was God almighty and the obsessions about money and production which was quite unreal."

Mr Lindsay finally left Scientology in 1984, but ended up having to

take the church to the small claims court for the return of £1,500.

He said: "They did me no real harm and didn't get much of my money but I survived intact because of my strong character, being very caring about money and having seen enough of life not to be impressed by all that American hype."

"I look on my time with humour and constant amazement at just how a human being can be duped."

● See letters Page 18.

● Entrepreneur Richard Branson has vowed to "review" a contract with the church of Scientology after discovering that his Crawley-based distribution service has been sending out thousands of newspapers and magazines for the cult.

Branson said he would make sure that his company had no dealings with the church again, and had been unaware that a subsidiary of his Virgin empire, VIP Distribution, had been dealing with the cult.

An agent for the church in Los Angeles used the cargo company to fly in thousands of copies of *Good News and Source Magazine* last February and April, and it was only when the literature arrived that the distributors realized they were cult papers.