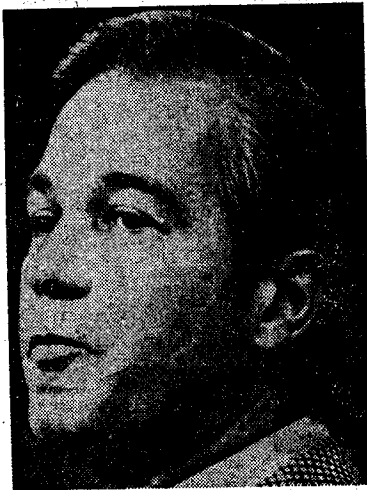


# Korean's Role in Rice Sale Debated

7/28/75  
Second of two articles

By Dan Morgan  
Washington Post Staff Writer



GOV. EDWIN W. EDWARDS  
... rice "coup" aided campaign

NEW ORLEANS—In late 1971, South Korean businessman Tongsun Park came to Louisiana and made what then-Rep. Edwin W. Edwards believed was an offer of a money contribution to Edwards' gubernatorial campaign.

According to Edwards, "Park suggested that he was in a position to make a contribution. He left the impression that it would be substantial. I took it as an offer. I said if I needed it I'd get back to him."

Edwards, now governor, said his campaign never accepted any contribution from Park. Edwards said that to this day he has no idea why Park, whom he had known in Washington since about 1967, wanted to help him.

Specifically, the Louisiana governor denied that there could have been any connection between the offer and Edwards' central role while still a congressman in arranging for South Ko-

rea to get subsidized federal loans to buy most of Louisiana's unsold, surplus rice in early 1971.

Edwards called the Korean purchase of the surplus rice "the greatest coup of my political career." The sale braked a decline in the prices paid to Louisiana rice farmers and helped propel Edwards into the governor's mansion, several of his closest political associates said.

These associates said it was an important factor in his victory, by 4,488 votes, in the Dec. 18, 1971, Democratic primary runoff against J. Bennett Johnston Jr. (now a U.S. senator) and this is confirmed by Edwards.

The \$60 million in subsidized, long-term, low-interest federal loans to Korea for rice-buying enabled Seoul to fill a domestic rice deficit without paying out foreign exchange holdings, which were needed for other purposes.

The sale was good for South Korea rice distributors and stores, which sold

See PARK, A6, Col. 1

## PARK, From A1

the American rice on the open market for a profit.

Edwards acknowledged that his wife received a gift from Park—a Korean lacquered and inlaid mother of pearl table, valued at at least \$1,000—after the rice sale. Another source said Park also made a Lincoln limousine available to Edwards in Washington on one occasion after the sale.

In addition, federal authorities in Louisiana recently received an allegation that Park paid \$20,000 in cash to Edwards' campaign in late 1971. The source of the allegation asked The Washington Post that his name not be used because of possible danger to him or his family.

The Internal Revenue Service and the Justice Department have been inquiring into all contributions to

and expenditures of Edwards' gubernatorial campaign for some time.

Park did not return several telephone calls. A person answering his phone in Washington last week said the Korean was traveling abroad.

His lawyer, Robert J. Ables, said in Washington: "Based on past conversations in a general context, Mr. Park has said he has not made contributions to political candidates. I can't go beyond that."

The period involved was two to three years before Congress passed legislation in 1974 making it a crime for any foreign national to even promise to make a contribution to any U.S. election campaign, unless he has been lawfully admitted as a permanent resident of the United States.

Park's role in the 1970-1971 efforts to transfer the surplus American rice to

South Korea is still a subject of controversy among those involved in the arrangement.

According to a retired U.S. foreign aid official, who insisted his name be withheld, Park accompanied Edwards and Rep. Otto E. Passman (D-La.) to the American Embassy in Seoul when the two legislators arrived in the Korean capital in late 1970 to urge the government to agree to the rice deal.

"After they came into the embassy, Park said he was an agent for both the Southern and California rice growers," the retired official said.

Edwards said during an interview at his governor's mansion at Baton Rouge that he recalls Park being present at an embassy reception for the visiting con-

gressmen in Seoul. However, he said he still assumes Park was "uninvolved" in the transaction.

On March 21, 1972, an agency of the Korean government, in a letter to an American rice exporting firm asserted that Park had once again, as in the past, agreed to serve as an "intermediary" in Korean rice trade.

The letter, from the Republic of Korea's office of supply in Seoul, also asserted that Park's "service will be required for all our rice trade with the United States in the future." The document was made available to The Washington Post at the U.S. Department of Agriculture, which objected to the arrangement in an April, 1972, letter to the Korean agency.

In the interview, Edwards said he had no knowledge that Park had ever represented the Korean government in any transactions.

Park's activities in Louisiana after the rice transfer included an appearance at a political press conference. Crowley, La., rice mill executive Gordon Dore, an Edwards supporter and Democratic fundraiser, recalled driving Park to the governor's mansion in 1972 and Park's spending the night there.

Dore said that the next day, after a visit to a sweet potato plant, Park appeared at a press conference in Crowley, at the Louisiana State University rice experiment station.

John B. Breaux, a former Edwards aide, was running for his boss' old House seat in the rice-growing 7th Congressional District at the time.

Breaux, who was subsequently elected, recalled Park's saying at the meeting that Breaux would "make a good congressman" and mentioned the congressional aspirant's role in helping Edwards and Passman engineer the 1970-1971 rice deal.

The Crowley Daily Signal, in its report of the event, quoted Park's remarking of the rice deal: "It is customary to say that it takes two to tango. In this case it was three—Mr. Passman, Mr. Edwards and Mr. Breaux."

The newspaper also quoted Passman as introducing Park as the "ambassador-at-large" of South Korea. Regarding a possible big new sale of rice, Passman said Park would "discuss the matter in person" with the president of South Korea, the paper reported.

By the account of two men, Passman and Dore, Park has offered or performed favors for them. Dore said that on one oc-



REP. OTTO E. PASSMAN ... rejected jewelry

casion, while Dore was in Seoul as a member of the advisory board of the J.S. Export-Import Bank, Park made him his guest. Dore said that his bill at the Chosun Hotel was paid by what he assumes was "one of T.S.'s [Park's] companies."

"When I saw him [Park] back in the States, I said, 'Thank you very much for the hotel.' He acknowledged

by saying, 'That's all right, that's for my friends.'" Dore said.

Passman said that on one occasion Park offered him Korean jewelry in the congressman's office in Washington. Passman said he called in two aides and rejected the gift in the aides' presence.

Gov. Edwards said he had rejected Park's offer of campaign help because Park "is a difficult man to say no to and I didn't want him camping on my doorstep." Edwards said the offer was made between September and December, 1971.

Edwards said he "did not feel anything sinister was involved."

Edwards said he had been introduced to Park in Washington by former Democratic Rep. David Pryor, now governor of Arkansas. Pryor, whose state is a leading rice producer, said Park was a "friend," but added that he had "never discussed anything of a business nature" with the Korean.

The origin of the 1970-1971 rice loans to Korea was a period of slack demand for the commodity.

As rice accumulated in the United States, prices paid to Louisiana farmers moved abysmally downward, to \$4.90 per 100-pound bag.

The slump was felt heavily in southern Louisiana, and Crowley self-proclaimed "rice capital of America," where Edwards lived and practiced law, before going to Congress.

Edwards said he then enlisted the aid of Passman, chairman of the House Appropriations subcommittee that handles foreign aid spending proposals—including money measures for the rice-buying countries of Asia.

As a result of meetings in Washington, Edwards and Passman went to Seoul in late 1971.

"Passman had the deck in his hand because of his chairmanship of the subcommittee," said a Louisiana rice industry executive.

According to a former U.S. foreign aid official, the congressman's message to the top Korean officials they saw in Seoul was, "You get a request for credits in and we'll take care of the financing."

Dore said that, at the time, Korea had planned to buy 400,000 tons of rice from Japan, but Passman "put the old money muscle on them and turned the sale around."

Passman said he subsequently discussed a plan with President Nixon for financing the sale of 400,000 tons of American rice to South Korea through credits of the Food for Peace program and an unusual \$31 million "development loan" to Korea to be used for buying the surplus rice. Nixon backed the proposal, Passman said.

Of the total rice provided, some 150,000 tons came from Gulf Coast states, and the troublesome Louisiana rice surplus disappeared in a few months.

By the time of the Feb. 1, 1972, governor's election in Louisiana the price of a 100-pound bag had moved up to \$5.40, and in late 1973 it hit a record \$16.80.

The Louisiana State Board of Commerce and Industry, whose members are appointed by Edwards, subsequently picked Passman's nephew, Stanley Passman, to be di-

rector of commerce and industry for the state. Passman said he is still puzzled by Park's role. If any in rice transactions, he is including the federally financed transaction.

The congressman said he once sought to go through Korean embassy channels in discussing rice business between the two countries, but started to talk to Park "after word reached me he was a very powerful man, after they told me I'd better start being nice to this fellow."

Passman said he could not recall who advised him of Park's alleged power, but he conceded that Park often is present when Americans' Korean matters are discussed.

"If I go to Sunday school I see Mr. Park—Whenever I go I see Mr. Park," Passman said.

Edwards said he was aware that Park was in the rice business, but still feels the Korean is a mystery.

"I never pegged him," Edwards said. "I still don't know who he was—other than a nice fellow."