

# CACC

## NEWSLETTER

March 15, 1982

### BANKROLLING COMMUNIST CONQUEST

At long last the true meaning of detente is becoming clear. It means feeding, financing, and arming the communist enemy. It means that leading western bankers make huge loans to the East European satellites of the Soviet Union, without security and with no prospect of repayment.

Considering normal banking practice, this makes one wonder whether the leading bankers of the Western World have gone mad. If any of our readers is personally acquainted with a banker who is willing and eager to lend large sums of money to individuals of dubious financial repute, with no security and no prospect of repayment, please introduce me. Phone collect. I know some people who will be eager to take advantage of their reckless generosity. All the bankers I have met have been quite fanatical about such matters as security and prospects of repayment when negotiating a loan. Nevertheless, as the record of loans to the communist regimes of Eastern Europe proves, another type of banker does exist. The strange thing is that these bankers, who are indifferent to the security their communist borrowers can pledge, and show no concern about their ability to repay the loans, are the top officials of the largest banks in the U.S. A. such as the Bank of America, Citibank of New York, and the Chase Manhattan Bank. The largest banks of West Germany have behaved in a similar fashion.

The British magazine, The Economist lists the debts of the East European satellites of the Soviet Union as follows. As the table indicates, the debts exceed both imports and exports by far. There is no obvious mechanism by which the money needed to pay interest and repay principal may be obtained.

(\$ billion)				
	Exports 1980	Imports 1980	Debt end-1980	Guess for debt at end-1981
Poland	5.9	6.7	23.0	27.0
East Germany	3.9	5.4	11.5	12.5
Rumania	3.6	3.9	9.5	12.0
Czechoslovakia	3.2	3.7	4.5	4.8
Hungary	2.9	3.7	8.9	8.0
Bulgaria	1.3	1.7	4.5	4.8
Total	20.8	25.1	61.9	69.1
Russia	24.5	24.3	17.5	19.0

"Russia's six east European allies have borrowed \$70 billion from the west in lumps which at least four of them cannot conceivably eventually repay. Yet western bankers are unwilling to chop off these imprudent loans lest this looks ugly on their balance sheets.

"The capitalist west therefore plans an international economic offensive against communism while its main capitalists continue to give communist east Europe what are probably really irretrievable grants that are already four times higher than America gave to west Europe during Marshall aid." (The Economist, January 30, page 29)

#### Method in Madness

The evidence seems conclusive. The bankers have gone mad. But wait! Maybe there does exist a hidden mechanism

by which they can be repaid?

We are learning the truth by dribs and drabs. In early February, many of us could hardly believe an announcement that was made on the news broadcasts. We were informed that the U.S. Government had decided to pay the banks \$71 million that Poland was supposed to pay in January but could not. This money was owed for agricultural products which had been bought on credit. Repayment had been guaranteed by a U . S. Government Agency, the Commodity Credit Corporation. This corporation was not legally responsible until the debtor (in this case, Poland) had been officially declared to be in default; but it was announced that the government had decided to pay the amount owing without declaring Poland to be in default. A little probing soon discovered that this \$71 million was merely a down? payment on \$350?\$400 million which will fall due this year.

In this case it turns out that the banks are to be repaid by the U. S. taxpayers. According to reports, about half the money owed by communist?ruled countries to U . S. banks is guaranteed by the U.S. Government, and the banks were about to transfer their entire liability to the World Bank, a government agency, when the U. S. response to the declaration of martial law in Poland stopped this process. Consequently the U.S. banks are left with some bad debts on their books, though these debts are considerably less than those owed to West German banks. So the security for the loans to communist governments was the U.S. taxpayer.

### Why Did the Banks Loan the Money

The answer is twofold:

1. Their governments encouraged them to do so;
2. The bankers approved of the "disciplined societies" established by totalitarian governments.

### Detente

The governments considered lending this money to be an essential part of the national policy known as DETENTE as an article in the liberal magazine, The New Republic February 17, by William J. Quirk, states:

"Suddenly the meaning of detente, after years of being shrouded in pious rhetoric, has become clear. It is the ultimate bailout??the bailout by the Western democracies of bankrupt Soviet totalitarianism. In the early 1970s, after more than fifty years of Communist rule, the Russian economy was unable to feed and house its people. If it cut back its disproportionate military spending, the government would dangerously weaken itself against internal and external enemies. The satellites were perpetually either in revolt or approaching it, and the loss of their resources (Polish coal was a major source of hard currency) could be a death blow to the economy.

"Consequently, the Russians conceived of detente as an aid program designed to prop up their collapsing empire. The new system was based on Western money, since the Communists had none... The Russians never pay for anything?? their deals are either so?called 'compensatory trade' (i.e. barter), or financed by the seller. (The proposed 3,000?mile, \$12?billion Siberian?European gas pipeline, which will be built with German money and Western technology, is just one example.) In essence, the Western funds supplied under detente have directly supported the Russian military machine, since, as the bankers are fond of telling us, money is fungible." (Note: For those readers unfamiliar with legal financial terminology, fungible means interchangeable.)

"Any member of Congress voting funds to help the Russians suppress freedom and threaten us with missiles would be out of office come the next election. But the bankers could justify it simply as good business. Citibank's senior vice president, Thomas Theobald, said, "Who knows which political system works. The only test we care about is: can they pay their bills?" (Page 13 and 14)

The purpose of the loans was to maintain stability in Eastern Europe. This translates into supporting the communist regimes in power and helping them repress any moves towards freedom which the oppressed populace makes. The objective was the maintenance of the 'status quo', not liberation. Thus, the capitalist bankers were loaning money, and U. S. citizens are paying taxes to support communist tyranny in Eastern Europe. Did you know that your taxes were being paid for this purpose?

## Communist Leverage Over U.S Policy

One consequence of the loans is that it has given the communists considerable power over the western economy and consequently over national policy. This power is described in a hypothetical argument concerning Chinese Communist policy published in the *Free China Weekly* February 7. The Chinese protagonist for accepting large loans from the U.S.A. states:

"Look at the Eastern?bloc including the Soviet Union. They have combined to take on a debt of over U.S. \$90 billion, \$25 billion of it with the U.S. alone.

"But how does that benefit them, that is a huge debt, they must be at the mercy of the U.S.

"Quite the contrary, Mr. Chen. The U.S. is at their mercy.

"I don't get it. How does that work? You must be mistaken.

"Then I'll explain. You see, when the Poland crisis came up, President Reagan's gut instinct was to come down hard on the Soviets. Right as he began to work on a stiff program to punish the Soviets by way of the Polish state, American bankers and business leaders by the dozens marched into the white House and told him to forget about forcing the situation. You see, the bankers were afraid to lose their money over the matter of pending revolution in Poland or an anti?American backlash in the Polish government. In other words, a stable Poland, and East Europe for that matter, is in the interest of the bankers who have loaned out the billions to those countries. So while Reagan would like to pay more than lip service to freedom of the Poles and others, he is forced by big business to look the other way. In the end, America cannot support any cause in the Eastern bloc that threatens to undermine the Communist governments there. Big business wins over idealism and the traditional American stance." (February 7, page 3)

As has been said: "If you owe the bank a million dollars, you are its slave. If you owe it a billion dollars, it is your slave."

## Default

It is clear that default by the communist debtors would deliver a severe blow to the economies of the west. Would it also cause problems for the communist rulers? On the face of it, it seems that default would help them. They would be relieved of the responsibility of paying their debts. It is true that default would allow the banks to impound any assets the communist countries have in the west, but these are minimal.

There is one penalty that would accompany an official declaration of default which could be onerous indeed. Once the communist countries were declared to be in default, they would be denied future credits. This could be disastrous. Some authorities believe they need these credits to survive. An editorial in the prestigious British magazine, *The Economist*, February 13, states: ?

"Russia and Eastern Europe are going to need at least a minimum trickle of credit from the West's bankers; either that or the communist empire in Eastern Europe is going to be forced into so complete an economic isolation over the next 10 years that every Russian rifle will end up turned on its own peoples every Russian tank will cost 1,000 unfertilized acres of grainland to make and any Russian adventure abroad will eventually stretch its resources beyond what is possible. (Page 11)

This sounds like a "consummation, devoutly to be wished." It seems a convincing argument for stopping all credit immediately. The *Economist* however, does not see it that way. It fears the destabilization of the Soviet empire and desires to maintain communist power while dampening its expansionist tendencies. It declares that default would create problems for the West but that these problems would be manageable whereas default would create unmanageable disaster for the Soviet Union and its satellites. It therefore reaches the remarkable conclusion??

"Threaten but do not declare default.

"Above all, knowledge that default is not disaster for the west, but may be for the east, puts pressure on at least two men to avoid it if they can. They are General Jaruzelski and President Brezhnev in place of default now there should be a stick held over these two men that a future default will be invoked if they do not reschedule debts in a plausible way. And a carrot of future credit to any east European countries that put their economic houses in order, which would mean liberalizing their societies too. Such a policy will be a slow business. Russia will not allow itself or its lesser donkeys publicly to notice such carrots or such sticks. The donkeyman coaxing and goading Russia will therefore best be dressed in banking rather than political clothes." (The Economist, February 13, Pages 12 and 13)

The Economist is a disciple of detente. It wishes to maintain communism in power in Russia and to maintain Russian hegemony over Eastern Europe while it attempts to exert influence on Soviet and satellite policies in favor of "liberalization". The precise form of the desired "liberalization" is unspecified but presumably it includes the introduction of some elements of democracy into the political process and the granting of increased civil liberties to the subjected populace. The hope is that such changes will dampen and ultimately destroy all expansionist imperial impulses of communism, so that all programs designed to establish worldwide communist rule will be abolished. This requires a communist renunciation of the conviction that history has ordained communist world power; that communism is the "wave of the future". This policy seeks the stabilization and modification of communist power??not its overthrow.

### Thermonuclear Blackmail

The reason for basing national policy on such a flimsy hope is the fear that disorder in the communist empire may lead to the ultimate universal tragedy??thermonuclear war. It is feared that if the communist party is cornered and is threatened with the wrath of its own people and the anger of its liberated colonies, it may become frenzied and use the ultimate weapon. U.S. policy is determined by fear of inciting thermonuclear war; it operates in obedience to thermonuclear blackmail. Thus, no decisive action can be taken to stop Cuba inciting, arming, and directing communist rebels in Central America as this could cause Soviet counteraction which could escalate to thermonuclear war. Similar fears inhibit effective action in Afghanistan, in Poland or in any other area where communist aggression takes place.

Thermonuclear blackmail is an essential element of the communist strategy of world conquest.

This strategy is expressed by the formula: "External encirclement, plus internal demoralization, plus thermonuclear blackmail, lead, to progressive surrender." By using this formula, the communists, who rule the Soviet Union, are convinced they can reach their Marxist destiny of world power without confronting the horrors of thermonuclear warfare.

The governments and bankers who advance credits to enable them to purchase food and weapons to sustain their massive armies are supporting communist conquest.

Detente is based on the delusion that the communist leaders do not believe, and base their policies upon, their announced doctrines. The world tragedy that resulted from such delusions concerning Hitler and his objectives is now history. The future tragedy may be even greater unless policies are based on reality, not delusional hope.

### THE FASCIST NATURE AND UTTER VILLAINY OF COMMUNISM (The Enlightenment of Susan Sontag

Susan Sontag is an outstanding representative of the intellectual left in the U.S.A. She is eminent as an author, film director and scholar.

In a speech delivered to a meeting sponsored by American Workers and Artists for Solidarity, held in the Town Hall, New York City, on February 6 and published in the February 14 edition of the Los Angeles Times she engaged in a frank self?criticism and criticism of the left in general. She states: "People on the left have willingly or unwittingly told a lot of lies" about communism.

### Self?Criticism

The motive for this dishonesty was a wish to avoid giving aid and comfort to the "rightwing reactionaries", a category

into which most active anti-communists were lumped. Describing her own culpability, she states:

"I can remember reading a chapter of Czeslaw Milosz's 'The Captive Mind' in Partisan Review, and when it came out in 1953 buying the book—a passionate account of the dishonesty and coerciveness of intellectual and cultural life in Poland in the first years of communism, which troubled me but which I also regarded as an instrument of Cold War propaganda, giving aid and comfort to McCarthyism. I put it on my student's bookshelf. Still a student (though an unofficial one) 27 years later in 1980, on the eve of my first visit to Poland, I took down my old copy of "The Captive Mind" from the shelf, reread it (for the first time) and thought, and thought only: But it's all true. And in Poland, I was to learn that Milosz had, if anything, underestimated the disgrace of the communist regime installed by force in his country.

"I have asked myself many times in the past six years or so how it was possible that I could have been so suspicious of what Milosz and other exiles from communist countries—and those in the West known bitterly as 'premature anti-communists'—were telling us. Why did we not have a place for, ears for, their truth?... We were so sure who our enemies were (among them, the professional anti-communists), so sure who were the virtuous and who the benighted."

Prejudice is no monopoly of the unlettered. Unfortunately, intellectual bigotry does exist.

Susan Sontag has now reached conclusions which some of us reached many years ago. These include: 1) The communist system is utterly villainous; and 2) Communism is fascism.

"What the recent Polish events illustrate is something more than that fascist rule is possible within the framework of a communist society, whereas democratic government and worker self-rule are clearly intolerable—and will not be tolerated. I would contend that what they illustrate is a truth that we should have understood a very long time ago; that communism is fascism—successful fascism, if you will. What we have called fascism is, rather, the form of tyranny that can be overthrown (an overt military rule) the probable destiny of all communist societies—especially when their populations are moved to revolt—but communism is in itself a variant, the most successful variant, of fascism."

I welcome the enlightenment of Susan Sontag, but regret that she did not learn these lessons sooner. She was aware of the monstrous, murderous crimes of Stalin; the Hitler-Stalin Pact; the Soviet invasion of Poland at the commencement of the Second World War; the Soviet invasions of Hungary and Czechoslovakia; the Soviet persecution of authors, musicians, and artists; the Soviet prostitution of psychiatry for political purposes; the murderous insanity of the Great Cultural Revolution of China; the genocidal Marxism of Pol Pot and his communist colleagues in Cambodia; and the invasion of Afghanistan. The walls of the citadel of prejudice were strong and withstood an incredible battering by facts.

I have sent this letter to the editor of the Los Angeles Times:

Susan Sontag states in her speech, delivered at a meeting sponsored by American Workers and Artists for Solidarity, held in the Town Hall, New York City on February 6, and published in the February 14 edition of the Los Angeles Times that the principal lesson to be learned from the Polish events is "the utter villainy of the communist system". She also states that "Communism is itself a variant, the most successful variant of fascism".

As Miss Sontag now acknowledges, the evidence for these affirmations has been abundant and conclusive for many years. Some of us faced the facts and reached similar conclusions many years ago. It is now seventeen years since the song, "The Fascist Threat", was written and published. One stanza states:

Although we've used the fascist name Communism is just the same. It's plain to see these two are twins And freedom dies if either wins.

Susan Sontag better beware. For making statements similar to those made by her, I was categorized as a "right-wing extremist", an "ultra", and a "neo-fascist". She should batten down the hatches.

The Supremacy of Truth

The conclusions reached by Miss Sontag should be taken to heart by all honest people:

"In our efforts to criticize and reform our own societies, we owe it to those in the front line of struggle against tyranny to tell the truth: without bending it to serve interests we deem are just. These hard truths mean abandoning many of the complacencies of the left, mean challenging what we have meant for many years by 'radical' and 'progressive'. The stimulus to rethink our position, and abandon old and corrupt rhetoric, may not be the least of what we owe to the heroic Poles; and may be the best way for us to express solidarity with them." (Feb. 14, Part IV, page 2)

The path of truth may be rough, but it leads to a glorious destination.

#### AN IMPRISONED SOVIET PSYCHIATRIST CHALLENGES HIS COLLEAGUES

The Soviet Union continues to misuse psychiatry to imprison, punish, and silence those who dare to question the divine (or is it historic?) right of the communists to rule over Russia and finally the world.

Fortunately, psychiatrists and psychiatric associations in western countries are not indifferent to this prostitution of psychiatry. The British Medical Association passed a strong resolution condemning Soviet practice in July, 1981, and presented it to the world Medical Association. There is a move among psychiatrists to have the Soviet Union expelled from the World Psychiatric Association until it "can show that the political use of psychiatry has been brought to an end."

The real heroes are the Soviet psychiatrists who dare to protest this Soviet practice. One such is Dr. Anatoly Koryagin who was given a 12-year sentence in May, 1981, for opposing the use of political psychiatry to lock up and torture dissidents. The Samizdat Bulletin No. 104, December, 1981, published an appeal by Dr. Koryagin which was smuggled out of a Soviet Labor Camp in the Urals, and which is addressed to the Psychiatrists of the Western World:

Dear Colleagues:

I am writing to you from Soviet political labor camp No. 37, in which the authorities have incarcerated me on the basis of a perfectly absurd, stereotyped charge of anti-Soviet agitation and propaganda.

As I did not at all have the intentions which the court arbitrarily attributed to me, I can only regard the judgment as an act of revenge against a specialist who has fulfilled his doctor's duty by obeying the voice of conscience and not subordinating it to the purposes of the KGB. It is only because I examined some dissidents who had been persecuted through psychiatric means, and because I communicated the results of my investigations to the world community, that I was sentenced to seven years of imprisonment followed by five years of exile in a remote area. Earlier, all the members of the Working Commission to Investigate the Use of Psychiatry for Political Purposes had also been sentenced.

Dear friends, let there be no doubt about the fact that the Soviet authorities have turned our most humane branch of medicine into an instrument for achieving the main aim of their internal policy—the suppression of dissent in our country. Psychiatry in the totalitarian Soviet state brings not only succour to the ill but also harm to the healthy.

The facts about the use of psychiatry to suppress dissent in the Soviet Union have now angered the world community for some years. At the world psychiatric congress in Honolulu in 1977, Soviet psychiatry was condemned as punitive. Since then, however, the dirty stain on its white coat has spread still further. Thousands of dissenters have spent time in psychiatric hospitals since that time, and many with names that mean little to anyone are still there now.

Continuous criticism has forced the Soviet authorities to change their tactics somewhat. The main weight of psychiatric persecution, the scale of which has grown still more, has now been redirected to the provinces. Here the "success" of punitive psychiatrists is, as before, assured by the KGB and the Prosecutor's office, while in the central institutions (the Serbsky Institute, for example), the number being ruled mentally ill has been considerably reduced. In this way the authorities are trying to achieve their dual purpose: to suppress all dissent in the outlying areas of the country, and also to rehabilitate Soviet psychiatry in the eyes of the world community: the opinions of foreign colleagues are formed in the course of contacts with, after all, representatives of the central institutions.

Questions about the direct involvement of particular Soviet psychiatrists in the anti-humane role which the Soviet authorities have assigned to their profession can be answered clearly. First among the guilty, without doubt, are those doctors who diagnose nonexistent illnesses in healthy people. But no less guilty are those leading psychiatrists of our country at top administrative level who organize and facilitate the execution of this ugly policy.

Remember, colleagues, that all contacts with foreign psychiatrists are used by the leaders of Soviet psychiatry as a means to rehabilitate themselves. They widely and untiringly advertise such contacts, trying to convince everyone that they are accepted internationally, not as violators of medical ethics and norms, but as colleagues and equal partners.

Is it tolerable that the World Psychiatric Association (WPA) should have member societies from countries where psychiatry is assigned punitive functions? Is it ethical to have any professional contacts with the official psychiatric representatives of those countries? Has the time not come to form an international commission of psychiatrists on medical diagnosis, the effectiveness of whose action would be ensured by the states represented in the WPA? These and other questions could become subjects for debate in psychiatric forums if psychiatrists developed a widespread interest in resolving the problem of psychiatric oppression of dissenters in various countries.

Only since the Madrid conference [on European security and cooperation] began in 1980, hundreds of Soviet dissenters have been imprisoned or interned in mental hospitals. The authorities have shown special hatred towards those who have exposed their repressive policy and tried to counter its implementation.

In my case, the court ruled my activity to be "incompatible with the calling of a Soviet scientist" and demanded that I be deprived of my Doctor of Science degree. KGB officials tried to force me to renounce my views, subjecting me to exhausting interrogations of many hours and locking me up in a punishment cell. They also threatened me, saying that I would never be freed from captivity, that I would be reduced there "to a vegetable," that I would never again be able to work as a doctor, and so on.

Now, in the camp, they deny me not only the chance to extend my professional range (through work in a new situation), but even to read specialist literature on psychiatry. Every line I write is inspected, letters are confiscated or delayed, and a meeting with my wife is barred.

Our professional duty demands of us that we care for others. I appeal to you, my colleagues, not for a moment to forget those who have stood up for the rights and freedoms which people need, and now are condemned to spend years in the nightmarish (for a healthy person) world of psychiatric wards, exhausting themselves in a debilitating struggle to preserve their psyches, a struggle against torturers armed with drugs. To remember them and to do everything possible for their release is our obligation. Their fate is a reproach to our conscience, a challenge to our honor, a test of our commitment to compassion. We must brand with shame, those who out of self-interest or anti-humanitarian motives trample on the ideals of justice and on the doctor's sacred oath. (The Samizdat Bulletin No. 104, December, 1981. Translated by Peter B. Reddaway, London School of Economics, England)

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Christian Anti-Communism Crusade

March 15, 1982

Dear Friend,

Which of the following programs is preferable?

1. Spending hundreds of millions of dollars to supply weapons and support soldiers to fight guerrilla armies, which are led and controlled by communists who are determined to conquer their country, and to militarize it so that it can effectively support the forces seeking to encircle and conquer the U.S.A.

2. Spending comparatively few dollars to prevent the recruitment to communism of the leaders of the guerrillas, by providing literature which presents the overwhelming evidence that communism combines false promises of promoting liberation and prosperity with the production of mass murder, food shortage, national subservience to the

Soviet Union and universal enslavement.

I have no doubt that you choose the second program without hesitation. At least I have no doubt that you choose this program with words and thoughts. I am not quite so sure that you choose it with actions, and actions often speak louder than words.

The actions of our leaders demonstrate conclusively that they choose the first program. The National Administration is planning to spend over \$100 million in El Salvador with the hope that this will prevent the guerrilla forces of the Farabundo Marti National Liberation Front (FM LN), which are led and controlled by communists, from conquering that country, militarizing it, and adding its forces to those of Cuba, Nicaragua, Grenada and the Soviet Union to promote and support similar conquest of all countries in Central America and the Caribbean. How much was spent to prevent the recruitment of the communists who lead the FMLN?

I plead with you to make sure your actions are in harmony with your words and thoughts in this area. I ask for support for our Million Dollar Truth Fund to tell the students and others in many countries the truth about communism. This fund is a revolving fund as it is constantly being depleted by specific programs in the U.S.A. and throughout the world, and it must be constantly replenished.

It seems absurd that we are seeking so little when the communists are receiving so much from the bankers and the governments of the free world, as the accompanying newsletter reveals. For example, Poland has received credits and loans of \$27 billion, which are largely unrepayable, from capitalist countries. One percent of this would be \$270 million. One percent of one percent would be \$2.7 million and miracles could be achieved with this sum if we had it.

One immediate project is to provide a copy of a Chinese?English edition of the booklet, Why I Am Against Communism, to all university, college and high school students (590,000) and copies to all high school, college, and university teachers (29,500) in the Republic of China. This will cost \$76,725, or 11 cents per person.

The options offered by the Chinese are reprinted on the back of this letter. If you have not responded yet, please make your choice of the various options and return the form with the most generous contribution you can give and thus match deeds and words in a program for victory over communism.

With Christian love,

Fred Schwarz