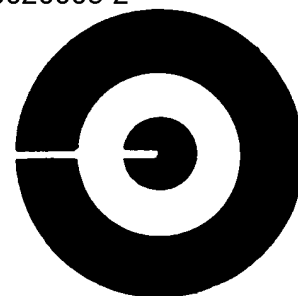


AIM

REPORT



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Reed Irvine, Editor

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WE WIN!

It appears that the ABC shareholders will get a chance this year to vote on the following resolution proposed by Accuracy in Media and four other ABC shareholders:

Whereas, the Soviet Union spends billions of dollars each year on its world-wide propaganda and disinformation campaign with the goal of manipulating the mass media of the United States and other countries of the free world, and,

Whereas, ABC on November 20, 1983, televised a movie, "The Day After," which had been produced and promoted by ABC at an estimated cost of around \$8 million and which in the view of some experts in propaganda analysis meshed with the Soviet anti-nuclear campaign whose primary goal was to bar the deployment of Pershing II and cruise missiles in NATO countries,

We ask the board of directors to take note of the danger that ABC's facilities may be used to disseminate Soviet propaganda and to undertake an investigation to determine whether or not this has been done in the past and to devise measures to insure that it is not done in the future.

The Securities and Exchange Commission (SEC) has informed ABC that it does not concur in any of the arguments advanced by ABC to justify not submitting the AIM resolution to its shareholders for a vote. ABC had relied principally on the argument that the resolution represented an intrusion into the ordinary business of ABC, an area off limits to shareholder resolutions. In addition ABC argued that the resolution and the supporting statement that we wanted included in the proxy material to be distributed to the shareholders by ABC were "replete with false and misleading statements."

The supporting statement we proposed read as follows:

"The Day After" was a highly controversial and costly movie which graphically portrayed the devastation that would result if the United States were subjected to a nuclear attack. Because of the great controversy engendered by the film, it attracted a very large audience, but the controversial nature of the film frightened away advertisers, and ABC

recovered only a fraction of the cost of the production and promotion from advertising revenue.

ABC also felt obliged to air a panel discussion after the film to insure that the viewing audience was better informed about the controversial issues surrounding it, but we note that the movie has been sold for distribution in foreign countries where it was shown in movie theaters without the benefit of any balancing accompanying discussion.

It was released in West Germany just prior to the deployment of the Pershing II missiles. The distributor was quoted as saying, "By releasing 'The Day After' now, we hope that we can change the minds of people in our government about the missiles..." This indicates that the film was regarded as a potent propaganda weapon in the anti-missile campaign. Preventing the missile deployment has been a key goal of Soviet foreign policy and the Soviet propaganda campaign.

Nicholas Meyer, the film's director, said in a published article that ABC executives told him that he didn't have to worry about ratings, since they were not out to get high ratings on the film. He said that he was also told ABC was not out to make money from it. Why did ABC invest so much money in it? Alfred Schneider, an ABC vice president, was quoted as saying of the film, "Graphically you are showing the core of the argument of those who are for a nuclear freeze."

This suggests the possibility that persons of influence at ABC may have knowingly produced this film to support the Soviet anti-missile campaign. This deserves investigation and the adoption of measures to keep ABC funds from being used to serve Soviet ends.

ABC Stunned

ABC did not make a convincing case that the resolution and supporting statement were replete with false and misleading statements. It argued that the director of the film and the West German distributor did not speak for the management of ABC. We had not said that they did.

It said that the statement by ABC Vice President Alfred Schneider was accurate but incomplete, being "part of a larger discussion" to the effect that while no political motivations could be attributed to the film itself, it was possible that partisan groups could use the film for their own purposes. It argued that these three statements did not support our suggestion of a "possibility that persons of influence at ABC may have knowingly produced this film to support the Soviet anti-missile campaign." ABC said this suggestion was false, declaring: "ABC's production of this film, which was approved by senior management, was intended to perform a valuable public service and thereby to enhance ABC's reputation with the American television audience."

ABC acknowledged that it could not attach a balancing panel discussion to the film when it was shown to foreign audiences, but it expressed the hope that it would stimulate "locally-originated discussions in other countries where it is shown." It did not dispute that only a fraction of the cost of the film had been recovered from advertising revenues, but it said that it did hope to recover its costs "when all revenues from the project have been received," presumably meaning mainly revenues from foreign distribution.

AIM's five-page rejoinder, which was discussed in the March-B AIM Report, helped persuade the SEC that ABC's reasons for not submitting the resolution to the shareholders were without merit. We pointed out that the resolution dealt with an issue that transcends the ordinary business of ABC and impinges on the welfare and security of all the American people. We contested the claim that it is false and misleading to suggest that there is a danger that ABC's facilities might be used to disseminate Soviet propaganda, saying it would be folly to assume that Soviet intelligence services would voluntarily refrain from making efforts to penetrate and manipulate American mass media. We pointed out that our media have no effective defense against this, and that ABC's resistance to our suggestion that an investigation be made indicated a lack of awareness of the seriousness of the problem. We said: "We believe that we have made a *prima facie* case that a great deal of ABC money was put into a movie that was questionable from the point of view of the normal objectives of the company and which was widely perceived to be promoting a cause that corresponded with a major Soviet propaganda objective. All we are asking is that management make an investigation to determine what lay behind this and report to the shareholders."

The SEC rejected every one of the ABC arguments.

ABC Appeals

Stunned at the prospect of having to permit the shareholders to vote on the resolution, ABC hired one of Washington's most prestigious and expensive law firms, Arnold & Porter, to appeal to the SEC to reverse the staff ruling. Arnold & Porter submitted a 39-page brief and 65 pages of exhibits to the SEC in an effort to obtain a reversal.

Arnold & Porter argued that we were trying to interfere in ABC's programming decisions, which would be ordinary business and would therefore make our

resolution excludable under SEC regulations. They also suggested that requiring ABC to submit our resolution to its shareholders was somehow inconsistent with the First Amendment. They brought in the Fairness Doctrine, which is administered by the FCC, and suggested that the SEC should not "become embroiled in disputes involving extremely fine and sensitive judgments with respect to the interplay of the First Amendment and broadcasting regulation."

We submitted a four-page reply in which we charged that Arnold & Porter had artfully tried to represent our resolution as a programming matter, when it was clearly a request for an investigation into the need to protect ABC from having its facilities used to serve the ends of the Soviet propaganda machine and to devise ways to protect against such abuse. We said:

Arnold & Porter want no inquiry into the need for measures to protect the network against propaganda. They make no showing that such protection exists. They do not attack our evidence that the Soviets and their puppets have a large and costly machine designed to penetrate and manipulate our media. They are like those who would not want to even examine the adequacy of our military defenses when confronted with evidence that our enemies were engaging in a great military build-up and were advertising their aggressive intentions toward us.

They introduce a lot of extraneous arguments about First Amendment rights and the regulatory functions of the FCC, none of which has the least relevance to the question of whether or not the shareholders of ABC ought to be accorded the right to vote on important issues of this kind. It is disgraceful to argue that enhancing the First Amendment rights of the owners of ABC, the shareholders, is an impermissible infringement on the First Amendment rights of their employees, the management, especially when the resolution is only a suggestion, not a command.

The Lesson of the Soviet Mole

We pointed out that on March 5 and 6 ABC News had aired reports on Arne Treholt, a Soviet mole who had risen to a high position in the Norwegian government prior to his arrest on January 20, 1984. Treholt had been recruited by the KGB in 1967 or 1968, when he was a student at the University of Oslo. He had been a "sleeper" for several years, but he was activated once he found a job in the Norwegian Foreign Ministry where he had access to sensitive documents and where his influence could be used to achieve Soviet goals.

According to ABC's Pierre Salinger, Treholt was thought by some to have a good chance to become Norway's next foreign minister. He had recently participated in negotiations between the Soviet Union and Norway, serving the Soviet side by both giving them information about the Norwegian bargaining position and helping to persuade the Norwegian delegation to accept what the Soviets wanted. Treholt was one of the leaders of the movement to block the deployment of the Pershing II and cruise missiles in Western Europe, again serving Soviet objectives. Salinger said Treholt was the most dangerous spy ever caught in Norway.

AIM Report


NOTES FROM THE EDITOR'S CUFF
By Reed Irvine

April-A 1984

THERE ARE A NUMBER OF GOOD THINGS TO REPORT IN THIS ISSUE, ONE OF THE BEST OF WHICH is covered in our lead story. I think it is very important that the Securities and Exchange Commission agreed with us on the shareholder resolution that we submitted to ABC. We have talked a lot about Soviet disinformation and propaganda penetrating our mass media. We have distributed thousands of copies of The Spike and Target America, helping to broaden public awareness of the problem. We have exposed specific cases. But we have never persuaded a major media organization that the problem was sufficiently serious to warrant an investigation of its own defenses. We have established that none of them has a good defense, but none has shown any sign of lifting a finger to improve the situation. We certainly didn't persuade ABC that it had a possible problem, but by getting our resolution and the supporting statement into the proxy material that is sent to every ABC shareholder we have a chance of striking some responsive chords. If enough shareholders read what we have to say and agree that our request for an investigation is reasonable, ABC's management will have to reconsider their adamant opposition to our suggestion.

"ADAMANT" IS THE RIGHT WORD FOR IT. WE HAVE SUBMITTED A NUMBER OF SHAREHOLDER resolutions over the years, all of which have been opposed by management of the various media corporations. I have never seen one opposed as strenuously as this one. ABC hired some of Washington's priciest legal talent to keep the proposal out of the proxy material. We hired none, relying on the strength of our case, not on legal legerdemain. With this precedent, we should be able to get similar resolutions placed before shareholders of other companies in the future. I want to thank Mr. and Mrs. James B. Saylor of Casper, Wyo., Carlisle Madson of Hopkins, Minn., and E. R. McChesney of San Antonio for pooling their ABC shares with ours in support of this resolution. We needed their support, because under new SEC regulations shareholders submitting resolutions have to own a minimum of \$1,000 worth of stock, and AIM's holdings alone were not enough.

THERE ARE OTHER FINE AIM MEMBERS WE WANT TO THANK, FIRST AND FOREMOST THE DONOR of \$100,000 to start an endowment fund for AIM. He prefers to remain anonymous, but as I sat in his office and watched him write out a check to AIM for that amount, he told me that it was the largest charitable contribution he had ever made. He had admired our work and had decided, without our ever approaching him, that AIM ought to have an endowment fund that would give it some permanent income. He decided to start the ball rolling himself. I was deeply moved by this most generous thought and deed. I hope that it may inspire others to do likewise. We would particularly welcome bequests. Now that we have an endowment fund started, please think of adding to it by remembering AIM in your will. You may also wish to consider donating assets while you are still alive and arranging to receive the income from those assets as long as you live. There are tax advantages in this procedure, and we can advise you on it if you are interested.

FRANK FUSCO OF POUGHKEEPSIE, N. Y. IS ANOTHER AIM MEMBER WHO HAS SET AN EXCELLENT example by sponsoring our radio commentary, "Media Monitor," on WRVH in Patterson, N.Y. Frank, who is a member of AIM's board, owns Discount Data Products, which has the honor of being Media Monitor's first commercial sponsor. That is another good example for others to follow. If you think you might sponsor the program, we will be happy to send you a sample tape. Call or write Bernie Yoh at the AIM office about this.

A. P. CARY OF THE CARY PRODUCTS COMPANY OF HUTCHINS, TEXAS IS FOLLOWING THE FINE

example of Charles H. Keating, Jr. of Continental Homes and Medema Homes in offering gift subscriptions to the AIM Report to his customers. Mr. Cary has added a new twist, which I like. He is going to suggest to his customers, which are businesses, that they consider doing the same thing for their customers! A great idea and one worthy of emulation!

AND THEN THERE IS MALCOLM SMITH, ANOTHER OF OUR FINE SUPPORTERS, WHO AT HIS OWN expense is drawing up an ad for the AIM Report that he will place in selected general circulation papers. The idea is to see if we can extend our reach and our membership by more aggressive use of advertising, which is Malcolm's field. If it works, we will be gaining members who would never be reached by direct mail solicitation.

AIM IS GOING TO HOLD ITS NEXT CONFERENCE ON JUNE 1-2 IN SAN DIEGO, CALIF. AT THE beautiful Hyatt Islandia Hotel. The theme will be "Media Wars: Battleground of Ideas." I will be there, along with Murray Baron, Bernie Yoh, and other stars from our Speakers Bureau. In addition we will have Arnaud de Borchgrave and some terrific West Coast talent, including Bruce Herschensohn, the popular conservative commentator on KABC, Dr. Fred Schwarz, President of the Christian Anti-Communism Crusade, Dr. Carl Galloway, who is appealing his libel suit against CBS, Jay Matthews, bureau chief of the Washington Post in Los Angeles and former bureau chief in Peking, and Dr. Thomas Jukes, renowned scientist from the U. of Calif. at Berkeley and AIM adviser. The cost of the conference, which includes two luncheons and a banquet, will be \$75 if you register before May 15 and \$95 after May 15. Rooms at the Hyatt will cost \$70 for single or double occupancy for conference participants. Reservations should be made directly with the hotel before May 10. The number to call is 619-224-3541. The hotel is ten minutes from the San Diego airport and is across the street from Sea World. It is a great place for a vacation, as well as for attending the AIM conference. I hope to see you there. We will be providing details of the program in a later issue of the AIM Report. Use the coupon below to register now, or to request a conference brochure.

OUR SCIENCE ADVISER, DR. THOMAS JUKES, WISHES TO CORRECT A STATEMENT HE MADE THAT we cited in our story in the March-B issue on aspartame, the new artificial sweetener. Dr. Richard Wurtman, a brain researcher at MIT, had told CBS News that he was concerned about the amino acid, phenylalanine, in aspartame. A G. D. Searle & Co. scientist had said there is much more of this amino acid in foods we eat than we would get from small amounts of aspartame. Dr. Wurtman had said that the phenylalanine in aspartame "goes 'zip' right into the brain" because "other limiting amino acids aren't there." Dr. Jukes had said that was unfounded. He has since discussed the matter with Dr. Wurtman and now agrees that Dr. Wurtman has found that phenylalanine enters the brain more readily when it is by itself than when it has to compete with a mixture of other amino acids. In this respect it is similar to the amino acid tryptophan, which Dr. Wurtman has shown to promote sleep when administered alone but which does not have that effect when it is consumed in foods that contain other amino acids that compete with tryptophan for entrance into the brain. We join Dr. Jukes in regretting having suggested that Dr. Wurtman was wrong on this point.

IF YOU HAVE ADDRESS CORRECTIONS OR CHANGES OR PROBLEMS WITH NOT GETTING YOUR AIM Report, please write to Mrs. Joan Yoh at the AIM address. This will expedite the solution.

TO: Miss Sandra Harton, AIM, 1275 K St., N. W., Washington, D. C. 20005

() I(we) plan to attend the AIM San Diego Conference. Advance registration payment of \$75 per person is () enclosed OR to be charged to VISA/Mastercard
Acct. # _____ Exp. _____ () I may come. Send brochure.

NAME(S) _____

ADDRESS _____

CITY, STATE, ZIP _____

In our letter to the SEC, we noted that Treholt would never have been caught if the Norwegian authorities had taken the view that it was unthinkable that such a trusted civil servant could possibly be serving the Soviet cause and therefore no check on his activities could be tolerated. We suggested that if this was the attitude of ABC's management, "it is all the more important that our resolution be submitted to the shareholders for their consideration. If management really thinks that it is impervious to such manipulation, then the task of the would-be manipulators is made easy. They can feel free to function with impunity, knowing that nothing they do, no matter how outrageous, can ever be challenged or investigated."

We said: "We do not know whether or not there are Arne Treholts within the bowels of ABC, but neither does ABC's management. It would be naive to suggest that this is an absolute impossibility. When Stanislav Levchenko defected from his post as the KGB's active measures chief in Japan, the Japanese were astonished to learn that the editor-in-chief of Tokyo's conservative daily newspaper, *Sankei Shimbun*, had been one of Levchenko's agents. The management of that newspaper and its owners were as surprised as the man in the street. Like the management at ABC, they had been believers in the old comforting slogan, 'It can't happen here.'"

ABC's Appeal Rejected

Arnold & Porter's elaborate (and expensive) efforts went for nought. In a letter dated March 21, the SEC staff reaffirmed its ruling that the AIM resolution "involves policy considerations beyond the realm of the company's ordinary business." However, the staff decided that the last paragraph of the supporting statement submitted by AIM "contains statements which impugn the character, integrity and personal reputation of the company's management and makes charges of improper conduct, without factual foundation." It concluded that the paragraph could be omitted. AIM will propose modifications in the language of the paragraph that should make it acceptable.

What You Can Do

We can't ask owners of ABC stock to vote for our resolution without first clearing whatever we say with the SEC, but we think that we will get a lot of support if only shareholders will read the resolution and the pro and con statements about it in the proxy material. If you own ABC stock, please read those statements. If you know anyone who owns ABC stock, please call the AIM resolution to his attention. The ABC shareholders meeting will be held in New York City on May 15. If you are a shareholder, try to be there.

COVERING FOR THE COMMUNISTS

On March 21, The New York Times carried a front-page AP story with this lead: "The Colombian police attacked an isolated jungle cocaine processing plant guarded by Communist guerrillas 10 days ago and seized 13.8 tons of cocaine with a street value of \$1.2 billion, the United States Ambassador to Colombia said today. 'It's the largest drug raid ever in the world,' the Ambassador, Lewis A. Tambs, said. 'Never has anyone been found with that much cocaine.'"

Amb. Tambs told reporters that the cocaine operation had functioned under the protection of the armed wing of the Colombian Communist Party. They are known as the "Colombian Revolutionary Armed Forces," whose Spanish acronym is FARC.

The Times appended another AP story reporting that airplanes hauling cocaine out of Colombia are returning loaded with Cuban weapons for the communist guerrillas, according to the Colombian Defense Ministry. Defense Minister Gustavo Matamoros gave a speech on March 19 in which he said: "Everyone knows that the planes leave Colombia with cocaine and that they return with weapons from Cuba." The AP reporter added: "The Colombian military said last month that leftist guerrillas and drug traffickers were working together in a drugs-for-guns deal that threatened Colombia's democracy, but no one had said previously that the guns came from Cuba."

The AP was wrong on the latter point. A kingpin of the drug smuggling operation, Jaime Guillot Lara, was the subject of a front-page story in the Miami Herald of January 24, 1982 by Edna Buchanan, who revealed that

Guillot had agreed to deliver arms to the Colombian guerrillas in return for Castro's assistance in getting his drugs to the United States. The Washington Inquirer of March 12, 1982, quoted a Colombian narcotics officer as saying that the Cuban DGI had been making arms shipments to the guerrillas for years. Subsequently, Arnaud de Borchgrave and Robert Moss laid out the drugs-for-arms trade and the Cuban connection in detail in a series of articles carried by a number of newspapers here and in Europe. In November 1982, several persons, including four officials of the Castro regime, were indicted by a Miami grand jury for their involvement in this drug traffic. They included Aldo Santamaria Cuadrado, head of the Cuban Navy, Rene Rodriguez Cruz, president of the Cuban Institute of Friendship with the People, and Fernando Ravelo Ranedo, former Cuban ambassador to Colombia. Detailed information about the drug and arms traffic was brought out in the trial last year.

The TV Network Omissions

What is deplorable about the coverage of this story is not only the ignorance of the Associated Press and The New York Times about the Communist practice of trading drugs for guns, but also the cover-up for the Communists by some of our media by downplaying the story and in one case omitting any mention of the Communist connection. Peter Jennings on ABC's "World News Tonight" never mentioned the Communists in his 17-second report on the world's largest drug bust. Here is what he said: "We learned about the largest drug bust in history. Last week, March 13, in Colombia, police and

army units raided a jungle hideout. They found 12½ tons of cocaine with a street value of more than a billion dollars. The army and police fought a day-long battle with the smugglers. Forty of them were arrested."

NBC did slightly better, Tom Brokaw saying: "The United States ambassador to Colombia called it the biggest drug haul in history, a megabust in the Colombian jungle that yielded nearly 14 tons of cocaine, street value \$1.2 billion. Colombian police attacked a jungle cocaine processing plant that they said was guarded by Communist guerrillas. The plant had 10 labs for processing the cocaine. Forty people were arrested, including an American pilot. The complex is located in a remote area, about 700 miles north of Bogota. Under Colombian law, all evidence in a drug raid must be burned, in this case, cocaine, guns, and 7 airplanes. The drug crackdown is continuing in that part of the world."

CBS devoted more time to the story than either ABC or NBC, describing the raid, the resistance met, and the sophisticated equipment found, including five runways equipped for night landings. However, the Communist connection was disposed of in this single sentence: "The U. S. Embassy says it was all under the protection of the armed wing of the Colombian Communist Party."

Newspaper Burials

The Washington Post cut the 17-paragraph AP story down to eight paragraphs and buried it at the bottom of page A18. It did leave in the assertion that the cocaine processing plant had functioned under the protection of the armed wing of the Colombian Communist Party. The Washington Times trimmed the AP story down to 10 paragraphs and ran it at the bottom of page 5A, but someone evidently recognized that this had been poor coverage, and the story was rewritten and run the following day at the bottom of the front page. The second-day story included mention of the Communist practice of exchanging drugs for arms.

The New York Post was slow to catch up with the story, but when it did on March 23, it gave it a big headline across the top of page 14 reading, "Castro Linked to Record Cocaine Bust in Colombia." It gave more details about the Cuban connection than had appeared in previous stories. Drawing on a cable sent to Washington from the U. S. Embassy in Colombia, reporter Niles Lathem said that the Communist guerrillas received orders from Cuba and used cocaine profits to finance the campaign to overthrow the Colombian government. He said the cable also charged that some of the profits went to aid guerrillas in El Salvador and other Central American countries.

On Cable News Network's "Crossfire," co-host Patrick Buchanan observed that if it had been Chile that had been implicated in the drug operation, using the profits to fund Roberto D'Aubuisson in El Salvador, the story would have made banner headlines in the newspapers. Buchanan cited the low-key coverage given to the story as an illustration of how the political leanings of reporters and editors influence news coverage.

It was not surprising that the story was severely edited and relegated to page 18 of The Washington Post, where the foreign editor, Karen DeYoung, is on record as

having said that most reporters seek out left-wing groups because "you assume they must be the good guys." What was surprising was to see similar treatment given to the story by the conservative Washington Times on the day the story first broke.

Who Runs the Show?

What this example demonstrates is the fact that it is reporters and editors in the bowels of the paper or the network that determine what stories are covered and how they are covered, not the owners, the publishers, and not even the editor-in-chief in many cases. At ABC, where top management is outraged at AIM's suggestion that someone in the organization may have promoted the idea of producing "The Day After" in order to assist the Soviet propaganda campaign against the Pershing II missiles, some unknown editor had to make the decision to give the drug-bust story only 17 seconds and to omit any mention of the Communist connection. The chairman of ABC, Mr. Leonard Goldenson, probably would have handled it differently had he been personally involved.

At The Washington Times, the story would certainly have been handled differently had the publisher and editor, James Whelan, known about it. Whelan is an expert on Latin America and would have seen that this was an important story and played it accordingly. Some of his subordinates obviously don't have the same viewpoint. This became evident again on March 22, in a story about the discovery that an unnamed former Salvadoran official had been promised \$50,000 to make statements linking Roberto D'Aubuisson, the conservative presidential candidate in El Salvador, to the death squads. The money had come from a group associated with former U. S. Ambassador Robert E. White, funneled through a left-wing organization, the Center for Development Policy, for tax purposes. While The Washington Post said that the revelation of the payment hurt the credibility of critics of the government's Salvadoran policy, The Washington Times story was essentially a defense of the payment and a report on the charges made by Amb. White and the unidentified Salvadoran. The story, written by Thomas Brandt, also failed to disclose that White's credibility had been dealt a blow the previous day. It was revealed that Arturo Muyschondt, one of the persons White had accused of backing the death squads, had filed a \$10 million libel suit against him, and White had admitted that he may have been mistaken in naming Mr. Muyschondt. The Post reported that, but The Washington Times didn't until after AIM pointed out the omission.

NOTE: We refer in the above story to The Washington Inquirer, a weekly that covers news Big Media ignores. We are enclosing an Inquirer brochure. Please look it over.

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