

House Votes Cut In Aid to Korea As Retaliation

Hill Study Faults U.S. Intelligence

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By Charles R. Babcock
Washington Post Staff Writer

American intelligence agencies ignored, fumbled and at times deliberately withheld significant information about illegal activities by the Korean Central Intelligence Agency here in the early 1970s, according to a Senate study.

The year-long investigation by the Senate Intelligence Committee found no evidence of an intentional cover-up by executive branch officials. But Sen. Adlai Stevenson (D-Ill.), a member of the committee, said yesterday that the committee review of U.S. intelligence reports uncovered a number of "suspicious circumstances."

The report noted:

- An instance in 1971 where U.S. intelligence officers, presumably from the CIA station in Seoul, were forbidden by headquarters to brief the American ambassador about Korean lobbying.

Furthermore, the officers were told their detailed reports on the Korean lobbying were not being passed on to State Department officials and they were given no orders to develop additional intelligence. "My reports met with absolute silence," one of the officers said.

In addition, the overseas officers themselves didn't send all their information in reports to headquarters. On one occasion, information identifying Washington businessman Tongsun Park as being completely controlled by a certain KCIA officer was mentioned by the field only as "an interesting sidelight."

- U.S. intelligence officers routinely met with Tongsun Park over the years, at times considered making him an "asset" and once proposed

See KCIA, A4, Col. 1

Refusal to Allow Questioning Hit

By Mary Russell
Washington Post Staff Writer

The House voted yesterday to cut off \$56 million in Food for Peace aid to South Korea in retaliation for the Seoul government's refusal to allow questioning of a former ambassador to the United States suspected of making pay-offs to House members.

The 273-to-125 vote came on an \$18 billion agriculture appropriations bill that the House later approved by a vote of 326 to 59.

Majority Leader Jim Wright (D-Tex.) offered the amendment to cut off the funds, saying the action was necessary because a "question of honor is involved. A cloud of suspicion hangs over the House of Representatives and that cloud must be dispelled."

A spokesman for the Korean embassy called the action "regrettable," particularly because "it ignores the cooperation that the Republic of Korea already has extended" to the investigation of alleged influence-buying. "We wish to make clear once again that the position of my government to render its cooperation consistent with international law and practice remains unchanged," the spokesman, Su-doc Kim, said.

Former Korean ambassador Kim Dong Jo is alleged to have given money to as many as 10 members of the House, according to Leon Jaworski, the special counsel of the House Committee on Standards of Official Conduct.

For House members to take money from officials of a foreign government is a crime.

Efforts by Jaworski to get Kim to testify have failed up to now. Jawor-

See MONEY, A4, Col. 4

House Votes to Cut Korea Aid Funds Because of Refusal to Let Aide Testify

MONEY, From A1

ski informed House Speaker Thomas P. (Tip) O'Neill Jr. (D-Mass.) by letter Tuesday that he had even agreed to back off from his demand for sworn testimony and allow Kim to answer written questions, provided the committee could be assured that the answers were "forthright" but that the Koreans had refused that offer.

Wright said yesterday "there was no alternative but for the House to back up a resolution it passed May 31 threatening to cut off aid if there was no cooperation by the Korean government.

But Wright made it clear that the Democratic leadership was not considering any cutoff of \$277 million in direct military aid the United States gives Korea. "We're not about to cut off our nose to spite our face," he said.

He said another aid cutoff might be added to the foreign aid appropriations bill when it comes to the floor in a couple of weeks, but Rep. Paul Findley (R-Ill.) said the only money for Korea in that bill was to fund the activities of the Peace Corps in Korea.

Minority leader John Rhodes (R-Ariz.) said he supported the aid cutoff but was "appalled" that Jaworski appeared to have "given away the ball game" by backing down on his demands for sworn testimony and settling for answers to written questions instead. I'm not sure he hasn't already

given away the possibility of getting any meaningful testimony from Kim Dong Jo," Rhodes said.

Opponents of the aid cutoff called it a "hollow gesture" that would hurt the people of Korea but not its government and hurt U.S. farmers who sell their products to foreign countries through the Food for Peace program, a program that extends 30-year and 40-year loans to countries so they can buy U.S. grains and agricultural products.

Ironically, it was commissions on sales of rice to Korea—partly in commercial transactions, but partly through Food for Peace—arranged by Korean businessman Tongsun Park that led to the Korean influence-buying scandals Congress is still trying to resolve.

Rep. C. W. (Bill) Young (R-Fla.) argued that when other aid restrictions have come up, the Democratic leadership has pleaded that "the poorest of the poor should not be punished for the transgressions of their leaders."

Rep. Neal Smith (D-Iowa) called the Food for Peace aid the "weakest possible tool" the leadership could use, and said Korea could easily buy the food from other countries anxious to sell surplus crops.

Rep. B. F. Sisk (D-Calif.) noted revelations that the Central Intelligence Agency and government officials had given money to friendly legislators in the Italian parliament. "If Italy de-

cidied to hold hearings on the American money and they decided to subpoena our ambassador and the head of the CIA, I don't think there is any question but that we would raise up in holy horror at such a request."

Rep. Andrew Jacobs (D-Ind.) said, "There's a question as to whether a dictator cares if we cut off aid to his people so long as we send him guns to keep them in line."

But Rep. Jim Johnson (R-Colo.) said Korea could not be a friendly government when it bribed officials and adopted practices designed to subvert the U.S. government.

In other action, the House refused to cut \$290 million from the food stamp program by a 204-to-191 vote. Rep. John Rousselot (R-Calif.) said a government report showed \$500 million out of the \$5 billion food stamp program was wasted annually. But Rep. Fred Richmond (D-N.Y.) said that new regulations to cut down on food stamp abuse were to take effect Oct. 1 and that the House should give them a chance to work.

The House also refused by a 201-to-189 vote to cut by 2 percent the non-mandated money in the bill.

Meanwhile, a foreign aid appropriations bill, in deep trouble in the House, has been pulled off the schedule for the House floor until after the July 4th recess, to give the Democratic leadership time to try to round up votes to pass it.

U.S. Intelligence Agencies Faulted on Korean Role

KCIA, From A1

making his George Towne Club an operational base. Park recalled getting a case of liquor from the CIA station chief in Seoul, and two former intelligence officers were once in business with him.

Despite periodic reports about Park's lobbying and cash payments to members of Congress, there was no evidence that any of the U.S. intelligence operatives ever asked Park, or were ordered to find out, about his activities on behalf of the government of South Korea."

• Twenty-five different highly-classified documents that were distributed to U.S. policymakers are unaccounted for, and CIA Director Stansfield Turner and Attorney General Griffin B. Bell have been informed of the mysterious disappearances.

One of the missing documents, a copy of which was found at the FBI, reports on a 1971 incident in which a person thought to be on President Nixon's campaign staff was said to be negotiating a secret foreign aid grant to Korea, for which U.S. officials would receive kickbacks.

Then Attorney General John N. Mitchell and Assistant Attorney General Robert C. Mardian saw the reports but no investigation was made other than determining that the individual wasn't with the campaign.

Mardian explained that he thought the report was a hoax. Both men denied their decisions in the case were affected by the knowledge any investigation would require looking into the alleged kickback negotiations by the purported Nixon campaign aide.

U.S. intelligence also picked up a report that the KCIA was concerned that Republican Party officials might seek retribution because of a donation of several hundred thousand dollars from the Korean government to the Democratic Party in 1968.

The 50-page Senate study shows that intelligence reports in 1972 confirmed the earlier information about the large contributions to the Democratic presidential campaign. The Washington Post reported earlier this year that the intelligence reports said \$400,000 was donated. Democratic officials have denied it.

The Senate report is replete with other examples of reports that weren't passed on or weren't acted on. "The intelligence agencies' dissemination of the information was unfocused, haphazard and without useful analysis," the report said.

It wasn't until 1975 that new infor-

mation—apparently from National Security Agency intercepts of Korean embassy cable traffic—led to a comprehensive review of the mass of scattered evidence and a Justice Department investigation, the report said.

The committee concluded that some of the information that was distributed "was of sufficient significance to have merited earlier action." The action was not adequate, the report said.

The Senate report offers only a general explanation for the intelligence community's failure to take more decisive action in warning other executive branch agencies, such as the State and Justice departments, about the illegal KCIA activities. It said the intelligence agencies were busy keeping track of hostile intelligence agents in the United States. And it implied the agencies were concerned about retaliation against their own operations in Korea if strong action was taken.

"They (American intelligence agencies) just didn't seem to want to get involved," Stevenson said. "They'd tell us, 'It's all we can do to keep up with the KBG (the Soviet intelligence agency)."

The committee added a caveat to its study, saying it assumed the reliability of the human sources used in the reports. It is making a separate study on the reliability of such information, the report said.

The report recommended that U.S. agencies formulate new policies to insure adequate coverage of "friendly" intelligence agencies, and that the director of central intelligence insure that all reports of foreign intelligence activities in the United States are assessed and transmitted promptly to the FBI, the secretary of state and the president's national security adviser.

Moon's Unification Church Suing Over House Inquiry

United Press International

The Rev. Sun Myung Moon's Unification Church, accusing a House subcommittee chairman of a "grandstand play" to boost a Senate bid, filed a \$30 million lawsuit yesterday against Rep. Donald Fraser (D-Minn.), head of a panel probing Korean Central Intelligence Agency activities in the United States.

The suit charged Fraser and two investigators engaged in a "conspiracy to violate and deprive the Unification Church and me of our constitutional rights," said Col. Bo Hi Pu, Moon's special assistant.

The church charged two subcommit-

Passman's Threat Of Suicide Told

Associated Press

A physician who has been treating Otto Passman testified yesterday that even during his current competency hearing the former congressman has threatened to commit suicide.

"Early this morning he indicated he would do away with himself rather than stand trial," said Dr. Christian Ulrich, an internal medicine specialist from Monroe, La., Passman's hometown.

The hearing is being held so that U.S. District Court Judge Barrington D. Parker can decide whether Passman—who will be 78 next week—has the mental capacity to undergo trial on bribery and conspiracy charges in a Korean influence-buying case.

Passman is charged with taking about \$213,000 from Tong-sun Park for helping the rice broker in deals between the United States and South Korea. Passman has not pleaded to the charges because his lawyers say he is not competent to aid in his defense.

tee investigators entered and searched the church's Washington office posing as architects and that Fraser "awarded \$2,000 consulting contracts to four witnesses who had given testimony detrimental to South Korea or the Unification Church."