

Park, Korea Balk on Aid In U.S. Probe

2 Groups Paid For Hill Trips

By Charles R. Babcock
Washington Post Staff Writer

Over the past two years, dozens of U.S. congressmen and congressional staff aides have accepted legally questionable, all-expense-paid trips to South Korea and Taiwan from two organizations with close ties to those governments.

Because the Constitution, reinforced by a recent ruling, bans congressmen from accepting gifts from foreign governments, State Department officials and the House and Senate ethics committees have been asked about the propriety of the trips.

The two organizations sponsoring the trips—the Korea-U. S. Economic Council in Seoul and the Pacific Cultural Foundation in Taipei—insist they are privately funded. But U. S. officials have told inquiring congressional offices that the two groups are nevertheless “closely associated” with the two governments and the sources of their financing is unclear.

Itineraries for the trips have been arranged through senior officials of the South Korean and Taiwan embassies here, often in coordination with staff members of the House Republican Study Committee who arranged for many of the invitations to congressmen and Capitol Hill staffers.

On several occasions, congressional parties have traveled from one of the

two countries to the other, with the two sponsoring organizations splitting the costs.

On one such side trip from Taiwan to Korea last year, three Southern congressmen were guests at a dinner party in Seoul attended by Tongsun Park, a key figure in the current U.S. Justice Department investigation of South Korean government efforts to influence congressmen and other U.S. officials with money and gifts.

Rep. Thad Cochran (R-Miss.) said in a recent interview that Park then invited him to a dinner at the Georgetown Club shortly after he and his companions, Rep. Dawson Mathis (D-Ga.) and Rep. David Bowen (D-Miss.) returned from their journey to the Far East.

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Earlier this year, the Department of Justice charged the United States-Japan Trade Council with being a front group for the Japanese government. Among the group's activities was sponsoring trips to Japan for numerous aides of senators and congressmen.

A Justice Department attorney declined to comment on whether the Korea-U.S. Economic Council or the Pacific Cultural Foundation have been under similar investigation.

The Pacific Cultural Foundation is the most ambitious of the two trip sponsors and the group about which most questions of propriety have been raised.

Last week, a party of four Republican congressmen and wives and another of several House and Senate staff aides left for Taiwan at the Pacific Cultural Foundation's expense. Another group of seven administrative assistants to senators visited Taiwan for a week last month on a trip paid by the foundation.

Congressional Quarterly reports in its latest issue that 19 congressmen and more than 100 staff members have taken the Pacific Cultural Foundation-sponsored trips since it was founded in August, 1974.

The foundation was organized just a few months after a House Ethics Committee ruling that travel and living expenses were included in the definition of gifts that should not be accepted from foreign governments.

Until that time, many congressional trips to Taiwan had been paid for by China Air Lines, the government-subsidized flag carrier. Three of the five directors of the Pacific Cultural Foundation are former Chinese Air Force generals who are high officials of China Air Lines.

The foundation's charter says it was formed “to assist the government” with educational and cultural exchanges. A spokesman for the Republic of China Embassy said it also invites university presidents and other groups, such as the Georgetown University basketball team, to Taiwan.

But the embassy spokesman acknowledged that much of the foundation's activity centers on the congressional tours, and that the visitors' schedules are arranged through S. K. Hu, a retired general who runs the embassy's congressional relations office here.

A U.S. State Department official said that while the foundation “ostensibly is a private organization, we have the impression it is closely associated with the government, but we don't have any evidence about its funding that would stand up.”

Edwin J. Feulner, executive director of the House Republican Study Committee, said in recent interviews that he has helped arrange trips for the

Pacific Cultural Foundation, the Korea-U.S. Economic Council and other similar groups over the last several years.

He said he first traveled to Taiwan in January, 1972, shortly after the Republic of China lost its membership in the United Nations. His first contact with the Korea-U.S. Economic Council was last year in Seoul on his way to another visit in Taiwan, he said.

Feulner said he talked then with Cho Dong Ha, the council's executive director about the Pacific Cultural Foundation trips and agreed to help arrange similar visits to South Korea. The council's chairman, Park Choong Hoon, is a former Korean minister of commerce.

The council's "liaison" at the South Korean Embassy here is Koo Choong Whay, a minister who is second in rank only to the ambassador.

Koo said in a telephone interview yesterday that he didn't know if the council had any other programs besides the trips for congressmen and their aides. "I just act as a liaison because the council has no office in the United States," he said.

Asked if the South Korean government financed the council's programs, he said, "I don't know, I don't think so."

State Department officials said that the Korea-U.S. Economic Council has stated that is funded by dues from its member corporations. Among the council's board of directors is Park Kuhn Suk, president of Pan Ocean Bulk carriers Ltd. and the brother of Tongsun Park. The two are reported to no longer have business connections.

Koo said there was no coordination between the South Korean and Taiwan embassies in arranging the trips when parties visited both countries.

Feulner said he tells each embassy the dates the groups would be in each country. The sponsoring group that plays host the longest picks up the air fare, the major item of expense. Hotels meals and transportation costs in each country would then be paid by the respective group, he said.

Members of Congress and their parties are given first class plane tickets for the round-trip flights. These cost about \$2,500 each. Congressional staff members fly coach, at a cost of about \$1,600 each from Washington to Taipei or Seoul and back.

The travelers often stop off in Tokyo or Honolulu during the trips, at their own expense, Feulner added.

Sen. Jake Garn, (R-Utah), his administrative assistant and their wives spent three days in Taiwan and four days in Seoul early this year as guests of the two groups.

In a phone conversation earlier this week Garn said he had taken no trips abroad at taxpayer expense. "I don't believe in junkets," he said.

The Garn party's schedule in Taiwan, consisted of a day and a half of sight seeing and shopping and a day and a half of briefings by government officials including the president and the prime minister. The visit to Seoul included meetings with South Korean and U.S. military officials, tours of a timber company, a shipyard and a refinery and a dinner hosted by the speaker of the National Assembly.

Garn said he also had an hour and half meeting with South Korean President Park Chung Hee. "I told him personally that I didn't like some of his tactics," the senator said.

"Obviously one of the reasons we were invited was to impress us with what they've been doing over there. And I was impressed," Garn said. "But if they wanted to influence me with a trip, they were wasting their money. I was already on their side."

The first Korea-U.S. Economic Council trip took place last October, according to Feulner, its organizer. Rep. Marjorie Holt, (R-Md.), who chairs the Republican Study Committee, Feulner and five other aides made the journey. Mrs. Holt visited Taiwan first, as guest of the Pacific Cultural Foundation.

Last November, Rep. Robert Daniel Jr. (R-Va.) also visited both countries, Feulner said. In February, a group of seven staff members traveled to Korea and over the Easter recess another group of seven aides toured Taiwan and South Korea.

Feulner emphasized that he considered the trips "serious working operations" rather than "junkets to the 'flesh pots of Asia.'"

For instance, Feulner said the visiting groups would attend briefings by Koo at the South Korean Embassy to prepare them for the trip. Koo said yesterday that he gave the congressional groups only the kind of briefing that he'd give to any tour group, covering topics such as the climate and what kind of clothes to wear.

He also noted that on trips by congressional groups to the People's Republic of China, most expenses are paid by the Peking government. "I think they ought to either loosen the rules up or tighten them up, at least make them universally applicable," he said.

Rep. William M. Ketchum (R-Cal) complained about just such a "double standard" last fall, when he inserted a statement in the Congressional Record noting that "the rules have been smoothly circumnavigated" by the People's Republic of China. In that statement he criticized a New York Times article from Taipei that noted some of the Pacific Cultural Foundation's close government ties.

Last week, Ketchum and his wife were reported among the latest group to accept the all-expense-paid hospitality of the Taiwan foundation.

**Embassy Aide
Lawyer Agree**

By this article
and Secretary of State
An official of the State
Department, who has
been in the Embassy in
London, has agreed to
act as a liaison officer
between the Embassy and
the State Department.

The official, who is
a lawyer, has been
appointed to the post
and will be in charge
of the Embassy's legal
affairs.

The official is a
member of the State
Department and has
been in the Embassy
for some time.

The official is a
member of the State
Department and has
been in the Embassy
for some time.

Justice Department. See
refused to elaborate on his
position, but indicated
that he was in the
Embassy in London.
The official is a
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However, another Wash-
ington lawyer, William G.
Harris, is also in the
Embassy in London.

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Hundley, who represents Tongsun Park personally, said yesterday his client "has continually expressed to me that it is his wish to continue to cooperate with the authorities."

Hundley said, however, that he last spoke with Park before Ables said he talked to him. The Post was unable to reach Park in London.

Tongsun Park, who is alleged to be a central figure in the South Korean influence buying effort here, has been reported by informed sources to have acknowledged to investigators and associates that he gave money and gifts to several U.S. congressmen. He has voluntarily submitted to interviews by federal investigators and turned over to them voluminous financial records.

Pacific Development, with a building at 1604 K Street NW, is Park's American firm for investments and business deals here. He also owns several luxurious homes here and is well known for the lavish parties he has given for congressmen, diplomats and other notables.

Tongsun Park has engaged in worldwide trading in grain, rice and other commodities. According to sources close to the federal investigation, commissions extracted by Tongsun Park and the South Korean government from U.S. rice dealers selling to South Korea have been used, with the knowledge of South Korean president Park Chung Hee, to finance the influence buying here.

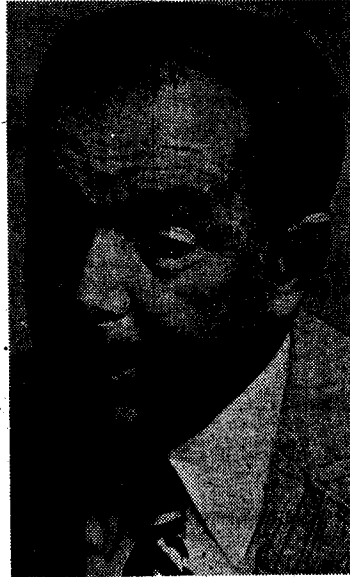
Tongsun Park has repeatedly insisted that he is innocent of any wrongdoing. Ables complained in his letter to Levi that the cooperation Tongsun Park and Pacific Development gave to investigators "has been repaid by gross abuses of their rights that have resulted in news reports unrestrained by fairness."

In his letter, Ables emphasized that he represents Tongsun Park's company, Pacific Development, Inc., and Park in his capacity as president of that corporation, and that he does not represent Park personally.

However, Ables also is counsel to Pan Mediterranean Shipping Corporation, which is under investigation by the Justice Department in an alleged scheme by Park and Rep. Otto E. Passman to influence the awarding of shipping agency contracts. In this capacity, Ables may be called as a witness to untangle the complicated arrangements by which Tongsun Park allegedly sought to disguise his interests in the corporation.

According to a source close to the investigation, Ables set up Pan Mediterranean last year to hide the interests of Park and Grover Connell, head of Connell Rice and Sugar Company, the country's largest rice exporter.

Passman, allegedly used his influence as chairman of the House Appropriations Subcommittee on Foreign Operations to insist that certain foreign governments name the new cor-



WILLIAM G. HUNDLEY
... Tongsun Park's personal attorney

poration as their shipping agent, the source said. As subcommittee chairman, Passman was generally regarded to have nearly total veto power over foreign aid allotments. As a result, he was treated with great consideration by foreign governments.

For a short time, the Egyptian government moved its business to Pan Mediterranean until Agriculture Department officials demanded more information about its true ownership, a source said. The Agriculture and Justice departments are gathering evidence of attempts by Passman and principals of the corporation to influence other foreign governments who receive grain under Public Law 480, the Food for Peace program.

One associate of Tongsun Park said that Ables was fully knowledgeable of the corporation's intentions and helped hide the Park and Connell interests even after Agriculture Department officials began questioning the true ownership of the corporation.

Ables said that he is unaware of any investigation of either the corporation or his role in setting it up.

In his letter to the Justice Department, Ables listed six ways in which he said the federal investigation was being mishandled. Most of his complaints dealt with what he said were leaks to the press, which he said are forcing his clients to be "tried and convicted in the press."

"More callous observers, assuredly, would shrug this off as the accepted ways of Washington," he said. But Ables said he would not accept these practices, in which he said, newsmen have been:

• "Privy to questions being asked" during secret grand jury sessions.

• Receiving transcripts of the grand jury testimony.

• Being told by CIA, Justice and State Department sources that "the real target of the investigation is the Congress of the United States and the president of South Korea."

Ables also accused the Justice Department lawyers of using "pressure tactics and questionable procedures" in seeking information "from lower level employees."

Although Ables refused to detail in an interview what the extent of Pacific Development's cooperation with authorities has been, he said the corporation "answered all the questions (and) produced all the documents" that the department requested.

His letter also said that the corporation would "respond to lawful process," presumably meaning it would not attempt to defy any subpoenas for its records or employees.

"Such testimony as they may give or documents they may produce will be presented with the hope that their rights will be safeguarded and the administration of justice, as exemplified in this investigation, will regain a measure of its lost integrity," Ables said in the letter.

In a related development, a spokesman for the Korean Cultural and Freedom Foundation said yesterday that the group's board of directors was conducting a "complete, comprehensive internal audit" of the foundation's finances and would issue a report next week.

The Washington Post reported Oct. 31 that both federal and New York State investigators were interested in the foundation's funding. The Justice Department was reported to be checking the possibility that the South Korean government diverted money raised by the foundation's Radio of Free Asia project to help finance influence buying here.

The New York State Board of Social Welfare charged that the tax-exempt Washington foundation spent only 8 per cent of the money raised in the name of its Children's Relief Fund project to help hungry children.

Two weeks ago, the Justice Department withdrew an extraordinary federal grand jury subpoena it had issued for Riggs National Bank banking records of the South Korean Embassy and members of its delegation here. A State Department source said then that the embassy had agreed to voluntarily supply the Riggs National Bank documents, but a South Korean Embassy source had claimed there was no such agreement.

In yesterday's interview, Koo of the embassy said that Anthony Essey, of the Washington law firm of Rogers and Wells, would be recommending to the South Koreans what, if any, materials should be voluntarily turned over to the Justice Department. But Koo said he did not expect his government would release any materials.