

COMMITTEE ON INTERNATIONAL RELATIONS
INVESTIGATION OF KOREAN-AMERICAN RELATIONS
by the
SUBCOMMITTEE ON INTERNATIONAL ORGANIZATIONS

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PRESS RELEASE

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FRASER PUBLISHES KOREAN SCANDAL HEARINGS

Rep. Donald M. Fraser (D-Minn.) today announced the publication of Part 4 of hearings in the Investigation of Korean-American Relations, held in seven sessions between March and June, 1978, by the Subcommittee on International Organizations, which Fraser chairs. Witnesses included former Secretary of State Henry Kissinger, former Attorney General John Mitchell, and former Ambassador to Korea William Porter.

The testimony and supporting documents established the following points:

- (1) The South Korean Government, concerned about the implications of the cutback of U.S. troops in Korea, perceived a lessening in the U.S. commitment to Korean security. Although Executive Branch officials assured the South Koreans of military modernization aid from the U.S. to compensate for the troop reduction, the Koreans could not be certain that the money would be approved by Congress.
- (2) In direct response to those concerns, President Park Chung Hee and his top advisers devised a plan to coordinate from the top of their government a major lobbying and influence effort in Washington. U.S. intelligence summaries (released during the hearings) reveal that among those whose activities would be used in the influence scheme were Tongsun Park, the KCIA's Lee Sang Ho, General Kang Young Hoon and his Research Institute on Korean Affairs, and Pak Bo Hi, a top adviser to Rev. Sun Myung Moon of the Unification Church. Subsequent testimony and re-lease of many documents (including a special Supplement to the hearings published in March) elaborated on the uses made of these individuals to attain the South Korean government's goals.
- (3) As early as 1970, Executive Branch officials had detailed information about South Korean influence plans and activities. Intelligence reports cited during the March hearings established that Washington officials were informed during the 1970-73 period that:
 - (a) Plans for influencing U.S. officials and policy had been devised at the top level of the Blue House;
 - (b) Two named Congressional staff members were under the control of the KCIA;
 - (c) Named Congressmen were involved in questionable business transactions with Tongsun Park, including the manipulation of U.S. PL 480 rice sales to Korea;
 - (d) It was alleged that a contribution of several hundred thousand dollars had been made by the Korean government to the 1968 national Democratic campaign; and
 - (e) Tongsun Park was operating under the KCIA Director and other high Korean government officials in his contacts with Members of Congress and in his business dealings.

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- (4) There was an initiative in 1971 by the State Department to have an investigation of one aspect of the influence activities -- the activities of Radio of Free Asia. Testimony from former State and Justice Department officials established that the FBI's investigation was perfunctory and had not addressed all of the issues raised by State's concern.

In commenting today on these matters, Fraser drew attention to a statement he had made during the first day of these hearings:

The Executive Branch failed to take adequate measures to halt or prevent questionable Korean activities in this country. Initiatives for action pursuant to the intelligence reports were sporadic, half-hearted, and inconclusive, with the result that Korean activities which were both improper and illegal continued to expand and gain momentum for some five years.

Fraser noted that inattention to these matters probably registered in Seoul as a "green light" to continue the influence activities for the next several years, with near-disastrous results for Korean-American relations after the scandal broke in 1976. He drew attention to statements at the hearings by Ambassador Porter attributing Washington's inattention to questionable Korean activities to a "permissive" attitude in the Executive Branch resulting from a "lack of desire to make things difficult for an ally who was contributing so much to the Vietnam effort."

Another aspect of the Part 4 hearings is the testimony of Pak Bo Hi, Rev. Moon's top aide. In four tedious sessions the Subcommittee heard Pak deliver lengthy opening statements denouncing the Subcommittee, its investigation, and its Chairman. He accused the Chairman of being a communist, and called him "an instrument of the Devil," and "a second Benedict Arnold." The Subcommittee nonetheless managed to elicit relevant information from Pak, including the following points:

- Pak received \$3,000 from a KCIA official, which he explained as a reimbursement to a Unification Church member for services performed on behalf of the Korean government.
- Pak arranged in 1970 through a top aide to President Park Chung Hee for the President to sign and send 60,000 letters to American contributors to Radio of Free Asia, a project of the U.S.-based, tax-exempt Korean Cultural and Freedom Foundation, and whose broadcasts were controlled by the KCIA.
- Pak received \$223,000 between 1972 and 1975, which he said were loans from a Japanese Unification Church member. Promissory notes for the loans were not prepared until 1978. Part of this money was used to purchase stock in the Diplomat National Bank in the name of Pak and his housekeeper.
- Pak provided an additional \$738,000 in cash to purchase stock in the Diplomat National Bank in the names of various members of the Unification Church, and \$100,000 in cash to enable Charles Kim, chairman of the board of the bank, to buy bank stock.
