

In the Matter of
REPRESENTATIVE JOHN J. McFALL

REPORT
BY THE
COMMITTEE ON STANDARDS
OF
OFFICIAL CONDUCT

[To accompany H. Res. 1415]



OCTOBER 6, 1978.—Referred to the House Calendar and ordered to be printed

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(III)

IN THE MATTER OF
REPRESENTATIVE JOHN J. McFALL

OCTOBER 6, 1978.—Referred to the House Calendar and ordered to be printed

Mr. FLYNT, from the Committee on Standards of Official Conduct,
submitted the following

R E P O R T

[To accompany H. Res. 1415]

INTRODUCTION TO REPORT

After an inquiry conducted pursuant to House Resolution 252, the Committee on Standards of Official Conduct (the "Committee") on July 12, 1978, filed a Statement of Alleged Violation charging representative John J. McFall with three violations of the Code of Official Conduct of the House of Representatives. The charges grew principally out of Representative McFall's receipt in 1972 and 1974 of \$4,000 in cash from Tongsun Park. In Count 1, Representative McFall was charged with conducting himself in a manner which did not reflect creditably on the House of Representatives and with violating Federal election laws by failing to report \$3,000 received in October 1974, as a campaign contribution from Tongsun Park. In Count 2, Representative McFall was charged with converting that contribution to his own use in violation of the House Code of Official Conduct. In Count 3, Representative McFall was charged with accepting favors and benefits from Tongsun Park—in particular, \$1,000 in cash in 1972, a \$500 tea set in April 1973 and \$3,000 in cash in October 1974—"under circumstances which might be construed by reasonable persons as influencing the performance of his Government duties" in violation of rule 5 of the Code of Ethics of Government Service.

A public hearing was held with respect to the Statement of Alleged Violation at which Representative McFall was represented by counsel. After the submission of evidence and written and oral arguments by the attorneys for Representative McFall and by the

Committee staff, the Committee on October 4, 1978, by a vote of 8 to 3, found that the first charge had been sustained by clear and convincing evidence. The Committee found that the second and third charges had not been sustained by clear and convincing evidence. It voted 2 to 9 and 4 to 7 not to pass motions to sustain these two charges.

The Committee further voted, 8 to 2, to recommend to the House that, as a result of its findings, Representative McFall be reprimanded.

This report summarizes the findings was made by the Committee and the procedures followed with respect to the Statement of Alleged Violation. The record of the hearing with respect to the Statement of Alleged Violation is attached hereto as an appendix.

DISCUSSION

On February 9, 1977, the House unanimously adopted House Resolution 252. That resolution directed the Committee to conduct a "full and complete inquiry and investigation to determine whether Members of the House of Representatives, their immediate families or their associates accepted anything of value directly or indirectly, from the Government of the Republic of Korea or representatives thereof."¹

In pursuing the investigation mandated by House Resolution 252, the Committee heard testimony and received evidence from Tongsun Park, Representative McFall, and many other witnesses with respect to the relationship of Tongsun Park to Representative McFall and with respect to the money and other things of value received by Representative McFall from Tongsun Park.

As a result of its inquiry, on July 12, 1978, the Committee filed and served a Statement of Alleged Violation² against Representative McFall:³

STATEMENT OF ALLEGED VIOLATION

In the matter of—

CONGRESSMAN JOHN J. McFALL

Count 1

In or about October 1974, John J. McFall, the respondent, who at all times relevant to this statement of alleged

¹ Sec. 3 of H. Res. 252 provides that the Committee: "after appropriate notice and hearing, shall report to the House of Representatives its recommendations as to such action, if any, that the committee deem appropriate by the House of Representatives as a result of any alleged violation of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities.

² A "Statement of Alleged Violation" is the name given by the Committee's Rules of Procedure to a charge filed after an investigation conducted on the initiative of the Committee. The Committee files such a charge, according to its Rules of Procedure, only if it determines that there is "reason to believe" that a violation of the Code of Official Conduct or any other law, rule, regulation, or standard of conduct applicable to a Member or House employee has taken place.

³ Prior to the filing of the Statement of Alleged Violation the Committee, among other things, took the sworn testimony of Representative McFall at a deposition in executive session before a Member of the Committee. The Committee is a specifically empowered to take depositions by H. Res. 252, sec. 4(a)(1)(A).

violation was a Member of the House of Representatives, did conduct himself in a manner which did not reflect creditably on the House of Representatives (in violation of rule 1 of the Code of Official Conduct of the House of Representatives) and did violate the laws of the United States, to wit, section 304(b)(2) of Public Law 92-225 in that respondent, John J. McFall, did receive a contribution from Tongsun Park, to wit, \$3,000 in United States currency given for the purpose of influencing his election to the House of Representatives, and did fail to report such contribution as required by law. (Rule XLIII (1), Rules of the House of Representatives; Public Law 92-225, Section 304(b)(2).)

Count 2

Commencing on or about October 18, 1974, the said John J. McFall did violate rule 6 of the Code of Official Conduct of the House of Representatives and did convert a campaign contribution of \$3,000 in cash from Tongsun Park to his personal use and did fail to keep his campaign funds separate from his personal funds. (Rule XLIII (6), Rules of the House of Representatives.)

Count 3

From in or about November 1972 up to and including October 1974, John J. McFall, the respondent, conducted himself in a manner which did not reflect creditably on the House of Representatives (in violation of rule 1 of the Code of Official Conduct of the House of Representatives) and did violate rule 5 of the Code of Ethics for Government Service in that the respondent, John J. McFall, did accept favors and benefits, to wit, in November 1972 \$1,000 in cash, in April 1973 a \$500 tea set and in October 1974 \$3,000 in cash all directly or indirectly from Tongsun Park, under circumstances which might be construed by reasonable persons as influencing the performance of his Government duties. (Rule XLIII (1), Rules of the House of Representatives and rule 5 of the Code of Ethics of Government Service.)

After the filing of the Statement of Alleged Violation, Representative McFall, through his attorney, filed a motion seeking discovery of materials relating to the Statement of Alleged Violation and seeking the dismissal of the Statement of Alleged Violation and filed an answer sworn to by the Congressman, all as provided for in the Committee's Rules of Procedure. The Committee's staff filed a response. After hearing from Representative McFall himself, the Committee denied Representative McFall's motion to dismiss the complaint. Representative McFall's attorney was supplied with copies of documents obtained by and depositions and interviews conducted by the staff in its investigation of Representative McFall's contacts with Tongsun Park.

On September 12, 1978, the Committee voted, however, to proceed with an investigative hearing in public session.⁴ An investigative hearing was held in public on September 20, 21, and 25, 1978.

Prior to the hearing, Representative McFall was given the opportunity to request the issuance of subpoenas compelling the attendance of witnesses or the production of documents necessary for his defense. At the hearing, Representative McFall's attorneys were given an opportunity to cross-examine witnesses called by the Committee's staff and to call their own witnesses and offer evidence. Representative McFall testified in his own behalf at the hearing.

The full record of the testimony and exhibits received in evidence at the hearing, the Statement of Alleged Violation, Representative McFall's Answer, the staff's Response and opening statements of counsel for Representative McFall and for the Committee are attached as appendices hereto.

After the conclusion of the hearing, Representative McFall's attorney and Committee staff counsel submitted written papers and, on October 3, 1978, made oral arguments to the Committee. The papers submitted and a transcript of the oral arguments are also attached hereto as appendices.

At the conclusion of the oral arguments on October 3, 1978, the Committee immediately began deliberations in executive session and, later that day, announced in public session its findings and the votes thereon. The Committee amended Count 1 of the Statement of Alleged Violation by striking out the parentheses surrounding the language "in violation of rule 1 of the Code of Official Conduct of the House of Representatives" (but not deleting such language) and by inserting, in lieu of the parentheses, commas. The Committee found, 8 to 3, that the Count as amended has been sustained by clear and convincing evidence. The Committee found that Counts 2 and 3 had not been sustained by clear and convincing evidence by votes of 2 to 9 and 4 to 7, respectively.

With respect to Count 1 the Committee adopted in substance the Proposed Findings of Fact and the evidence set forth and cited in support thereof submitted by its staff. The Proposed Findings of Fact submitted by the Staff are set forth in appendix A. The respondent's Proposed Findings of Fact and the evidence set forth and cited in support thereof are attached as appendix B.

In substance, the Committee found that Representative McFall received a \$3,000 cash contribution from Mr. Tongsun Park on or about October 18, 1974; that it was intended by Mr. Park as a campaign contribution; and that Representative McFall failed to report it.

At the same time, the Chairman announced that the Committee had decided by a vote of 8 to 2 to recommend to the House that Representative McFall be reprimanded. The adoption of this report shall constitute such a reprimand.

Accordingly, the Committee recommends that the House adopt a resolution in the following form.

⁴ In determining to proceed with an investigation the Committee, pursuant to its own Rules of Procedure, must determine that "there is credible evidence of [the respondent's] violation of the Code of Official Conduct . . ." Rule 8(b)(1).

HOUSE RESOLUTION

Resolved, That the House of Representatives adopt the Report by the Committee on Standards of Official Conduct dated October 6, 1978, In The Matter of Representative John J. McFall of California.

This report was approved by the Committee on Standards of Official Conduct on October 6, 1978 by a vote of 7 yeas to 1 nay.

APPENDIX A

PROPOSED FINDINGS OF FACT
AND CONCLUSIONS OF LAW

APPENDIX A

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

In the Matter of
CONGRESSMAN JOHN J. McFALL

PROPOSED FINDINGS OF FACT
AND CONCLUSIONS OF LAW

COUNT I

In Count One, Mr. McFall is charged with receipt of a \$3,000 cash campaign contribution from Tongsun Park in October, 1974, which he did not report as required by law.

Proposed Findings of Fact - Count One

1. Tongsun Park caused to be delivered to Congressman John McFall a gift of \$3,000 in cash in October, 1974 which was originally made by Park as a campaign contribution and which was not returned to him by Congressman McFall.

2. Neither Tongsun Park nor John Gibbons ever authorized McFall, or anyone acting on McFall's behalf, to use the \$3,000 for any purpose other than his campaign for re-election.

3. The \$3,000 gift from Tongsun Park was not reported to the Clerk of the House as a campaign contribution.

Discussion - Finding No. 1

It is undisputed that Tongsun Park gave \$3,000 in cash to Mr. McFall on October 18, 1974, by having his employee John Gibbons deliver it to Raymond Barnes, Mr. McFall's Administrative

Assistant. (R₂-9)^{*/}

The record is also crystal clear that the money was given by Park as a campaign contribution. According to Park's testimony he offered a contribution to McFall's "re-election" in a conversation with Barnes sometime before the contribution was made. (R₁-72) Park's testimony was clear that it was discussed as a campaign contribution. (R₁-144-145) Barnes assented to receiving such a contribution. The contribution was not immediately made. In mid-October, Park dropped in on Barnes in McFall's offices. When Park told Barnes that he was to leave soon for an extended trip to Korea, Barnes reminded him of the contribution and suggested that it be made before Park left. (R₁-74) Park then decided on \$3,000 as the amount of the contribution, and on the following day the same day he left for Korea he gave Gibbons an envelope filled with \$3,000 in cash to take to McFall's office. (R₁-75) Park then called Barnes to tell him the money was coming. (R₁-76) He included a note in the envelope which, according to Barnes, McFall and Park, said "good luck in the election" or words to that effect. (R₁-75, R₂-14, R₃-68)

^{*/} References in the form (R₁) are to the transcript of the public hearings involving John McFall taken on September 20, 1978. References in the form (R₂) are to the transcript of the public hearings involving John McFall taken September 21, 1978. References in the form (R₃) are to the transcript of the public hearings involving John McFall taken on September 25, 1978.

Not only is the evidence clear that Park intended the money to be a campaign contribution, it is clear that Barnes believed it to be a campaign contribution. Although Barnes claimed during his testimony at the hearing that he did not know that the \$3,000 was offered as a campaign contribution (R₂-67), McFall testified that Barnes called him on the phone right after the money was delivered and told him that they had received a "campaign contribution" from Tongsun Park. (R₃67-68) Moreover, after viewing a report of his interview with an FBI agent, Barnes conceded that he probably told the agent in November, 1976, that "he felt Park meant the money as a political contribution." (R₂-58) Barnes' claim that he did not know Park meant the \$3,000 as a campaign contribution is also undercut by his own testimony that to his "satisfaction" (R₂-106) he needed further authorization from Park before he could divert the money from its campaign purpose and put it into the McFall office account.

McFall's testimony makes it clear that he too knew Park was making a campaign contribution. McFall flatly testified that he understood Park to be making a campaign contribution. (R₃-107) And when asked why he thought Park had given him the money, he said "to help me with my re-election" . "because he wanted to see me re-elected." (R₃-138, 140) Thus, the evidence is clear and convincing that Park originally made the gift of the \$3,000, in the words of the statute, "for the purpose of influencing the

election of [a] person to Federal office."

It is undisputed that the money was never returned.

Discussion - Finding No. 2

There is a square dispute in the record, however, on the question whether Park's original purpose for making the gift changed i.e., whether he or an authorized agent later gave Barnes authority to put the \$3,000 into the McFall office account instead of using it for McFall's re-election. Barnes testified that after speaking to McFall on the phone about the contribution he called the emissary on the telephone and obtained his permission to put the money in the office account. (R₂-54-57) The emissary's testimony is to the contrary. The staff suggests that the Committee should find that whether from a confused recollection or for more deliberate reasons Mr. Barnes' testimony in this regard is not credible.

The emissary Mr. Gibbons testified vividly to entering the foyer in McFall's office, offering the envelope to Barnes and having Barnes refuse to receive it. (R₁-156-157) He recalled that Barnes ushered him instead into an empty room and there agreed to take the envelope. He remembered that Barnes turned his back; opened the envelope; looked in; thanked him and Gibbons left. (R₁-158) But when asked whether he ever spoke to Barnes again he said "No, I don't believe so." (R₁-158) He further testified not only that he did not recall anyone asking him if they could use the money for some

other purpose, but that he did not know for sure until the staff interviewed him that the envelope, in fact, contained money. (R₁-158-159) Moreover, he would not have felt that he had authority, without asking Park, to authorize a particular use for a campaign contribution, and he recalled no discussion of the subject with Park. (R₁-159) Neither did Park. (R₁-77)

Barnes' testimony conflicts not only with Gibbons', but also with McFall's. Barnes claims he told McFall that he received authority from Park's emissary to put the money in the office account. (R₂-55) McFall says Barnes did not tell him of any such authorization. (R₃-108)

Moreover, Barnes' testimony that he received authorization from Park's emissary is in tension with his earlier statements. Barnes concedes that he never mentioned the phone call with the emissary until his fifth recorded statement to investigators concerning the \$3,000 contribution. He had indeed, he conceded, probably said without qualification in his first statement that he thought Park intended the money as a "political contribution." (R₂-58) It seems unlikely, if Barnes really received authorization from the messenger, that he would have omitted that fact during his first four statements. It appears that the issue of the diversion of the campaign contribution to the office account and the consequent failure to report it loomed large in Barnes' mind before the time of his first interview with any official investigator. Right after Barnes learned that Scott Armstrong had heard about Park's contribution and

right after Scott Armstrong found out from McFall's California office that Park's name was not listed as a campaign contributor, Barnes destroyed the note from Park which stated "good luck on the election" and which implied that the contribution was a reportable campaign contribution. (R₂-49,62; Exhibit M-18) Barnes conceded that the issue of the failure to report Park's contribution "might have been" on his mind when he destroyed the note. (R₂-62) With Barnes' evident anxiety over the failure to report the campaign contribution it is almost inconceivable that he would fail to tell investigators about his call to Gibbons unless that call was never made.

Barnes was generally not a very credible witness. His testimony whether through poor recollection or otherwise is in conflict with that of Park and Gibbons in other respects as well. He has testified that he never asked Park to buy tickets. (R₂-52, 53) Park's testimony is to the contrary. (R₁-55) He has testified that he did not discuss the \$3,000 contribution with Park before it was delivered and did not know it was coming. (R₂-10-11) Park's testimony is to the contrary. (R₁-72-76) He testified that he did not refuse to receive the envelope from Gibbons in the foyer nor did he turn his back and open the envelope in the next room. (R₂-12) Gibbons' testimony is to the contrary.

Finally, it seems curious that a man so "cautious" that he broke Park's money into \$500 increments when he deposited it

into the office account, (R₂30-40; Exhibits M-15, M-16) and who made memoranda of phone conversations with Rocca, Park and Scott Armstrong, (Exhibits M-11, M-12, M-13, and M-18) did not make a memorandum of a conversation with Gibbons a conversation the sole purpose of which was to establish the propriety of putting Park's money into the office account. (R₂-105)

The staff suggests that Barnes' recent claim that he received authority from Gibbons to put the \$3,000 campaign contribution into the office account and that he so informed McFall is not credible and should be rejected. The Committee should credit instead the testimony of Gibbons, Park and McFall himself.

In sum, the staff submits that it has been proven by clear and convincing evidence that Park intended the \$3,000 as a campaign contribution; that McFall was aware of this purpose; and that the purpose never changed.

Discussion - Finding No. 3

It is undisputed that the contribution was never reported.

(R₂-113)

Conclusion of Law

Park's \$3,000 contribution was required by law to be reported.

Discussion

P. L. 92-225 which was in effect in October, 1974, required reports of "receipts and expenditures," Sec. 304(a), to include the name of any person making a "contribution" of more than \$100.

Sec. 304(b)(2) Since McFall never returned Park's money, it is clear that the money constitutes a "receipt." The only issue remaining is whether it is a "contribution." "Contribution" is defined in the statute as "a gift . . . made for the purpose of influencing the election of any person to Federal office." Since McFall has testified, and the Committee has found that Park's purpose in making the gift was to influence the election of McFall, the \$3,000 gift was a "contribution" within the meaning of P. L. 92-225, and the law required it to be reported. The argument given by Robert Moss that a recipient of a campaign contribution can alter its purpose and render it unreportable by unilaterally "receiving" and "using" it for another purpose has absolutely no support in the statute or common sense.

COUNT TWO

In Count Two, it is charged that Mr. McFall converted Tongsun Park's contribution to his personal use and failed to keep his campaign funds separate from his personal funds.

Proposed Finding of Fact - Count Two

Congressman McFall mingled Tongsun Park's campaign contribution with other monies in his office account and used monies in his office account for personal purposes.

Discussion - Finding of Fact

It is undisputed that Mr. McFall put about \$5,000 in leftover campaign funds into his office account in early 1972;

that he deposited an additional \$1,000 in cash from Park in 1972 together with about \$2,500 in cash from seven other contributors from July, 1972 until January, 1975 (none of which were campaign contributions); and that he also deposited with the office account \$2,400 of the Park 1974 campaign contribution in five installments from February to June, 1975.^{*/} The Park campaign contribution, therefore, was mingled with the rest of the monies in that account. (Exhibits M-15 and M-16)

It is also undisputed that the office account monies were used from time to time to make interest-free loans to McFall and to members of his staff. The total amount loaned was \$6,600. (Exhibits M-15 and M-16) The total loaned to McFall was about \$3,200. (Exhibit M-15 and M-16) Most pertinent to this case, McFall received a loan of \$1,505 in July, 1975, shortly after the last installment of Park's contribution was put into the account. It was used to finance his daughter's car so that she would not have to pay high interest rates. \$1,200 was repaid within five weeks. The remaining \$300 was repaid after the Park incident was reported in the press. McFall had forgotten about it. (See affidavit of John J. McFall attached to his answer at pp. 8-9, R3-74-77; Exhibits M-15, M-16)

Thus, the evidence is clear and convincing, indeed undisputed, that the Park campaign contribution was mingled with

^{*/} This assumes that the Committee finds in connection with Count One that the \$3,000 in 1974 was a campaign contribution. If it was not, then Count Two should be dismissed.

other monies in the office account and that the monies were put to a personal use.

Conclusion of Law - Count Two

The House Rules have continuously, from 1974, when the contribution from Pack was received, through the present time prohibited the use of campaign funds for personal purposes or the mingling of campaign funds with funds used for personal purposes.

Discussion - Conclusion of Law

In 1967, Thomas Dodd was censured by the United States Senate for converting money given to him for his campaign to a different purpose, i.e., his own personal use. Although there was no written Senate rule or Federal statute prohibiting such conversion at that time, the Senate felt that such conversion was simply unethical.^{*/} Senators should not personally profit just because they needed to raise money to support their campaigns.

Soon thereafter both the House and the Senate adopted Rules which forbid such conduct. The House Rules read as follows:

^{*/} The Report of the Select Committee on Standards and Conduct of the United States Senate on the Investigation of Thomas J. Dodd of Connecticut to Accompany S. Res. 112, 90th Congress, 1st Session, Report No. 193, August 27, 1967, states at p. 25 "that Dodd's conduct comprises a course of conduct which deserves the censure of the Senate, is contrary to accepted morals, derogates from the public trust expected of a Senator and tends to bring the Senate into dishonor and disrepute. (emphasis added)

"6. A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures. He shall expend no funds from his campaign account not attributable to bona fide campaign purposes." (emphasis added)

The Senate Rule reads as follows:

"2. The Senator may use the (campaign) contribution only to influence his nomination for election, or his election, and shall not use, directly or indirectly, any part of any contribution for any other purpose, except as otherwise provided herein.

3. Nothing in this rule shall preclude the use of contributions to defray expenses for travel to and from each Senator's home State; for printing and other expenses in connection with the mailing of speeches, newsletters, and reports to a Senator's constituents; for expenses of radio, television, and news media methods of reporting to a Senator's constituents; for telephone, telegraph, postage, and stationery expenses in excess of allowance; and for newspaper subscriptions from his home State."

On October 15, 1974, Congress passed 2.U. S. C. Sec. 439(a)

which provided as follows:

"Amounts received by a candidate as contributions that are in excess of any amount necessary to defray his expenditures, and any other amounts contributed to an individual for the purpose of supporting his activities as a holder of Federal office, may be used by such candidate or individual, as the case may be, to defray any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office, may be contributed by him to any organization described in section 170(c) of The Internal Revenue Code of 1954, or may be used for any other lawful purpose." (emphasis added)

McFall and his witness Robert Moss have argued that the underscored language authorized Members of Congress to convert excess campaign funds to a purely personal use. This is incorrect. When Sec. 439(a) was passed personal use was not a "lawful" purpose to which a Member of Congress could convert campaign funds such use violated the House Rule quoted above and was thus an unauthorized and unlawful use.^{*/} Nor was it lawful quite apart from the House Rule for a candidate to convert excess campaign funds to a personal use. The general rule is stated as follows in Corpus

^{*/} A "lawful" use is not, as Mr. Moss argues, any use that does not violate a criminal law but rather one that is not forbidden by any applicable ethical rule of conduct. The Webster New Collegiate dictionary definition of "lawful" includes the meaning "authorized," "rightful." Cases decided in Courts of law recognize this meaning of the word lawful. As one court put it,

"Of the meaning and force of the word 'lawful,' Anderson in his Dictionary (page 610) says: 'Legal' looks more to the letter, and 'lawful' to the spirit, of the law. 'Legal' is more appropriate for conformity to positive rules of law; 'lawful' for accord with ethical principals. 'Legal' imports rather that the forms of law are observed, that the proceeding is correct in method, and that rules prescribed have been obeyed; 'lawful' that the act is rightful in substance, that moral quality is secured.'" State v. Whealey, 50 N. W. 211, 212, 5 S. D. 427.

Similarly in U.S. v. Haas, 163 F. 908, 910, the Court stated that the phrase "lawful duty" is not restricted to a duty imposed by statute. For a similar construction of the language "lawful purpose" see In re Waterloo Organ Co., 134 F. -341, 343, Gurnsey v. Northern California Power Co., 117 P. 906, 909. See also State v. Reeves, 261 N. W. 2d 110, 113 "lawful implies that /an act/ is authorized."

Juris Secundum, Gifts, Sec. 36 "if contributions are solicited for a certain purpose, gifts in response to such solicitation are properly limited to the purpose and need expressed."

The legislative history of Sec. 439(a) also makes it clear that the phrase "other lawful purpose" did not refer to personal purposes, but solely to certain office expenses which might not qualify as "ordinary and necessary" expenses. The phrase was explained as follows on the Floor of the House:

"Mr. STEIGER of Wisconsin. I thank the gentleman for yielding.

Under section 318 of the conference report i.e., Sec. 439(a) of the statute which is entitled "Use of Contributed Amounts for Certain Purposes," without reading all of section 318, says that:

... ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office, may be contributed by him to any organization . . . or may be used for any other lawful purpose.

My question of either the gentleman from Minnesota or the gentleman from Ohio is, What is "any other lawful purpose"? If a Member of Congress happens to have \$25,000 that is not spent in excess of the full limit of \$70,000, are such lawful purposes entertaining constituents in the House Restaurant; maintaining a standing supply of coffee, cokes, and snacks in the individual Member's offices; employing extra staff, such as a personal page; or paying for a life membership in the National Democratic Club or the neighboring Capitol Hill Club? _

Mr. FRENZEL: I think some of those would qualify and some would not. The reason we put 'lawful purposes' in there is because there was some existing law, and some IRS regulations which

does allow some expenses. Typical would be a contribution back to a political party, or a contribution to charity. We did intend that the money could be used for expenses for running one's office, and I expect that the qualification might be amplified further by rule, as we would define particular kinds of office expenses that we had in mind.

Mr. STEIGER of Wisconsin. If the gentleman will yield further, could the gentleman from Ohio indicate his own view?

Mr. FRENZEL. I yield to the gentleman from Ohio.

Mr. HAYS. I generally tend to agree with what the gentleman said, that one could use it for necessary office expenses: A newsletter, or extra stamps, if he needs them, or an automobile, the leasing of a car for his district office. If some Members do that, it might be, in my judgment, a legitimate expense for official business. Those are the kinds of things we had in mind, things that Members in general do - buying tickets to charitable fundraisers, which takes a lot of money in the off-year from my fund. Those are things that we consider legitimate expenses." (Long. Rec. October 10, 1974, p. 35134) (emphasis added)

The conference report in connection with Sec. 439(a), however, is conclusive on the question whether personal use is considered a "lawful purpose." The conference report stated:

"The provisions of this section do not affect any rule of the Senate or of the House of Representatives limiting the use of funds received as political contributions nor do they have any effect on the Federal tax treatment of any such contributions used by a candidate for personal purposes." (emphasis added)

Thus, it is clear that while Sec. 439(a) authorized use of excess campaign contributions to make charitable contributions and to defray

business expenses of being a Congressman, it did not authorize conversion of campaign contributions for personal use.

In January, 1975, Rule 6 was amended to read as follows:

"A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. Unless specifically provided by law, he shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures and he shall expend no funds from his campaign account not attributable to bona fide campaign purposes." (change is underscored)

This was done, presumably, so as to permit use of excess campaign funds for office, expenses and charities which Sec. 439(a) "specifically" authorized. The only legislative history of this change is as follows:

"No. 27 makes a minor change in the rule relating to the code of official conduct relating to the use of campaign funds."
Cong. Rec. Jan. 14, 1975. VI. 8

Mr. McFall and Mr. Moss also argue that the addition of the phrase "unless specifically authorized by law," to the rule prohibiting personal use of campaign funds authorized use of campaign funds for personal purposes for the first time. This argument rests on the incorrect premise that Sec. 439(a) was a "law" specifically authorizing such use. Section 439(a) as just demonstrated did not authorize use of campaign monies for personal purposes much less did it "specifically" authorize such use. Moreover, the legislative history denoting the addition of the phrase "unless specifically authorized by law" as making a "minor change" belies any intent to authorize the pocketing of excess campaign funds.

Finally, to read the phrase "unless specifically authorized by law" to include personal use renders the entire Rule 6 meaningless.

The conversion of campaign funds to the personal enrichment of the candidate remained as immoral in 1975 and 1976 as it was when Senator Dodd did it, and the House of Representatives has never, either surreptitiously, or otherwise, authorized its Members to engage in such behavior.

COUNT THREE

Count Three charges that McFall received things of value from Tongsun Park under circumstances which a reasonable person might construe as influencing the performance of his duties.

Proposed Finding of Fact - Count Three

Mr. McFall received money from Tongsun Park, principally \$1,000 in cash in November, 1972, and \$3,000 in cash in October, 1974, under circumstances which a reasonable person might construe as influencing the performance of his duties.

Discussion - Finding of Fact

The essence of Count Three is very simple. On June 17, 1971, Park visited McFall in his office. (Exhibit M-24) The evidence supports the proposition that on the same day Park honored a request by Ray Barnes to buy \$1,000 in tickets to the Democratic Congressional Campaign Committee Dinner. (R₁-55) According to Park, the request was made in McFall's office and in his presence; and it was made shortly before the dinner. (R₁-57) The dinner was held on June 29, 1971. (Exhibit M-25) Since McFall's chronology indicates only

one visit by Park to his office in 1971 - on June 17 it is reasonable to infer that the dinner ticket contribution was discussed on that day. (Exhibit M-24) The following day, June 18, 1971, McFall sent a letter at Park's request to the President of South Korea. The letter praised Tongsun Park, referred to McFall's hopes for expanded friendship between the United States and Korea "through good working relationships which we have already established through Mr. Tongsun Park," and indicated McFall's ability in his new position in the House Leadership to assist Korea regarding foreign "aid." (Exhibit M-6)^{*/}

Then in November, 1972, Park gave McFall \$1,000 in cash for his office account. (R₁-59; R₃-44-45; Exhibit M-8) A few months later in February, 1973, Park again asked McFall for a letter to President Park Chung Hee mentioning Park favorably. (R₁-64-65) McFall sent it. (Exhibit M-9)

Then on October 18, 1974, Park gave McFall \$3,000 in cash as a campaign contribution. Four days later McFall sent a telegram to Park in Korea asking him to obtain the presence of President Park at the Inauguration of the Incheon Bulk loading facility. (Exhibit M-10)^{**/}

^{*/} It should be emphasized that McFall is not charged in connection with the dinner ticket purchase. However, a reasonable person might consider it in construing the significance of the later two contributions.

^{**/} It should be pointed out that the principal beneficiary of this telegram was not Park but Curt Rocca. (R₁-80) McFall testified, however, that he was under the impression that Park had an interest in the Incheon Facility. (R₃-65-66) In fact Park did not have such
(cont'd)

The essence of Count Three is that a reasonable person viewing these events might construe that McFall sent these communications at Park's request because Park was giving him substantial cash contributions.

The situation is substantially aggravated by the form in which the money was received and the manner in which the money was handled. The money was all paid in cash. It was untraceable. Moreover, although both the 1972 gift of \$1,000 in cash and the 1974 gift of \$3,000 in cash were offered as a campaign contribution which would have had to be reported, McFall received each into his office account. Thus, the contributions were reported no where except on Barnes' ledger, which had been seen by only one or two people. (R₂-94) Different reasons were cited for putting the two gifts into the office account. In 1972, McFall told Park that he had no campaign expenses. (R₁-61-62; R₃-45) In 1974, according to McFall's testimony, he thought campaign contributions from foreign nationals were illegal, but that such contributions to office accounts were not. In any event, whatever the reasons, the cash gifts although offered as reportable campaign contributions were not reported and not traceable, giving further rise to the appearance that Park was purchasing influence with McFall which McFall wished to hide.

Indeed, there is substantial evidence that Barnes and McFall were aware that these large cash gifts from the Korean would appear to be improper. Barnes clearly was aware of such an appearance of

*/(cont'd) an interest. However, it may have been in the "back of his mind" to obtain "a consulting fee" from Rocca in connection with the facility if it was successful. Also it "could not hurt" Park to receive a telegram from the Majority Whip which would be shown to President Park. (R₁-82)

impropriety. After McFall told him to put the \$3,000 in the office account, Barnes waited four months and then deposited the money in increments of \$500. Barnes' testimony about his reasons for doing this is at (R₂-30-42). His reasons are never clearly given, but he concedes that the large amount of cash bothered him. (R₂-30); and that he thought it would look bad. (R₂-38) Obviously, if he thought it would look bad to deposit \$3,000 from an unidentified source into a bank, he must have felt it would look bad to report the cash contribution on campaign reports.

McFall's testimony reveals a similar desire to keep Park's and certain other similar contributions from public view. McFall asserts that he started his office account with excess contributions to his D. C. campaign account because he thought the law abolished his D. C. campaign account, (R₃-96) whereas in fact the law only made it subject to reporting requirements. (See P. L. 92-225) Similarly, he claims he put Park's \$3,000 in his office account because he thought the law forbid its receipt as a campaign contribution; whereas the law in fact only required that it be reported. (R₃-108) In 1972, however, the staff submits there was no reason for diversion of the Park contribution to the office account other than a desire on McFall's part not to report a \$1,000 cash contribution from Park. McFall concedes that he decided to put the money into his office account the instant he received it, without consulting anyone on the law, and so informed Park. (R₃-45) Originally, he stated his reason for doing so was that it was a few days after the election and he had no campaign expenses. He

specifically denied that he was thinking of any law relating to campaign contributions by foreign nationals. (R₃-99) After conceding on cross examination that an absence of campaign expenses was not normally a reason to reject a campaign contribution and that he received campaign contributions after the election even when he had no debts, (R₃-100-102) McFall testified that he must have been concerned about the legality of receiving a contribution from a foreign national. (R₃-102) He claimed that he had checked into the law in connection with an offer by a Chinese national named Sam Wah You, and had determined that he would not receive such a contribution. (R₃-102; 148; 154) He was then shown his campaign reports for 1972 and conceded that in fact he had received a contribution from Sam Wah You during that year. (R₃-154) Thus, there is no reason for McFall's deposit of Park's cash into his office account other than the fact that it was a lot of money, in cash, from a person who had lobbied for Korea and had asked McFall for a favor. The staff submits that the evidence supports the conclusion that McFall reported Sam Wah You's contribution but put Park's in his office account because Park's was \$1,000 in cash and because Park was a lobbyist.

Indeed, McFall conceded that all of the deposits into his office account were in cash, even though the contributor sometimes made campaign contributions by check, and that they were "by and large" from lobbyists. (R₃-106; 151) It was quite natural and automatic

for McFall to place Park's contributions in the same account where he put other cash from lobbyists.

The Committee may also find that Park did in fact lobby for Korea and that McFall was aware of this fact. Although Park avoided using the word "lobby," he testified to activities which are the equivalent of lobbying in connection with the appropriation bill earmarking \$50 million for Korea which was pending in December, 1969. (R₁-34-35) Although not entirely accurate, Exhibit M-2 which shows approximately 30 visits to offices of Congressmen re: military aid clearly reveals Park's lobbying activities. Park testified that he had a philosophy that Congressmen would be helpful to Korea if Korea purchased rice from their districts (R₁-27-28); and that he visited McFall and generally discussed with him the proposition that the granting of military aid to Korea would help sell California rice to Korea. (R₁-37) McFall was aware of Park's interest in legislation for Korea. He told Park, according to Park's testimony, that he was grateful for the purchase of rice by Korea and wanted to be helpful both to Park and to Korea. (R₁-47) He said later, according to Park, that in his new position as majority whip, he was in an ever better position to be helpful to Korea. He also recommended to Park that he get to know Otto Passman, pointing out that Passman was chairman of the subcommittee which dealt with foreign aid. (R₁-50)

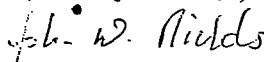
McFall was also aware that Park had delivered him a gift on behalf of the Prime Minister of Korea. (R₁-45; R₃-30; Exhibit 14)

While of minimal value, this gift underlined the relationship between Park and the Korean government. Moreover, Park asked McFall to send two letters to the President of South Korea. At Park's specific request, the letters discussed not only rice but foreign aid (Exhibit M-6) and referred to "Tongsun Park" as someone to look to "for cooperation in all our areas of mutual interest." (Exhibit M-9) (emphasis added)

McFall was aware not only that Park had an interest in the rice business, but also an interest in aid to Korea. In short, he knew that Park lobbied for Korea. It is submitted that McFall did with the cash he received from Park exactly what he testified he did with the cash he received from other lobbyists he put it into his office account. It is submitted that the Committee may find that McFall knew that the receipt of large amounts of cash from Tongsun Park might have appeared to a reasonable person as being related to acts performed by McFall which helped Park. Consequently, McFall did not report such cash gifts.

In sum, the Committee should find that it has been clearly and convincingly established that the \$1,000 and the \$3,000 cash contributions to McFall were received under circumstances which a reasonable person might construe as influencing McFall in his official duties.

Respectfully submitted,



John W. Nields, Jr.
Chief Counsel

APPENDIX B

**RESPONDENT'S PROPOSED FINDINGS
OF FACT AND CONCLUSIONS OF LAW**

APPENDIX B

COMMITTEE ON
STANDARDS OF OFFICIAL CONDUCT

IN THE MATTER OF)
CONGRESSMAN JOHN J. MCFALL)

RESPONDENT'S PROPOSED
FINDINGS OF FACT AND
CONCLUSIONS OF LAW

The Committee on Standards of Official Conduct, following the taking of all testimony pursuant to Committee Rule 10 on September 20, 21, and 25, 1978 requested the submission of proposed findings of fact and conclusions of law, with support for each proposed finding. This document is submitted pursuant to that request.

COUNT I

FINDINGS OF FACT

1. On October 18, 1974 a donation of \$3,000 in United States currency was delivered to Respondent's office in the Rayburn Building, unsolicited by Respondent or any of his employees, to Respondent's Administrative Assistant, Raymond L. Barnes, by an assistant of Tongsun Park. The donation was accompanied by a note to the effect of "good luck in the campaign." Barnes Testimony, Transcript at 11, 12; McFall Testimony, Transcript at 67, 61; Park Testimony, Transcript at 74, 75, 130. Mr. Barnes conditionally accepted the donation pending instructions from Respondent, who at that time was in California. See Barnes Testimony, Transcript at 12, 77-79.

2. Mr. Barnes placed a telephone call later that day to apprise Respondent of the donation and to receive instructions on its disposition. At that time Respondent and Mr. Barnes were under the mistaken impression that the campaign laws forbade acceptance of campaign contributions from foreign nationals and discussed the donation in terms of that prohibition. Barnes Testimony, Transcript at 15, 16; McFall Testimony, Transcript at 68, 82-84, 99; Sworn Statement of John J. McFall at 4. Several years earlier, Mr. Barnes had discussed with Mr. Wohl, counsel to the Clerk of the House of Representatives, the permissibility of receiving a campaign contribution from a foreign national in relation to a former constituent of Respondent who had moved to Taiwan. Barnes Testimony, Transcript at 16, 84. With this understanding of the law in mind, Respondent directed Mr. Barnes to hold onto the money and that a decision would be made as to the proper disposition of the money when Respondent returned to Washington in early November, after the election. Barnes Testimony, Transcript at 12; McFall Testimony, Transcript at 68. Thus Respondent's initial decision concerning the donation was not to accept it as a campaign contribution.

3. When Respondent returned to Washington, he decided that it would be proper to place the donation in the McFall Office Account and directed Mr. Barnes to do so. McFall Testimony, Transcript at 69; Barnes Testimony, Transcript at 25. At that time there were no prohibitions on donations to office accounts under the Rules of the House of Representatives or federal statutes, and therefore Respondent's actions

in no way violated any laws or Rules. See Respondent's Memorandum of Points and Authorities In Support of Motion to Dismiss at 8; Moss Testimony, Transcript at 159, 171.

4. In November of 1972, Mr. Park had personally delivered a donation to Respondent and at that time assented to Respondent's decision to place the donation in his office account. Relying on this previous acquiescence, Respondent justifiably assumed that the later donation was not exclusively given as a contribution for the purpose of influencing Respondent's election to the House of Representatives. McFall Testimony, Transcript at 46, 99; Park Testimony, Transcript at 62, 125.

5. Mr. Park has repeatedly stated to the Committee that the use to which the donation was put or its final disposition was of no concern to him, Park Depositions of Jan. 27, 1978 at 47; Mar. 3, 1978 at 944; Mar. 9, 1978 at 949, 953, 956; May 22, 1978 at 23; Park Testimony, Transcript at 62, 76, 77, thus negating the possibility of classifying the \$3,000 donation as a campaign contribution by relying on the donor's intent.

6. Further, Mr. Barnes has testified under oath to this Committee that he has a "vivid recollection" of placing a telephone call to Pacific Development, Inc., Mr. Park's place of business, to receive permission to place the donation in the McFall Office Account and that he did receive such permission. Barnes Testimony, Transcript at 53-56, 63, 64, 96, 106, 110. This further emphasizes that the donation was accepted as an office account contribution.

7. Mr. Barnes carefully maintained a ledger and checkbook records of the McFall Office Account in which the source of the money was duly recorded. Committee Exhibits M-15 and M-16. These documents have been made available by Respondent to the Committee and fully disclose Respondent's acceptance of the donation as a contribution to the McFall Office Account.

8. At no time was the donation commingled with Respondent's campaign funds nor was it ever used for the purpose of influencing Respondent's election to the House of Representatives as contemplated by P.L. 92-225. Sworn Statement of John J. McFall at 5; see Moss Testimony, Transcript at 154 for discussion on usage of donations.

9. Respondent never accepted the donation from Mr. Park on behalf of his campaign committee as a campaign contribution. Since there was no requirement under Sec. 304(b)(2) of P.L. 92-225 to report a contribution to Respondent's office account on Respondent's campaign committee's reports to the Clerk of the House or to the Federal Election Commission, Respondent did not violate that law through his actions.

10. Since Respondent did not violate the reporting requirements of P.L. 92-225 and since his conduct with respect to the donation at no time failed to reflect creditably on the House of Representatives, Respondent did not violate Rule 1 of the Code of Official Conduct.

CONCLUSIONS OF LAW

1. The accusation against Respondent as stated in Count I is (1) failure to report a contribution subject to

reporting requirements under P.L. 92-225, the Federal Election Campaign Act, and (2) that such failure to report was conduct which did not reflect creditably on the House of Representatives in violation of Rule 1 of the Code of Official Conduct of the House of Representatives. The requirement to report depends on whether there was a "contribution" within the meaning of P.L. 92-225. If there was no such "contribution", there is no failure to report nor a violation of Rule 1 of the Code of Official Conduct.

2. The Federal Election Campaign Act, as it was in effect in 1974, namely P.L. 92-225, defines "contribution" in part,

as . . . a gift, subscription, loan, advance, or deposit of money or anything of value . . . , made for the purpose of influencing the nomination for election, or election of any person to federal office, 18 U.S.C. §591(e)(1)(1974)

Although this definition used the verb "made," giving weight to the donor's intent, other sections of the same law give heavy emphasis to the volitional acceptance by the donee of the funds for purposes of statutory enforcement. For example, under the then-existing section (subsequently stricken) limiting the use of a candidate's personal funds in his campaign, the section provides that:

No candidate or political committee shall knowingly accept any contribution or authorize any expenditure in violation of the provisions of this section. (emphasis supplied) 18 U.S.C. §608(b)(1974).

The provision quoted directly above specifically contemplates that there might be instances in which a physical transfer of funds in excess of the statutorily prescribed limits might have been made either to a candidate or his agent

which would not violate the provision because the transferred funds were not "knowingly accepted" even though they were physically placed under the candidate's or agent's control.

3. Nowhere in the statute was there provided a definition of the term "receipt" or similar operative term for purposes of the application of the requirement for reporting and disclosure of campaign contributions, which at that time read:

Every person who received a contribution in excess of \$10 for a political committee shall . . . render to the treasurer a detailed account thereof . . . (emphasis supplied) 2 U.S.C. §302(b)(1974).

Section 302(c) of Title 2 (1974) outlines the Treasurer's duties for reporting the contributions. However, nowhere in the legislative history of P.L. 92-225 or the regulations purporting to explain the application of the law to Members of the House of Representatives (See, Manual of Regulations and Accounting Instructions Relating to Disclosure of Federal Campaign Funds for Candidates for the U.S. House of Representatives and Political Committees Supporting Such Candidates, January 1974) is the term "receive" or any similar operative term defined or discussed. Because of this lack of explanation, many candidates and their committees were (and still are) uncertain as to the proper reporting, for example, of a contribution which clearly could not be accepted, such as a corporate donation, which had been physically transmitted to the Committee. If the donation were merely to be refused and transmitted back to the donor without placing the money

in the committee bank account, writing a new check or recording these events in the disclosure forms, did the committee violate the reporting provisions? Conversely, merely by placement of the corporate donation in its account and reporting it as a "receipt" on its disclosure form even though it intended to return the money immediately, did the Committee violate the prohibition on "receiving" a corporate contribution? The confusion existing among Members, candidates and their campaign committees as to the exact requirements or application of the Federal Election Campaign Act is well illustrated by the sworn testimony before this Committee of Mr. Moss, who, previously as counsel to the Clerk of the House, and presently as counsel to the Committee on House Administration, was and is specifically responsible for providing interpretations of this statute to the Members. See, Moss Testimony, Transcript at 144, 145, 149-152, 173.

4. Although the judicial interpretation of P.L. 92-225 is virtually nonexistent, Judge Oakes of the Second Circuit articulated the difficulties presented by that law, specifically the definition of "contribution":

The Senate Report . . . , which is particularly important because the Senate bill was the one passed in lieu of the House bills, may be searched in vain for any passage which throws further light upon the meaning of "political committee" or "made for the purpose of influencing." Here as elsewhere Congress "has voiced its wishes in muted strains and left it to the courts to discern the theme in the cacophony of political understanding."

United States v. National Committee for Impeachment, 469 F.2d 1135, 1139 (2d Cir. 1972) (footnote omitted). The

court is suggesting that the confusion over the precise meanings of various terms of P.L. 92-225 is to be resolved by an examination of the factual circumstances surrounding the event in question to determine if the law does indeed apply.

5. Three criteria are helpful in an examination of the facts to determine when a donation is a "contribution" for reporting purposes: (1) donative intent, (2) the terms of acceptance by the donee, and (3) the use to which the donation is put. See Moss Testimony, Transcript at 153. Such an analysis precludes the possibility of avoiding the reporting requirements if donative intent were the controlling factor, as suggested by the literal words of the statute. Taken literally, a donation given expressly for placement in an office account, but used to influence an election, would not need to be reported under P.L. 92-225. This clearly would render the statute meaningless.

6. Proceeding with an analysis of the donative intent in the instant situation regarding Respondent, the \$3,000 donation was accompanied by a note to the effect of "good luck in the election." While the words in the note suggest that the donative intent was to make a campaign contribution, the surrounding circumstances do not. Mr. Park expressed no objection when Respondent accepted a prior donation on behalf of his office account. Similarly, Mr. Park has repeatedly stated to the Committee that the use of the donation was immaterial to him, thus negating the note which accompanied the donation.

Further, Mr. Barnes has testified under oath that he requested and received permission to place the donation in the McFall Office Account. See Count I, Findings of Fact, Nos. 4-6.

7. The second element for determining when a donation is a "contribution" for reporting purposes is the terms of acceptance by the donee. Respondent initially decided, when informed of the delivery of the donation by Mr. Barnes, that it would be improper to accept the money as a campaign contribution due to his mistaken perception of the law as precluding such contributions from foreign nationals. Subsequently, Respondent accepted the donation on behalf of his office account and accordingly instructed Mr. Barnes to place it in the McFall Office Account. The donation was never placed with Respondent's campaign funds and was duly recorded in the records of the McFall Office Account. Id., Nos. 2, 3, 6, and 7. Clearly the donation was never accepted as a campaign contribution.

8. The use of the donation is the third factor to be considered. Respondent directed Mr. Barnes to place the money in the McFall Office Account to be used to defray the expenses of running Respondent's office. The donation was never used to influence Respondent's election to the House of Representatives nor was it ever placed with funds used for campaign purposes. Id., Nos. 3, 7.

9. Applying the three factual elements of a "contribution" for reporting purposes, it is evident that (1) the donative intent was not clearly to influence Respondent's election to the House of Representatives, (2) the donee accepted the donation

as an office account contribution, and (3) the donation was not used for campaign purposes. By examining the factual circumstances, the \$3,000 donation did not meet the definition of "contribution" under P.L. 92-225 and therefore Respondent had no duty to report it as a campaign contribution.

10. An analysis of the traditional principles of the common law demonstrates that Respondent never accepted or received a campaign contribution and therefore was under no obligation to report a campaign contribution.

11. Contract law's theory of mutual assent is helpful in determining whether Respondent accepted a campaign contribution. Manifestation of mutual assent ordinarily takes the form of an offer and acceptance. Restatement (Second) of Contracts, §22(1). Respondent only conditionally accepted the \$3,000 donation through the actions of his employee, Mr. Barnes, pending the final approval of the Respondent on his return to Washington, D.C. A conditional acceptance is equivalent to a rejection and terminates the original offer. The common law rule is that if the purported acceptance varies from the terms of the offer even as to a trivial detail, it operates as a counteroffer and thereby a rejection of the offer. Id., §60. The offeree's power of acceptance is terminated by a rejection or counter-offer unless offeror manifests a contrary intention. Id., §§37, 38. Thus Respondent did not accept the offer of a campaign contribution and the counteroffer of accepting the

donation on behalf of his office account was accepted by Mr. Park through past conduct concerning the 1972 donation, subsequent ratification of Respondent's actions, and through the permission received by Mr. Barnes to place the money in the McFall office account.

12. The basic principal requiring acceptance by the offeree to complete a contract is found in traditional concepts of gift law. The essentials of a gift are donative intent, delivery, and acceptance. Malone v. United States, 326 F. Supp. 106, 109, aff'd, 455 F.2d 502 (1972); Lewis v. United States, 338 F.2d 114, 116 (1964); Foley v. Allen, 170 F.2d 434, 437 (1948). The mere physical receipt of a donation is not the same as final acceptance. Neither a contract nor a gift can be unexpectedly and unwillingly thrust upon its receiver just by making a physical delivery, especially when the receiver simply retains the goods without using them. Realty Records Co. v. Pierson, 116 N.Y.S. 547 (1909). Given that the donation was offered during the final two weeks of Respondent's campaign while he was in California, Respondent's decision to handle the matter at a later date seems totally justified. To decide otherwise would encourage hasty decision making by Members of Congress and eliminate any opportunity for reflection and review.

13. The case law concerning receipt of stolen goods provides a helpful analogy to the extent that the substantive crime turns on "receipt." The statute provides punishment for "[w]hoever buys or receives or has in his possession any such goods or chattels, knowing the same to have been embezzled or

stolen . . . " 18 U.S.C.A. §659 (1976). (Emphasis supplied)

Thus the crime of receiving stolen goods requires knowledge that the goods are stolen. United States v. Zarattini, 552 F.2d 753, cert. denied, 97 S.Ct. 2661 (1977); Pugliano v. United States, 348 F.2d 902, cert. denied, 382 U.S. 939 (1965); United States v. Fields, 466 F.2d 119 (1972). It is not per se criminal to receive stolen property. The crime consists in receiving it knowing it to have been stolen. Wolf v. United States, 290 F. 738 (1923). In essence, there is no receipt in violation of the statute unless there is receipt with knowledge that the goods are stolen. By way of analogy, receipt of a donation given for the purpose of influencing an election is not a reportable "contribution" under P.L. 92-225 unless and until it is accepted as such or used as such. While the facts that stolen goods have been received and that the recipient knew them to be stolen cannot be changed by the recipient, the fact that a campaign contribution has been received can be changed by the donee through accepting the donation under different terms or by putting the donation to a different use. When the acceptance and usage of the donation, as well as other circumstances, negate the initial donative intent, there is no receipt of a "contribution" subject to P.L. 92-225. Just as knowledge of the recipient that the goods are stolen is controlling as to whether there is the proscribed receipt, so are the intent and actions of the donee with regard to the receipt of a campaign contribution.

14. Under common law concepts, receipt or completion of a transaction is not determined solely by the actions or intent of the party initiating the transaction. Under contract law,

the offeree must accept the offer unconditionally to create a valid contract. Under gift law, the donee must accept the gift to create a valid gift. The recipient must know the property is stolen in order to be found guilty of the crime of receiving stolen property. Similarly, there is no receipt of a campaign contribution unless the recipient accepts it or uses it as such.

15. To date, the Congress has not chosen to provide a definition of "receipt" in the Federal Election Campaign Act. The Federal Election Commission is still grappling with the difficulties created by this lack of statutory direction. Strictly, from the standpoint of enforcement of the campaign laws there was in October, 1974 and still is to this day no consistent, clearly enunciated policy or law to guide members and their campaign committees in situations such as the one in which Respondent and Mr. Barnes found themselves in October, 1974. In their view at that time, they were prohibited by law from formally "accepting" and reporting a contribution on behalf of their campaign committee from Mr. Park because he was a foreign national. Because Respondent wanted to do everything possible to observe the law, he instructed Mr. Barnes to "accept" the donation on behalf of the office account, which was done. The charge that the \$3,000 donation offered Respondent "for good luck in his campaign" by Mr. Park in October, 1974 should have been reported under Sec. 304(b)(2) of P.L. 92-225 is wholly unsupported by the facts or by interpretations of that statute or regulations

prevailing at that time (or at the present time, for that matter). Therefore Respondent did not violate Sec. 304(b)(2) of P.L. 92-225 or Rule 1 of the Code of Official Conduct by his actions, as charged.

COUNT IIFINDINGS OF FACT

1. In April, 1972, Respondent McFall started an office account with \$5,047 which was left over from his campaign account in the District of Columbia. McFall Testimony, Transcript at 95. See also, Sworn Statement of John J. McFall at 8.

2. The office account was created because, in Respondent's understanding, changes in federal and California law required maintaining a record of the name and address of every contributor to the account. This recordkeeping had not previously been done for the D. C. Campaign Account, which had been established using the proceeds from \$100 per person wine and cheese parties in 1971 and 1972. Respondent thought that to transfer the District of Columbia funds to his main California campaign account would not be permitted by state law. McFall Testimony, Transcript at 95-97. See also Sworn Statement of John J. McFall at 8.

3. California election law in effect in 1972 did in fact require a listing of the name, city or locality of each contributor, regardless of amount. See, Calif. Rev. Stat. Ann., Elec. C., §11503.

4. Respondent has compiled and made available all contributions to and expenditures from his office account with the Clerk of the House of Representatives. McFall Testimony, Transcript at 81, 141. See also Sworn Statement of John J. McFall at 8.

5. The office account was used to defray expenses incidental to the conduct of Respondent's Congressional office which

were not reimbursed by other monies from the House of Representatives. McFall Testimony, Transcript at 140, 141.

6. Raymond Barnes, Respondent's Administrative Assistant was principally responsible for all recordkeeping and transactions involving the office account. Barnes Testimony, Transcript at 27, 72.

7. From time to time short-term personal loans from the office account were made to Respondent's staff members to assist them in coping with emergency situations. McFall Testimony, Transcript at 75, 76.

8. Mr. Barnes deposited the following amounts in currency in the office account on the dates indicated: \$500.00 (2/18/75), \$500.00 (3/7/75), \$500.00 (3/31/75), \$500.00 (5/24/75), and \$400.00 (6/3/75). Committee Hearing Exhibit No. M-15, Barnes Testimony, Transcript at 34, 35.

9. These deposits in the office account were made using \$2,400.00 of \$3,000.00 in currency donated by Tongsun Park on October 18, 1974. The remaining \$600.00 of the Park donation was placed in two petty cash accounts in Respondent's offices. Barnes Testimony, Transcript at 35.

10. Respondent had directed Mr. Barnes to place the contribution in the office account on or about November 1974 and was not aware until late in 1976 that the deposits had been made by Mr. Barnes in increments in the spring of 1975. McFall Testimony, Transcript at 69, 70. Barnes Testimony, Transcript at 92, 95.

11. Mr. Barnes made the deposits in small increments on his own authority because, being a cautious individual, he did not

like to carry large amounts of cash and was afraid of being robbed on his way to or in the bank. Barnes Testimony, Transcript at 31, 37, 38, 91, 92.

12. On July 24, 1975, Respondent withdrew \$1,505.05 from the office account as a personal loan for the purpose of assisting one of his daughters in purchasing an automobile. Within five weeks \$1,200.00 had been repaid by Respondent's daughter and Respondent agreed to reimburse the remaining \$300.05 to the account which he later did. McFall Testimony, Transcript at 75. Sworn Statement of John J. McFall at 8. Committee Exhibit M-15 (Office account check register).

13. Respondent paid income taxes on the monies placed in his office account in conformance with the Internal Revenue Code and applicable Internal Revenue Service rulings. McFall Testimony at 77.

CONCLUSIONS OF LAW

1. In April, 1972 until March, 1977 no federal law prohibited the establishment or operation of an office account, i.e., an account to defray the expenses incidental to a Congressional office. Moss Testimony, Transcript at 174.

2. On January 1, 1975, §318 of The Federal Election Campaign Act Amendments of 1974 (P.L. 94-443) enacted into law on October 15, 1974, became effective. Section 410(a) of P.L. 94-443; 88 Stat. 1263.

3. Section 318, codified as 2 U.S.C. §439a*/, provided that a candidate for federal office could use contributions in contributions in excess of his election expenses and any other amounts contributed to an individual for the purpose of supporting his activities as a holder of federal office may be used to defray such ordinary and necessary expenses or may be used for any other lawful purpose. Moss Testimony, Transcript at 132, 133.

4. The provisions of 2 U.S.C. §439(a) permit the personal use of excess campaign funds. Moss Testimony, Transcript at 132, 133.

5. In subsequent attempts at amending the Federal Election Campaign Act, the Congress declined to enact specific prohibitions in the personal use of excess campaign funds. Moss Testimony, Transcript at 135-140.

6. House Rule 43, Clause 6, was amended on January 14, 1975, by the addition of the words "unless specifically provided by law," to a sentence prohibiting a member from

*/ "USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES

"Sec. 318. Amounts received by a candidate as contributions that are in excess of any amount necessary to defray his expenditures, and any other amounts contributed to an individual for the purpose of supporting his activities as a holder of Federal office, may be used by such candidate or individual, as the case may be, to defray any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office, may be contributed by him to any organization described in section 170(c) of the Internal Revenue Code of 1954, or may be used for any other lawful purpose. To the extent any such contribution, amount contributed, or expenditure thereof is not otherwise required to be disclosed under the provisions of this title, such contribution, amount contributed, or expenditure shall be fully disclosed in accordance with rules promulgated by the Commission. The Commission is authorized to prescribe such rules as may be necessary to carry out the provisions of this section.

converting campaign funds to personal use.*/ House Resolution 5, 94th Cong., 1st Sess., (Jan. 14, 1975). This language was subsequently deleted by House Resolution 287, 95th Cong., 1st Sess. (Mar. 2, 1977).

7. The language added to Rule XLIII, Clause 6 by House Resolution 5 officially recognized and clarified in the House Rules the exemption of office accounts, which had been enacted into law by P.L. 94-443 from the prohibition against conversion of campaign funds to personal use. Moss Transcript, Testimony at 141, 142, 172.

8. House Rule X 4., (e)(2)(C) requires the Committee to apply the laws, rules, regulations, and standards of conduct in effect at the time the conduct under consideration by the Committee occurred. Manual of Offenses and Procedures, Korean Influence Investigation, at 33.

9. Respondent's conduct, namely borrowing \$1,505.05 from his office account in July, 1975 did not violate House Rule XLIII, Clause 6, as it was written and applied from Jan. 14, 1975 to Mar. 2, 1977.

10. Respondent's conduct in July, 1975 did not violate House Rule XLIII, Clause 1; it did not reflect discredit upon the House of Representatives because it did not violate the laws, rules, regulations, and standards of conduct in effect at that time.

*/ (6) A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. Unless specifically provided by law, he shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures. He shall expend no funds from his campaign account not attributable to bona fide campaign purposes. House Rule XLIII.

COUNT IIIFINDINGS OF FACT

1. Respondent McFall's relationship with Tongsun Park existed for the principal purposes of assisting his constituents in disposing of their surplus supplies of rice and improving the general economic health of his congressional district by promoting additional sales of rice. Agricultural commodities, especially rice, are critically important to the economic well-being of the 14th Congressional District of California and, as the elected representative of such district, it is his duty to help the rice growers therein sell rice. Respondent McFall has undertaken numerous endeavors to this end since he was elected to Congress in 1956. McFall Testimony, Transcript at 11, 12. See also Sworn Statement of John J. McFall at 10.

2. Curt Rocca, a long-time personal friend of Respondent McFall, in the early 1970's owned and operated substantial rice elevator facilities in the 14th Congressional District. From time to time throughout his membership in Congress, Respondent McFall assisted Mr. Rocca in promoting the development of the rice industry in California. It was Mr. Rocca who, in a telephone conversation on December 10, 1969, requested Respondent McFall to meet with Tongsun Park. During that conversation, Mr. Rocca indicated that Tongsun Park was a selling agent for California rice growers who had been instrumental in selling rice to Korea. McFall Testimony, Transcript at 15, 16. See also Sworn Statement of John J. McFall at 10-11.

3. Since Mr. Rocca's telephone call and throughout the time period relevant hereto, Respondent McFall considered Tongsun Park to be simply a businessman engaged by the California Rice Growers Association to facilitate sales of their goods. At no time did Respondent McFall believe or have reason to believe that Tongsun Park was anything more than a selling agent for his rice growing constituents -- i.e. an agent selling rice to the government of Korea. McFall Testimony, Transcript at 15, 16, 78. Indeed the record in this proceeding is devoid of any evidence that Tongsun Park was an agent for the Korean government.

4. Pursuant to Mr. Rocca's request, Respondent McFall met with Tongsun Park on December 11, 1969 in his offices in the Rayburn Building. The primary topics of discussion at that meeting were rice sales and Mr. Park's role as selling agent for the California Rice Growers Association. Respondent McFall has no recollection of discussing any legislative matter with Tongsun Park other than to advise him that the House of Representatives had passed a foreign aid bill two days earlier on December 9, 1969 which included a \$50 million appropriation for military assistance to Korea. Such information was of great interest to Respondent McFall's rice growing constituents and to Tongsun Park as their selling agent because the appropriation would free up Korean funds which could be used to purchase California rice. McFall Testimony, Transcript at 18-22.

5. Respondent McFall met with Tongsun Park on December 11, 1969 because he believed that such a conference would benefit his constituents. At that meeting, Tongsun Park did not attempt to

influence Respondent McFall in the conduct of his official duties including influencing his position on specific pieces of legislation. In particular, Tongsun Park did not seek to have Respondent support or oppose any legislation specifically including the military aid appropriation for Korea contained in the foreign aid bill. McFall Testimony, Transcript at 19-23. Respondent McFall's recollection of this first meeting is corroborated by Tongsun Park's testimony. Park Testimony, Transcript at 94-95.

6. The Special Staff has implied that there is some connection between the December 11, 1969 meeting between Respondent and Mr. Park and Respondent McFall's position on an amendment to the foreign aid bill being considered by Congress at about that time which would have provided \$50 million in military assistance to Korea. The record demonstrates that there is no such connection; formulation and adoption of the Korean military aid provision took place prior to the time when Respondent first met or talked with Tongsun Park. McFall Testimony, Transcript at 21.

7. Throughout his membership in Congress, Respondent McFall has believed that Korea was vital to United States security interests and therefore generally supported legislative measures, including military aid when necessary, designed to keep Korea strong. McFall Testimony, Transcript at 42-43. This fact, coupled with the fact that military assistance from the United States would allow Korea to purchase rice from California growers with funds which would otherwise have to be spent on military equipment, fully explains

why Respondent McFall endorsed an amendment to the foreign aid authorization bill which would furnish \$50 million in assistance to Korea.

8. The legislative history of the military aid provision shows that Tongsun Park could not have influenced Respondent McFall in his actions with respect to that provision. The foreign aid bill containing an authorization for military assistance to Korea was passed by the House of Representatives on December 9, 1969 two days before Respondent McFall ever met Tongsun Park. Respondent McFall voted in favor of the legislation. See 115 Cong. Rec. 37996 (daily ed. December 9, 1969). McFall Testimony, Transcript at 21.

9. By virtue of his membership on the Subcommittee on Foreign Operations of the House Committee on Appropriations and pursuant to that committee's customary practice for selecting conferees, Respondent McFall was designated a conferee on the foreign aid bill on December 18, 1969. See 115 Cong. Rec. 39841 (daily ed. December 18, 1969). During Tongsun Park's first meeting with Respondent McFall, he did not discuss the possibility that Respondent McFall might become a conferee on the foreign aid appropriations bill nor did he seek to influence Respondent McFall in the conduct of his duties during the conference. McFall Testimony, Transcript at 23-24.

10. On December 22, 1969, Raymond Barnes, then administrative assistant to Respondent McFall, received a request from Tongsun Park, by telephone, for a letter addressed to him describing how he had been of assistance in the sale of California rice to Korea. It is indisputable that Tongsun Park requested this letter and that the

idea for such a letter was not originated by Respondent McFall. Park Testimony, Transcript at 106; Barnes Testimony, Transcript at 75; McFall Testimony, Transcript at 26. See also Barnes notes of December 22, 1969 conversation with Tongsun Park, Committee Exhibit M-13. Mr. Barnes drafted a letter for Respondent McFall's signature, which was mailed on December 24, 1969, thanking Tongsun Park for helping to sell California rice. Committee Exhibit M-4.

11. Respondent McFall acceded to Tongsun Park's request and sent a letter of thanks to him because he believed that such a letter might help Tongsun Park carry out his responsibilities as a selling agent for the California rice growers. Respondent McFall's sole motivation was, therefore, to benefit his constituents. McFall Testimony, Transcript at 28. This purpose comports with what Tongsun Park led Mr. Barnes to believe to be the reason for his request for the letter -- i.e. it would help his position as an agent of rice exporters. Park Testimony, Transcript at 108.

12. Respondent McFall considered the request and subsequent letter to be innocuous and commonplace in light of the large number of requests received by congressman to mention favorably a certain performance or accomplishment. See Sworn Statement of John J. McFall at 11; and Memorandum of Points and Authorities in Support of Motion to Dismiss Statement of Alleged Violation at 29.

13. In December 1969, Respondent McFall received a small set of cufflinks of nominal value (\$5.00) delivered by Tongsun Park. The gift was apparently delivered along with the calling card of Il Kwon Chung, Prime Minister of the Republic of Korea. Despite

the presence of the calling card, it is clear that Tongsun Park, not Il Kwon Chung, made the determination to give the insignificant present to Respondent McFall. Park Testimony, Transcript at 45.

14. Respondent McFall's staff responded to this gift in the same manner as it did other gifts which he received; the staff prepared a "thank you" letter to the person who was the apparent donor. Since Il Kwon Chung's card was with the cufflinks, the staff prepared a letter of appreciation addressed to him -- despite the fact that Tongsun Park was the real donor. Respondent McFall considered the gift inconsequential and up until the time that the "thank you" letter was discovered in his files during the course of the instant investigation, he believed that the cufflinks had been given by Tongsun Park. Respondent McFall did not draft the "thank you" letter and most likely signed it while signing numerous similar letters of appreciation. McFall Testimony, Transcript at 31-33.

15. In light of the foregoing facts, the gift of the cufflinks, the calling card presented therewith, and the resultant "thank you" letter cannot and do not establish any relationship between Respondent McFall and Il Kwon Chung or any knowledge by Respondent of any official relationship between Park and Il Kwon Chung.

16. On December 22, 1970, a second letter was sent to Tongsun Park under Respondent McFall's signature. See Committee Exhibit M-5. The correspondence merely expressed Respondent's happiness that preliminary arrangements had been made for a large purchase of United States rice by Korea. Other than that, statements contained in the letter were customary and noncommittal civilities. Again,

it is beyond quibble that Tongsun Park requested this letter (Park Testimony, Transcript at 51-52) and that Respondent McFall provided such letter as a routine courtesy which might help Tongsun Park to sell more rice and therefore the letter could inure to the benefit of the rice growers in his district. Sworn Statement of John J. McFall at 12.*/ There is absolutely nothing in this letter or in its timing which is, or appears to be, improper.

17. Over six months later in June of 1971, Tongsun Park met with Respondent McFall in his offices. Respondent has a very limited recollection of the conversation during this short meeting but believes that there was a general discussion of rice and foreign affairs. Sworn Statement of John J. McFall at 12. Respondent McFall also presumes that Tongsun Park told him that Park Chung Hee had been reelected as President of South Korea. Id. The record is barren of any evidence which indicates that Tongsun Park made any effort to influence Respondent McFall in the conduct of his officials or that any other untoward activity occurred at this meeting.

18. A letter was sent by Respondent McFall to South Korean President Park Chung Hee on June 18, 1971 congratulating him on his reelection and alluding to the friendly relationship existing between the United States and Korea. The letter also stated that Respondent McFall in his recently assumed capacity as Majority Whip would

*/ There is a notation on the file copy of this letter apparently made by a member of Respondent's staff to the effect that Tongsun Park was "no longer in rice". Respondent McFall does not know the basis for this statement and had not seen this notation until after this investigation was underway. Sworn Statement of John J. McFall at 12.

endeavor to carry out congressional and Presidential policy objectives with respect to Korea. Committee Exhibit M-6. In this regard, the plain language of the letter shows that Respondent McFall intended to pursue United States policy objectives through his new position in the House leadership. See also McFall Testimony, Transcript at 42-44. No proof has been proffered which would contravene the clear expression in this letter.

19. The June 18, 1971 letter was requested by Tongsun Park and said request was made to Mr. Barnes, then Respondent McFall's administrative assistant. Park Testimony, Transcript at 54. At about this same time, Tongsun Park requested several other congressmen and senators to send such a letter to President Park including Reps. Minshall, Edwards, Price, Leggett, Hanna, Brademas, Halperin, Flowers, and Patten, and Sens. Miller and Montoya. See Korean Influence Investigation, Part 2: Hearings Before the Committee on Standards of Official Conduct 95th Cong. 2d Sess., 412, 416, 418, 420, 422, 424, 428, 430, 431, 432, 419, 426. See also Park Testimony, Transcript at 115. Although Tongsun Park gave no indication of the reason why he wanted the letter (id.), Respondent McFall furnished it believing that he was performing a small, harmless courtesy which would assist Tongsun Park in promoting the sale of California rice to South Korea. McFall Testimony, Transcript at 41-42; Sworn Statement of John J. McFall at 12. No evidence has been adduced that suggests that this letter was drafted in consideration of any monetary transfer or contribution by Tongsun Park to Respondent McFall.

20. There is testimony that around June 1971 (the exact date has not been established by the Special Staff) Tongsun Park purchased

ten tickets to a Democratic Congressional Committee dinner at \$100.00 apiece (i.e., \$1,000 contribution) and credited the purchase to Respondent McFall. Park Testimony, Transcript at 56. When Tongsun Park purchased these tickets he fully understood that the funds would not go to Respondent McFall but they would go to the Democratic Congressional Committee. Park Testimony, Transcript at 124. Respondent McFall did not request Tongsun Park to purchase the tickets nor did he authorize anyone on his staff to solicit the donation. McFall Testimony, Transcript at 35. Respondent McFall did not and does not now know that anyone on his staff asked Tongsun Park to purchase the tickets and until this investigation commenced, he did not know that Tongsun Park had purchased such tickets. Id. at 3536. Respondent McFall received no substantial benefit by virtue of Tongsun Park's purchase because he did not receive the funds and because he was not receiving any monetary assistance from the Democratic Congressional Committee during the relevant time period. Id. at 38.

21. The "thank you" letter which was sent to six contributors to the Congressional dinner (including Tongsun Park) does not demonstrate that Respondent McFall solicited the purchase nor does it prove that Respondent McFall was cognizant of the fact that Tongsun Park had made such a purchase. Committee Exhibit M-7. With respect to the latter point, the "thank you" letter was nothing more than routine correspondence prepared by a staffer and signed en masse by Respondent McFall. McFall Testimony, Transcript at 37.

22. In any event, there is absolutely no evidence that Tongsun Park purchased the tickets in order to secure favors from Respondent

McFall or to in any way influence the performance of his duties. More importantly, since Respondent McFall had no knowledge of the contribution, it is impossible for him to have been, or appear to have been, influenced in his decision-making.

23. Nearly a year and a half after Respondent McFall's last contact with Tongsun Park, Mr. Park made an appointment to meet with Respondent on November 13, 1972. At that meeting, Tongsun Park delivered an envelope to Respondent McFall which, upon later examination by Mr. Barnes, was discovered to contain \$1,000.00. McFall Testimony, Transcript at 48; Park Testimony, Transcript at 60. The record is clear that neither Respondent McFall nor any member of his staff solicited the funds and that Tongsun Park presented the funds on his own initiative. Park Testimony, Transcript at 60. Furthermore, Respondent McFall did not know that Tongsun Park intended to give him a contribution at that meeting. Park Testimony, Transcript at 126. Respondent agreed to the meeting because of Tongsun Park's position as a businessman who had been and who continued to be of valuable assistance to those of his constituents who were rice growers.

24. Upon delivery of the contribution, Tongsun Park indicated that its purpose was to help with Respondent McFall's campaign expenses. Respondent McFall told him that he had no campaign expenses and told Mr. Park that he would place it in his office account. McFall Testimony, Transcript at 45. Tongsun Park assented to this disposition of his contribution. Park Testimony, Transcript at 125; McFall Testimony, Transcript at 45. Accordingly, the following day Mr. Barnes dutifully deposited the \$1,000.00 in the office

account on November 14, 1972. This contribution was duly recorded in the appropriate ledger and in the office account checkbook. Sworn Statement of John J. McFall at 13.

25. The conversation during this meeting did not involve any specific legislation; instead, it focused on current events in Southeast Asia, particularly South Vietnam. McFall Testimony, Transcript at 46. Tongsun Park did not ask Respondent McFall to initiate, support, or oppose any legislative effort. Conspicuously absent from the record is any clear and convincing information that demonstrates that Respondent McFall was influenced in any manner by Tongsun Park's contribution.

26. On February 23, 1973, Respondent McFall sent a second letter to the President of Korea, Park Chung Hee. Committee Exhibit M-9. The correspondence thanked Korea on behalf of the California delegation in Congress and the California rice growers for that country's purchase of California rice. The letter also commended Tongsun Park for his helpfulness in the transaction. Id. Tongsun Park requested Respondent McFall to write this letter. Park Testimony, Transcript at 127; McFall Testimony, Transcript at 53. At about this same time, Tongsun Park requested several other congressmen and senators to send such a letter to President Park including Rep. Passman, Rep. Hanna, Sen. Montoya, and Rep. Minshall. See Korean Influence Investigation, Part 2: Hearings Before the Committee on Standards of Official Conduct, 95th Cong., 2d Sess. 576, 578, 584, 588 (1978); see also Park Testimony, Transcript at 129. For these reasons, that fact that this letter was sent does not evidence any special relationship between Respondent McFall and Tongsun Park or Park Chung Hee.

27. The request for Respondent McFall to send the February 23, 1973 letter was made by Tongsun Park to Respondent's administrative assistant and Mr. Park supplied a draft letter for this purpose. Tongsun Park did not explain the reason for his request. Park Testimony, Transcript at 129-130. Again, since Respondent McFall considered Tongsun Park to be a rice agent who could be helpful to his constituency, he consented to the request. McFall Testimony, Transcript at 56. No clear and convincing evidence (indeed, no evidence at all) has been introduced to prove that this letter was sent in return for past favors from Tongsun Park or in anticipation of future favors.

28. In early February 1973, Tongsun Park met briefly with Respondent McFall to find out whether Respondent would agree to let Park organize a party in honor of Respondent's selection as Majority Whip. Respondent was at first reluctant to agree, viewing the prospect as more of a chore than an honor, but finally acquiesced in what he considered a social obligation accompanying his position as a member of Congress and as a member of the House leadership. Sworn Statement at 13, 14. Invitations were sent, listing Reps. Minshall, Hanna and Mr. Park as sponsors, and the event in April, 1973 was attended by some 100 guests including members of Congress and high-ranking administration officials. McFall Transcript at 57-58. During the event, Respondent, in full view of the assemblage, was presented with a silver tea service, later inscribed "From your friends in Washington," which he assumed was presented by the event's three sponsors and others. McFall Transcript at 58, 59. The Special Staff has presented no evidence to show that any of the

circumstances of this event or the presentation of the tea service evidenced any real or apparent influence; indeed, the case of two similar parties (and commemorative gifts) organized by Tongsun Park and received by Rep. O'Neill, the Committee concluded that these did not have an appearance of impropriety. See Committee Summary, Contracts of Congressman (later Speaker) Thomas P. O'Neill, Jr. with Tongsun Park, July 13, 1978, at 5, 6.

29. On October 16, 1974, Respondent had a telephone conversation at his home with Mr. Rocca concerning a bulk loading terminal for Korea at the port of Inchon, which Respondent understood was to be constructed as a joint venture of American (Mr. Rocca's company) and Korean interests. In this call, Mr. Rocca requested Respondent's assistance in communicating to the White House the suggestion that President Ford attend the dedication ceremony since he was going to be in Seoul on that date. Mr. Rocca also requested that Respondent send a telegram to Mr. Park in Seoul informing him of the invitation to President Ford and expressing the hope that the South Korean President attend as well. After Respondent went to California the next day his office in Washington received a follow-up letter from Mr. Rocca dated October 17, 1974 (Respondent Exhibit R-1) describing the joint venture and the facility and his belief that President Ford's participation in the dedication ceremonies would be beneficial to both countries. Mr. Barnes subsequently communicated with the White House concerning the possibility of President Ford's presence at the dedication ceremonies, per Mr. Rocca's request. Also per Mr. Rocca's request on October 22, 1974 Respondent's assistant, Mr. Barnes, sent a telegram to Mr. Park in

Seoul. Respondent believed that the Inchon facility deserved support as it greatly reduced the cost of rice being delivered to Korea, and would make overseas shipments of California rice more competitive with Louisiana rice. In early November, Mr. Barnes was informed that President Ford's schedule would not permit him to attend the ceremony and Mr. Rocca was told about this by a letter from Respondent enclosing the White House communication on November 13, 1974 (See, Respondent Exhibit R-2). McFall Testimony, Transcript at 62-67. At all times during the foregoing events, Respondent believed he was acting the request of his constituent interests and on behalf of a project which would economically benefit his district, in the long run. No evidence has been introduced to show or even suggest that this assistance was or appeared to be improper, or had any connection to any favor or benefit.

30. On October 18, 1974 Respondent, campaigning in California, received a telephone call from Mr. Barnes, informing him that an assistant of Tongsun Park had delivered \$3,000 accompanied by a note saying "good luck in the campaign".*/ Respondent thought the contribution was unsolicited and was surprised by the event. Respondent recalls that in the telephone conversation, Mr. Barnes told him that the donation could not be accepted as a campaign contribution, because the donor, Mr. Park, was a foreign national. Respondent, believing Mr. Barnes understanding of the law to be correct, instructed Mr. Barnes to put the donation aside (in a safe place in the office) until the Respondent returned and a proper disposition

*/ Mr. Barnes recalls that the note said "good luck in the election," Barnes Transcript at 51.

could be discussed. After Respondent's return in mid-November, 1974, he instructed Mr. Barnes to place the donation in Respondent's office account, which he understood was not subject to the prohibition on contributions by foreign nationals. McFall Testimony, Transcript at 67-69. The Special Staff has alluded to but provided no evidence of a connection other than sheer coincidence in time between Mr. Park's \$3,000 donation on October 18, 1974 and Respondent's correspondence to assist Mr. Rocca in arranging dedication ceremonies for the bulk-loading facility at Inchon, Korea. Indeed, Respondent, under cross-examination about the \$3,000 donation, repeatedly expressed his belief that Mr. Park only intended to assist Respondent with election and, (thereby) office expenses. McFall Testimony, Transcript at 138-140. A showing that two events are linked by coincidence in time is not clear and convincing evidence that there is actual or apparent impropriety concerning those events.

31. The Special Staff has alleged that Respondent's treatment of the press in late 1976 was evasive and evidenced a certain state of mind about Mr. Parks donation. Indeed, even if these events are relevant to the Statement of Alleged Violation (and Respondent submits they are not) they show Respondents willingness to volunteer information to his constituent newspapers, and do not evidence any appearance of impropriety or discredit upon the House of Representatives. Mr. Barnes received a telephone call from Mr. Scott Armstrong of the Washington Post on October 5, 1976. Mr. Armstrong asked Mr. Barnes if Respondent had received any money from Mr. Park in December of 1975. Mr. Barnes replied quite truthfully that Respondent had not. Then Mr. Armstrong said that he was mistaken

with regard to the year and asked if Mr. Park had given money to Mr. Barnes in late 1974 or early 1975. Mr. Barnes did not comment. Barnes Testimony, Transcript at 42-45. When informed of this Respondent told Mr. Barnes that he had told the literal truth since Respondent had received an office account contribution. Respondent did not suggest that Mr. Barnes contact Mr. Armstrong to explain more fully. McFall Testimony, Transcript at 79. Respondent's state of mind at that time was that he felt no obligation towards the Washington Post, such as he felt to his constituent newspapers, to volunteer information. McFall Testimony, Transcript at 79. Excerpts from an article in the Union Democrat of Sonora, California on November 4, 1976 provide an accurate indication of where Respondent felt his obligation to make full disclosure lay:

. . . McFall said he had regarded Park 'as a rice salesman,' interested in the foreign aid allocations made to Korea for the purchase of rice. As a Californian, McFall wanted to see that those funds were used for the purchase of California rice, he explained.

. . .

. . . The Congressman said he chose to announce Park's contribution [of \$3,000 in 1974] himself and in the district, rather than have it revealed and possibly distorted in Washington.

See also, McFall Testimony, Transcript at 80, 81. In an interview with George Baker of the Modesto Bee on November 10, 1976 Respondent stated that he accepted a \$3,000 contribution from Mr. Park and placed it in his office account because he believed it was illegal to take campaign contributions from foreign nationals. The Bee also reported that Respondent said "he could not remember doing

anything to help Park, who in the role of a broker approached McFall for the sale of California rice in Korea." It should also be noted that Respondent gave an interview to Scott Armstrong and Maxine Cheshire of the Washington Post on November 5, 1976 in which he discussed the \$3,000 contribution, the fact that Mr. Barnes did not deposit the money at one time into the office account, and offered to provide access to the records on the office account. In fact, Respondent invited Scott Armstrong and Charles Babcock of the Washington Post into his office to peruse all his file material, once the information had been located by the Staff and gave a lengthy personal interview to Mr. Babcock shortly thereafter. McFall Testimony, Transcript at 80, 81. See also, Sworn Statement of John J. McFall at 19.

32. The Special Staff attaches great significance to the fact that the note from Tongsun Park (i.e., good luck in the election) which accompanied the \$3,000 donation was subsequently thrown away by Mr. Barnes. Barnes Testimony, Transcript at 50, 51. Mr. Barnes testified that it was his decision alone to throw it away and, in fact, that when Respondent learned of Barnes' actions that Respondent was "very unhappy" about the fact. Barnes Testimony Transcript at 51. Barnes' statements are corroborated by those of Respondent. McFall Testimony, Transcript at 71-72. In fact from the beginning Respondent made no attempt to "cover up" or hide the existence of the Tongsun Park note. Respondent voluntarily disclosed the existence and content of the note on several occasions to constituent newspapers prior to any action taken in Congress towards an investigation of Korean influence. See Lodi-News Sentinel, November 5 and

8, 1976; Stockton Record, November 5, 1976. Such actions certainly do not provide clear and convincing evidence of the Special Staff's allegations that the treatment of the note is an indication of any thought by Respondent that his past actions had been improper.

Conclusions of Law

1. The standard of proof to be utilized to determine whether the violations alleged in Count III in fact occurred is whether there is clear, unequivocal, and convincing evidence that (1) Respondent McFall conducted himself in a manner which did not reflect creditably on the House of Representatives and (2) that he accepted favors and benefits from Tongsun Park under circumstances which might be construed by reasonable persons as influencing the performance of Respondent McFall's government duties. House Committee on Standards of Official Conduct, Manual of Offenses and Procedures Korean Influence Investigation, 95th Cong., 1st Sess. 38-40 (1977).

2. This standard of proof means that the Committee on Standards of Official Conduct cannot hold that Respondent McFall committed the violations alleged in Count III, unless it finds that the testimony in support of those allegations is credible, direct, weighty, and convincing, so as to enable the Committee to come to a clear conviction without hesitancy. Phillipine Sugar Estates Development Co. v. Government of Philippine Islands, 247 U.S. 385 (1918); Aetna Insurance Company v. Paddock, 301 F.2d 807 (5th Cir. 1962). This Committee must be convinced of Respondent McFall's guilt beyond a well-founded doubt. Southwestern Bell Telephone Co. v. City of San Antonio, 4 F. Supp. 570 (D.C. Tex. ____). Innuendo, implication, and circumstantial evidence do meet the burden of proof imposed on

the Special Staff by the clear and convincing evidence standard.*/

3. As shown in detail in conclusions of law to follow, there is no clear and convincing evidence that any individual action of Respondent McFall described in the preceding findings of fact constituted an act which did not reflect creditably on the House of Representatives nor does any such action give rise to a construction by reasonable persons that Respondent McFall was improperly influenced in the performance of his official duties. Furthermore, there is no clear and convincing evidence that all of Respondent McFall's actions when taken together establish a pattern or course of conduct which constitute a violation alleged in Count III.

4. Respondent McFall fully complied with all laws, regulations, and rules applicable to contributions, office accounts, and excess campaign funds. See Findings of Fact and Conclusions of Law, Counts I, II, supra. Respondent also complied with the provisions of the Internal Revenue Code governing excess campaign funds and office accounts. The placement in the office account of the \$1,000 received in November, 1972 and the \$3,000 received in October, 1974, therefore, does not reflect discredibly on the House of Representatives nor does it create the impression that he was improperly influenced in the performance of his duties.

*/ The investigations and subsequent proceedings in the Thomas J. Dodd and Robert L.F. Sikes cases have no precedential value in the instant action and consequently reliance thereon is misplaced. The record in both of those cases demonstrates that the issues involved therein were far more serious and complex than those involved in this case. See the Report of the Select Committee on Standards and Conduct of the United States Senate on the investigation of Thomas J. Dodd of Connecticut to Accompany S. Res. 112, 90th Cong., 1st Sess., Rep. No. 193 (1967) and the Report by the Committee on Standards of Official Conduct in the Matter of a Complaint Against Representative Robert L.F. Sikes, 94th Cong., 2d Sess., Rep. No. 94-1364 (1976).

5. Respondent McFall's decisions to place the two contributions in the office account were predicated upon his honest understanding of the laws and rules applicable to campaign contributions. Such understanding was derived in substantial part from his good faith reliance on the previously-rendered opinion of the counsel to the Clerk of the House. There is no clear and convincing evidence that Respondent McFall handled the contributions in a manner other than in a diligent attempt to straightforwardly comply with relevant laws and rules. Such action reflects creditably on the House of Representatives.

6. The record is devoid of any evidence proving that Respondent McFall was influenced or that there was any apparent influence in the performance of his government duties. To the contrary, there is clear and convincing evidence that all of Respondent McFall's actions connected in any way with Tongsun Park were motivated by his perfectly proper and long-standing desire to promote the interests of his constituents as their elected representative. All of Respondent McFall's actions which the Special Staff implies were the fruit of improper influence were in fact actions in pursuit of objectives of substantial benefit to rice growers who were his constituents and to the general economic health of his congressional district. Respondent McFall encouraged the sale of California rice absolutely without regard to "any favors or benefits" received from any person. No reasonable person could find that there is a connection between Respondent McFall's representation of his district and incidental "favors and benefits" from Tongsun Park.

7. Respondent McFall's two letters to Tongsun Park and his two letters to South Korean President Park Chung Hee were routine correspondence sent by Respondent because he believed that they would result in significant benefits to his constituents by encouraging and helping Tongsun Park to sell California rice to Korea. The plain language of the letters and the circumstances under which they were prepared highlight their nature as ubiquitous courtesy correspondence. No clear and convincing evidence has been adduced which proves that such letters were drafted in return for favors or benefits or were otherwise the result of improper influence. Indeed, the overwhelming weight of the evidence is to the contrary.

8. Respondent McFall's efforts to secure the presence of President Ford at the dedication ceremony for the bulk loading facility at the Port of Inchon were not undertaken as a result of any improper influence nor do such actions reflect discreditably on the House of Representatives. The record reveals, through unequivocal evidence, that Respondent's efforts in this regard were intended to be and give every appearance of being an attempt to perform a favor for a personal friend, Curt Rocca, which would further the interests of his constituents.

9. The record in this proceeding is utterly barren of any clear and convincing evidence that the four letters or Respondent McFall's actions concerning Inchon were caused by his receipt of favors and benefits from Tongsun Park. The proven facts are to the contrary: Respondent McFall did not solicit (nor authorize solicitation by his staff) or expect any contribution from Tongsun Park and all of his actions involving Mr. Park were efforts to help his constituency.

10. The Committee on Standards of Official Conduct has not been furnished with any clear and convincing evidence that Tongsun Park was an agent for a foreign principal. Furthermore, there is no evidence that Respondent McFall had knowledge or indications that Tongsun Park was such an agent. The uncontroverted testimony proffered in this case proves that Respondent McFall knew Tongsun Park only as a selling agent for California rice growers. Respondent McFall's course of dealing with Tongsun Park underscores the fact that this was his state of mind throughout the relevant time period.

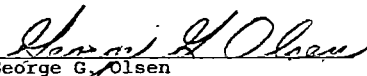
11. There is no clear and convincing evidence that from in or about November, 1972 up to and including October, 1974, Respondent McFall conducted himself in a manner which did not reflect creditably on the House of Representatives and in violation of Rule 1 of the Code of Official Conduct of the House of Representatives.

12. There is no clear and convincing evidence that during the same time period Respondent McFall violated Rule 5 of the Code of Ethics for Government Service in that he accepted favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his government duties.

Dated: October 2, 1978

Respectfully submitted,


 Carol L. Kuebler


 George G. Olsen

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Attorneys for Respondent
 John J. McFall

APPENDIX C

ANSWER OF RESPONDENT
CONGRESSMAN JOHN J. McFALL

COMMITTEE ON
STANDARDS OF OFFICIAL CONDUCT

IN THE MATTER OF
CONGRESSMAN JOHN J. MCFALL

ANSWER OF RESPONDENT
CONGRESSMAN JOHN J. MCFALL

Comes now Congressman John J. McFall named as respondent in the above-styled proceeding, and answers and responds to the Statement of Alleged Violation as follows:

First Defense

The Statement of Alleged Violation fails to state facts constituting a violation of the Code of Official Conduct or other applicable law, regulation, or standard of conduct.

Second Defense

Respondent has never knowingly accepted any contribution from Tongsun Park as a campaign contribution.

Third Defense

Respondent has never received any campaign contribution from Tongsun Park which contribution was subject to the reporting requirements of Section 304(b)(2) of Pub. L. No. 92-225 or which

contravened the standard set forth in Rule XLIII(1) of the Code of Official Conduct of the House of Representatives.

Fourth Defense

Respondent did not violate Rule XLIII(6) of the Code of Official Conduct of the House of Representatives; he did not convert a campaign contribution from Tongsun Park to his personal use nor did he fail to keep his campaign funds separate from his personal funds. In this regard, Respondent's treatment of \$3,000.00 received from Tongsun Park was proper and entirely consistent with prevailing statutory law, Rule XLIII(6) of the Code of Official Conduct of the House of Representatives, and customary and usual Congressional treatment of such contributions.

Fifth Defense

At all times relevant to the Statement of Alleged Violation, Respondent conducted himself in a manner which reflected creditably on the House of Representatives and in a manner which violated neither Rule XLIII(1) of the Code of Official Conduct of the House of Representatives nor Rule 5 of the Code of Ethics for Government Service. In this regard, a reasonable person could not, on the basis of Respondent's conduct or the circumstances surrounding such conduct, construe that Respondent has been influenced in the performance of his official government duties by any of the activities of Tongsun Park alleged in the Statement of Alleged Violation.

Sixth Defense

1.

With respect to the paragraph of the Statement of Alleged Violation entitled "Count One". Respondent admits that at all times relevant to the Statement of Alleged Violation he was a Member of the House of Representatives and that in or about October 1974 he ultimately received \$3,000.00 in United States currency from Tongsun Park but states that said monies were offered to and initially accepted by an employee of Respondent without Respondent's knowledge of either the offer or acceptance. Respondent denies each and every other allegation contained in Count One of the Statement of Alleged Violation.

2.

With respect to the paragraph of the Statement of Alleged Violation entitled "Count Two". Respondent denies each and every allegation contained in Count Two of the Statement of Alleged Violation.

3.

With respect to the paragraph of the Statement of Alleged Violation entitled "Count Three", Respondent admits that in November 1972 he received \$1,000.00 in United States currency from Tongsun Park and that in October of 1974 he received \$3,000.00 in United States currency from Tongsun Park. Respondent admits that in April 1973 he received a \$500.00 tea set but states that at the time of such receipt he had no knowledge that Tongsun Park was or may have been the sole donor of the gift. Respondent

denies each and every other allegation contained in Count Three of the Statement of Alleged Violation.

WHEREFORE, Respondent files his Answer and prays that the Statement of Alleged Violation be dismissed in its entirety.

Dated: August 16, 1978


Cecile L. Kuebler, Esq.


George G. Olsen, Esq.


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(202) 659-8201

Attorneys for Congressman
John J. McFall


VERIFICATION

CITY OF WASHINGTON)
) SS.:
DISTRICT OF COLUMBIA)

CONGRESSMAN JOHN J. MCFALL, being duly sworn, deposes and says: I am the respondent herein. I have read the foregoing Answer to the Statement of Alleged Violation and I verily believe the Facts stated therein to be true.


John J. McFall

Subscribed and sworn to before me
this 16th day of August, 1978.


Notary Public

My commission expires: My Commission Expires February 14, 1979

Sworn Statement of John J. McFallIntroduction

Ever since the beginning of the Korean inquiry by the House of Representatives I have tried to the very best of my ability to reconstruct the events and circumstances surrounding any contacts I may have had with Tongsun Park or other South Koreans. I have instructed my staff and my attorneys to be as diligent and forthright as possible in assisting the investigators. During this period of time I have considered it my duty to keep the press in my home district and thereby, my constituents, informed of developments in the investigation. Only now have I been given the opportunity to formally address my colleagues on a subject which I consider to be one of the most serious matters I have ever encountered in my career as a public official. What follows is my statement and I swear to its truthfulness.

Summary

Before I discuss, individually, each of the counts contained in the Statement of Alleged Violation I would like to briefly summarize the nature and circumstances of my brief, and to my mind before now, inconsequential encounters with Tongsun Park, a man who I knew as a rice broker working for the California Rice Growers Association, and a Korean-American businessman. I first met Mr. Park because of a suggestion from Mr. Curt Rocca, a businessman in my district, friend, and former college classmate of mine whose

motives or words I have never had the slightest reason to question or doubt. From December of 1969 to December of 1974 Mr. Park met with me in either my office in the Rayburn Building or the Whip's Office in the Capitol a total of five times. Each visit was recorded and treated as any other visit from any other person. Any matters concerning Mr. Park are recorded in the office files. I viewed Mr. Park as an enterprising Korean businessman who was successful in assisting my constituents in rice sales. To the best of my recollection he did not ask for my vote or assistance in anything. His requests to my Administrative Assistant, Raymond Barnes, with whom he principally dealt in my office, were for some rather innocuous (I thought) letters which I agreed to send at Mr. Barnes' suggestion because they would indirectly assist the California Rice Growers Association. I had little more to do with those letters than to skim over the text and sign them. I do remember telling Mr. Barnes in at least one instance that the language was rather "flowery" but I viewed them as highly insignificant items which had not the remotest connection with United States defense or foreign policy. There is absolutely no truth to the allegation that I volunteered to send any of the letters.

Along with most of my colleagues, I have only now learned of the pervasive, insidious nature of the scheme that Tongsun Park fabricated to ingratiate himself with the United States Congress and with the government of the Republic of Korea. I am shocked to read Mr. Park's documents and lists insinuating connections and

influence over so many of my colleagues whose reputations and integrity I believe to be of the highest order.

My own examination of the facts and circumstances has shown me that my staff and I made some mistakes and acted at times in a rather confusing manner. But those mistakes were honest ones, not motivated by anything other than a desire to do a good job for my constituents. I believe that, upon viewing my responses to the three counts and the supporting material, my colleagues will agree that no other useful facts would come out at a hearing and that no grounds exist for further action on the Statement of Alleged Violation.

Count One

From my review of Count One I understand that it contains allegations that I conducted myself in a manner which did not reflect creditably on the House of Representatives in violation of Rule 1 of the Code of Official Conduct of the House of Representatives and that I received a campaign contribution from Tongsun Park in the amount of \$3,000 which I failed to report as required by the Federal Election Campaign Act.

Because I never accepted the \$3,000 from Mr. Park on behalf of my campaign committee and accepted it only on behalf of my office account I never believed there was any requirement to report the contribution on my campaign committee's reports to the Clerk of the House and the Federal Election Commission. I do not believe that accepting a contribution on behalf of my office account in 1974 which was not reported on my campaign committee's

report is an action that reflects any discredit on the House of Representatives.

On October 18, 1974 a contribution of \$3,000 in cash was delivered, unsolicited by me, to my Administrative Assistant, Ray Barnes, by an assistant of Tongsun Park. I am told that it was accompanied by a note to the effect of "good luck in the campaign." At that time I was in California and was informed of this event by phone by Mr. Barnes. Mr. Barnes and I were then under the mistaken impression that the campaign laws forbade acceptance of campaign contributions from foreign nationals. I recall that during the phone call Mr. Barnes reminded me that we could not take a campaign contribution from a foreign national. Several years earlier, Mr. Barnes had discussed with Mr. Wohl, the counsel to the Clerk of the House, the permissibility of receiving a campaign contribution from a foreign national in relation to a former constituent of mine, a native of China, who had moved to Taiwan. Mr. Barnes and I both remembered that Mr. Wohl had told him that such a campaign contribution was not permitted according to the law. With this understanding of the law in mind, I told Mr. Barnes to hold onto the money and that we would decide what to do with it when I returned to Washington after the election.

After the election I judged it proper to place the contribution in the McFall Office Account. Under the law at that time and according to my understanding of the law, money accepted and used to defray campaign expenses and money accepted and used to defray

office expenses specifically were treated differently.* / In 1974 contributions to office accounts were not restricted under the Rules of the House of Representatives or Federal statutes. I therefore directed Mr. Barnes to place the money in the office account since there was no prohibition as to who could contribute to an office account. Two years earlier Mr. Park had expressed no objection when I had told him I would use a contribution which he said was "to help with campaign expenses" in my office account. I understand that Mr. Park has testified that he was unconcerned about what uses were made of his contribution. In any event, at no time was the money placed with my campaign funds, nor was it ever used for the purpose of influencing my campaign.

Since there were no legal requirements similar to the campaign law reporting requirements of Pub. L. No. 92-225, I violated no law by not listing the office account contribution in the report of my campaign account. My administrative assistant, Mr. Barnes, did carefully maintain a ledger, however, in which the source of the money was duly recorded. I have made this ledger and the checkbook entries of the office account available to the

* / For a detailed discussion of the differences in legal treatment of these two types of contributions, I refer the Committee to the Memorandum of Points and Authorities submitted with this sworn statement concerning Count Two. As I understand from counsel, at all times pertinent to this discussion there were no restrictions on the acceptance of funds by a Member of Congress to be used in an account established to defray his additional expenses incurred as a holder of Federal Office. While Pub. L. No. 93-443 (the Federal Election Campaign Act Amendments of 1974) directed the Federal Election Commission to require full disclosure of office account transactions, no regulations to this effect were promulgated until May 13, 1977.

Committee, the press, and my colleagues in the House of Representatives. I have not tried to hide the fact that I received the contribution. My treatment of the contribution was my attempt to obey the law as I understood it; it was not an attempt to avoid the reporting requirements of the campaign laws.

Count Two

As I understand it Count Two contains an allegation that on or about October 18, 1974 I violated Rule 6 of the Code of Official Conduct of the House of Representatives by converting a campaign contribution of \$3,000 in cash from Tongsun Park to my personal use and failing to keep my campaign funds separate from my personal funds.

Because I neither accepted Mr. Park's contribution on behalf of my campaign committee, nor treated it as a campaign contribution rather than as a contribution to my office account, I do not believe that I violated Rule 6.

As discussed above in my statement on Count One, a contribution of \$3,000 in United States currency was delivered to my administrative assistant, Mr. Barnes, by an assistant of Mr. Park's on October 18, 1974. This money was treated in all respects as an office account contribution, which at all times relative to the allegations was a perfectly legitimate and acceptable contribution. It was not treated as a campaign contribution because I had the mistaken belief that the campaign laws forbade acceptance of campaign contributions from foreign nationals. It was my understanding that there was no such specific prohibition

against accepting funds for an office account and on that point I am told I was correct. Office accounts were perfectly legitimate and traditionally used by Members to defray noncampaign expenses, such as newsletters, coffee, and lunches for constituents. In fact, I remember that the Obey Commission said that more than 100 Members maintained office accounts of one kind or another. Any amounts placed in the office fund were subject to the income tax laws with which I have fully complied. In the Committee Manual of Offenses and Procedures, Member's are assured that they cannot be held to a standard of conduct unless it was in effect at the time in question.*/

The \$3,000 contribution in United States currency from Mr. Park which was accepted only on behalf of my office account never attained the status of a "campaign contribution" subject to the prohibition on conversion to personal use under Rule 6 of the Code of Official Conduct. Further, it did not constitute campaign funds which under House Rules had to be kept separate from my personal funds. Since the \$3,000 contribution can only be characterized as office account funds, Rule XLIII(6)

*/ Manual of Offenses and Procedures, Korean Influence Investigation, pursuant to H. Res. 252, House Committee on Standards of Official Conduct 1977.

as it existed at the time of the violation does not apply.*

The office account was started in April, 1972, with \$5,047 which was left over from my District of Columbia campaign account, the McFall Reception Committee. I understood at the time that the law which went into effect in April of 1972 (the Federal Election Campaign Act) abolished that campaign account, which account had been legal and proper up until that time. All the records and transactions from this account which I know of have been made available to the Committee and the House of Representatives.

Apparently, the "conversion" charge stems from an incident whereby I tried to protect my daughter from some of the less appealing aspects of our commercial system. In July of 1975 my daughter wanted to buy an automobile. She had made a down payment of about \$2,400 and needed an additional \$1,505. I did not want her to take the loan offered by the automobile dealer because I felt she was being overcharged for it. The long-term financing at high interest rates which were offered to her seemed to me to be unacceptable terms. Therefore, I loaned her \$1,505 from the office account. Within five weeks she had repaid all of the amount to the office account except for approximately \$300. I already

*/ While the language of House Rule XLIII(6) today is the same as it was in 1974, language was added to it in 1975 and subsequently deleted in 1977 when office accounts financed by private contributions were abolished. It is my understanding that recognition by the House of Representatives of the legality of such office accounts was codified in 1975 with the insertion of additional language. By deleting that language in 1977, the House of Representatives abolished office accounts financed by private contributions, but such office accounts were proper prior to the 1977 change.

owed her \$300 so I told her that I would repay that amount. However, I forgot to repay the \$300 until later, but when this oversight was brought to my attention I promptly repaid it to the office account.

Our records of these transactions were kept internally in a ledger and checkbook. They have been filed with the Clerk of the House as a matter of record. These records have also been utilized for the filing of income tax returns on all of the money. All of the above-described transactions occurred in a forthright, open manner in violation of no law. The use I made of funds from the office account in the form of a five week loan to my daughter was legal in my opinion and in accordance with Rule 6 of the Code of Official Conduct which, at that time, pertained only to campaign contributions and campaign funds. It was not applicable to office account contributions or office account funds. Therefore, I do not believe that my actions constitute any wrongdoing under the Code of Official Conduct.

Count Three

I understand that Count Three contains allegations that I conducted myself in a manner which did not reflect creditably on the House of Representatives (in violation of Rule 1 of the Code of Official Conduct) and that I violated Rule 5 of the Code of Ethics for Government Service by accepting favors and benefits directly or indirectly from Tongsun Park, under circumstances which might be construed by reasonable persons as influencing the performance of my government duties.

I do not believe that any reasonable person after examining the circumstances of my minimal contacts with Mr. Park over the several-year period of our acquaintance would conclude that I might have been influenced in the performance of my duties as a United States Representative. In fact, quite the opposite, I believe that a reasonable person would conclude that all of my contacts with Mr. Park were strongly influenced by a desire to serve my constituents by trying to help dispose of my district's supplies of surplus rice and trying to promote local business ventures to increase the economic health of my district. These circumstances which I outline below have been reconstructed from office records and memory.

To begin with, agricultural interests, especially rice sales, are very important in my Congressional district, and as the elected representative of that district it is wholly proper and, indeed, my duty to help the California rice growers of my constituency to sell rice. I have attempted to help them since 1956 when I was elected to Congress.

On December 9, 1969 my Administrative Assistant, Mr. Barnes, attended a meeting called by Congressman Edwards, who represented a rice growing district in Louisiana, concerning sales of Louisiana and California rice. I would assume that Mr. Barnes told me about the meeting but have no independent recollection of his report to me.

On December 10, 1969 Mr. Barnes received a call from Mr. Curt Rocca, a personal friend of mine who is in the rice growing business in my district. Mr. Rocca and I attended college

together and have maintained a friendship for more than 20 years. Until about 1975 he owned a business in my district and it was not unusual for us to communicate frequently about rice. During that phone call I subsequently talked to Mr. Rocca who asked me to see Mr. Park. He indicated that Mr. Park was some sort of selling agent for the rice growers who was instrumental in helping them to sell rice to Korea. My office records indicate that Mr. Park met with me in my office in the Rayburn Building on December 11, 1969. I recall our conversation as one concerning rice and the current Vietnam situation. We, of course, discussed rice and rice sales because of my constituent interests and Mr. Park's role as the selling agent for the California Rice Growers Association. I do not recall discussing with Mr. Park any legislative matter whatsoever.

On December 22, 1969 Mr. Barnes and Mr. Park had a telephone conversation in which I am told Mr. Park requested a letter concerning California rice sales to Korea. Mr. Barnes drafted a letter for my signature, which was sent out December 24, 1969, thanking Mr. Park for selling California rice. A letter from Congressman Edwards to Mr. Park was found in our files and was presumably used as a draft, but I do not remember seeing the document on or about the time I sent the letter. I did not think it was unusual to comply with such an innocuous request because I understood that Mr. Park had implied that the letter would help him do a better job as a rice sales agent which would indirectly assist my district's rice growers.

A year later, on December 22, 1970, I sent another letter to Mr. Park, drafted again by Mr. Barnes, and presumably requested again by Mr. Park from Mr. Barnes since I do not recall Mr. Park ever requesting a letter from me directly. In the letter I stated that I was very glad that preliminary arrangements had been made for a large purchase of rice by Korea. I have no recollection of the circumstances surrounding the letter, but I view it as another routine courtesy on behalf of the rice growers in my district. There is a notation on the file copy of the letter made by a staff member to the effect that Mr. Park was "no longer in rice." I had never seen this notation until after this investigation was underway.

The next direct contact with Mr. Park was on June 17, 1971. My office records indicate that I met with Mr. Park in my office in the Rayburn Building. I only have a very general recollection of the subject matter of the conversation which was again a general discussion of foreign affairs and rice. I presume that he told me that President Park was re-elected. A letter was sent to South Korean President Park Chung Hee on June 18, 1971 congratulating him on his re-election. I do not recall a direct request to me from Mr. Park for such a letter. The letter was composed by Mr. Barnes and thanked President Park for purchasing California rice, and alluded to the friendly relationship existing between the United States and Korea. It also mentioned Tongsun Park and his assistance in the rice transactions. Again, I understood that in sending the letter I was performing a small, harmless courtesy which would help in promoting the sale of California rice to South Korea.

On June 23, 1971, according to my appointment book, Mr. Park invited me to a dinner at the Georgetown Club. I cannot recall whether or not I attended.

Nearly a year and a half later, on November 13, 1972, Mr. Park came to my office in the Rayburn Building. He had made an appointment and was accompanied by an assistant. The assistant waited in the outer office while I met with Mr. Park. When Mr. Park came into the office he took an envelope out of his pocket, handed it to me and said that it was something to help me with my campaign expenses. I thanked him, saying that I had no campaign expenses and that I would put it in my office account. He expressed no objection to such a disposition. I then put the envelope in my pocket unopened and we sat down and talked. After Mr. Park left, I handed the envelope to Mr. Barnes still unopened. Mr. Barnes later informed me that there was \$1,000 in cash in the envelope which was deposited in the office account on November 14, 1972. This contribution was duly recorded in our ledger and checkbook of the office account. As I recall, at that meeting we again had a general foreign affairs discussion, most of which I initiated in an effort to learn more about the situation in Southeast Asia. I believe that I thanked him for his efforts on behalf of the California rice growers in selling their rice.

In January of 1973 I received a congratulatory telegram from Mr. Park on my selection as Majority Whip, one of a great many such congratulatory messages, I might add. Mr. Park later asked Mr. Barnes whether he might give a party in honor of my selection as Majority Whip. I told Mr. Barnes that I did not want to have a

party, viewing the prospect as more of a chore than an honor. However, Mr. Park was persistent in his requests to Mr. Barnes, and I finally acquiesced to what I considered a social obligation accompanying my position as a Member of Congress and Majority Whip. Mr. Park made an appointment with me in the Capitol in the Whip's office for February 9, 1973. As I recall, he was only there for a few minutes to make sure that I had agreed to the party.

On February 23, 1973 a letter was sent to President Park Chung Hee under my signature, thanking Korea on behalf of the California rice growers and the California Delegation in Congress for the purchase of California rice. Mr. Park requested through Mr. Barnes that I write a letter to President Park. When Mr. Barnes told me of this, my reaction was that I had no idea of what I was supposed to say and told Mr. Barnes to ask Mr. Park for a draft. The idea of sending a letter to President Park did not originate with me, nor did I ever discuss the letter with Mr. Park. In the letter I mentioned Tongsun Park and the help he provided in effecting the transaction. Again, my interest was in promoting the sale of rice for my constituency by commending the performance of Mr. Park, as the selling agent for California rice interests.

Mr. Park, Rep. Hanna, and Rep. Minshall hosted a party in honor of my selection as Majority Whip at the Georgetown Club on April 16, 1973. At the party, I was presented with a silver tea set which was engraved "From your friends in Washington." The party and tea set were handled openly, and I viewed them as being entirely customary and proper. Many respected Members of Congress and government officials were present who witnessed the

presentation of the tea set. Because of the ceremonial nature of the party, the distinguished guests, and the fact that Mr. Park was not the only host, I assumed quite reasonably that the gift was paid for by some sort of a collection not attributable solely to Mr. Park.

According to my appointment book, on December 10, 1973 Mr. Park, Rep. Hanna, and Rep. Minshall hosted a party for Speaker O'Neill at the Georgetown Club which I attended.

On October 16, 1974, I had a telephone conversation at my home with Mr. Rocca concerning a bulk loading terminal for Korea at the port of Inchon, which as I understood it was to be constructed as a joint venture of American (Mr. Rocca's company) and Korean interests. Mr. Rocca had called me to request my assistance in communicating to the White House the suggestion that President Ford attend the dedication ceremony since he was going to be in Seoul on that date. I thought that Mr. Rocca told me at that time that Mr. Park had some interest in the new facility at Inchon and requested that I send a telegram to Mr. Park in Seoul. (Subsequently, Mr. Rocca has told me that Mr. Park did not have an interest in the loading facility but had merely volunteered to assist him in arranging the ceremony.) I then went to California and my office in Washington received a follow-up letter from Mr. Rocca dated October 17, 1974 describing the joint venture and the facility and his belief that President Ford's participation in the dedication ceremonies would be beneficial to both countries. Mr. Barnes then handled the communications with the White House concerning the possibility of President Ford's presence at the dedication ceremonies.

On October 18, 1974 I received a phone call from Mr. Barnes, informing me that an assistant of Mr. Park had delivered \$3,000 to him as a contribution. As far as I knew this was unsolicited and came as a complete surprise to me. I have discussed the subsequent disposition of the money in my statement concerning Counts One and Two and my strong belief of the lack of any wrongdoing or hint of impropriety in my actions.

On October 22, 1974 I sent a telegram to Mr. Park in Seoul as requested by Mr. Rocca. I expressed the support for the terminal among the rice industries and the California Congressional delegation. This facility deserved support, I believed, as it greatly reduced the cost of rice being delivered to Korea, and I saw nothing wrong in expressing a view wholly in keeping with the interests of my constituency.

Subsequently, as I stated above, Mr. Barnes communicated with the White House to suggest President Ford's participation in the dedication ceremony. Mr. Barnes was informed on November 5 or 6 that President Ford's schedule would not permit him to attend the ceremony. I informed Mr. Rocca of this by letter on November 13, 1974.

I attended a party given by Mr. Park on December 16, 1974 at the Madison Hotel in honor of Speaker O'Neill. I believe I thanked Mr. Park for his contribution at that function.

On December 18, 1974 Mr. Park stopped by the Whip's Office in the Capitol briefly to wish me a Merry Christmas. After that I have only seen Mr. Park in passing and have had no meetings or discussions with him.

I think that from the foregoing narrative of the facts it is apparent that reasonable persons would not construe the circumstances under which I received "favours and benefits" as having the potential to influence the performance of my Congressional duties. I knew Mr. Park as a broker for California rice. His visits to my office were treated as were visits from any other person, recorded in my appointment books.

Along with the other Members of the California and Louisiana Congressional Delegations, I have worked vigorously during my years in Congress for rice sales on behalf of my constituent rice growers. This obviously is not the result of any Korean influence, nor could the circumstances suggest such an influence in light of the help I have tried to provide to my constituency prior to the appearance of Mr. Park on the scene and well after his departure, I might add. Similarly, I have maintained a very clear, consistent voting record on national defense spending throughout my Congressional career. It was and is my belief that the security of South Korea in the Far East is important to the security interests of the United States. As far as I can remember, Mr. Park made no effort to influence my thinking or actions on Korean matters nor to influence my previously well defined views. I asked him questions out of curiosity in an effort to learn more about the situation in the Far East. I am very interested in foreign affairs and it is not uncommon for me to discuss them with people.

I think it is completely proper and understandable that Mr. Park would have contact with me in view of my position as a

representative of a district with large agricultural interests, especially rice. I was reluctant to have a party which I viewed as a social obligation given in my honor, but at the event I was surrounded with persons in respected positions in the government, including Members of Congress, none of whom found it strange that they were being entertained. Mr. Park gave several parties for respected and prominent people. The silver tea set bore an inscription from which I assumed that it was a gift from Mr. Park and my colleagues. Furthermore, it was presented in full view of the assemblage, and not surreptitiously received. I fail to see how such an open presentation could be construed as influencing my actions.

The contributions which Mr. Park made to me did not appear to be improper. Had it not been for my erroneous belief that these laws forbade the acceptance of campaign contributions from foreign nationals, the contributions would have been placed in my campaign fund if I had indeed had a need for them. As it was, I placed them in my office account, which action violated neither the Rules of the House of Representatives nor Federal statutes, and I complied with the applicable provisions of the Internal Revenue Code. There was no attempt to disguise or hide the fact that I had received these funds, and I have since put all records pertaining to my office account on file with the Clerk of the House. My actions were in accord with the law as well as the spirit underlying the law. These circumstances surely would be construed by reasonable persons as an ordinary and open series of events.

Except for some initial confusion with a Washington Post reporter concerning the nature of Mr. Park's contributions, I think I have been extremely forthright about admitting to the press that I received contributions from Park. Once I had a chance to examine my files and determine when I had met with Mr. Park and what contributions I may have received, I began to voluntarily disclose the facts, as they were reconstructed, to the press and all other appropriate interested parties. I do not believe that any of my actions with the press or the Committee since this investigation began reflect anything but a sincere desire to determine the truth. These events and circumstances I believe, reflect neither the possibility of improper influence upon the performance of my Congressional duties nor any discredit whatsoever upon the House of Representatives.



 John J. McFall

VERIFICATION

CITY OF WASHINGTON)
) SS.:
 DISTRICT OF COLUMBIA)

CONGRESSMAN JOHN J. MCFALL, being duly sworn, deposes and says: I am the respondent herein. I have read the foregoing Answer to the Statement of Alleged Violation and I verily believe the Facts stated therein to be true.



 John J. McFall

Subscribed and sworn to before me this 16th day of August, 1978.



 Notary Public

My commission expires:

COMMITTEE ON
STANDARDS OF OFFICIAL CONDUCT


IN THE MATTER OF
CONGRESSMAN JOHN J. MCFALL

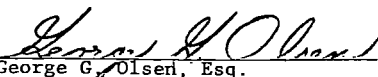
MOTION TO DISMISS
THE STATEMENT OF
ALLEGED VIOLATION

Pursuant to Rules 7(a)(1)(B) and 8 of the Rules of Procedure of the Committee on Standards of Official Conduct, Respondent, Congressman John J. McFall, respectfully moves this Committee to dismiss the Statement of Alleged Violation on the ground that it fails to state facts constituting a violation of the Code of Official Conduct or other applicable law, rule, regulation, or standard of conduct.

In support of this motion Respondent submits herewith a Sworn Statement, and Memorandum of Points and Authorities in Support of Motion to Dismiss.

Dated: August 16, 1978


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Attorneys for Respondent,
Congressman John J. McFall

COMMITTEE ON
STANDARDS OF OFFICIAL CONDUCT

IN THE MATTER OF
CONGRESSMAN JOHN J. MCFALL

MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF MOTION
TO DISMISS STATEMENT OF ALLEGED VIOLATION

Respondent, Congressman John J. McFall ("Respondent McFall") has submitted to the Committee on Standards of Official Conduct ("Committee") a Motion to Dismiss Statement of Alleged Violation. This memorandum and the sworn statement of Representative McFall filed herewith are presented in support of that motion.

As will be demonstrated in detail below, the Statement of Alleged Violation fails to "state facts constituting a violation of the Code of Official Conduct or any other applicable law, rule, regulation, or standard of conduct." Rule 7(B) of the Rules of Procedure of the Committee on Standards of Official Conduct. ("Committee Rules").

Count One

- I. Respondent McFall only conditionally accepted a \$3,000 contribution from Tongsun Park on or about October 18, 1974 NOT on behalf of his campaign committee.

Raymond Barnes, Respondent McFall's Administrative Assistant, only conditionally accepted delivery of \$3,000 in United States currency from an employee of Tongsun Park, pending instructions

from his superior. Under standard gift and contract law concepts, Respondent's actions amount only to a conditional acceptance of the \$3,000 followed by a counteroffer to accept the \$3,000 as a contribution to his office fund. Since the \$3,000 could not attain the status of a campaign contribution without Respondent's assent, which was never given the gift does not attain the status of "contribution", as defined in Pub. L. No. 92-225, at 18 U.S.C. §591(e)(1). (Note: All citations to Pub. L. No. 92-225 unless otherwise indicated will be made as it was initially codified, in Title 18. Subsequently, in the Federal Election Campaign Act Amendments of 1976 nearly all of the original provisions of Pub. L. No. 92-225 were codified in Title 2.) The general legal theories of contract and gift law will be helpful to guide the Committee in consideration of this subject. A basic principal underlying both theories is that neither a contract nor a gift is complete until the person being offered the contract or gift accepts the contract or gift unconditionally.

The essentials of a gift are donative intent, delivery, and acceptance. Malone v. U.S., 326 F. Supp. 106, affirmed, 455 F.2d 502; Lewis v. U.S., 338 F.2d 114. The first requisite of a contract is that parties must manifest to each other their mutual assent to the same bargain. Manifestation of mutual assent almost invariably takes the form of an offer and acceptance. Restatement of Contracts, §22. Respondent only conditionally accepted the \$3,000 donation through the actions of his employee, Barnes, pending the final approval of the Respondent on his return to Washington, D.C. A conditional acceptance is equivalent to a rejection and terminates

the original offer. Restatement of Contracts, §60; Beaumont v. Prieto, 249 U.S. 554.

The mere physical receipt of a donation is not the same as final acceptance. Neither a contract nor a gift can be unexpectedly and unwillingly thrust upon its receiver just by making a physical delivery, especially when the receiver simply retains the goods without using them. Realty Records Co. v. Pierson, 116 N.Y.S. 547. Given that the donation was offered during the final two weeks of Respondent's campaign while he was in California, Respondent's decision to handle the matter at a later date seems totally justified. To decide otherwise would encourage hasty decision making by Members of Congress and eliminate any opportunity for reflection and review.

A party who accepts goods unwillingly, conditionally, or by mistake simply becomes a bailee with certain responsibility for protecting the goods. Respondent prudently fulfilled this obligation by having the \$3,000 placed in a safe place in the office.

In summary, the donation by Park never became a part of the campaign fund. Viewed as a gift or as a contract offer, these transactions never were completed and valid prior to the mutual agreement to place the \$3,000 donation in the office account. The facts simply do not support the allegations in Count I unless the timing of the transactions is ignored or distorted. At best, the \$3,000 was held by the Respondent's agent Barnes as a bailee for an indefinite period. Since the \$3,000 was never formally accepted on behalf of Respondent's Campaign Committee, it never attained the status of a "contribution" for purposes of Pub. L. No. 92-225.

II. The Conditional Acceptance of a Donation Proffered

for "Good Luck in the Campaign" Did Not Amount to a
"Contribution" as Defined by the Federal Election
Campaign Act.

The Federal Election Campaign Act, as written in 1974,
P.L. 92-225, defines "contribution", in part,

as . . . a gift, subscription, loan, advance, or
deposit of money or anything of value . . . , made
for the purpose of influencing the nomination for
election, or election of any person to federal
office, 18 U.S.C. §591(e)(1)(1974)

Although this definition used the verb "made," giving weight to
the donor's intent, other sections of the same law give heavy
emphasis to the volitional acceptance by the donee of the funds
for purposes of statutory enforcement. For example, under the
then-existing section (subsequently stricken) limiting the use
of a candidate's personal funds in his campaign, the section
provides that:

No candidate or political committee shall
knowingly accept any contribution or authorize
any expenditure in violation of the provisions of
this section. (emphasis supplied) 18 U.S.C.
§608(b)(1974)

The provision quoted directly above specifically contemplates
that there might be instances in which a physical transfer of
funds in excess of the statutorily prescribed limits might have
been made either to a candidate or his agent which would not
violate the provision because the transferred funds were not
"knowingly accepted" even though they were physically placed
under the candidate's or agent's control.

Nowhere in the statute was there provided a definition of
the term "receipt" or similar operative term for purposes of

the application of the requirement for reporting and disclosure of campaign contributions, which at that time read:

Every person who received a contribution in excess of \$10 for a political committee shall . . .
render to the treasurer a detailed account thereof

(emphasis supplied) 2 U.S.C. §302(b)(1974)

Section 302(c) of Title 2 (1974) outlines the Treasurer's duties for reporting the contributions. However, nowhere in the legislative history of P.L. 92-225 or the regulations purporting to explain the application of the law to Members of the House of Representatives (See, Manual of Regulations and Accounting Instructions Relating to Disclosure of Federal Campaign Funds for Candidates for the U.S. House of Representatives and Political Committees Supporting Such Candidates, January 1974) is the term "receive" or any similar operative term defined or discussed. Because of this lack of explanation, many candidates and their committees were (and still are) uncertain as to the proper reporting, for example, of a contribution which clearly could be accepted, such as a corporate donation, which has been physically transmitted to the Committee. If the donation were merely to be refused and transmitted back to the donor without placing the money in the Committee bank account, writing a new check or recording these events in the disclosure forms, did the committee violate the reporting provision? Conversely, merely by placement of the corporate donation in its account and reporting it as a "receipt" on its disclosure form even though it intended to return the money immediately, did the Committee violate the prohibition

on "receiving" a corporate contribution? The confusion existing among Members, candidates and their campaign committees as to the exact requirements or application of the Federal Election Campaign Act is well illustrated by the sworn testimony before this Committee of Mr. Wohl, who, as counsel to the Clerk of the House was specifically responsible for providing interpretations of this statute to the Members. See, Wohl Deposition, September 21, 1977. Mr. Wohl, presumably the individual responsible for the Manual of Regulations and Accounting Instructions, previously cited, mentions the confusion existing in the office of the Clerk of the House with respect to the meaning and application of the law.

To date, the Congress has not chosen to provide a definition of "receipt" in the Federal Election Campaign Act. The Federal Election Commission is still grappling with the difficulties created by this lack of statutory direction. For example, a recent decision of the Commission provided that a candidate's committee would be permitted to return to the donor an admittedly illegal corporate donation which the committee had maintained under its control for at least 3 months and the committee was not charged with "acceptance" of an illegal campaign contribution even though the contribution had been placed in the committee's bank account. Strictly, from the standpoint of enforcement of the campaign laws there was in October, 1974 and still is to this day no consistent, clearly enunciated policy or law to guide members and their campaign committees in situations such as the one in which Respondent and Mr. Barnes found themselves

in October, 1974. In their view at that time, they were prohibited by law from formally "accepting" and reporting a contribution on behalf of their campaign committee from Mr. Park because he was a foreign national. Because Respondent wanted to do everything possible to observe the law, he instructed Mr. Barnes to "accept" the donation on behalf of the office account, which was done. The charge that the \$3,000 donation offered Respondent "for his campaign" by Mr. Park in October, 1974 should have been reported under Sec. 304(b)(2) of P.L. 92-225 is wholly unsupported by the facts or by interpretations of that statute or regulations prevailing at that time (or at the present time, for that matter). Therefore Respondent did not violate Rule 1 of the Code of Official Conduct by his actions, as charged.

Count Two

- I. The \$3,000 donation by Tongsun Park delivered on or about October 18, 1974 never attained the status of campaign funds.

As discussed in Count One, above, Respondent only conditionally accepted a \$3,000 donation from Mr. Park on or about October 18, 1974 and at no time accepted it on behalf of his campaign committee. Thus the \$3,000 donation never attained the status of "campaign funds" for purposes of Rule 6 of the Code of Official Conduct.

- II. The \$3,000 contribution, even if it is considered to have attained the quality of campaign funds, was properly reclassified as office account funds due to subsequent events.

Excess campaign funds could properly be transferred to an office account under the Federal Election Campaign Act as controlling after 1974. Since office accounts were independently recognized and were subject to different legal restrictions, House Rule XLIII(6) is not applicable.

The Federal Election Campaign Act Amendments of 1974 which became effective on January 1, 1975 specifically provided for use of campaign contributions to defray ordinary and necessary business expenses to support a candidate's activities as a holder of Federal office, as charitable contributions, and for any other lawful purpose.

2 U.S.C. §439a (1977).*/ In the debate concerning the adoption of the conference report on the Federal Election Campaign Amendments of 1974, Chairman Hays speaking for the House conferees stated the legislative intent in providing for use of excess campaign funds: "We did intend that the money could be used for expenses for running one's office. . . ." 120 Cong. Rec. H. 10335 (daily ed. Oct. 10, 1974) (remarks of Rep. Hays). By recognizing the existence of an office account, the Congress exempted amounts spent under the provisions of §439a from the stringent expenditure limitations imposed on candidates by the Act.**/ Thus the Congressional intent was to treat office expenditures separately from campaign expenditures for reporting purposes and to treat excess campaign funds placed in office accounts separately from campaign funds.

*/ §439a. Use of Contributed Amounts for Certain Purposes
 Amounts received by a candidate as contributions that are in excess of any amount necessary to defray his expenditures, and any other amounts contributed to an individual for the purpose of supporting his activities as a holder of Federal Office, may be used by such candidate or individual, as the case may be, to defray any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office, may be contributed by him to any organization described in section 170(c) of the Internal Revenue Code of 1954, or may be used for any other lawful purpose. To the extent any such contribution, amount contributed, or expenditure thereof is not otherwise required to be disclosed under the provisions of this title, such contribution, amount contributed, or expenditure shall be fully disclosed in accordance with rules promulgated by the Commission. The Commission is authorized to prescribe such rules as may be necessary to carry out the provisions of this section.

**/ These limitations were subsequently held unconstitutional by the Supreme Court. Buckley v. Valeo, 424 U.S. 1.

In describing the effect of §439a, the conference report adopting this provision set forth the following explanation:

. . . The provisions of this section do not affect any rule of the Senate or of the House of Representatives limiting the use of funds received as political contributions nor do they have any effect on the Federal tax treatment of any such contributions used by a candidate for personal purposes.

H.R. Rep. No. 1483, 93d Cong., 2d Sess. 98 (1974). The House Rule in effect at that time was the unamended version of Standard 6 of House Rule XLIII which flatly prohibited conversion of campaign funds to personal use. Yet the explanation states that the provisions have no effect on Federal tax treatment of any such contributions used by a candidate for personal purposes. Thus while a Congressman may not convert campaign funds to personal use, he may use excess funds for personal purposes and will be taxed accordingly. To read the committee explanation in any other manner would be to render it nonsensical, for then Congress would be prohibiting as unethical the use of campaign funds for personal purposes under the House Rules while condoning such use through the Internal Revenue Code. Therefore, funds which are in excess of campaign expenditures and funds which are contributed to support activities of an individual as a holder of Federal office are not "campaign funds" under House Rule XLIII(6) and may be used "for any other lawful purpose" under §439a. Such lawful purpose includes personal use as contemplated by the explanation of the conference committee.

Further, the conference committee specifically rejected a Senate provision with criminal penalties for embezzlement or

conversion of political contributions, H.R. Rep. No. 1438, 93d Cong., 2d Sess. 61 (1974):

§617. Embezzlement or conversion of political contributions

(a) No candidate, officer, employee, or agent of a political committee, or person acting on behalf of any candidate or political committee, shall embezzle, knowingly convert to his own use or the use of another, or deposit in any place or in any manner except as authorized by law, any contributions or campaign funds entrusted to him or under his possession, custody, or control, or use any campaign funds to pay or defray the costs of attorney fees for the defense of any person or persons charged with the commission of a crime; or receive, conceal, or retain the same with intent to convert it to his personal use or gain, knowing it to have been embezzled or converted.

(b) Violation of the provisions of the section is punishable by a fine of not more than \$25,000, imprisonment for not more than ten years, or both; but if the value of such property does not exceed the sum of \$100, the fine shall not exceed \$1,000 and the imprisonment shall not exceed one year. Notwithstanding the provisions of this section, any surplus or unexpended campaign funds may be contributed to a national or State political party for political purposes, or to educational or charitable organizations, or may be preserved for use in future campaigns for elective office, or for any other lawful purpose.

S. 3044, 93d Cong., 2d Sess. §304(a)(1974).

The Senate, while advocating harsh criminal penalties for conversion of political contributions, permitted use of surplus or unexpended campaign funds for any lawful purpose, which, as discussed above, includes using the money "for running one's office." This distinction between campaign funds and excess campaign funds clearly indicates the separate character acquired by campaign funds once they are placed in an office account. Thus while Congress had an opportunity to bolster House Rule XLIII(6) by enacting criminal sanctions for its violation, it chose not to

do so and instead adopted the House provision, §439a, recognizing the accepted use of excess campaign funds in an office account. Therefore, the standard to be used in judging the propriety of the use of the funds in this case should be any standards applicable to office accounts and not the standard set out in Rule XLIII(6) which applies to campaign funds. As such, Count Two as drawn fails to state facts constituting a violation of the Code of Official Conduct.

III. The legislative activity leading to the abolition of office accounts financed by private money also underscores the exemption of office accounts from the prohibition against conversion of campaign funds to personal use.

Thus, until 1977, Rule XLIII(6) was not applicable to excess campaign funds which had been placed in an office account.

The House of Representatives Code of Official Conduct, House Rule XLIII, adopted in 1968 by House Resolution 1099, provides that:

(6) A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures. He shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

The second sentence of this standard was amended by House Resolution 5, 94th Cong., 1st Sess., (Jan. 14, 1975) to read "Unless specifically provided by law, he shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures." (emphasis added) The underscored language was subsequently deleted by House Resolution 287, 95th Cong., 1st Sess. (Mar. 2, 1977).

The legislative history of the purpose of the additional language is barren. No reports were issued by the Democratic Caucus, and the floor debate is devoid of discussion of that amendment. See H. Res. 5, 94th Cong., 1st Sess., 121 Cong. Rec. 20 (1975). However, the provision of the Federal Election Campaign Act as amended, 2 U.S.C. §439a, and the tax provisions, I.R.C. §527, for

use of excess contributions were both enacted prior to House Resolution 5. Thus, the additional language "unless specifically provided by law" can be read as a codification of Congressional recognition of the distinction between campaign funds and excess campaign funds for purposes of the Code of Ethics prohibition on conversion of campaign funds to personal use.

This conclusion is borne out by the subsequent deletion of the language of House Resolution 287. This resolution, increased the official allowance for office accounts \$5,000 and at the same time made unlawful the practice of contributing private funds in office accounts. See 123 Cong. Rec. H. 1566-H. 1634 (daily ed., Mar. 2, 1977). Since this amendment to the House Rules abolished private financing of office accounts by deleting the language "unless specifically provided by law" from House Rule XLIII(6), there is no alternative but to assume that the language added by House Resolution 5 officially recognized and clarified the exemption of office accounts from the prohibition against conversion of campaign funds to personal use. The amendment by House Resolution 287 was prompted by the response of the Obey Commission on Administrative Review to a public desire to have public duties paid for out of public, rather than private, funds. 123 Cong. Rec. H. 1576 (daily ed., Mar. 2, 1977) (remarks of Rep. Obey). Thus the uses of excess campaign funds were severely limited to only "bona fide campaign purposes." *Id.* at H. 1581 (remarks of Rep. Lent). The existing distinction between campaign funds and excess campaign funds was done away with and replaced by a separation of private and public funds, but not until 1977, two years after allegations made against Respondent in Count Two.

IV. Respondent has not taken any actions tantamount to conversion.

The act of conversion requires more than a simple funds transfer to a different account. There has been no showing that Respondent has harmed or impaired the value of either his campaign fund or his office account fund, or crossed the boundary of traditional applications of the funds.

Common law conversion is normally thought of as applicable only to chattels. Under common law, a fund was not considered to be a chattel and therefore could not be converted, but even in the generic sense common law conversion theories do not apply because Respondent did not harm either fund.

Conversion would require that the Respondent be shown to have exercised control over the fund which is inconsistent with or adverse to the rights of the complainant and that the Respondent caused some harm, expense, or inconvenience to the complainant. Second Restatement of Torts, §22A, Mustola v. Toddy, 456 P.2d 1004 (1969); Pearson v. Dodd, 410 F.2d 701. As is the case here, a difficult question arises where an agent or trustee is authorized to make some use of the chattel but may have exceeded or departed from what is permitted. Serious departures are held to be conversions, while minor departures which do no harm will not. Cases are collected in Prosser, The Nature of Conversion, 42 Comm. L. Q. 168.

Respondent's established office practice allowed for short term loans from the office account to be secured by the borrower's personal promise to repay. The following list discloses that

several loans of comparable sizes were made to various staff members from 1972 to 1975:

Lee Wilber	\$ 500 (2)
Elaine Wilber	490
Ray Barnes	1000
David Edlund	300

Office accounting practice utilized double entry accounting so that each withdrawal and redeposit would be carefully monitored; most Congressional office accounts utilized less stringent "wash" entry disclosure systems which picked up only credit balances and not the frequency or amount of borrowing. Thus, Respondent's office fund disclosure system makes it apparent that the Respondent was not acting surreptitiously with the intent to misappropriate or convert office funds. His interference with the office fund was no greater than what had been considered usual practice. This practice allowed office members to conveniently obtain short-term loans on special occasions, and thereby save time and effort which could be channeled into more productive endeavors. The use of office funds to make life more convenient to workers in their day-to-day activities appears to be a worthwhile and widely-accepted practice.

The harm caused by the Respondent's action was minimal. An exchange of cash for a short-term promissory obligation is not the same as removing or detaining property. Simple accounting rules recognize accounts receivable as evidenced by the bookkeeping entry as current assets. Since current assets include cash also, it follows that an exchange of an account receivable for cash does not deplete the fund or harm the liquidity of the fund. Conversion should lie only where the exchange results in a substantially

different investment risk to the fund. Regas v. Helios, 186 N.W. 165. The personal promise of a United States Congressman earning an annual amount well in excess of the short-term loan should be ample security. It should also be noted that in some specific instances office account funds of other Members were used to cash personal and, in limited cases, campaign checks. The extent of this practice cannot be determined since relatively few Congressmen have voluntarily disclosed in detail the flow of cash in and out of their office accounts. See Voluntary Disclosure File, House Office of Registry and Records. Nonetheless, the exchange of cash for demand notes is substantially equivalent to the exchange of cash for a personal promise to repay. This quid pro quo exchange of two types of current assets is not conversion as contemplated in Rule XLIII(6).

Moreover, conversion should not lie since the Respondent did not intend to affect his campaign fund. Having placed the donation in his office account, he dealt with it at arm's length in a manner no different than any other office employee.

These facts on their face suggest that no campaign funds were converted, for there were none to convert; but more than that, these facts show that Respondent acted reasonably without any intent to convert any property to his personal use. No damage was done to either the campaign fund or the office account fund.

COUNT THREE

- I. Respondent McFall's conduct from in or about November 1972 up to and including October 1974 was proper and in accordance with the law applicable at that time.

As explained, supra, in the discussion of Count Two, Respondent McFall fully complied with all laws applicable to any contributions, to office accounts, and to excess campaign funds. At the time of the alleged violation, contributions could be placed directly in an office account, as could excess campaign funds. Office accounts funded by private contributions were acceptable under the law and indeed recognized by Congress in several pieces of legislation. See discussion, supra, of Count Two. There were no reporting requirements for office accounts similar to those of campaign funds, yet it should be noted that Respondent duly recorded internally all contributions to and disbursements from the McFall Office Account. Respondent also complied with the provisions of the Internal Revenue Code applicable to excess campaign funds and office accounts. In view of the fact that Congress had not chosen to regulate office accounts in the same manner in which campaign contributions were regulated at that time,*/ Respondent's conduct of placing in the office account the \$1,000 received in November, 1972 and

*/ Congress had chosen to regulate office accounts in the Federal Election Campaign Act Amendments of 1974 by directing the Federal Election Commission to promulgate reporting requirements but the Commission's regulations did not become final until May 13, 1977. However, in 1977 Congress abolished office accounts thus obviating the necessity of such regulations.

\$3,000.00 received in October, 1974 both in United States currency cannot fail but to reflect creditably on the House of Representatives since such conduct was in accord with the legislation passed by Congress itself. By obeying all laws applicable to contributions he received, Respondent conducted himself with the integrity and honesty expected of a Member of Congress.

II. Respondent McFall at all times relevant to the Complaint conducted himself in an open and forthright manner which reflected creditably on the House of Representatives and which could not reasonably create an impression of improper influence.

With respect to the contributions received by Respondent McFall from Tongsun Park in November, 1972 and October, 1974, Respondent acted in accordance with the law and rules existing at that time and in reliance on his understanding of the law applicable to such contributions. In fact, Respondent thought he was taking steps to comply with those laws or rules applicable to campaign contributions as he understood them, and his conduct in relation to such contributions cannot reasonably be construed as an evasion of such laws or rules. Having previously sought the opinion of the counsel to the Clerk of the House, Mr. Wohl, concerning campaign contributions from foreign nationals,

Respondent McFall diligently relied on the advice that such campaign contributions were questionable and therefore placed the contributions in the McFall Office Account upon which there were no such restrictions. Further, Respondent McFall had no need of the contributions to defray campaign expenses and therefore had no reason to place them with his campaign funds. See Barnes Interview, June 17, 1977 at 16, 17; Barnes Deposition, March 23, 1978 at 7. Thus Respondent's decision to place the contributions in the McFall Office Account was done in a forthright manner and was wholly consistent with the circumstances.

In April, 1973 a silver tea set was presented to Respondent at a dinner given in his honor as Majority Whip. The dinner was hosted by Tongsun Park, and Congressmen Hanna and Minshall. Many members of Congress and highly respected government officials attended the dinner, and participated in and witnessed the presentation.*/ The tea set was engraved "From your friends in

*/ Guest list for dinner according to Committee documents: Mr. and Mrs. Creighton W. Abrams, Army Chief of Staff, Congressman and Mrs. Joseph P. Addabbo, Speaker of the House of Representatives Albert, Birch Bayh, Mr. and Mrs. Hale Boggs, Phillip Burton, Congressman Don Clausen, Congressman and Mrs. Sylvio Conte, Mr. and Mrs. John Convy (Aero-Jet General Corp.), Congressman and Mrs. Cook, Mr. Marshall Coyne, Congressman and Mrs. George Danielson, Congressman and Mrs. Glenn Davis, Mr. and Mrs. Jefferson Davis, Mr. Dillan, Mrs. Dixon, Congressman and Mrs. Jack Edwards, Mrs. Engle, Mr. Thomas Flanagan (Pan American Air Lines), Congressman and Mrs. Richard Hanna, Mrs. Howard, Miss Howard, Mr. Jessel, Congressman and Mrs. Harold Johnson, the Honorable Fred Korth, Congressman and Mrs. Robert Leggett, Colonel Lim, Mrs. Lokey, Miss Maher, Congressman and Mrs. William Mailliard, Peter Malatesta, Congressman and Mrs. Matsunaga, Mr. and Mrs. Lawrence Merthan, Congressman and Mrs. William Minshall, Mr. and Mrs. Monagan, Mr. and Mrs. Mike Meroney, Mr. and Mrs. John Moss, Mr. and Mrs. John McFall, Mr. Mcgee, Mr. Oakland, Congressman and Mrs. Thomas O'Neill, Mr. Oerjord, Mr. Tongsun Park, Mr. and Mrs. Preston, the Secretary of Defense and Mrs. Richardson, Mrs. Rosse, Mrs. Smith, Mr. and Mrs. Richard Staples, Congressman and Mrs. Tom Steed, Mr. Robert Strauss, Mrs. Thornton (escorted by Mr. Park), Congressman and Mrs. James E. Whitten, Mr. and Mrs. Woodard, Delegate and Mrs. Antonio Juan Pat (Guam), Congressman and Mrs. Jim Wright.

Washington" which clearly implies that "friends" other than Tongsun Park were the donors. If indeed there is any suspicion in light of subsequent events as to the propriety of the gift, it can quickly be dispelled by the open and forthright presentation to Respondent. Compare these circumstances with those surrounding the "Parties and Gifts Received from Tongsun Park" by Congressman (later Speaker) Thomas P. O'Neill in the Summary issued by the Committee on Speaker O'Neill, July 13, 1978 at 5,6.

By treating the contributions and the ceremonial gift in a customary and usual manner, Respondent McFall's behavior was consistent with his obligations as a Member of Congress.

III. The circumstances surrounding the "favors and benefits" do not even remotely suggest that Respondent McFall was influenced in the performance of his government duties.

Any actions taken by Respondent McFall connected in any way with Tongsun Park were efforts to promote the interests of his constituents as their elected representative. See Sworn Statement at 10. The Committee must not overlook the fact that Respondent's constituency is composed in large part of agricultural interests, including rice growers, and thus one of Respondent's obligations as their representative is to try to assist them in expanding the market for their surplus rice. Respondent has accepted this obligation on behalf of the rice growers ever since he was elected to Congress in 1956. Surely no reasonable person would suggest that Respondent

McFall should have abandoned the interests of his rice growing constituents after he received contributions on behalf of the McFall Office Account or after he was presented with a ceremonial gift from "friends" in honor of his selection as Majority Whip. Respondent obviously, due to the interests of his constituency, vigorously pursued the sale of California rice absolutely without regard to any "favors or benefits" received from any person. If a reasonable person could draw a connection between a Congressman's efforts to assist his constituents and the receipt of incidental "favors and benefits", then Respondent respectfully suggests that no Congressman may represent the interests of those who elected him without fear of reprisal under Rule 1 of the Code of Official Conduct of the House of Representatives and Rule 5 of the Code of Ethics for Government Service.

On October 16, 1974 Respondent McFall received a call at his home in Alexandria from a close personal friend and businessman in his district, Curt Rocca. Mr. Rocca and Respondent McFall attended college together and have been friends for twenty years. It was therefore to be expected that Respondent and Mr. Rocca would communicate frequently, due not only to their friendship but also to Mr. Rocca's interest in the sale of surplus rice from Respondent's district. Mr. Rocca called to discuss a bulk loading terminal at the port of Inchon in Korea, constructed as a joint venture between Korean and American business interests. Mr. Rocca represented the American interest in the facility and therefore

requested Respondent's assistance in communicating to the White House the suggestion that President Ford attend the dedication ceremony of the facility in November. Mr. Rocca had learned that President Ford would be in Seoul during that time. He had hoped that South Korean President Park Chung Hee would also attend. Respondent requested Mr. Rocca to send a letter to his Washington office describing the facility and outlining his request. Respondent McFall then went to California, and his office in Washington received a follow-up letter from Mr. Rocca dated October 17, 1974 which described the joint venture and set forth Mr. Rocca's belief that President Ford's participation in the dedication ceremony would be beneficial to both countries, by underscoring the spirit of cooperation between the two countries. See Exhibit 13, McFall Deposition, March 23, 1978.

During the phone call of October 16, 1974 Mr. Rocca also requested that Respondent send a telegram to Tongsun Park in Seoul, expressing his support for the project. See Rocca Deposition, May 9, 1978 at 27. Respondent complied with this request on October 22, 1974, viewing it as a favor for his friend, Mr. Rocca, who shared a constituent interest and whom he wished well in his venture. Respondent thought at the time of the call that Mr. Rocca had said that Mr. Park had a business interest in the joint venture which would not have been illogical since Respondent knew that Mr. Rocca and Mr. Park knew one another. See Sworn Statement at 1. While Respondent McFall was in

California, his staff communicated with the White House concerning the dedication ceremonies of the terminal at Inchon. President Ford's schedule, however, would not permit an additional engagement. Respondent communicated this information to Mr. Rocca on November 13, 1974, expressing his regret that President Ford could not attend. See Exhibit 13, McFall Deposition, March 23, 1978.

From the foregoing narrative of the events concerning the bulk loading terminal facility at the Port of Inchon, the only conclusion which can be drawn is that Respondent was attempting to perform a favor for a personal friend and to further constituent interests through efforts to secure the presence of President Ford at the dedication ceremony of the Inchon facility. If the reason for President Ford's presence was to applaud the spirit of cooperation between the two countries, it follows that President Park Chung Hee's presence would be required to complete the tableau. Thus the transmittal of an innocuous telegram to Mr. Park expressing his hope that President Park Chung Hee would attend the ceremony does not seem unreasonable, nor an exceptional action. These actions, sending a telegram and asking his office to communicate with the White House, amount to no more than simple compliance with a friend's request. Compare this analysis with that of the Committee Summary concerning Congressman Brademas, July 13, 1978 at 3.

Interposed in this commonplace sequence of events on behalf of a friend and constituent is a contribution delivered to Respondent's employee, Ray Barnes, on October 18, 1974 by an employee of Mr. Park. The contribution was unsolicited and unexpected. See Sworn Statement at 16. The ordinary and insignificant actions taken by Respondent on behalf of his friend, Mr. Rocca, concerning Inchon do not constitute evidence that the contribution was a quid pro quo for the routine communications with the White House or the inconsequential telegram expressing good wishes for the project sent at the request of Mr. Rocca to Mr. Park. Any attempt to draw a connection between the two is to lift Respondent's actions out of the context of compliance with a simple request from a friend and to wedge his conduct into a contrived and distorted perception of the events colored by subsequent knowledge concerning the actions of Mr. Park.

Any and all contacts with government officials and employees concerning rice sales were made on behalf of the constituency of Respondent McFall. These activities were a part of the performance of his government duties, i.e., representing vigorously the interests of those who elected him to office, which surely must be a "proper" influence. It is unthinkable that Respondent McFall should be penalized by the issuance of a Complaint for conscientiously fulfilling his obligations as the elected representative of his district.

IV. Respondent McFall never solicited the alleged "favours and benefits" from Tongsun Park, thus negating any suggestion of conduct not creditable to the House of Representatives or of Korean influence on the performance of his government duties.

Respondent McFall has testified under oath and to the best of his ability that he never asked Mr. Park for anything, nor to his knowledge did he ever authorize his staff to do so. McFall Deposition March 23, 1978 at 54, 55. Although this fact was not known by Respondent until recently, Mr. Park may have been solicited by Mr. Wilber, Respondent's Senior Staff Assistant, along with 800 or so other people who were solicited by mail for \$100 for the annual wine and cheese party held as a campaign fundraiser beginning in 1971. Mr. Wilber testified under oath before the Committee that Mr. Park did not respond to any of the solicitations and therefore in about 1974 his name was deleted by Mr. Wilber from the file of persons contacted for contributions. Wilber Deposition, April 20, 1978 at 3, 4. Apparently Mr. Park was solicited by someone other than Respondent or Respondent's staff to purchase tickets for the annual fundraising dinner held by the Democratic Congressional Campaign Committee in 1971. Mr. Park gave "credit" for the sale of at least one ticket to Respondent. Respondent had no knowledge of the "credit" until a form thank-you letter was recently found in his files listing Mr. Park as a purchaser of one ticket among five on the carbon file copy who gave

"credit" to Respondent. See McFall Deposition, March 23, 1978 at 39 stating that first donation of any kind from Mr. Park was received in November, 1972; Sworn Statement at 10-13. The placement of Mr. Park's name in the wine and cheese party file may have been the result of Mr. Park's response to the Congressional dinner solicitation, though Mr. Wilber testified under oath that he was not sure how he obtained Mr. Park's name for the file. Wilber Deposition, April 28, 1978 at 11. Mr. Wilber also testified under oath that Respondent McFall had no knowledge that Mr. Park's name was in the file and that Mr. Wilber took sole responsibility for placing the name in the file and taking it out. Id. at 15, 16.

The contributions of \$1,000.00 in November, 1972 and \$3,000.00 in October, 1974 received by Respondent McFall were not solicited by Respondent. Furthermore, Respondent had no prior knowledge that the contributions would be forthcoming. As to the second contribution, Respondent did not learn of the contribution until it had been received by one of his employees. See McFall Deposition, March 23, 1978 at 56; Sworn Statement at 4. Similarly, Respondent had testified before the Committee that Tongsun Park suggested and insisted upon hosting a party in his honor as Majority Whip and that Respondent eventually acquiesced, viewing it as a social obligation connected with his position as a Member of Congress and Majority Whip. See McFall Deposition, March 23, 1978 at 71. It should be remembered that Tongsun Park

hosted several parties for respected and prominent officials including Members of Congress, the propriety of which was not then questioned. The gift of the tea set constituted a presentation in view of the entire assemblage. In addition, the words "From your friends in Congress" was engraved upon the gift, thus reinforcing the impression that the presentation was a joint effort rather than attributable only to Tongsun Park. Compare with Committee Summary, Contacts of Congressman (later Speaker) Thomas P. O'Neill, Jr. with Tongsun Park, July 13, 1978, at 5, 6.

That Respondent did not solicit or even anticipate the "favours and benefits" alleged in Count Three is one circumstance that militates against the suspicion or conclusion that Respondent was influenced in the performance of his government duties or that he did not conduct himself in a manner reflecting creditably on the House of Representatives.

V. Any written correspondence of Respondent McFall concerning Tongsun Park can only be characterized as routine courtesy concomitant with Respondent's position as a Member of Congress.

Respondent McFall freely provided copies to the Committee of letters which were written upon the request of Mr. Park to Respondent's Administrative Assistant, Mr. Barnes: two to Tongsun Park and two to South Korean President Park Chung Hee. The texts

of the letters are innocuous and inconsequential. The requests were all relayed through Mr. Barnes and never made directly to Respondent. Respondent never initiated the sending of the letters nor requested advice from Mr. Park on the form of letters which Respondent, of his own initiative, voluntarily desired to send. Sworn Statement at 11, 12, 14. Any statements made by Mr. Park to the effect that Respondent voluntarily sent any of the letters is patently false and conflicts with Respondent's testimony under oath as well as with Mr. Park's own sworn statement. See Interrogation of Tong-Sun Park by U.S. Department of Justice, January 17, 1978 at 15, 18, January 27, 1978 at 42; Compare Park Deposition, March 8, 1978 at 934.

The first letter requested by Mr. Park was written on December 24, 1969 and addressed to Mr. Park. The letter was drafted by Mr. Barnes. The substance of the letter was to thank Mr. Park for his help in selling California rice to South Korea. A presumable draft was found in Respondent's files in the form of a letter from Rep. Edwin Edwards thanking Mr. Park for his help in selling Louisiana rice to South Korea. Such a letter was wholly consistent with Respondent's knowledge of Mr. Park only as the selling agent for the California Rice Growers Association and Respondent's desire to assist his constituents by commending their selling agent for a job well done. The letter and the request were not considered unusual by Respondent in light of the number of requests received by Congressmen to mention favorably a certain

performance or accomplishment. See McFall Deposition, March 23, 1978 at 26.

The second letter, dated December 22, 1970, was sent to Mr. Park at his request relayed through Mr. Barnes. Mr. Barnes drafted the letter for Respondent's signature. This letter was also without consequence, merely noting that a large purchase of U.S. rice by South Korea was underway. Viewing Mr. Park as the selling agent for the California Rice Growers Association, Respondent complied with the request for the letter in order to promote the efforts of his constituent rice growers to sell rice through Mr. Park. Sworn Statement at 12.

On June 18, 1971 a letter was sent to President Park Chung Hee congratulating him on his re-election under Respondent's signature. The letter also thanked South Korea on behalf of himself, California rice producing interests, and the California Delegation to Congress for the purchase of rice. This, along with other civilities, was the substance of the letter. The letter was requested indirectly from Respondent through his Administrative Assistant and was not sent on the initiative of Respondent. Mr. Barnes drafted the letter. Respondent complied with the request and sent the letter in order to assist the sale of rice for his constituency by mentioning favorably Mr. Park's role as their selling agent. Sworn Statement at 12.

The fourth letter requested by Mr. Park through Mr. Barnes was sent on February 23, 1973. The circumstances as recalled by

Respondent and set forth in the Committee Interview of Respondent on June 10, 1977 at 13, and in the McFall Deposition of March 23, 1978 at 38 are as follows: Mr. Barnes told Respondent that Mr. Park wanted Respondent to write a letter to President Park. Respondent's reaction was to the effect of "What do you say to a President, what does he want me to say?" He therefore told Mr. Barnes to ask Mr. Park to furnish a draft of what one should say to the President of South Korea. The resultant letter, drafted by Mr. Barnes, thanked Korea for the purchase of California rice and mentioned the helpfulness of Mr. Park in the transaction. The rest of the letter consisted of flowery generalities concerning South Korea and lasting peace in Asia. It should be noted that this letter is one of many requested by Mr. Park several Congressmen within the same one-month period and should in no way be construed as an indication of a special relationship between Mr. Park and Respondent. See Korean Influence Investigation, Part 2: Hearings Before The House Committee on Standards of Official Conduct, 95th Cong. 2d Sess. 576 et seq. (1978). This letter was also written in order to benefit the California rice growers by assisting them and their selling agent in the sale of rice. Sworn Statement at 14.

None of the letters discussed supra were sent on the initiative of Respondent. The whole of the correspondence is utterly devoid of substantive meaning or motive, sent as a courtesy for the rice growers in Respondent's district and their

selling agent Park. To read into such letters an improper influence or unworthy conduct is to ignore the routine and ubiquitous nature of such correspondence and requests. By viewing the letters in the context of the procedure of a Congressional office, the correspondence has no significance other than that attributed to it from the vantage point of the present investigation.

VI. Respondent McFall had no knowledge or indications that Tongsun Park was an agent for a foreign principal and knew Tongsun Park only as a selling agent for California rice.

Since 1969 when Respondent first came into contact with Mr. Park, Respondent knew Mr. Park as the selling agent of the California Rice Growers Association or other California rice interests. Respondent's first contact with Mr. Park was the direct result of a request from Mr. Curt Rocca, a personal friend and businessman in Respondent's district. It was in the context of the California rice growers' interest in expanding the market for their surplus rice that Respondent knew Mr. Park, and in this context only, until reports of Mr. Park's relationship with the South Korean government were disseminated in the media. Sworn Statement at 2. A description of Respondent's state of mind with regard to Mr. Park during the period of their acquaintance is set forth below to refute any possible misconception that Respondent

knew of any connection between Mr. Park and the government of South Korea. By reviewing the events under investigation, Respondent's actions will be placed in the proper context of his state of mind at the time the events occurred, without reference to subsequent revelations concerning Mr. Park and the government of South Korea.

A. Events Prior to the 1972 Contribution from Mr. Park.

All contacts with Mr. Park prior to the November, 1972 contribution were characterized by Respondent's desire to assist his constituents in expanding the market possibilities for rice, as indeed were all contacts with Mr. Park. Rice growing was one viable economic interest in Respondent's Congressional district which was agricultural in character and not particularly prosperous. It was Respondent's belief that there was a definite need for any possible assistance he could give in the area of rice sales for the economic well-being of the district. Sworn Statement at 10. This situation exists today.

Sometime in December of 1969, after Respondent had met with Mr. Park at the request of Mr. Rocca, Mr. Park delivered a set of inexpensive cufflinks to Mr. McFall's office as a Christmas gift in Christmas wrapping. Apparently, a card bearing the name of the Prime Minister of South Korea, Il Kwon Chung, was enclosed and a brief thank-you was sent by Respondent to the Prime Minister. At the time the Korean investigation began, Respondent had no

recollection of the actual donor of the cufflinks, regarding them at the time they were given as a gesture of courtesy from Mr. Park. Of course, the mere enclosure of the card provides no proof that the gift was actually given by Il Kwon Chung. See, House of Representatives Committee On Standards of Official Conduct, 95th Cong., 2d Sess., Manual of Offenses and Procedures, Korean Influence Investigation 6 (Comm. Print 1977) for discussion of the well-recognized nature of such gifts.

The sporadic contacts with Mr. Park and matters concerning rice sales to Korea were part of the larger framework of Respondent's duties as the elected representative of a district with agricultural interests and problems, especially in regard to rice. Thus any contacts with Mr. Park attained no level of significance in the mind of Respondent, other than one aspect of his efforts on behalf of his constituents. See Correspondence obtained from the Rice Growers Association as transmitted from the Special Staff to Respondent's counsel on August 7, 1978, items 10 a-pp for an indication of the frequency and normalcy of correspondence and requests for assistance on matters concerning rice in the course of Respondent's Congressional duties.

B. Treatment of the 1972 and 1974 Contributions from Mr. Park.

As discussed supra Respondent placed the 1972 contribution of \$1,000 and the 1974 contribution of \$3,000 from Mr. Park in the

McFall Office Account. Such treatment was wholly proper and was not violative of any law or Rule of the House of Representatives. Respondent believed at the time of the contributions that campaign contributions from foreign nationals were not permitted. This was the result of a previous inquiry by Mr. Barnes to Mr. Wohl, Attorney to the Clerk of the House, concerning the possibility of a campaign contribution from a former constituent, a native Chinese, who had returned to Taiwan. Mr. McFall and Mr. Barnes, recalled the opinion of Mr. Wohl as being that such contributions were questionable and not permitted under the Federal Election Campaign Act. See McFall Deposition, March 23, 1978 at 43. Accordingly, in order to comply with his understanding of the law, Respondent told Mr. Barnes to place both contributions in the McFall Office Account which was subject to no such restrictions.*/ It is this misconception of the law common to Respondent and Mr. Barnes which led to Respondent's decision to tell Mr. Barnes to place the money

in the McFall Office Account which was subject to no such restrictions.*/ It is this misconception of the law common to Respondent and Mr. Barnes which led to Respondent's decision to tell Mr. Barnes to place the money in the McFall Office Account. This treatment of the contributions was not due to any knowledge or suspicion that Mr. Park was connected with a foreign government. The contributions were recorded internally in the ledger and checkbook of the McFall Office Account, which records were made available voluntarily to the Committee and the press and demonstrate that no efforts were made on the part of Respondent to obscure the source of such contributions.**/ Respondent merely recognized that contributions from foreign nationals could be accepted on behalf of an office account and told Mr. Barnes to deposit the contributions in the McFall Office Accounts. Sworn Statement at 5. The records of the office account have subsequently been placed on file with the Clerk of the House as a matter of record.

*/ As an example of the lack of legal expertise characterizing Respondent's office, the Committee is respectfully referred to the Deposition of Raymond F. Barnes, March 23, 1978 at 11 and Exhibit 16. Mr. Barnes attempted to respond to a request from a field representative concerning the propriety of contributions from Mexican nationals to the gubernatorial campaign of Congressman Waldie in California. However, Mr. Barnes quoted federal law which was not applicable to state elections.

**/ The Committee should note that Respondent has stated under oath before the Committee that he had no knowledge of the piecemeal manner in which the 1974 contribution was deposited by Mr. Barnes until 1976 when Respondent was examining his records in light of the news reports concerning Mr. Park's connection with the South Korean government. McFall Deposition, March 23, 1978 at 59. Mr. Barnes stated under oath that he had not informed Respondent of the method of deposit. Barnes Deposition, March 23, 1978 at 17.

- C. Respondent's dealings with members of the press once information was uncovered suggesting that Tongsun Park was connected with the government of South Korea.

If indeed Respondent's dealings with the press after receipt of the contributions from Mr. Park need to be examined in determining Respondent's state of mind during the time when he had contact with Mr. Park, and Respondent maintains that such interactions are irrelevant to the Statement of Alleged Violations, these events occurring primarily in 1976 must be examined in light of Respondent's state of mind during his contacts with Mr. Park and after the "scandal broke" concerning Mr. Park.

Prior to the dissemination of reports on Mr. Park as an agent of the government of South Korea, Respondent had no knowledge or suspicion of such a connection. Therefore, his earlier contacts with Mr. Park had no special significance in his mind or memory and Respondent felt compelled to re-examine his conduct in light of the new disclosures concerning Mr. Park to assure himself that he had conducted himself properly. Upon marshalling the pertinent facts by reviewing his files and records, Respondent then felt competent to inform the press concerning the nature of his contacts with Mr. Park and his state of mind during that time.

Respondent has always been extremely forthright with the local newspapers of his district, viewing this as part of his obligation as the elected representative of that district. The only treatment of the press which cannot be characterized as straightforward would be Respondent's behavior in response to a call received by Mr. Barnes from Mr. Scott Armstrong of the Washington Post on October 5, 1976.

Mr. Armstrong asked Mr. Barnes if Respondent had received any money from Mr. Park in December of 1975. Mr. Barnes replied quite truthfully that Respondent had not. Then Mr. Armstrong said that he was mistaken with regard to the year and asked if Mr. Park had given money to Mr. Barnes in late 1974 or early 1975. Mr. Barnes did not comment. See Exhibit 17, Barnes Deposition, March 23, 1978. When informed of this, Respondent told Mr. Barnes that he had told the literal truth since Respondent had received an office account contribution. Respondent did not suggest that Mr. Barnes contact Mr. Armstrong to explain more fully. McFall Deposition, March 23, 1978 at 61, 62. Respondent's state of mind at that time was not characterized by guilt or a desire to hide his past contacts with Mr. Park. Rather, Respondent felt no obligation towards the Washington Post, such as he felt to his constituent newspapers, to volunteer information.

Another problem was raised during the investigation with regard to the note attached to the 1974 campaign contribution from Mr. Park wishing Respondent "good luck in the campaign." This note was subsequently destroyed and thrown out by Mr. Barnes according to his testimony before the Committee. Barnes Deposition, June 5, 1978 at 6. Mr. Mabry, Respondent's present Administrative Assistant, stated that he perceived the note as a "political problem", believing that the note would be difficult to explain to the press in light of the technicalities of the law covering campaign contributions when considered in conjunction with the lack of restrictions on office accounts. Mabry Deposition, April 20, 1978 at 18, 19. Once again it

must be remembered that the note posed no "political problem" prior to the reports that Mr. Park might be an agent of the South Korean government because neither Respondent nor Mr. Barnes nor Mr. Mabry had any knowledge at that time that Mr. Park had any connection with the South Korean government. Sworn Statement at 1, 17; Barnes Deposition, March 23, 1978 at 44; Mabry Deposition, April 20, 1978 at 35. Nonetheless, Respondent disclosed the existence and content of the note in several instances to constituent newspapers prior to any action taken in Congress towards an investigation of Korean influence. See Lodi-News Sentinel, November 5 and 8, 1976; Stockton Record, November 5, 1976. Respondent stated publicly to the press that such a note accompanied the 1974 contribution and fully disclosed to the Committee all that he could recall and knew concerning the note, thus negating the inference of subterfuge or guilt concerning the note.

Respondent's treatment of the press is itself a source of information as to his state of mind during the period of his contacts with Mr. Park and subsequent to the reports in the press on Mr. Park's connections with the South Korean government. Excerpts from an article in the Union Democrat of Sonoma, California on November 4, 1976 provide an accurate indication:

. . . McFall said he had regarded Park 'as a rice salesman,' interested in the foreign aid allocations made to Korea for the purchase of rice. As a Californian, McFall wanted to see that those funds were used for the purchase of California rice, he explained.

. . . The Congressman said he chose to announce Park's contribution [of \$3,000 in 1974] himself and in the district, rather than have it revealed and possibly distorted in Washington.

In an interview with George Baker of the Kedesto Bee on November 10, 1976 Respondent stated that he accepted a \$3,000 contribution from Mr. Park and placed it in his office account because he believed it was illegal to take campaign contributions from foreign nationals. The Bee also reported that Respondent said "he could not remember doing anything to help Park, who in the role of a broker approached McFall for the sale of California rice in Korea." It should also be noted that Respondent gave an interview to Scott Armstrong and Maxine Cheshire of the Washington Post on November 5, 1976 in which he discussed the \$3,000 contribution, the fact that Mr. Barnes did not deposit the money at one time into the office account, and offered to provide access to the records on the office account. In fact, Respondent invited Scott Armstrong and Charles Babcock of the Washington Post into his office to peruse all his file material, once the information had been located by the Staff and gave a lengthy personal interview to Mr. Babcock shortly thereafter.

Respondent's treatment of the press after the publicity concerning Mr. Park as an agent of the government of South Korea was characterized by the same openness and responsiveness with which Respondent to postpone interaction with the press at the time his reputation suddenly and unexpectedly became threatened was compensated for by his subsequent willingness to discuss publicly his past contacts with Mr. Park. Judged in the context of Respondent's state of mind before and during the adverse publicity concerning Mr. Park, Respondent's initial treatment of the press, i.e., the Washington Post, does not suggest guilt but rather a natural reflex upon learning that Mr. Park was not merely a selling agent for the California rice growers.

APPENDIX D

RESPONSE OF THE SPECIAL STAFF
TO THE MOTION BY JOHN J. McFALL
TO DISMISS THE STATEMENT OF
ALLEGED VIOLATION AGAINST HIM

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

In the Matter of
CONGRESSMAN JOHN J. McFALL

RESPONSE OF THE SPECIAL STAFF
TO THE MOTION BY JOHN J. MCFALL
TO DISMISS THE STATEMENT OF
ALLEGED VIOLATION AGAINST HIM

Congressman John J. McFall has filed a motion seeking dismissal of all three counts of the Statement of Alleged Violation (Statement) filed against him on the ground that each count fails to "state facts constituting a violation of the Code of Official Conduct or any other applicable law, rule, regulation, or standard of conduct." In support of the motion, Mr. McFall has filed his own nineteen page recitation of the facts and a memorandum by his attorney. It is the position of the Special Staff that the three counts of the Statement do "allege facts" constituting violations of applicable rules of conduct, that the factual recitation of Mr. McFall provides no basis to dismiss the charges, and that the Committee should proceed to hold an investigative hearing to resolve the charges against Mr. McFall.

COUNT ONE

Count One of the Statement alleges that Mr. McFall received a \$3,000 "contribution" from Tongsun Park in October of 1974 and that he failed to report such contribution as required

by law. P. L. 92-225, Section 304(b)(2). Mr. McFall concedes that \$3,000 from Tongsun Park was delivered in October, 1974, that it has never been returned and that it has never been reported. McFall argues, nonetheless, that he was not required to report it because he never unconditionally "accepted" the contribution and because he never "received" it as a contribution. The argument is completely without merit.

Under Section 304 of the Federal Election Act of 1971 (which applied to the 1974 election) the candidate or his campaign committee treasurers must report, with respect to "receipts," the name of every person who has made a "contribution" in excess of \$100. "Contribution" is defined in Section 301(e) of the statute as a "gift . . . made for the purpose of influencing the . . . election, of any person to Federal office." According to Tongsun Park's testimony the \$3,000 was made "for the purpose" of helping McFall in his election; and according to Barnes and McFall's testimony they viewed it as such. Indeed, McFall, Barnes, Mabry and Park have all testified that a note attached to the contribution described it as such. Accordingly, the law required that Park's name be reported as the contributor.

To avoid the force of this law, McFall argues that the money was not really "accepted" by him -- that it was accepted only "conditionally." He states that "neither a contract nor a gift can be unexpectedly and unwillingly thrust upon its receiver just by making a physical delivery, especially when the receiver simply retains the goods without using them." The argument is refuted because McFall kept the contribution and never returned it.

It is, of course, true that a "contribution" offered but not "received" need not be reported. The reporting obligation applies only to "receipts" and "expenditures", see Section 302(a). Thus, if McFall had returned the \$3,000 within some reasonable period of time following its delivery, it would not have had to be reported. But Mr. McFall did not return it. He still has not returned it and he simply cannot argue at this date that he has never "received" it. */

McFall's final argument -- that it is his purpose in receiving the contribution rather than Park's purpose in giving it which determines his obligation to report it -- is incorrect. The statute unambiguously requires reporting of gifts "made" "for the purpose" of influencing an election. Moreover, it is shocking to suggest that a candidate could unilaterally decide to use for some purpose of his own money which was given to him solely to help elect him to office. It would be akin to arguing that the president of a charity could take money intended as a charitable contribution and unilaterally decide to "receive" it as a personal gift and use it

*/ There is testimony given by Raymond Barnes at his final deposition very shortly before the filing of the Statement that he received permission from a messenger for Tongsun Park to place the money in the office account. If Park changed or agreed to change the purpose of the gift from a gift for McFall's campaign to a gift for McFall's office and so informed McFall before McFall decided to keep it, then no reportable "contribution" would ever have been received. Consequently, if Barnes' testimony is believed and if the Committee concludes that McFall and Barnes believed the messenger was authorized by Park to change the purpose of his contribution, then it would, presumably, recommend no discipline of McFall on Count One. However, Barnes' last minute version of the contribution is inconsistent with other evidence before the Committee and a hearing will be required to resolve this issue.

to buy a new car. The law makes the donor's purpose determinative of the question whether a contribution must be reported for a good reason: if the donor intended the gift to be used for campaign purposes, it must be used for such a purpose regardless of the desire of the candidate. ^{*/}

COUNT TWO

Count Two charges that Mr. McFall converted Park's 1974 contribution to his personal use and failed to keep his campaign funds separate from his personal funds in violation of Rule 6 of the Code of Official Conduct.

In 1967, Thomas Dodd was censured by the Senate for converting money given to him for his campaign to a different purpose, i.e. his own personal use. Although there was no written rule against such conversion at that time, the Senate felt that such conversion was simply unethical. ^{**/} Senators should not personally profit just because they needed to raise money to support their campaigns.

Soon thereafter both the House and the Senate adopted Rules which forbid such conduct. The House Rule read as follows:

*/ This rule was for a while subject to a limited statutory exception for contributions left over at the end of a campaign. This exception is discussed in connection with Count Two below.

**/ The Report of the Select Committee on Standards and Conduct of the United States Senate on the Investigation of Thomas J. Dodd of Connecticut to Accompany S. Res. 112, 90th Congress, 1st Session, Report No. 193, August 27, 1967, states at p. 25 "that Dodd's conduct comprises a course of conduct which deserves the censure of the Senate, is contrary to accepted morals, derogates from the public trust expected of a Senator and tends to bring the Senate into dishonor and disrepute."

"6. A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures. He shall expend no funds from his campaign account not attributable to bona fide campaign purposes."

The Senate Rule read as follows:

"2. The Senator may use the (campaign) contribution only to influence his nomination for election, or his election, and shall not use, directly or indirectly, any part of any contribution for any other purpose, except as otherwise provided herein.

3. Nothing in this rule shall preclude the use of contributions to defray expenses for travel to and from each Senator's home State; for printing and other expenses in connection with the mailing of speeches, newsletters, and reports to a Senator's constituents; for expenses of radio, television, and news media methods of reporting to a Senator's constituents; for telephone, telegraph, postage, and stationery expenses in excess of allowance; and for newspaper subscriptions from his home State."

On October 15, 1974, Congress passed 2 U.S.C. § 439 (a)

which provided as follows:

"Amounts received by a candidate as contributions that are in excess of any amount necessary to defray his expenditures, and any other amounts contributed to an individual for the purpose of supporting his activities as a holder of Federal office, may be used by such candidate or individual, as the case may be, to defray any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office, may be contributed by him to any organization described in section 170(c) of The Internal Revenue Code of 1954, or may be used for any other lawful purpose." (This law was repealed in 1977.)

The conference report stated:

"The provisions of this section do not affect any rule of the Senate or of the House of Representatives limiting the use of funds received as political contributions nor do they have any effect on the Federal tax treatment of any such contributions used by a candidate for personal purposes." (Emphasis added.)

Thus, it is clear that while §439(a) authorized use of excess campaign contributions to make charitable contributions and to defray business expenses of being a Congressman, it did not authorize conversion of campaign contributions for personal use.

In January 1975, Rule 6 was amended to read as follows:

"A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. Unless specifically provided by law, he shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures and he shall expend no funds from his campaign account not attributable to bona fide campaign purposes." (Change is underscored.)

The only legislative history of this change is as follows:

"No. 27 makes a minor change in the rule relating to the code of official conduct relating to the use of campaign funds." */
Cong. Rec., Jan. 14, 1975, VI. 8

It is clear, then, that both in October 1974, and in 1975, Rule 6 prohibited the conversion of campaign funds to personal use. McFall's contention that "excess" campaign funds could, during 1975, be used for

*/ Presumably the amendment took account of the specific authorization in §439(a) to utilize excess campaign contributions to make charitable contributions and to defray business expenses.

the personal enrichment of the candidate is contrary to the applicable rules.

Notwithstanding this, \$2,400 of Park's contribution was deposited into McFall's account in the spring of 1975 in \$500 and \$400 installments; and then in August of 1975, \$1,505 was removed by McFall and used to finance the purchase of an automobile by his daughter. The money was all eventually repaid to the office account without interest. However, as McFall points out in his recitation at p. 8, one normally must pay interest -- sometimes in a substantial amount -- in order to borrow money. Thus, the borrowing of the \$1,505 interest-free was clearly a personal use of the money in the office account; ^{*/} and since the office account contained \$2,400 of Park's 1974 campaign contribution, McFall failed to keep his campaign funds separate from his personal funds. ^{**/}

COUNT THREE

Count Three charges that Mr. McFall received cash contributions and gifts from Tongsun Park under circumstances which might be construed by reasonable persons as influencing the performance of his government duties, in violation of Rule 5 of the Code of Ethics

^{*/} Of course, if the Committee finds that the \$3,000 contribution from Park was not a campaign contribution, then Mr. McFall should be found not guilty of the charge in Count Two as well as the charge in Count One.

^{**/} It should be emphasized for the sake of clarity that the deposit of campaign funds into an office account which was used solely to defray ordinary and necessary office expenses would not constitute a violation of Rule 6. It is the fact that campaign funds were put into an account which was used in part for purely personal purposes which creates the problem.

of Government Service. He concedes that he received a total of \$4,000 in cash from Park, a man he says he did not know very well, which he put into his office account, as well as a \$500 tea set and a party and that he wrote two letters to Park and two the head of state of the Republic of Korea at Park's request, praising Park as a rice broker and promising his support to Korea. He argues nonetheless that reasonable persons could not construe his receipt of the gifts as alleged in the Statement and goes on to argue his cause at considerable length. McFall's argument discloses no new facts to the Committee and simply underlines the need for a public hearing at which the allegations in Count Three may be resolved.

McFall claims among other things that he never attempted to hide or disguise the contribution. This claim will be disputed at the hearing in light of the fact that the record already clearly shows that none of the contributions were reported; one was placed into the office account in \$500 increments so as not to attract attention; a cover letter designating the \$3,000 as a campaign contribution from Park was destroyed after the press became interested in it; and Barnes, with McFall's later knowledge dissembled with a reporter in order to conceal the contribution.

McFall claims among other things that the letters were written solely in order to help his constituents. This also will be disputed as there will be proof tending to show that the letters were designed to help Park and the Government of Korea.

Suffice it to say that the question whether Mr. McFall received the money from Park under circumstances forbidden by Rule 5 is a complex one which cannot be resolved without a full hearing.

Respectfully submitted,

J. W. Nields, Jr.

John W. Nields, Jr.
Chief Counsel

APPENDIX E

TRANSCRIPT OF HEARINGS

September 20, 1978

September 21, 1978

September 25, 1978

WEDNESDAY, SEPTEMBER 20, 1978

HOUSE OF REPRESENTATIVES,
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT,
Washington, D.C.

The committee met, pursuant to notice, at 10 a.m., in room 2226, Rayburn House Office Building, Hon. John J. Flynt, Jr. (chairman of the committee) presiding.

Present: Representatives Flynt, Spence, Bennett, Quie, Hamilton, Cochran, Preyer, and Fenwick.

Also Present: John M. Swanner, staff director; John W. Nields, Jr., professional staff member; William G. Hundley, counsel to Tongsun Park; and Carole L. Kuebler, George G. Olsen and J. D. Williams, counsel to John J. McFall.

Mr. FLYNT. The committee will please come to order.

The staff director will call the roll.

Mr. SWANNER. Mr. Flynt.

Mr. FLYNT. Here.

Mr. SWANNER. Mr. Spence.

Mr. SPENCE. Here.

Mr. SWANNER. Mr. Teague. [No response.]

Mr. Quillen. [No response.]

Mr. Bennett.

Mr. BENNETT. Here.

Mr. SWANNER. Mr. Quie. [No response.]

Mr. Hamilton.

Mr. HAMILTON. Here.

Mr. SWANNER. Mr. Cochran.

Mr. COCHRAN. Here.

Mr. SWANNER. Mr. Preyer.

Mr. PREYER. Here.

Mr. SWANNER. Mrs. Fenwick.

Mrs. FENWICK. Here.

Mr. SWANNER. Mr. Flowers. [No response.]

Mr. Caputo. [No response.]

Mr. Chairman, seven members answer present, five members absent.

Mr. FLYNT. Seven members of the committee—a quorum—are present.

The Chair proposes to follow the same rules of attendance which have been followed in previous cases. The Chair expresses his appreciation to the members for being here promptly, at the convening hour, so that we could begin with a full quorum.

During the taking of testimony and receiving evidence, no testimony will be taken and no evidence will be received unless at least five members of the committee are in attendance.

When the respondent prepares to take the stand, the committee will not proceed unless at least seven members are present. This is

the same rule which has been applied uniformly previously and will again be applied today.

I will now read the opening statement of the committee's authority to hold the investigative hearings and the purpose and the scope of this hearing.

This investigative hearing is held pursuant to House Rule X4.(e)(1)(B) which provides that the Committee on Standards of Official Conduct shall:

* * * investigate, subject to subparagraph (2) of this paragraph, any alleged violation, by a Member, officer, or employee of the House, of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities, and, after notice and hearing, to recommend to the House by resolution or otherwise, such action as the committee may deem appropriate in the circumstances.

Additionally, House Resolution 252, 95th Congress, 1st Session, mandates, in section 3, that this committee:

* * * after appropriate notice and hearing, shall report to the House of Representatives its recommendations as to such action, if any, that the committee deems appropriate by the House of Representatives as a result of any alleged violation of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities.

The scope and purpose of this hearing is to resolve the allegations contained in the statement of alleged violation with regard to Representative John J. McFall.

The object of this hearing shall be to ascertain the truth.

Mr. NIELDS. Yes, Mr. Chairman.

Mr. FLYNT. Ms. Kuebler, do you represent the respondent?

Ms. KUEBLER. Yes, Mr. Chairman.

Mr. FLYNT. You are accompanied by Mr. Olsen?

Ms. KUEBLER. Yes.

Mr. FLYNT. Mr. David Olsen?

Ms. KUEBLER. Mr. George Olsen and Mr. J. D. Williams.

Mr. FLYNT. Are you ready to proceed?

Ms. KUEBLER. Yes, we are, Mr. Chairman.

Mr. FLYNT. Does the respondent desire that the statement of alleged violation be read at this time, or does the respondent waive the reading and let it be included in the record at this point?

Ms. KUEBLER. Mr. Chairman, the respondent will waive the reading of the statement of alleged violation and ask that it be included in the hearing record.

Mr. FLYNT. Is there objection?

Mr. NIELDS. No objection.

Mr. FLYNT. Hearing none, without objection, the statement of alleged violation is considered as read and is included in the record as part of the record at this point.

Does respondent desire that the answer of respondent be read or does the respondent waive the reading of that?

Ms. KUEBLER. Mr. Chairman, respondent waives reading of the answer, but I respectfully request that respondent's answer and also supporting material submitted accompanying that answer be admitted into the committee's hearing record.

Mr. FLYNT. Is there objection?

Mr. NIELDS. No objection.

Mr. FLYNT. Without objection, the answer of the respondent, together with the supporting statements and documents attached to and made a part of the answer, are included in their entirety at this point in the record.

I would like to ask counsel for both sides, either when we have our first recess, because of rollcalls or otherwise, or immediately upon the conclusion of this hearing, to agree that all of the documents referred to in the request are properly and totally included.

Again if there is no objection, there was a substantive motion to dismiss the statement of alleged violation which was attached and included there with memorandum of points and authorities to support motion to dismiss statement of alleged violation.

Because of the points which are mentioned therein, together with the fact that the motion to dismiss was argued in behalf of this motion, and also the response by the committee staff, if there is no objection from the committee, the Chair is going to tentatively include the motion to dismiss with the memorandum of points and authorities in support thereof. It will be tentatively included, with the reservation that if it is not applicable, it will not be included after notice to both sides.

Ms. KUEBLER. Mr. Chairman, if I might be recognized.

Mr. FLYNT. Yes, ma'am, you may.

Ms. KUEBLER. Respondent would specifically request that the motion to dismiss and the points of authorities to be filed therewith be included in the record.

Mr. FLYNT. The Chair will take that under advisement, and the committee will at the appropriate time decide, unless the committee is willing to decide it right now.

Mr. BENNETT. I see no reason for not——

Mr. FLYNT. I know of no reason.

Is there objection?

Is there objection from the staff?

Mr. NIELDS. No objection.

Mr. FLYNT. Without objection, the motion and the memorandum in support thereof will be included at this point.

[The information follows:]

Does the staff desire that the response of the special staff to the motion be read or does the staff suggest that it be incorporated in the record as if read?

Mr. NIELDS. I do not request that it be read. I do request that it be incorporated in the record.

Mr. FLYNT. Is there objection?

Without objection, the response of the special staff to the motion to dismiss will be included at this point.

Is counsel for the staff, staff counsel or counsel for respondent aware of any other pleadings or other document which form the basis of this hearing that should be included at this point?

The Chair is not aware of any, but out of an abundance of precaution, he wants to be sure that everything is included that should be.

Ms. KUEBLER. Mr. Chairman, in a reading of rule X(A), it is apparent that that rule provides that depositions, interrogatories and sworn statements taken under the committee direction may be accepted into the committee record.

I would like to move that all such material made available to respondent as part of the discovery proceedings be incorporated in the committee's hearing record.

Mr. FLYNT. I wonder if counsel would agree that the proper time to do that would be during the presentation of evidence, rather than in the statement of the case. I think that your request is well founded, and that at the proper time, contents of such statements may be properly included, but I wonder if this is the place to do it.

Ms. KUEBLER. If the chairman would like us to so move at the beginning of the presentation of our evidence, we will do so at that time.

Mr. FLYNT. The Chair will entertain the request at that time. Is staff counsel aware of anything else that ought to be included at this point?

Mr. NIELDS. No, Mr. Chairman.

Mr. FLYNT. Under the special rules of procedure, supplemental rules of procedure, adopted for this series of hearings, under those rules, at the beginning the staff counsel is authorized to make an opening statement, and the staff counsel is recognized at this time for the purpose of making such opening statement.

Mr. NIELDS. Thank you, Mr. Chairman.

Mr. FLYNT. Mr. Nields, the committee, most of the members of the committee, are going to vote when the second bells ring.

Would you rather we go now, rather than interrupt you, or would you like for us to wait until the bells ring and interrupt you in the middle of your statement?

Mr. NIELDS. I think there might be more coherence, Mr. Chairman, if I read the opening statement right through and then proceed to the taking of testimony.

Mr. FLYNT. Is there objection?

Then in that case, the committee will recess, while the members desiring to vote may do so, and the Chair requests that all members return as promptly as possible.

The committee stands in recess.

[Recess.]

Mr. FLYNT. The committee will come to order. Five members are present.

Under the rules, we can proceed.

Mr. Nields, chief counsel of the committee staff, is recognized for his opening statement.

Mr. NIELDS. Thank you, Mr. Chairman. Members of the committee, Ms. Kuebler:

There are three charges against Mr. McFall which are the subject of this hearing. They arise out of the receipt of money and other things of value by Mr. McFall from Tongsun Park, principally the receipt of \$4,000 in cash.

The first charge is that in October 1974, Mr. Park made a campaign contribution of \$3,000 in cash which Mr. McFall failed to report. The staff will prove, and there will be no dispute, that Mr. Park gave Mr. McFall \$3,000 in cash, and that Mr. McFall failed to report it.

The only issue with regard to the first count is whether the \$3,000 was intended and given as a campaign contribution.

Mr. Park will testify that he intended it as such, and there will be no dispute that it was originally offered as a campaign contribution.

However, Mr. Raymond Barnes, who was formerly administrative assistant to Congressman McFall, will be called by the staff so that the committee will have all of the relevant facts before it. I anticipate that Mr. Barnes will testify that he received permission, after the contribution was made from the messenger who delivered it, a Mr. John Gibbons, to change the purpose of the contribution from a campaign contribution to an office account contribution.

However, Mr. Gibbons will testify that he recalls no such change in purpose authorized by him; that he was not then authorized by Mr. Park to make such a change in purpose; and that he does not recall, Mr. Park does not recall, ever having discussed the subject. Mr. Barnes himself, the evidence will show, did not tell this version of the facts, namely, that there had been a change in purpose authorized by Mr. Gibbons until the fifth time that he told investigators on the record his version of the events.

The staff submits that after hearing the evidence, the committee will find it clearly and convincingly established that the \$3,000 never lost its character as a campaign contribution and that, consequently, Mr. McFall was required by law to report it.

The second charge is that the \$3,000 campaign contribution was converted by Mr. McFall to a personal use and that it was not kept separate from Mr. McFall's personal funds.

The staff will offer evidence to show that Mr. McFall had the \$3,000 mingled with other money in his office account and that he then used the money in his office account for personal purpose, notably, he borrowed \$1,505 which he used to finance the purchase by his daughter of a car.

Staff submits that after hearing the evidence, the committee will find it clearly and convincingly established that Congressman McFall converted campaign funds to a personal use in violation of the House rules.

The third charge is that Mr. McFall accepted the cash from Tongsun Park under circumstances which a reasonable person might construe as influencing the performance of his duties.

The staff will offer proof in support of the third charge, that when Mr. McFall received this money, he knew that Mr. Park was a rice broker who also lobbied for military assistance for Korea; that Mr. McFall knew that Mr. Park would ask for and did ask for letters over Mr. McFall's signature to the head of state of the Republic of Korea praising Park as a rice merchant, and in more veiled terms, as a lobbyist; and that Mr. McFall also knew that his position as a member of the Foreign Operations Subcommittee of the House Appropriations Committee and later as a majority whip put him in an influential position to help Park and Korea.

Nonetheless, he received these cash contributions in a fashion such that he did not report them publicly and sent the letters.

Mr. McFall is not charged with bribery, and the staff will not prove that he was in fact influenced or that he agreed to be influenced in any way in return for the money. Mr. McFall's consistent position in favor of Korea, long before and long after his relationship with Tongsun Park, is a matter of public record.

However, the staff will prove that Mr. McFall made a serious mistake in judgment in accepting large cash amounts from a lobbyist and writing letters to a head of state on his behalf, and we will suggest to the committee that the money was diverted into Mr. McFall's office account in order to avoid reporting a contribution, which Mr. McFall knew had the appearance of impropriety to it.

In sum, we will prove by clear and convincing evidence that the money was accepted in such a manner that a reasonable person might construe it as influencing Mr. McFall in the performance of his duties.

Thank you, Mr. Chairman.

Mr. FLYNT. Ms. Kuebler, do you desire to make your entire opening statement, a portion of your opening statement, or reserve the right to make your opening statement after the staff has presented its case?

Ms. KUEBLER. Mr. Chairman, we would like to reserve the right to make our opening statement until the staff has presented its case.

Mr. FLYNT. Without objection, that procedure is agreed to.

Call your first witness.

Mr. NIELDS. Staff calls Tongsun Park.

Mr. FLYNT. Mr. Park, will you remain standing, and please raise your hand?

Do you solemnly swear that the testimony you will give before this committee in the matter now under consideration will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PARK. Yes.

Mr. FLYNT. You may be seated.

TESTIMONY OF TONGSUN PARK, ACCOMPANIED BY WILLIAM G. HUNDLEY, COUNSEL

Mr. FLYNT. You are Park Tongsun, your name is Park Tongsun?

Mr. PARK. Yes.

Mr. FLYNT. Your attorney?

Mr. PARK. Yes.

Mr. FLYNT. He is seated to your left?

Mr. PARK. Yes.

Mr. FLYNT. You may proceed, Mr. Nields.

Mr. PARK. Mr. Nields, if you give me your permission to just make a small brief opening statement.

Mr. NIELDS. Is your attorney aware of what the statement would entail?

Mr. PARK. Yes.

Mr. HUNDLEY. I would request that he be permitted, Mr. Chairman, to make just a very brief statement.

Mr. FLYNT. Ms. Kuebler, do you want to be heard?

Ms. KUEBLER. I have no objection, Mr. Chairman.

Mr. FLYNT. All right.

Mr. NIELDS. On the representation of his attorney that he will not get into matters which the committee should not consider, I will have no objection.

Mr. FLYNT. Does any member of the committee have any objection?

Hearing none, you may proceed.

Mr. PARK. Some of our friends know that I have had a diabetic condition, and it seems that this morning the condition seems to be worse. So if I am not showing any enthusiasm for this hearing, I hope you would understand that is the case.

But as the last days of hearing are coming to a close, I have become somewhat sentimental, in the sense that while some of the governmental organizations in this country have done everything possible under the sun to violate my human rights, especially in the tax case, we now know that the revenue agent who was charged with making decision to put a lien on my entire assets has done so by violating due process and violating my rights.

But because of my great affection for this country, I wanted to let everyone know that I have no bitterness, and to have a symbolic gesture, I went by Congressman Fraser's office, and I told him that in spite of what has been happening, I have no bitterness, and I wished him well.

And so I just want to have a piece of my mind by suggesting to you that all the time that I have known friends in the U.S. Congress, I know one thing, this is the body filled with hard working and very decent people. And when I decided to come to this country to appear before the committee, I made very important decision that my personal rights would not matter anything when it comes to the motion of pleasing my friends in Congress. So at least I think you ought to appreciate that.

And since we are here this morning specially to deal with a Congressman whom I acknowledged publicly time after time, that I have a great respect and also I learned to like him as a human being, so while I tried to do my duty as a witness, there are times I found that justification is not done on the part of a person who has been accused because I am in that position many times before, so I am going to beg the committee to allow me to elaborate my answers, and I would like to insist on having the rights not to answer questions in yet no simple forms. So once again I hope you have some appreciation as to what has been going on through my life.

If anything should happen to American citizen that happened to me, especially in the tax case, the person would have been financially wiped out and he would have been physically demoralized and he might have committed suicide if the case has been that serious. But because of my great affection, which I learned to have for this country, that feeling, strong feeling, somehow helped me to withstand myself.

I have taken the attitude that appears to be very light and not serious, but had I taken that attitude along with my counsel, I would have been killed a long time ago. And so all I ask you is, it has been very difficult for me but I am here to satisfy your requirements.

Mr. FLYNT. The committee is aware of the medical condition which you described in your statement, and we will be very indulgent, as we have in the past, in the event you are faced with the situation you would like to leave the room.

Just advise your counsel and counsel will advise the committee.

Mr. HUNDLEY. Yes, sir.

Mr. FLYNT. Mr Nields.

Mr. NIELDS. Thank you, Mr. Chairman.

Mr. Park, during the period 1969 through 1975, were you in the business of being a middleman on sales of rice from the United States rice sellers to the Government of Korea?

Mr. PARK. Yes, I served as bona fide agent for rice exporters in this country.

Mr. NIELDS. And did you earn during that total period of time, several millions of dollars in commissions?

Mr. PARK. Yes.

Mr. NIELDS. And was there a brief period of time in which you were not the agent?

Mr. PARK. That is correct.

Mr. NIELDS. And did you consider it important from time to time to your position as middleman to maintain a good image with people in the Government of Korea?

Mr. PARK. I believe so.

Mr. NIELDS. And did there come a time, Mr. Park, in late 1969 when you met Congressman McFall for the first time?

Mr. PARK. Yes.

Mr. NIELDS. And did someone in particular arrange that meeting?

Mr. PARK. I believe one of Congressman's constituents, namely, Mr. Curt Rocca, businessman, made the arrangements for me to meet the Congressman.

Mr. NIELDS. Was he in the rice business?

Mr. PARK. Yes. He was a rice grower, to be specific.

Mr. NIELDS. Did he arrange this meeting at your request?

Mr. PARK. I believe so, yes.

Mr. NIELDS. Now at this time, Mr. Park, December 1969, was there then pending a decision by the Government of Korea as to whether it would buy 400,000 tons of rice from the United States, including California, or whether it would buy that rice from Japan?

Mr. PARK. Yes. There was important decision pending, as you said, before the Korean buyers, and because especially the aggressiveness with which the Japanese growers, the Government as well, trying to move their surplus rice. Therefore there was a keen competition.

Mr. NIELDS. Mr. Park, was there also pending at this same period of time a bill before Congress appropriating \$50 million in earmarked funds for military assistance for the Republic of Korea?

Mr. PARK. I seem to recall that, yes.

Mr. NIELDS. And was that bill pending for some considerable period of time due to a disagreement between the House and the Senate involving two conferences?

Mr. PARK. I believe so, yes.

Mr. NIELDS. And eventually was the bill passed, including the \$50 million for Korea?

Mr. PARK. Yes.

Mr. NIELDS. Now, Mr. Park did you have a plan or a philosophy, I think you have termed it, involving the relationship between purchase of rice and military assistance?

Mr. PARK. Well, I had the general concept or, if you will, philosophy of mine which I developed over the many year, that if those American congressional friends are helpful and sympathetic to the

Korean people in carrying the aspirations, they ought to be recognized by the Koreans themselves, and if possible, these good people should be helped in every way that is possible.

More specifically, if a Congressman has a problem of helping his district or constituents, whether it involves moving of the products that their district, his district produce, Koreans ought to be helpful to that, and vice versa, by helping those Congressmen who have certain problems with their district; if Koreans can help them to dissolve such problems by rendering assistance, I felt that those Congressmen would sooner or later learn that such assistance has been given, and in final analysis, they could be very helpful to Korea or at least become very sympathetic.

Mr. NIELDS. Just to make sure I understand you, Mr. Park, are you saying that if Korea purchased rice or other products from a congressional district, it was your notion that that Congressman might become friendly toward Korea, including the issue of military assistance?

Mr. PARK. I think that is the general, and I might add that not only rice, but when the opportunity came to be helpful to the Boeing Co. in Korea involving feasibility study that has to do with international airport, I took the aggressive position of helping Washington State-based firm called Boeing, knowing Senator Jackson's position. I hardly know him, but I for one as a patriotic Korean appreciated genuinely what Senator was trying to do.

Mr. NIELDS. Mr. Park, at the time that you requested this meeting with Congressman McFall, were you aware of whether he had rice grown in his district?

Mr. PARK. I think by association, that Mr. Curt Rocca as a prominent rice grower, and he was living in Congressman's district, and I think I became aware of Congressman's relationship with rice, yes.

Mr. NIELDS. And how about on the issue of military assistance? Were you aware of any position Mr. McFall held in the Congress relative to that issue?

Mr. PARK. From the very first meeting that we had, we had some sort of rapport, and it became very apparent that out of his own conviction, Congressman McFall was already sympathetic to Korea, realizing that Korea is a very not only strong and closest ally, but loyal ally, and he more or less told me his philosophy, that by helping such an ally to remain strong amongst her enemies, it would ultimately enhance the national interests of this country. So I knew that at least he had the personal conviction to be helpful to Korea and any legislation that might help American ally to remain strong.

Mr. NIELDS. And did he have any committee assignment, Mr. Park, which gave him a special ability to assist on such legislation?

Mr. PARK. I didn't know at the time that I met Congressman, but somehow later on that I became aware that he was serving on the appropriations subcommittee called Foreign Operations, which dealt with foreign aid.

Mr. NIELDS. Including military assistance?

Mr. PARK. Yes.

Mr. NIELDS. And did you also later learn that he served on the conference committees in connection with this \$50 million appropriation?

Mr. PARK. I think someone made me aware of that, yes.

Mr. NIELDS. Mr. Park, I would like you to turn to a document which is marked committee hearing exhibit No. M-2. It is not the top document in your stack of exhibits there, the second document.

Mr. PARK. Yes, I have the document.

Mr. NIELDS. I take over the past few months you have had a number of opportunities to look this document over; is that correct?

Mr. PARK. That is correct.

Mr. NIELDS. And do you, or did you recognize it?

Mr. PARK. I do recognize this particular document.

Mr. NIELDS. And what is it?

Mr. PARK. I believe this is the document which my former assistant, the name of D. Y. Kim, just before he returned to Korea in 1971 I believe, in his effort to leave those informative information that he felt that I might need, and I think he simply put all the records that he took into this particular document.

Mr. NIELDS. So the document was prepared at your direction; is that correct?

Mr. PARK. I think it as more or less joint venture. I must have directed him to do so, and he also wanted to do it right along.

Mr. NIELDS. And he prepared it from other records which he already had in his possession?

Mr. PARK. I believe so.

Mr. NIELDS. During your recent study of this document, have you determined that it is a substantially accurate document?

Mr. PARK. I think you know yourself that we did go over some points and we found that certain records this assistant of mine kept were inaccurate, but other than that, I think it is fair to say, by and large, the record reflects some degree of accuracy, yes.

Mr. NIELDS. And it records, does it not, a number of visits to the offices of various Congressmen—

Mr. PARK. Yes.

Mr. NIELDS. With a notation regarding the date and the purpose of that visit—

Mr. PARK. Yes.

Mr. NIELDS. Is that right?

Mr. PARK. Yes. They are not always 100 percent accurate I think you and I discussed.

Mr. NIELDS. But you have concluded, as I recall, that they are substantially accurate.

Mr. PARK. I think that is a fair statement.

Mr. NIELDS. And the visits are accurate and the subject matter may not 100 percent be accurate, but most of them are; is that right?

Mr. PARK. Yes, especially in connection with kind of meeting that I supposedly had. He did not really have a privilege to know that, because as you know, as assistant he was not, did not have privilege to take direct participation in discussion.

Mr. NIELDS. You are now referring to D. Y. Kim, your employee; is that correct?

Mr. PARK. That is correct, yes.

Mr. NIELDS. He was not actually in the room with you while you visited the Congressman; is that right?

Mr. PARK. That is correct.

Mr. NIELDS. But he generally would accompany you to the Hill and remain outside the offices; is that correct?

Mr. PARK. That is correct.

Mr. NIELDS. And you would let him know in a general way what the purpose of the meeting was and that is how he got his information to make this record; is that right?

Mr. PARK. I believe so.

Mr. NIELDS. There are some 35 visits to the office of Congressmen recorded on this document during December of 1969 which indicate the purpose of the visit was the \$50 million, excuse me, was military assistance.

Mr. PARK. I think that is a fair statement.

Mr. NIELDS. Does that reflect the fact, Mr. Park, that you were in your own way lobbying for the passage of the \$50 million appropriation?

Mr. PARK. Well, I think the word "lobbying" is in many cases misleading, but if lobbying means to suggest that I very much wanted to have an opportunity with my congressional friends to provide them with those information that they might not have gotten either through their own effort or even from publicly available situation, so I do admit that having had the great concern for security of Korea, I did go up and visit as many friends as I can and trying to tell them our side of the story, essentially, Korean story, I should say, because many times, as brilliant as Congressmen might be, unless Congressman Hamilton, but he will not be in the same position as I will be because I am a Korean born and raised especially in North Korea, and I don't know everything that is happening in this country, but I have some appreciation for how the politics is played, and I felt that if these important friends of ours were not given the opportunity to have every possible information available at their disposal, then make the decision, then that is all right.

But if they did not have all available information, they are making a wrong decision. And in my effort to be helpful to the political process of this country, and in my effort to really satisfy myself of this need, because I know since I went to Georgetown that what kind of effort I make as a businessman in trying to build a small business empire without resolving security problem, every effort would be meaningless. So I did, I am delighted to tell everyone that I did make as much effort as I could to build those information I thought might be helpful to Congressmen.

I might also add that I always had enough respect for my congressional friends that they had their own capacity to form their own judgment, and there never been any time when I try to twist their arms. All of did is avail information, and it is up to them to make the final decision, and I felt nothing wrong with that.

Mr. NIELDS. Mr. Park, this document notes three visits in mid-December 1969, to the office of Congressman John McFall.

In his case, do you recall whether you discussed the subject of military assistance?

Mr. PARK. I think because of my knowing his interest in security matters, and in fact we had many so-called, what I called, pseudo-intellectual kind of discussion on the subject matter of security, I think I would have discussed with him, in general terms. But I think if you know Congressman is very low key, and we never discussed anything in specific terms. Certainly it wasn't my style to talk any legislative program in detailed fashion and tell the Congressman to vote or not vote. So I think what we did, we had general discussion on topic that was vitally important to both countries.

Mr. NIELDS. How about rice?

Mr. PARK. Rice is another topic, yes.

Mr. NIELDS. And did you discuss the two subjects in conjunction with one another?

Mr. PARK. I might have done that. I don't remember any specific incidents.

Mr. NIELDS. Well, Mr. Park, haven't you testified that you discussed with him the fact that if the military assistance bill was acted on favorably, it would put you in a better position to get Korea to buy the rice?

Mr. PARK. Yes, I think I more or less expressed the reality that if my friends want to help me to sell their surplus rice, which always been political headache for them, then they ought to show their support for military aid to Korea, and certainly will give me more than justification in the face of Japanese, Taiwanese and Siamese, that here are the friends who are trying to be helpful to us.

What did the Japanese have done for use lately especially, and we ought to help Americans. And so I think I appealed to Congressman McFall, just as I did to other Congressmen from rice growing district, that if they want to sell their rice, they should create the kind of ambiance which will put me in position whereby I can go home and say here is the situation, and, fellows, we had better favor American friends with buying their rice.

Mr. NIELDS. Mr. Park, I would like you to turn to a document in your bunch of exhibits there marked committee hearing exhibit No. M-12. It is a handwritten page.

Mr. PARK. Yes, we have it.

Mr. NIELDS. I think that might be 11.

Mr. PARK. Yes, 12.

Mr. NIELDS. Mr. Park you don't actually have any personal familiarity with that document?

Mr. FLYNT. The witness is searching for the document. The Chair suggests it would be a good time for those members who desire to do so to go vote. This is a vote on the rule H.R. 1.

The committee will recess.

The Chair requests that all members return as promptly as possible.

[Recess.]

Mr. FLYNT. The committee will come to order.

Mr. Nields, you may resume.

Mr. NIELDS. Thank you, Mr. Chairman.

Mr. Park, when we adjourned, I was directing your attention to committee hearing exhibit M-12.

Do you have that in front of you?

Mr. PARK. Yes.

Mr. NIELDS. Now I take it that is a document that you have no personal familiarity with. It is notes made by someone other than yourself; is that right?

Mr. PARK. That is correct.

Mr. NIELDS. We will have another witness who will identify this document later.

What I would like to do is direct your attention, however, to the words at the top of the document "Freeland talking to Park, Re: \$50 million appropriation for Korea. If receives favorable consideration, will buy 400,000 tons of rice."

Then underneath that are two telephone numbers.

My first question is, do you know what that refers to?

Mr. PARK. Well, Mr. Freeland, as you may know, at the time this note was taken, I believe was serving as executive vice president of California Rice Growers Association, which is generally known as IGA for short, and I think he was simply relating the impression that he might have received from the conversation we had regarding proposed rice purchase by Koreans of California rice and relating it to \$50 million military aid that was earmarked for Korea.

Mr. NIELDS. So you had a conversation with Mr. Freeland similar to the ones that you have just testified about earlier today; is that right?

Mr. PARK. I believe I did, in my effort to try to be helpful to California rice growers.

Mr. NIELDS. Yes, and Korea.

Mr. PARK. Yes.

Mr. NIELDS. Now the two telephone numbers, are those your telephone numbers?

Mr. PARK. I have no specific recollection, Mr. Nields. As you know, this is a year that goes back 7-8 years or longer. I just have no recollection. It may be my office telephone numbers.

Mr. NIELDS. I beg your pardon?

Mr. PARK. It can, it could be.

Mr. NIELDS. I would like you to turn to a document marked hearing exhibit M-13. It bears the date of December 22, 1969. It has your name at the top of it, and in the middle it says, "Would like letter to show how California delegation helped."

Now my question is, did you have a conversation with Raymond Barnes in which you said something to him along the lines of wanting a letter?

Mr. PARK. Yes. I was aware that the California delegation, which constitutes second largest delegation in terms of number as a group, they were very helpful in being sympathetic to Korea, especially in regards to military aid, and this was something that I felt that people back home ought to know. And I think I suggested that it will be helpful to me in carrying out my responsibility as bona fide agent of IGA to have a letter indicating the magnificent support that the entire California delegation under the leadership of former Congressman Chet Holifield gave in assisting perhaps the closest and most highly ally of this country.

Mr. NIELDS. And was it part of your purpose in requesting such a letter to show that you had been instrumental in obtaining that help?

Mr. PARK. Yes, I am quite proud of that fact, and it doesn't hurt to have my name mentioned in that regard.

Mr. NIELDS. And did Congressman McFall give you such a letter?

Mr. PARK. I believe he did.

Mr. NIELDS. I would like you to turn to committee hearing exhibit No. M-4. It is a letter addressed to you dated 2 days later, December 24, 1969.

Mr. PARK. Yes, I have the letter.

Mr. NIELDS. And is that the letter which you requested and Congressman McFall gave you?

Mr. PARK. I believe this is the letter, yes.

Mr. NIELDS. And had you given Congressman McFall or someone in his office a sample letter before you obtained the letter from him?

Mr. PARK. Yes. I think there was another friend that I was close to, former Congressman Edwards, who is now serving as a Governor of Louisiana, and he also was very sympathetic to Korean aspiration, if you will, and he did write me a letter expressing his thoughts regarding rice trade, and I think I took to to show to Ray Barnes and suggested that that kind of letter that he might like to write or he might like to write on behalf of his employer.

Mr. NIELDS. Would you turn to committee hearing exhibit M-3?

Mr. PARK. Yes.

Mr. NIELDS. Is that the sample letter which you gave Congressman McFall's office?

Mr. PARK. Yes.

Mr. NIELDS. Mr. Park, I would like you to turn back to committee exhibit M-2. It is about half way through the document.

I want you to find the alphabetical listing of Congressman McFall's name. It indicates after his name "Delivered cuff links. P.M."

To what does that refer?

Mr. PARK. I think it is small, typical set of cuff links that was made in Korea which I delivered to him. I don't think I delivered to him in person. Perhaps just as I did with many other friends whenever I came back from long trip home to Korea, I usually brought something as expression of my friendship, which is always done in Korean custom, and I believe I left one of those insignificant, small cuff links set which was adequate enough to express my friendship for him. But I think in this particular case, I seem to recall I delivered in the name of Prime Minister of Korea with whom I had very close personal relationship.

Mr. NIELDS. Does "P.M." stand for "Prime Minister"?

Mr. PARK. Yes, and he was family friend of long standing, and he too been made aware, having served as aide to General MacArthur as Commander-in-Chief for Korean Forces during the Korean war, what our friends were doing in Washington, and I more or less told him that I would pick up small gifts, and if he will provide me with the cuffs, at my discretion I will distribute the gifts. And so it was done in that fashion.

Mr. NIELDS. Was this Prime Minister Chung Il Kwon?

Mr. PARK. I think so, yes.

Mr. NIELDS. Would you turn to committee exhibit M-14?

Mr. PARK. Yes.

Mr. NIELDS. This is a letter addressed to the Honorable Chung Il Kwon from John J. McFall, Member of Congress, dated December 30, 1969. And to summarize it, it is a thank you letter for the gift conveyed by our mutual friend, Mr. Tongsun Park. It refers to cuff links.

To your knowledge, does that refer to the cuff links—

Mr. PARK. Yes.

Mr. NIELDS. Which you delivered to Congressman McFall?

Mr. PARK. Yes. I think the members of the committee would like to know, I am sure, that since there has been great discussion about the numbers, money involved.

Mr. NIELDS. Yes, tell us what the value of the gift was.

Mr. PARK. I think the wholesale value at the time could have been somewhere around \$5. If you had ambitious retailer, he might have gotten away with perhaps \$10-\$15. But I had good relationship with the jewelers, and I think our company got it at wholesale price, and I believe you would like to know, perhaps price could be as much as \$5. Of course the dollar value has declined, so perhaps now it commands greater price.

Mr. NIELDS. Mr. Park, I don't think I asked you, did the Government of Korea eventually decide to purchase 400,000 tons of rice from the United States?

Mr. PARK. Yes, and in fact that marked real happy occasion in my life, and I was delighted to see that Koreans decided to buy American rice versus Japanese rice, despite the tremendous pressure that was brought upon the Korean leaders by Japanese Government and prime minister himself. He came to Korea all the way to sell their rice because Japanese had the tremendous surplus situation with their farmers. It was a real coup I thought that we pulled that on behalf of American rice growers.

Mr. NIELDS. And that resulted in the sale of a substantial amount of California rice.

Mr. PARK. That really set the pace for what is happening today, that Korea is now buying in excess of \$1 billion worth of American agricultural products, which put them right on the top next to Japan, and I might add, with mostly cash. And I take great pride in having created that kind of market for American farmers. If I run on that achievement, I am sure I could get elected somewhere in this country as congressman.

Mr. NIELDS. Mr. Park, I think you have already testified that the \$50 million in earmarked funds also eventually was passed.

Mr. PARK. Yes.

Mr. NIELDS. Did there come a time when Congressman McFall expressed his gratitude to you for the sale or the purchase by the Government of Korea of rice?

Mr. PARK. I don't have any specific recollection, but I think he did express his appreciation in some general form, and I seem to recall that he thanked me, and I seem to recall that he wanted to be helpful to me and to Korea. But I want to elaborate on this statement because it is quite important to me to convey the true feeling that was conveyed at the time to the members of committee. I think he being very sincere type of person, I think his own colleagues would testify to that end as I am doing, that he genuinely appreciated someone, some foreigner, who not only had a great

affection for this country, but he actually did something to implement his affection for this country by being helpful to rice growers, which in effect helped him. And so I think he genuinely, not as perhaps Congressman so much but as a friend, he really wanted to be helpful to me and to Korea who, really, in spite of all the pressure coming from different countries, decided to buy the American rice.

Mr. NIELDS. Mr. Park, in connection with telling you that he would like to be helpful to you and to Korea, did there come a time when he mentioned any new position which he held in the House in that connection?

Mr. PARK. I think in one of the letters—

Mr. NIELDS. No, I am asking you about conversations now, Mr. Park.

Mr. PARK. No, I think again I don't have any specific recollection. But I seem to recall that soon after he became the majority whip, I think he did mention something to the effect that with the greater responsibility, perhaps my own conviction of helping Korea now have a greater basis, something to that effect.

Mr. NIELDS. Greater ability?

Mr. PARK. Or something to that effect, yes.

Mr. NIELDS. Mr. Park, did Congressman McFall—

Mr. PARK. I might add he didn't do it in braggadocio, that was not Congressman's style, but I think simply he was stating the fact that with new position, whatever he did before even he met me, being a patriotic American himself, that he can do perhaps more in substantiating or implementing his philosophy. That is the way I took it.

Mr. NIELDS. Mr. Park, did Congressman McFall ever mention Congressman Passman to you in this connection?

Mr. PARK. Yes, I believe, again, in his genuine way, trying to be helpful to me, he made some passing remark that I perhaps would like to get to know Congressman Passman because, after all, he was subcommittee chairman on Foreign Operations that dealt with foreign aid program in general, but as everyone knows by now, I already had the good relationship with Congressman Passman, and while I appreciated his suggestion, I mean I think I really knew Congressman Passman better than Congressman McFall know Otto Passman, so that was that.

Mr. NIELDS. Mr. Park, would you turn please to committee hearing exhibit M-5?

Mr. PARK. Yes.

Mr. NIELDS. What is that? Let me reframe that question.

It is a letter addressed to you dated December 22, 1970—that is a year later than the events that I have recently been asking you about—signed by John J. McFall, Member of Congress.

Was that a letter which you requested him to give to you?

Mr. PARK. Yes, I believe so.

Mr. NIELDS. Now address your attention to the last full paragraph which says:

Through my membership on the Foreign Operations Subcommittee of the House Appropriations Committee, as you know, I have had the opportunity to learn more about the progressive efforts being made for the development of South Korea and to

assist in advancing some of the Presidential recommendations regarding aid for the country.

Is that along the lines of the kinds of assistance that you have just been testifying about?

Mr. PARK. No, I think I mean I would not dispute with what you are saying, but I think in all fairness, Congressman wrote this letter at my request to be helpful to me, and he was stating the fact. I mean it is a self-explanatory to me.

Mr. NIELDS. Fine, Mr. Park.

I would like now to direct your attention forward to the summer of 1971.

Mr. PARK. Yes.

Mr. NIELDS. Was that a period of time in which you had either lost your agency or you thought you might have lost it?

Mr. PARK. I think by summer of 1971 I wasn't sure, but I think I had apprehension.

Mr. NIELDS. And did you then visit the offices of a number of Congressmen and request and obtain letters addressed to the President of South Korea which showed you in a good light?

Mr. PARK. I think that is what I did, as I testified on numerous occasion, that anyone to think that I was an agent for Korean Government because I had the rice business, that is totally wrong because it was the Koreans who took the agency away from me.

Mr. NIELDS. Mr. Park, we are not getting into a question of agency at this point. I simply wanted to know whether you visited the offices of—

Mr. PARK. Yes, I wanted to rely on my congressional friends to help me to get back into rice business, being the bona fide agent of exporters of this country, because I frankly was convinced that I could do the best job.

Mr. NIELDS. Was Congressman McFall one of the Congressmen to whom you went and asked for a letter?

Mr. PARK. I think he was one of many Congressmen to whom I turned to, yes, out of desperation.

Mr. NIELDS. I would like you to turn to committee hearing exhibit M-6.

Mr. PARK. Yes, I have it.

Mr. NIELDS. That is a letter addressed to His Excellency, Hon. Chung Hee Park, dated June 18, 1971, from Congressman John McFall.

Mr. PARK. Yes.

Mr. NIELDS. Is that a letter which Congressman McFall wrote to the President of South Korea at your request?

Mr. PARK. Yes. I again, in all fairness, I must point out that I don't think the Congressman himself knew why I was requesting this letter. I was even too embarrassed to talk about the purpose for which the letter should be written.

I think by then the Congressman developed—I mean perhaps it is unilateral on my part to even suggest this, but I think he developed a certain degree of trust and respect for what I was doing, and so when I asked him to—I never really requested this business of letter writing directly to him. But always I think I worked through Ray Barnes, his AA, because he enjoyed a very

closeness with his own employer. That is all I can say about this letter.

Mr. NIELDS. Now, Mr. Park, you did, did you not, have a personal meeting with Congressman McFall sometime in June of 1971?

Mr. PARK. I don't recall. But if the record shows, I have no qualms about—

Mr. NIELDS. Although the record doesn't show, I will ask you some questions. Did there come a time when you were—you made a \$1,000 contribution to the Democratic Congressional Campaign Committee?

Mr. PARK. Yes, I recall that.

Mr. NIELDS. And how did that come about?

Mr. PARK. I think during the month of June 1971 I stopped by the Congressman's office, and I saw Ray Barnes, and I think the Congressman was there also. But the conversation really took place between Ray Barnes and myself.

Mr. NIELDS. In Congressman McFall's presence?

Mr. PARK. I believe so.

Mr. NIELDS. What was the conversation?

Mr. PARK. I think Ray Barnes made the suggestion that an important congressional event was coming up to raise funds for the Democratic Party, and that they had a certain number of tickets, that it would be very appreciated if I could buy some of these tickets.

I being the willing contributor, and there was no persuasion was needed, I went ahead and volunteered to buy 10 tickets at \$100 apiece, which amounted to about \$1,000.

Mr. NIELDS. Do you recall when you turned over the \$1,000? Was it at the same time that it was requested or was it—

Mr. PARK. I think a few days later, perhaps. But I don't think it occurred on the same day.

Mr. NIELDS. You don't think it occurred on the same day?

Mr. PARK. I don't think so.

Mr. NIELDS. And in what form did you hand the money over?

Mr. PARK. Well, as usual, I always made my contribution in the form of cash, large denominations. That was a pattern I had set for myself.

Mr. NIELDS. Now, do you know exactly when this occurred?

Mr. PARK. In terms of date?

Mr. NIELDS. Yes.

Mr. PARK. I think sometime in June—I mean August.

Mr. NIELDS. When you say sometime in June, do you have an independent recollection of the time?

Let me ask you this question. Do you recall whether it was a long time before the dinner or shortly before the dinner?

Mr. PARK. I think, I got the impression that it was coming imminent, so it has to be quite a short time before the actual dinner.

Mr. NIELDS. How did you get that impression?

Mr. PARK. Because I think it was Barnes said we have to sell these tickets. He more or less gave me the impression that it was—I think the way the Republican congressional party operated, I don't know how—did I say Republicans or Democrats?

Mr. NIELDS. You did say Republicans.

Mr. PARK. I don't know how the Republicans do their things. But I think the Democrats most, especially for the Congressional fund-raising parties, they assign a number of tickets to various Congressmen, and it is up to them to sell them. That is the impression I got.

Mr. NIELDS. So, Mr. Park, if the dinner that year was on June 29, 1971, it would have been sometime not too long before June 29 that you handed over the money?

Mr. PARK. I think that is very possible.

Mr. NIELDS. I take it you don't know for sure whether this request, then, was made at or about June 18, the date of the letter, or whether it was made on some other occasion?

Mr. PARK. That is correct.

Mr. NIELDS. But it could have been the same day?

Mr. PARK. Could be.

Mr. NIELDS. You were only in the Congressman's office once in June, and it would have to be the same day?

Mr. PARK. Since I do not have a specific recollection of my own, I have to rely on someone else's.

Mr. NIELDS. Mr. Park, I would like you to direct your attention ahead now to the fall of 1972. Did you make another contribution to Congressman McFall in the fall of 1972?

Mr. PARK. Yes. I seem to recall that I went by his office. I actually enjoyed visiting because we had a rather good discussion on security matters in terms of geopolitics.

I was frankly impressed by the kind of knowledge he had regarding military position in the Far East, relating back to the security problem of this country, because while many Americans have an interest in Europe, they seem to lack the interest that they ought to have in the Far East.

Mr. NIELDS. Mr. Park, the first thing I would like to do is fix the time.

Mr. PARK. I think it was sometime in November, after the election.

Mr. NIELDS. I would like you to take a look at committee hearing exhibit M-8.

Mr. PARK. We have it.

Mr. NIELDS. Now, is that a page from your personal diary that you kept in 1972?

Mr. PARK. That is correct.

Mr. NIELDS. And can you look at the bottom righthand corner, under the date November 13.

Mr. PARK. Yes.

Mr. NIELDS. I direct your attention to the bottom half of that entry where it says McFall, and then there is a line, and the figure "1" in quotation marks appears.

Mr. PARK. Yes. That represents a \$1,000 contribution.

Mr. NIELDS. And was that the date on which you made the contribution to Congressman McFall?

Mr. PARK. I think so, yes.

Mr. NIELDS. Now, was this contribution solicited in any way at all by Congressman McFall or anyone on his staff?

Mr. PARK. No, this was something that I volunteered.

Mr. NIELDS. And did they know that you were going to volunteer it prior to your arrival in their office on November 13?

Mr. PARK. I don't think so.

Mr. NIELDS. All right. What happened when you got to the office?

Mr. PARK. Well, we exchanged the usual pleasantries. I was around to help with your campaign, and he translated it as I wanted to be helpful. I don't think without any fanfare or anything that I seem to remember I made the contribution.

Mr. NIELDS. Was it cash?

Mr. PARK. Yes.

Mr. NIELDS. \$1,000?

Mr. PARK. Yes.

Mr. NIELDS. In an envelope?

Mr. PARK. Yes.

Mr. NIELDS. Now, what, if anything, did Congressman McFall say to you, either right before he received it or at the time he received it?

Mr. PARK. I think he made some reference to the fact that the election is over, and I think he more or less said do you mind if I put it to use for something else. I think he mentioned something about the office expenditures. I am also—I want to remind members of the committee that—

Mr. NIELDS. Just to finish this up did you say "fine"?

Mr. PARK. Yes.

Mr. NIELDS. Go ahead.

Mr. PARK. Because I am on the public record, under the oath, that I was not only a willing contributor, but since the whole idea was to be helpful to Congressmen, I didn't really care.

I mean, I had enough respect for them that if they wanted to use it for office expenditure, or go out and buy themselves a pair of shoes, I just really didn't care. As far as I was concerned, once the contribution was made, I was very happy that I was in a position to do so, it was a closed book, period.

Mr. NIELDS. Mr. Park, directing your attention again to this November 13 entry, the word "Steve" appears.

Mr. PARK. Yes.

Mr. NIELDS. What does that refer to?

Mr. PARK. A very dear friend of mine, a family friend.

Mr. NIELDS. Steve Kim?

Mr. PARK. Yes.

Mr. NIELDS. And did he accompany you to the office of Congressman McFall that day?

Mr. PARK. No, I will tell you exactly how it happened. He had children attending school in this country. I seem to recall three daughters and one son.

Mr. NIELDS. Mr. Park, the only thing I really want to establish is was he in the room at the time.

Mr. PARK. No, no, he was waiting outside.

Mr. NIELDS. OK. Now, I would like to direct your attention ahead again a few months to February 1973. Did you ask a number of Members of Congress right at about that time to write another series of letters for you to the President of South Korea?

Mr. PARK. I think I did, yes.

Mr. NIELDS. And was Congressman McFall one of those Congressmen?

Mr. PARK. He might have been so.

Mr. NIELDS. Would you take a look at committee exhibit number M-9.

The first two pages are a letter addressed to the Honorable Chung Hee Park, dated February 23, 1973, from Congressman John J. McFall.

Mr. PARK. Yes, I am looking at it.

Mr. NIELDS. Was that a letter you requested him to send the President of South Korea?

Mr. PARK. I believe so.

Mr. NIELDS. And was that also for the purpose of helping you maintain a good image with the buyers of the Government of the Republic of Korea?

Mr. PARK. I think that was the general idea.

Mr. NIELDS. Now, the third page of this exhibit appears to be a draft of the same letter. Did you supply Congressman McFall with a draft of that letter?

Mr. PARK. I think I supplied—to be more specific—Ray Barnes with a draft.

Mr. NIELDS. Yes, I should bring that out.

Was the procedure with respect to this letter the same as you testified earlier, that you actually handled the details and mechanics with Ray Barnes?

Mr. PARK. Yes. I think by now the members of the committee may know that I always dealt with Members of Congress directly. It is very seldom I have a relationship with one of their aides. But in the case of Congressman McFall, Ray Barnes was really in charge of all those matters that went through the Congressman's office.

I thought I could get more assistance out of the Congressman's office if I dealt with Ray Barnes rather than the Congressman himself. I think that was a somewhat unique situation, that the Members of Congress should know—I mean that the committee ought to know.

Mr. NIELDS. Just to make the record clear, Mr. Park, I take it, it is nonetheless true that you dealt from time to time throughout your relationship with his office with Congressman McFall in person on some occasions and Ray Barnes on others.

Mr. PARK. Yes. I don't know whether the Congressman knew at the time or not, but I liked him very, very much. In fact, I took advantage of our relationship. Unilaterally, when I visited his office, the majority whip's office, I was bold enough to suggest that he had the wrong kind of paintings for the office of the majority whip. I proceeded to take them down and wanted to give him something else. I had that kind of relationship.

Mr. NIELDS. I would like to refer to that period of time. Did there come a time in the spring of 1973, April in particular, when you asked Congressman McFall if you could give a party for him in honor of his being whip.

Mr. PARK. As I testified to you and the committee and other agencies involving this so-called investigation, it wasn't really I who instigated or initiated it. I think it was a concerted effort on

the part of the members of his own peers—talking about the congressional friends of Mr. McFall, who was very happy about, jubilant about the fact that he was named majority whip, and they all wanted to get together and show their feelings for him.

I was, being the owner of the Sutlers Tavern, which was a landlord to the George Town Club, I had access to facilities, and I was merely included in this joint effort, you might say.

So, I think the party was really initiated by many admirers of Congressman McFall amongst his own colleagues. That is how I was brought in. But just as I gave a party for the Speaker, I didn't give a party for the Speaker, but many of his friends, and I being a generous sort of guy, I was brought in.

As you recall, I presented gifts to him, not in my name, but the Members of Congress name.

Mr. NIELDS. Mr. Park, we will get to all of this in a minute. First of all, was your party for Congressman McFall the first such party that you gave, and the party for then Majority Leader O'Neill followed, is that right?

Mr. PARK. I didn't understand your question.

Mr. NIELDS. You testified just now you also gave some parties for Majority Leader O'Neill.

Mr. PARK. Yes.

Mr. NIELDS. I am asking you now didn't those come later than the party you gave for Congressman McFall?

Mr. PARK. Right.

Mr. NIELDS. Actually, my only question to you was whether you had a conversation with Congressman McFall in which you asked whether you would give him a party.

Mr. PARK. I think when it was decided by many of these admirers, I think I had some conversation because I had to pick the date. I was more or less assigned to looking over particular matters, such as picking the date, the kind of food that should be served, and who should be brought in to entertain.

I called on my very dear friend, George Jessel, to come in—sometimes you have to talk about the jokes with which he entertains, a very interesting event.

Mr. NIELDS. Mr. Park, was a party eventually held?

Mr. PARK. Yes.

Mr. NIELDS. And who paid for it?

Mr. PARK. I think—

Mr. NIELDS. My question now is just who paid for it. Who actually paid for it?

Mr. PARK. I wound up paying the bill.

Mr. NIELDS. Was there a gift at the party?

Mr. PARK. Yes.

Mr. NIELDS. And what was it?

Mr. PARK. It was a silver-plated tea set. If we have to talk about cost—

Mr. NIELDS. Approximately how much.

Mr. PARK. \$500 retail price.

Mr. NIELDS. Who paid that?

Mr. PARK. I think I also wound up paying that bill.

Mr. NIELDS. OK.

Now, when it was presented, was it presented as coming from you or from his colleagues in Congress?

Mr. PARK. From his colleagues. In fact, it was presented by several Congressmen, as I recall.

Mr. NIELDS. I take it the party was jointly given by you and Congressman Minshall and Congressman Hanna, is that right?

Mr. PARK. They acted as hosts, but there were more than 15, 20 Members of Congress, from both Republican and Democratic party.

Mr. NIELDS. For example, Mr. Park, the invitations that went out, did they go out under your name, Congressman Minshall's or Congressman Hanna's name?

Mr. PARK. I don't think we had any invitations as such. We more or less manned the telephone and called everyone up. First it started out with a small party, and then it mushroomed.

Mr. NIELDS. I take it that you testified that the cost of the party and the cost of the tea set was supposed to be shared?

Mr. PARK. Yes.

Mr. NIELDS. But it never was, is that right?

Mr. PARK. Well, when we started out everyone was to chip in their share for dinner and a gift. But I still forgive them for not coming forward with money because you know how Members of Congress are, they are very busy, and the last thing they think about is paying dinner bills.

Mr. NIELDS. What was the approximate cost of the party?

Mr. PARK. Well, it all depends where you sit. The retail price could have been \$2,000, but I had a special arrangement, so I think it cost between \$1,000 and \$2,000.

Mr. NIELDS. Mr. Park, I would like to direct your attention ahead to the fall of 1974.

Mr. PARK. Yes.

Mr. NIELDS. Now, did there come a time when you had a discussion with someone in Congressman McFall's office about a possible campaign contribution?

Mr. PARK. Yes. Again, I have to—I hate to invoke the name of Ray Barnes, but I think I told him that if I can I would very much like to make some contribution to the Congressman's reelection.

Mr. NIELDS. And who raised the subject, you or Mr. Barnes?

Mr. PARK. I did.

Mr. NIELDS. And what was Mr. Barnes' response?

Mr. PARK. Well, he was also like his own boss, a low-key type of person. I don't think he jumped around and showed a great deal of enthusiasm. I think he just simply said fine, very good.

Mr. NIELDS. Was this conversation in person or over the phone, if you remember?

Mr. PARK. I have no specific recollection, but I think it was over the phone.

Mr. NIELDS. Did you make a contribution right away?

Mr. PARK. No.

Mr. NIELDS. Did you have a subsequent conversation with Ray Barnes in October of 1973?

Mr. PARK. Yes, I think I had a conversation regarding my proposed trip that I was going to take.

Mr. NIELDS. A trip to Korea?

Mr. PARK. Yes.

Mr. NIELDS. Where did the conversation occur?

Mr. PARK. I think either in his room—I don't have a specific recollection, but I am inclined to believe it was in his room, I mean in his office.

Mr. NIELDS. It was somewhere in the offices of Congressman McFall, is that right?

Mr. PARK. Yes.

Mr. NIELDS. And was anyone else with you, if you remember?

Mr. PARK. Well, in 1974 my assistant then was B. Y. Lee, and he might have been waiting out in the reception area.

Mr. NIELDS. Now, when you told—did you just drop in on Mr. Barnes on this particular occasion?

Mr. PARK. I think so.

Mr. NIELDS. When you told him you were about to leave for Korea, did he say anything to you?

Mr. PARK. I think he reminded me in his own way that if I were to make a contribution, since I think I gave him the impression that I was going to go away for a long time, to visit my home, and he thought that it would be very appreciated if I could make a contribution before I left for home.

Mr. NIELDS. What did you do then?

Mr. PARK. Well, I more or less decided on the amount of contribution I was going to make, which was \$3,000. I physically sent him the money. I had every intention of giving it to Ray Barnes myself, but just as always happened, I had many last minute items that I had to take care of, and I couldn't go.

So, I had to send another employee of mine, John Gibbons, sitting out in the small room now, to give him the money.

Mr. NIELDS. Now, when did you send John Gibbons? Was it the same day or the following day that you had this conversation with Mr. Barnes?

Mr. PARK. I think a day or two later, and certainly the same day that I was leaving for Korea.

Mr. NIELDS. The same day you were leaving for Korea?

Mr. PARK. Yes.

Mr. NIELDS. Now, what did you do when you gave Mr. Gibbons the money?

Mr. PARK. I think the contribution was in a sealed envelope. I don't think he really knew what it was. But I just told him to deliver the item to Mr. Ray Barnes.

Mr. NIELDS. Did you enclose a note with the money?

Mr. PARK. Sometimes I did. I think I enclosed a short note saying good luck on your campaign, or something to that effect.

Mr. NIELDS. And was the cash in the envelope?

Mr. PARK. I think, Mr. Nields, you should know by now all my contributions were in the form of cash, not because I was trying to hide anything, but that is the way it was done. It was indeed in cash.

Mr. NIELDS. Did you have any other conversations with Mr. Barnes before the money was delivered?

Mr. PARK. I don't remember any specific conversation.

Mr. NIELDS. Do you recall telling him a messenger was coming.

Mr. PARK. Oh, yes.

Mr. NIELDS. Now, did you have any conversations with Mr. Barnes or Mr. McFall about that contribution after it was delivered?

Mr. PARK. I don't recall if there was any conversation. I myself don't recall.

Mr. NIELDS. You don't have any recollection of any such conversation?

Mr. PARK. No.

Mr. NIELDS. And specifically I take it you have no recollection of a conversation in which you were asked whether the money could be used for office account instead of for campaign?

Mr. PARK. Well, I don't have any specific recollection. But if they did ask me, my answer would be I didn't care.

Mr. NIELDS. If you had been asked, you would have said fine, is that right?

Mr. PARK. Of course.

Mr. NIELDS. As you had done earlier.

Mr. PARK. Yes.

Mr. NIELDS. But to the best of your memory, you were not asked, is that right?

Mr. PARK. I don't have any specific recollection. I am still not ruling out the possibility.

Mr. NIELDS. Mr. Park, I would like you to turn to committee hearing exhibit M-10.

Mr. FLYNT. Mr. Nields, I assume you cannot finish this line of questioning within the next few minutes.

Mr. NIELDS. I think I can.

Mr. FLYNT. How soon?

Mr. NIELDS. I would think within 3 or 4 minutes.

Mr. FLYNT. All right. We plan to break at 12:30 p.m. If you think you can do it in 4 minutes, I will let you do it.

Mr. NIELDS. I think I can, Mr. Chairman.

Mr. FLYNT. All right. Go ahead.

Mr. NIELDS. You have that in front of you, Mr. Park?

Mr. PARK. Yes.

Mr. NIELDS. That is a telegram addressed to you in Korea from Congressman McFall, referring to the Inchon bulk unloading terminal, and a hope that President Park and President Ford both would attend.

Mr. PARK. Yes.

Mr. NIELDS. Did you receive such a telegram in Korea shortly after you arrived there on the trip you just testified about?

Mr. PARK. Yes.

Mr. NIELDS. Can you explain to the committee how this telegram came about?

Mr. PARK. Yes. I remember vividly that my dear friend Curt Rocca made a great investment, having faith in Koreans, that once he built the large grain silo, he can contribute to the Korean economy. But after having made such large investment, I think \$3 of \$4 million, for some strange reason his magnificent facilities were not used. He was desperate as a businessman.

I for one, as a decent businessman, felt very sympathetic. Even at the risk of offending some Korean competitors of Mr. Rocca, I was determined to be helpful to him. After exhausting every

avenue that he could think of, he appealed to the Korean Government and everyone else, his effort was frustrated, and he came up with what I thought was a brilliant idea.

It was President Ford coming to Korea, and he thought that if they could make a brief stop and point out what a great example of cooperation between the two countries in the form of this silo, which was truly a joint venture between Mr. Curt Rocca and his Korean partners, then somehow the Koreans would be impressed to use this facility.

I was again determined to be helpful to him. I thought, knowing the relationship with his Congressman, and I felt that if the Congressman could send me a telex of some sort, with that I was going to make my own effort in my own way.

But I am sorry to tell you now that our effort failed and President Ford did not come and make his appearance. But I thought this was a classical example where a constituent, when he did something good, with every good intention, and having faith in the other person, and not being able to get his proper return, where else could he have turned but to his own Congressman. I was glad to be a party to that kind of effort.

Mr. NIELDS. Now, just to make the record clear, Mr. Park, did you have any interest in this business?

Mr. PARK. As a rice representative of rice exporters, I would have had an indirect—

Mr. NIELDS. Mr. Park, you had no direct interest in that business, is that right?

Mr. PARK. None whatsoever.

Mr. NIELDS. And you were doing this primarily, I take it, to assist Mr. Rocca, is that right?

Mr. PARK. That is correct, and ricegrowers in general.

Mr. NIELDS. And to your recollection, you did not request this telegram yourself, but rather suggested to Mr. Rocca that he request that it be sent to you, is that right?

Mr. PARK. That is correct.

Mr. NIELDS. Now, do you recall whether you discussed this telegram a few days earlier with Ray Barnes when you saw him, or talking in connection with the campaign contribution?

Mr. PARK. No.

Mr. NIELDS. Now, I take it, Mr. Park, that although your primary motivation was to help Mr. Rocca, that you thought that your participation in this telegram might help you in a secondary way, is that right?

Mr. PARK. While I don't deny that, I think the biggest reason for doing this, whatever I did, was to identify myself as a part of the cause.

Mr. NIELDS. But it wouldn't hurt you any to have a telegram from a Congressman McFall, majority whip, that you would show to the people in Korea, is that right?

Mr. PARK. Well, I don't want to say one way or the other. But I am sure that the Congressman's name was respected in Korea. So, if I had to answer that question, I am sure that it did not hurt my position at all.

Mr. NIELDS. And did you have a hope that at some point you might be a consultant to Mr. Rocca in connection with his business?

Mr. PARK. Well, that is possible in the business world, yes.

Mr. NIELDS. You testified that you were hoping that, were you not?

Mr. PARK. Maybe I had it in the back of my mind, yes.

Mr. NIELDS. Mr. Chairman, at this time I would like to request that exhibits M-2 through M-10 be made a part of the record of this hearing, and I have no further questions at this time.

Mr. FLYNT. Is there objection?

Ms. KUEBLER. No objection.

Mr. FLYNT. Without objection, exhibits M-2 through M-10 will be received for the record. (See exhibits.)

Mr. FLYNT. It is now 12:30. The Chair is going to suggest a recess until 2, at which time Ms. Kuebler and Mr. Olsen will be given an opportunity to ask any questions they desire of Mr. McFall.

The committee stands in recess until 2 p.m. today.

[Whereupon, at 12:40 p.m., the committee recessed, to reconvene at 2 p.m., the same day.]

AFTERNOON SESSION

Mr. FLYNT. The committee will come to order.

The committee will recess until a fifth member arrives.

[Recess.]

Mr. FLYNT. The committee will come to order.

Can committee counsel give us any idea when the witness will return?

Mr. NIELDS. Mr. Chairman, I have it second- or third-hand that a call was made about 10 minutes ago by Mr. Park saying that he had been delayed in traffic and would be here in 15 minutes.

Mr. FLYNT. Was he told to be back?

Of course the announcement was made in his presence that the committee would reconvene at 2.

Mr. NIELDS. I would suspect that he was eating in this building but apparently he didn't, Mr. Chairman.

Mr. FLYNT. The committee will stand in recess pending the arrival of the witness.

[Recess.]

Mr. FLYNT. The committee will come to order.

Have the witness come in.

When the committee recessed at 12:30 to reconvene at 2 o'clock p.m. the staff counsel had completed the direct examination of the witness, Mr. Park.

Ms. Kuebler, you may cross-examine.

First of all, I will ask if any members of the committee would like to ask questions?

If not, Ms. Kuebler, you may cross-examine.

Ms. KUEBLER. Thank you, Mr. Chairman.

Mr. Park, we know you are not used to being a witness in these proceedings, so please bear with us. Remain calm.

Mr. FLYNT. Speak up a little bit.

Mr. NIELDS. Mr. Chairman, I would just like the record to reflect that the respondent is not in the room.

Ms. KUEBLER. Mr. chairman, he just stepped out for a minute. He will be right back.

Mr. FLYNT. He was here just a few minutes ago.

Ms. KUEBLER. Yes, he just stepped out.

Mr. FLYNT. The Chair was not aware that the respondent stepped out.

Mr. BENNETT. Mr. Chairman. I think he ought to be brought back. This is very important.

Mr. FLYNT. I didn't realize he wasn't here.

Ms. Kuebler, you may proceed.

Ms. KUEBLER. Thank you, Mr Chairman.

Mr. Park, let's go back to the beginning of your testimony chronologically.

You have testified, have you not, that at this time your occupation was that of rice broker?

Mr. PARK. Rice—

Ms. KUEBLER. Is that correct?

Mr. PARK. No, I would like to be known as agent for American rice exporters. It is a little different from being broker.

Ms. KUEBLER. Would it be fair to say that you were a rice salesman?

Mr. PARK. No. I still like to say with identification of being an agent for exporters. I have a reason for saying that, to distinguish. I did not do any administrative work. My duties and responsibility were limited to being an agent.

Ms. KUEBLER. Would you mind telling this committee what your duties were as agent of rice exporters in the United States?

Mr. PARK. Well, I could only talk about the kind of responsibilities that I did discharge, one being the researcher for marketing condition, as to what would be the requirement for certain years in Korea as far as rice consumption is concerned. That is one.

And second, rice being the extremely important commodity, being the main diet for majority of population, and the rice being something that Korean economy uses indexed to price structure, whatever rice was brought in from outside resources, although it was absolutely required, there was domestic problem in that the opposition party always pointed out that this importation of American rice or any rice was a result from the mismanagement of agricultural policies. So anyone to help American growers to sell their rice in Korea required tremendous amount of sensitive responsibility, which would not be required of normal person acting as an agent.

Ms. KUEBLER. But you considered it as part of doing a good job that you did research and were aware of all these factors that you just mentioned?

Mr. PARK. I think I did fair amount of good job as an agent, yes.

Ms. KUEBLER. Mr. Park, at this time in 1969, let's just use that as a base year, did you have any other business interests?

Mr. PARK. Oh, yes; many other diversified interests.

Ms. KUEBLER. Did these take a substantial amount of your time? Which of your business interests took the greater part of your time?

Mr. PARK. The nonrice business. Rice business, although I would be the first one to admit that I did experience substantial amount of income, but it was almost like a vocation. It was not really part of my—did not certainly take a substantial part of my business life.

Ms. KUEBLER. But is it fair to say that you were generally known by persons in the rice business in the United States as a rice agent?

Mr. PARK. I would say yes.

Ms. KUEBLER. Thank you.

If you were the agent in some of these transactions, who was the seller or the sellers of the rice?

Mr. PARK. Well, the year of 1969 and part of 1970 seller being exporters were the ricegrowers of California themselves.

Ms. KUEBLER. And Mr. Rocca was a part of RGA or he was involved with RGA?

Mr. PARK. Yes, RGA was the dominant exporter, and Mr. Curt Rocca's organization worked in conjunction with RGA's effort as one unit.

Ms. KUEBLER. And what did you know of what Mr. Rocca's responsibilities in this business were?

Mr. PARK. As a member of sellers team, his effort is to do all he could to promote the sale.

Ms. KUEBLER. And how did your responsibilities that you have just described and those of Mr Rocca coincide?

Mr. PARK. Well, we all made a general effort, but I think in his case he also wanted to make some input into legislative effort, meaning Public Law 480 funding.

Ms. KUEBLER. Mr. Park, late in 1969, is it a fair statement that Mr. Rocca would have been anxious or was anxious to have you meet Congressman McFall?

Mr. PARK. I don't know how to answer that question.

Ms. KUEBLER. Well, let me rephrase it.

Mr. PARK. Yes.

Ms. KUEBLER. I understand from your testimony this morning that there was some discussion between you and Mr. Rocca that you should meet with Mr. McFall.

Mr. PARK. Well, I think there was no special reason, other than Congressman was known as someone who took good care of his constituency, and I think it was general idea that it would be nice for me to meet his Congressman, and perhaps I don't think he had any specific ideas, but I would think that he was hoping that he would get together and get to know each other and whatever that came afterwards.

Ms. KUEBLER. But it is your testimony that it was Mr. Rocca's idea to set up this meeting?

Mr. PARK. I think he more or less initiated, but I also took participation in it.

Ms. KUEBLER. Well, is it your testimony that you went to Mr. Rocca and said "I want to meet John McFall"?

Mr. PARK. No. He said that he would like to introduce me to Congressman McFall and I concurred, and if anybody suggested that I made a request, perhaps after such discussion took place, I expressed my desire to consummate what was being initiated.

Ms. KUEBLER. And was there a telephone call made to set up this meeting?

Mr. PARK. I believe so.

Ms. KUEBLER. And who made this telephone call?

Mr. PARK. Curt Rocca himself, as I recall.

Ms. KUEBLER. Now prior to this first meeting with Mr. McFall, I understand that you have testified that you did not know very much about Mr. McFall.

Mr. PARK. No.

Ms. KUEBLER. Did you know what committees or subcommittees of the House of Representatives that he served on?

Mr. PARK. No.

Ms. KUEBLER. What, if anything, did you know about Mr. McFall prior to your coming to Washington to meet with him at Curt Rocca's suggestion?

Mr. PARK. I think, as some members of committee had the opportunity to size me up, I generally don't premeditate on anything. I mean somebody said he was a fine Congressman, and I wasn't going in to launch any research program trying to find out who he was and what kind of person he was. That would come later. I mean I would meet him and get to know him. If I didn't like him, I would not see him again. It is as simple as that.

Ms. KUEBLER. Did Mr. Rocca tell you that Mr. McFall was quite interested in helping the rice growers in his district? Did Mr. Rocca tell you this? If he told you that, did he tell you that before this meeting?

Mr. PARK. I don't recall, but it is all possible that he could have made such a statement, but I don't recall.

Ms. KUEBLER. Now you have testified that around this time, some time in December 1969, you did have a meeting with Congressman McFall?

Mr. PARK. Yes.

Ms. KUEBLER. At this meeting, do you recall directing Mr. McFall to vote in any way on any legislative matter before the Congress?

Mr. PARK. No. As many of our friends know, it is not my style, and I would not bore you with explanation as to why.

Ms. KUEBLER. Did you ask him to insert anything in the Congressional Record on legislative matters?

Mr. PARK. Not that I can recall.

Ms. KUEBLER. Did you ask him to make any inquiry as to any Federal agency during this meeting?

Mr. PARK. No. I didn't do that, and I had some other friends who could do that for me already.

Ms. KUEBLER. Did you ask Mr. McFall to take any position before any committee of the House of Representatives or before any conference committee?

Mr. PARK. No. I had the basic concept that no matter what people may say about certain Congressmen, the mere fact that Congressman is elected by as many as 300,000 or 400,000 people, he is more or less man of his own determination, and for you to twist their arms or trying to persuade one way or the other would be counterproductive, and I don't think I would have any part in trying to get involved in an arm-twisting proposition.

Ms. KUEBLER. Mr. Park, let me direct your attention to the committee's staff exhibit M-2.

I believe you still have your exhibits there. This is the list of names.

I specifically direct your attention to—apparently it is not paginated—but there is a number on the bottom of the page, 033058. This is a page on which Mr. McFall's name appears.

Mr. PARK. Yes, I have that.

Ms. KUEBLER. You have testified that this document was prepared by your assistant, Mr. Kim?

Ms. PARK. Yes.

Ms. KUEBLER. And you testified that Mr. Kim made notations about meetings which were purportedly held on this document?

Mr. PARK. Yes.

Ms. KUEBLER. And you have also testified that Mr. Kim did not actually attend these meetings about which the notes are written?

Mr. PARK. Yes. I think the accurate statement should be that while he accompanied me to most of these meetings, I think, one thing that I do know is that he did not participate in any discussion that he recorded by coming into the room with me. That is what I think I testified.

Ms. KUEBLER. But would it be a fair statement that Mr. Kim would not have had the ability to make a verbatim recording of what went on at these meetings?

Mr. PARK. Well, all I can say is that while there might be a discrepancy or human errors, by the large, I think I testified to Mr. Nields and other committees that, by and large, the record seems to have adequate information.

Ms. KUEBLER. Mr. Park, I hesitate to correct you, but I believe your testimony was that they were "somewhat" accurate, referring to Mr. Kim.

Mr. PARK. I don't have any dispute with what you are saying.

Ms. KUEBLER. Mr. Park, in your testimony you left a somewhat misleading or unclear impression about this document. You will note that the document in question has three dates in the column which is supposed to refer to Mr. McFall. There is a Korean notation and it has been translated, I assume, by the committee. Those numbers are as follows: 12-10, 12-15, 12-18-69.

Mr. PARK. Yes.

Ms. KUEBLER. What do those numbers purport to refer to? What do you think those numbers refer to?

Mr. PARK. I think the dates indicating something that has to do with the Congressman's office, whether I went there to visit or to deliver something or draw something from, but I spent, judging from other notations similar to these dates, seemed to indicate mostly the visits that I made.

Ms. KUEBLER. Do those numbers in fact represent the dates of meetings, which this document purports to represent, that you held with Mr. McFall?

Mr. PARK. I can't testify with any positive recollection.

Ms. KUEBLER. So it is your testimony that they do not in fact represent dates on which you actually met with Mr. McFall.

Mr. PARK. Since I do not have a positive recollection, but I do seem to place some degree of faith, thinking that these records reflect, by and large, the actual events that took place—

Ms. KUEBLER. Mr. Park, this document purports to say that you met with Mr. McFall three times in the span of 8 days.

Wouldn't you recall meetings of that frequency?

Mr. PARK. No. I think I have already testified that whenever I went to Mr. McFall's office, I did not always meet Mr. McFall. My dealings were largely with his A.A.

Ms. KUEBLER. So you did not meet Mr. McFall three times as the Kim document indicates?

Mr. PARK. Well, the Kim document does not state that these dates were to reflect the actual meetings I had with Mr. McFall, this simply says the dates, but my interpretation is the dates, that has something to do with my visit to his office.

Ms. KUEBLER. But if in someone's mind those three dates would tend to leave the impression that you met with him on those dates, it is your testimony that that testimony is incorrect?

Mr. NIELDS. Mr. Chairman. I think the testimony has been mischaracterized about three times. I think he has said that he isn't sure, and she keeps saying that he has testified that he is sure that they don't indicate meetings, and he hasn't said that at all.

Ms. KUEBLER. I would like to get some clarification.

Mr. NIELDS. I object to the form of the question, I guess, Mr. Chairman, is what I am saying.

Ms. KUEBLER. Mr. Chairman, I am trying to get some clarification from the witness as to what those numbers mean. They have been given great importance in questioning of staff attorney, and I would like to get some understanding, have these dates cleared up.

Mr. FLYNT. The Chair can't speak for the other members of the committee. The Chair has had no difficulty in understanding any of the responses.

Ms. KUEBLER. All right, Mr. Park, let me continue and rephrase this.

You did not in fact meet with Congressman McFall three times in December 1969; is that correct? You did not meet personally with him?

Mr. PARK. I think we went over each date already.

Ms. KUEBLER. OK.

How many times did you actually meet with Mr. McFall in December of 1969; is that correct?

Mr. PARK. Well, one meeting at least I think I seem to be positive about.

Ms. KUEBLER. Thank you.

Do you recall the date of this one meeting, the meeting that you know you had with Mr. McFall?

Mr. PARK. In all fairness, Ms. Kuebler, the years we are dealing with go back more than 7, 8, 9 years ago, and certainly no one can remember the exact date. He could only, as a human being, rely on certain records in which he has a faith, and if you were to ask me to name the exact date, it is not humanly possible.

Ms. KUEBLER. Mr. Park, then it is your testimony that you cannot recall exactly the date on which you met with Mr. McFall

in December 1969. It you know you did have at least one meeting with him.

Mr. PARK. At least one meeting or more, but it doesn't make any difference to me.

Ms. KUEBLER. Mr. Park, if it is difficult for you to remember the date or the number of times you met with Mr. McFall, is it also possible that it is difficult for you to recall exactly what you discussed with him during this meeting or meetings?

Mr. PARK. That is possible, yes.

Ms. KUEBLER. Is it also possible, Mr. Park, that Mr. Kim's notation of what was discussed in this meeting is as accurate as his other notations on this document; that is to say, fairly hazy?

Mr. PARK. It is a possibility, yes.

Ms. KUEBLER. Mr. Park, would you please now turn your attention to the committee exhibit M-12, which is a page of handwritten notes.

Mr. PARK. I have the M-12.

Ms. KUEBLER. Mr. Park, did you prepare these notes?

Mr. PARK. No.

Ms. KUEBLER. Were you there in the room or were you present when those notes were written?

Mr. PARK. I don't think so.

Ms. KUEBLER. In your review of these handwritten notes, you have testified that the notes contain a description of a conversation between Mr. Freeland and yourself. Is that a fair statement?

Mr. PARK. I think that is what I testified, yes.

Ms. KUEBLER. Do you believe that this document and the notation I just referred to is a correct impression of the discussion which you had with Mr. Freeland?

Mr. PARK. Generally speaking, I think so.

Ms. KUEBLER. In this conversation with Mr. Freeland that this document purports to discuss, did you bluntly tell Mr. Freeland that if the military appropriation bill was not approved, that Korea would not buy any rice from California?

Mr. PARK. No, I don't think I ever said that. Again, even if it is true, it would be counterproductive. Nothing would be more damaging than creating an action or impression that can be construed as blackmail.

Ms. KUEBLER. Well, would you agree that the document, the phrase which purports to describe this discussion between you and Freeland, these notes leave the impression that that is what you said.

Mr. PARK. I don't get that impression, no.

Ms. KUEBLER. Well, let me just refresh the committee's and your recollection, Mr. Park, that the notation on this, and I quote, "If receives favorable consideration will buy 400,000 tons of rice," and the notation above that says, "\$50 million appropriate for Korea."

But it is your testimony that you were not so blunt in your description of that.

Mr. PARK. Well, first of all, this is not something that I was writing. This is something that Mr. Barnes was writing down as a result of what he was hearing from Mr. Freeland, I would presume. So, I certainly can't be responsible for what he writes down.

If you want me to speculate, which I don't want to do, it is not my job as a witness. So, I don't take any responsibility.

Ms. KUEBLER. In other words, it is fair to say that this note is not an accurate representation of your conversation with Mr. Freeland, and in fact somewhat overstates the message that you told him.

Mr. PARK. No, I think the meat is there. But—if you are trying to suggest that I certainly was trying to create any kind of black-mail activities—you are talking about a country dealing with another country.

This is no place for—I mean, I can't take the credit that I have that kind of power. It would be absurd. These are intelligent people you are dealing with. That simply is not my style.

Ms. KUEBLER. Mr. Park, what I am trying to do in this line of questioning is to find out about your conversation with Mr. Freeland.

Now, committee staff has offered this page of written notes made by one who was not a part to the conversation, as I understand it. Here we have you who was a direct part to the conversation. I think you might be a better judge of what actually was said. So, that is what I am trying to find out.

Mr. PARK. I think it would be consistent for me to say that knowing and having appreciation for the way American domestic and also international politics is played, if Congress does—does show a certain interest in helping Korea, it certainly would help Korea—make my job much easier, persuading Koreans to buy American rice. I think I testified to that.

Ms. KUEBLER. Is it fair to say that the gist of your conversation with Mr. Freeland was about rice and rice sales?

Mr. PARK. Yes.

Ms. KUEBLER. Mr. Park, around this same time, December 1969, you have testified that about this time you requested a letter describing you in favorable terms, and that you requested this letter of Mr. Barnes. In other words, you requested a letter from Congressman McFall, but you made the request to Mr. Barnes.

Mr. PARK. Yes.

Ms. KUEBLER. Did you tell Mr. Barnes the reason why you wanted the letter?

Mr. PARK. I think he was an intelligent person and as I testified again and again on numerous occasions, there are certain things you don't talk about in explicit terms. But because of the exposure, experience, you understand.

I think if I told him that I wanted a certain kind of letter, I don't think he would be naive enough to question me why do you want this.

Ms. KUEBLER. Mr. Park, this was December 1969. How long had you known Mr. Barnes at that time?

Mr. PARK. Well, the credibility was established, because I was introduced to Congressman McFall's office by a very prominent constituent. I have no reason to think that either the Congressman nor his employees would not afford the same respect and treatment they would accord to Mr. Curt Rocca.

Here is a man who was known in a position to be helpful to the rice industry. For them to not to treat me well would be self-defeating, wouldn't it?

Ms. KUEBLER. So it is fair to say that when you asked for a letter it was almost as if Curt Rocca were asking for the letter and you were simply transmitting his words?

Mr. PARK. Well, I won't go that far. But that was the general idea.

Ms. KUEBLER. Thank you.

Despite the fact that you may have not directly told Mr. Barnes why you wanted the letter, did you indirectly indicate to him why it would be a good idea if you were able to obtain a letter praising your work?

Mr. PARK. Well, I can only repeat what I have testified to Mr. Niels and this committee earlier this morning, that such letter would help my position as a nation of rice exporters. It gives me extra ammunition that I need when I try to persuade the Koreans to buy American rice versus non-American rice.

Ms. KUEBLER. But it is your testimony that you believe that Mr. Barnes thought that if you obtained this letter, it would improve your position as a rice agent, and thus enable you to be more successful in selling California rice?

Mr. PARK. I think that is a fair observation, yes.

Mr. FLYNT. I think this is a good time to take a break while members who desire to do so may go to the floor of the House to cast their recorded votes.

The Chair will stand in recess for approximately 12 minutes.

[Brief recess.]

Mr. FLYNT. The committee will come to order. We will resume the hearing.

Ms. Kuebler, you may proceed.

Ms. KUEBLER. Thank you, Mr. Chairman.

Mr. Park, I think in the chronological order in which we are proceeding to try to make things easier for both you and me, we are now down to—we are still in December 1969.

With respect to the testimony you gave the committee this morning about a gift of cuff links of nominal value which you delivered to congressman McFall, we are correct in stating that this gift was your idea.

Mr. PARK. Yes.

Ms. KUEBLER. No one told you or suggested to you that you make a gift to Congressman McFall? This gift was given as an expression of your personal friendship to Congressman McFall, was it not?

Mr. PARK. Yes.

Ms. KUEBLER. You testified that Mr. McFall was not the only Member of Congress to whom you gave a gift of cuff links at this time?

Mr. PARK. I think that is what I said to Mr. Niels, yes.

Ms. KUEBLER. And did Io Kwan Chung tell you to give cuff links to specific Congressmen?

Mr. PARK. No. I think as I testified previously, he had the knowledge that I would use my own discretion, but I had his approval. Even though we were good friends, you certainly would not make any representation without him knowing when his name was involved.

Ms. KUEBLER. But the idea of the gift was yours and the list of the donees was yours.

Mr. PARK. I believe so, yes.

Ms. KUEBLER. Now, in December of 1970, you testified that Mr. McFall wrote a letter to you thanking you for your help in selling California rice, is that correct?

Mr. PARK. I didn't understand your question.

Ms. KUEBLER. You testified that in 1971, in December, Mr. McFall wrote a letter to you thanking you for selling California rice.

Mr. PARK. Yes.

Ms. KUEBLER. This letter was your idea and was written at your request?

Mr. PARK. I think that is a fair statement.

Ms. KUEBLER. Who did you make this request to? Did you submit his request to Mr. Barnes?

Mr. PARK. I believe I did.

Ms. KUEBLER. And did you tell Mr. Barnes why you needed this letter?

Mr. PARK. As I said, I don't recall making any specific statements, but the general idea was there was some need for such letter. Basically to promote me as someone who is very anxious to market American rice in Korea.

Ms. KUEBLER. You believe you gave the impression to Mr. Barnes that you could sell more rice if you had such a letter?

Mr. PARK. No, it is not the question of selling more rice because the requirement was there—the requirement remained constant. But we had incredible competition coming from all directions, the largest competitor being Japanese.

In order to promote the sale of American rice, in the face of that keen competition, I needed all the help that I could get. This was one of the ways in which I felt that I could augment or give me additional ammunition that I needed.

Ms. KUEBLER. Thank you.

Mr. Park, is it your testimony that in June 1971 you requested that Mr. McFall write a letter to President Park Chung Hee of South Korea?

Mr. PARK. I think I did, yes.

Ms. KUEBLER. And who did you make this request of specifically?

Mr. PARK. I think I am on the record that most of these requests were made through Ray Barnes.

Ms. KUEBLER. And to facilitate this letter, you supplied Mr. Barnes with a draft?

Mr. PARK. I believe so.

Ms. KUEBLER. Which you have testified to?

Mr. PARK. Yes.

Ms. KUEBLER. Was Mr. McFall the only Congressman who you asked to send such a letter to President Park?

Mr. PARK. There were many others involved, including Senators.

Ms. KUEBLER. Well, Members of Congress—Members of the House and Senate.

Did you request letters from Members of both political parties?

Mr. PARK. Yes, I think that was the case.

Ms. KUEBLER. Mr. Chairman, at this time, in compliance with your wishes this morning, I would like to request that I be permitted to insert into the record material from the committee's printed

hearings, held April 3, 4, 5, 10, and 11, 1978, which is a committee document entitled "Korean Influence Investigation, Part II."

I would like to read into the record—

Mr. FLYNT. What page?

Ms. KUEBLER. There are several pages, Mr. Chairman. What I would like to do is make note of the 12 other Members of Congress—

Mr. FLYNT. What I am trying to do, so I can rule on your request, is for you to designate the pages that you want made part of the record, because I am not going to put the entire document in.

Ms. KUEBLER. No, I would not request you to do so. May I, Mr. Chairman, read the name of the Member and the page of the committee document on which this letter appears so that could be brought to the committee's attention?

Mr. FLYNT. Mr. Niels, do you have any objections?

Mr. NIELS. I have no objection, Mr. Chairman, for all the letters in June and July 1971, which were sent to President Park Chung Hee by Members of Congress and Senators to be received into the record at this time. No objection.

Mr. FLYNT. Without objection, you may proceed.

Ms. KUEBLER. Let me briefly go through these. I will give the name of the Member and the page number, the number following that name is the page number of the committee hearing on which this appears.

Representative Hanna, 412, Representative McFall, 413, Representative Minshall, 416, Representative Edwards, 418, Senator Miller, 419, Representative Price, 420, Representative Leggett, 422, Representative Hanna, 424, Senator Montoya, 426, Representative Brademas, 428, Representative Halperin, 430, Representative Flowers, 431, Representative Patten, 432.

Mr. PARK. No other Congressmen? I though I had more.

Ms. KUEBLER. Mr. Park, that is all the committee seems to know about in their printed hearing record.

Mr. PARK. I would ask you go through my house once more. Maybe they might be able to find something else.

Ms. KUEBLER. Let's just summarize, Mr. Park. You did ask several Members, these among them, to write letters to President Park Chung Hee to help you shore up your position as a rice agent?

Mr. PARK. Well, that was generally termed—bu I think it was more than just promoting me as a rice agent. There were some other reasons which I will not go into.

Ms. KUEBLER. But would it be fair to say in the case of Mr. McFall, the request you made of Mr. Barnes left Mr. Barnes with the impression that this was another in the group of letters or one of your requests that would help improve your ability to maintain your continuing rice agency and be able to sell rice to Korea.

Mr. PARK. I think by and large that is correct.

Ms. KUEBLER. You did not tell Mr. Barnes that there was any other purpose for sending this letter?

Mr. PARK. No; just so that you get the full picture, I was never really explicit in saying why I want these letters. These Congressional friends, knowing my aspirations and my integrity, they understood without addressing any series of questions.

Ms. KUEBLER. Mr. Park, all I am concerned with is what impression you gave Mr. Barnes as to why you wanted this letter.

Let's move on to another event about which you have testified.

Mr. Park, you testified that somewhere in the summer or early fall in 1971 you made a contribution to the Democratic National Committee.

Mr. NIELDS. Mr. Chairman, I think that is inaccurate.

Ms. KUEBLER. Was that the Democratic Congressional Committee?

Mr. NIELDS. It was the part where you said early fall. I don't believe Mr. Park testified to that.

Mr. FLYNT. You are objecting to the question because of the form if it?

Mr. NIELDS. The form of the question, Mr. Chairman.

Ms. KUEBLER. Let me rephrase the question.

Mr. Park, did you in 1971 make a contribution to the Democratic—the so-called Democratic dinner committee—

Mr. PARK. It was the funding raising chaired by the Democratic Members of Congress, yes.

Ms. KUEBLER. Mr. Park, hereinafter I will refer to this as the dinner committee. That is a term of art that is used to distinguish this committee from other arms of the Democratic—other fund raising sections of the Democratic National Committee.

Do you recall the timing of this contribution?

Mr. PARK. Again, I will have to repeat the previous testimony that I gave to Mr. Nields and his colleagues that it was a short time before the actual event took place, June something being—June 28, Mr. Nields? Or what is the exact date? Well, whatever the date was—

Mr. NIELDS. The date in my question was June 29.

Ms. KUEBLER. Mr. Park, according to my notes you did not testify to an exact date. I believe the date was suggested by counsel, which he has just supplied.

Mr. PARK. Yes, I don't have any specific recollection. But it was close to the actual time of the event taking place.

Ms. KUEBLER. Mr. Park in your testimony before this committee, previous to today you have testified that this money was for tickets. Do you recall this testimony?

Mr. PARK. Yes.

Ms. KUEBLER. So, you purchased tickets. But did you use them?

Mr. PARK. No.

Ms. KUEBLER. You did not attend the dinner or the event for which these tickets were purchased?

Mr. PARK. That is correct.

Ms. KUEBLER. You also testified that you did not volunteer this contribution, but it was solicited by Mr. Barnes—he suggested the event to you.

Mr. PARK. Yes.

Ms. KUEBLER. Mr. Park, your testimony this morning before this committee was somewhat unclear as to the method of this donation. You were very clear on the form of the donation, but we were left somewhat—we were not told how you transmitted or to whom you transmitted this contribution.

Do you recall to whom you gave this money intended for the Democratic dinner committee?

Mr. PARK. I think I seem to recall that I delivered the donation to Mr. Ray Barnes.

Ms. KUEBLER. But it is your testimony that you did not give it to Congressman McFall, you gave it to Ray Barnes?

Mr. PARK. That is correct.

Ms. KUEBLER. But when you made this contribution, it was intended for, in your mind, the Democratic dinner committee, a fund-raising, a congressional fund raising event?

Mr. PARK. I didn't really care, but you must appreciate that I decided to buy these 10 tickets because of my friendship with Ray Barnes, or if you want to enlarge that, perhaps because of my respect for the man he worked for.

Ms. KUEBLER. Did you receive a thank you note for this contribution?

Mr. PARK. I don't recall. But I was made aware that—of a thanking letter because there was a record in Ray Barnes' file that the thanking letter was sent to me.

Ms. KUEBLER. Mr. Park, I believe there is a committee exhibit on this. Let me just refresh your recollection.

Mr. NIELDS. M-7.

Ms. KUEBLER. Thank you. I know I saw it in here somewhere. Would you turn your attention to exhibit M-7.

Mr. PARK. Yes.

Ms. KUEBLER. Do you recognize your name anywhere on this document?

Mr. PARK. Yes, I do.

Ms. KUEBLER. Is it fair to say your name is in block print at the bottom of a letter?

Mr. PARK. Yes.

Ms. KUEBLER. And what does that indicate to you viewing this exhibit?

Mr. PARK. The copy contains the same content was sent to me.

Ms. KUEBLER. Mr. Park, did you have an independent recollection of this contribution prior to the time you viewed this—what purports to be a carbon copy of a letter to you?

Mr. PARK. Well, there was some degree of confusion, because I read this particular donation as a campaign contribution. But with the help of Mr. Neilds, the able chief counsel for the committee, we were able to determine that it was not a contribution per se, but it was a donation to buy tickets. That was clarified as early as the last day of public hearing back in April.

As you know, I was dealing with so many things, and I couldn't remember everything. So many times I did get extra help.

Mr. FLYNT. Would the witness suspend just a minute.

Was the question to the effect that a purchase of dinner tickets is not a campaign contribution?

Ms. KUEBLER. Mr. Chairman, it is my understanding from the way the Democratic dinner committee works that persons make contributions to that committee, and give what is known as a credit to different Members of Congress who may have—through whose efforts the contribution has been generated.

In this way members are encouraged to—given a little competitive boost, in trying to see that they could keep up with the efforts of their colleagues in sharing the burden of raising funds for the congressional elections coming up.

It is my understanding that Congressmen themselves do not receive the funds. They simply get a little star by their name in the Democratic National Committee's book.

Mr. FLYNT. I think the participants have what may be an unusual idea of the purposes of the dinner and the methods of raising the funds. But the Chair will let counsel go ahead with the questioning.

Ms. KUEBLER. Mr. Park, let me just summarize this. In other words, you knew that you gave this money to Ray Barnes as simply a drop point, and Ray Barnes was to give it to the Democratic National Committee, the dinner committee?

Mr. PARK. There is nothing complicated about this. Ray Barnes made certain representations.

Ms. KUEBLER. No. But that was your understanding. You gave that to Barnes because he knew where it was supposed to go. He knew that it was supposed to go—

Mr. PARK. I knew exactly what he was talking about, yes.

Ms. KUEBLER. OK. But you knew that it was going to the Democratic Committee, under the auspices of Mr. McFall, but not to Mr. McFall's campaign directly.

Mr. PARK. Of course.

Ms. KUEBLER. Mr. Park, you testified that in November 1972 you made a \$1,000 contribution to the campaign of Congressman McFall, is that correct?

Mr. PARK. Yes.

Ms. KUEBLER. Where did you deliver this contribution, and under what circumstances?

Mr. PARK. Just as I testified earlier this morning. I delivered said contribution you are talking about in his office to him. Directly.

Ms. KUEBLER. To Mr. McFall in his office?

Mr. PARK. Yes. This is where he asked me that the campaign is over, and therefore would I mind if he put it to another use, to which I answered there was not objection whatsoever.

Ms. KUEBLER. Do you recall that Mr. McFall mentioned to you that he would place this money in his office account?

Mr. PARK. Something to that effect, yes.

Ms. KUEBLER. And did you know what an office account was?

Mr. PARK. Well, I can't say everything that a Congressman does, but I had a general idea what an office account was.

Ms. KUEBLER. And that general idea was something in the nature of an account to help defray expenses incurred as a Member of Congress?

Mr. PARK. That is correct.

Ms. KUEBLER. This contribution, this \$1,000 in November 1972, was not solicited by either Mr. McFall or Mr. Barnes.

Mr. PARK. No.

Ms. KUEBLER. And when you gave it—and the fact of your making the contribution was not known to Mr. McFall before the meeting.

Mr. PARK. That is correct.

Ms. KUEBLER. Mr. Park, when Mr. McFall told you that he did not have any campaign expenses, but he would put it in his office account, did you explain to him that you did not—that that was fine with you and that you did not have—you did not specifically require that the money go in one place or another, that you were very liberal about where that money could go?

Mr. NIELDS. Mr. Chairman, I think this question has been asked and answered a number of times. The witness is elaborating—excuse me—the attorney is elaborating on the witness' answer in asking for him to agree. I think this has been asked and answered.

Mr. FLYNT. The witness is on cross-examination. I would suggest that counsel not repeat the same question. But if it is asked in different ways—the witness is on cross-examination.

Ms. KUEBLER. Mr. Chairman, what I am trying to establish is that Mr. Park left no doubt in Mr. McFall's on Mr. Barnes' mind that he was making the contribution for a campaign account, but if Mr. Barnes or Mr. McFall thought that they would prefer to use it in the office account, that that would be quite all right with Mr. Park.

That is what I am trying to establish.

Is that a fair statement, Mr. Park?

Mr. PARK. Yes.

Ms. KUEBLER. Thank you.

Mr. Park, in February of 1973 you asked Mr. McFall to write a letter to President Park Chung Hee of South Korea, is that correct?

Mr. PARK. If the record shows that happens to be the fact, I have no problem in agreeing to what you say.

Ms. KUEBLER. Mr. Park, did you ask any other Members of Congress to write similar letters around this time?

Mr. PARK. I don't have any specific recollection, but if I did, again, nothing unusual.

Ms. KUEBLER. Was Mr. McFall the only Member of Congress or Senator who you asked to send a letter to President Park Chung Hee in February 1973?

Mr. PARK. I don't know.

Ms. KUEBLER. Mr. Chairman, let me once again, if I might, read into the committee's record from the part II of the committee's Korean influence investigation hearings the names of Members who sent letters to President Park Chung Hee and the page number on which that letter appears in the committee document?

Mr. FLYNT. Do you have any objection, Mr. Nields?

Mr. NIELDS. I have no objection, Mr. Chairman, to the introduction into the record of the letter sent to President Park Chung Hee in Tongsun Park's behalf in February 1973.

Mr. FLYNT. And all of these appear in previous hearings of the committee.

Ms. KUEBLER. Yes, sir. Representative Passman, page 576; Representative Hanna, page 578; Senator Montoya, page 584; Representative Minshall, page 588. I might add Mr. McFall's letter appears in this document as well, at page 581.

Mr. Park, does that list refresh your recollection as to those letters?

Mr. PARK. Well, the record seems to be correct, and I will accept that.

Ms. KUEBLER. You do not dispute the record?

Mr. PARK. I do not dispute the record.

Ms. KUEBLER. And in the case of Mr. McFall you made the request through Ray Barnes and supplied Ray Barnes a draft letter?

Mr. PARK. I think—I seem to recall that, yes.

Ms. KUEBLER. And did you tell Mr. Barnes why you needed this letter?

Mr. PARK. No, I don't recall any specific explanation that I offered.

Ms. KUEBLER. You did not tell Mr. Barnes that the reason was any different from the reasons you had given him in asking for the previous letters?

Mr. PARK. No.

Ms. KUEBLER. There was nothing unusual about this letter as opposed to the other one?

Mr. PARK. I think that is a fair statement.

Ms. KUEBLER. Mr. Park, let's turn to 1974, to the \$3,000 contribution which you have testified that you gave to Mr. McFall. Was there a note accompanying the transmission of the \$3,000 contribution?

Mr. PARK. Yes, I seem to recall having inserted a small piece of paper on which I think I said good luck on your campaign, wish you well.

Ms. KUEBLER. That is good luck on your campaign are the words that stick in your mind that you wrote down?

Mr. PARK. I seem to recall that, yes. The exact wording might have been different, but that was the general idea.

Ms. KUEBLER. That was the gist of the message?

Mr. PARK. Yes.

Ms. KUEBLER. By using those words, Mr. Park, did you intend to restrict the use of that \$3,000 solely to Mr. McFall's campaign account?

Mr. PARK. Well, I could answer that question in another way without giving you a simple yes or no. I have testified more than perhaps a dozen times that I was a willing contributor, first.

No. 2, because I had a great respect for those friends to whom I was making a contribution. It was up to them to exercise their own judgment as to how they can best utilize such contributions.

So, I took a totally indifferent attitude as to how they finally used the funds.

Third, I am on the public record saying that once I made a contribution it was fine, a closed book, and I couldn't care less how the money was used. I hope that satisfies your question.

Ms. KUEBLER. Mr. Park, can you absolutely rule out having a conversation after making this \$3,000 contribution to Mr. McFall—can you absolutely rule out having a conversation in which you discussed and gave permission for an alternative use?

Mr. PARK. As I testified previously, I do not—I cannot make a flat statement saying that I rule out any possibility of talking to any member of Mr. McFall's staff, including himself.

So, while I don't have any specific recollection in talking to Mr. McFall or his staff members regarding how the money should be used, at the same time I cannot rule out the possibility of having some conversation.

Ms. KUEBLER. Did you ever talk to Ray Barnes on the telephone?

Mr. PARK. Again I don't seem to recall, but if you are talking in terms of absolute terms, my answer would be I just don't know.

Ms. KUEBLER. Would it have been unusual for you to accept a telephone call from Mr. Barnes?

Mr. PARK. No.

Ms. KUEBLER. Would it have been unusual for you to receive a telephone message Mr. Barnes left when you were out of the office perhaps?

Mr. PARK. That is a possibility.

Ms. KUEBLER. Mr. Park, I would like to turn your focus now to what has been termed during this hearing as the Inchon grain elevator.

You have testified that you received a telegram from Mr. McFall in which he stated that he hoped that both President Park of South Korea and President Ford would be able to attend that dedication of Inchon facility; is that correct?

Mr. PARK. Yes.

Ms. KUEBLER. Whose idea can you remember that it was to have President Ford invited to attend the Inchon ceremonies?

Mr. PARK. Well, I already testified that it was Mr. Curt Rocca's idea.

Ms. KUEBLER. And do you think that President Ford's appearance at this dedication ceremony would have directly benefited Mr. Rocca?

Mr. PARK. This remains to be seen. It is the question to what extent the President of the United States, especially at that particular time, had upon the Koreans?

Ms. KUEBLER. But you testified that Mr. Rocca's rice business was in dire straits because of this elevator and he wanted to focus more attention on it, so wouldn't it be fair to say that the President of the United States appearance at a dedication facility would certainly have served to focus some attention on that?

Mr. PARK. I wouldn't know to what degree that this whole question of Inchon not being used would affect his rice business. But as a businessman with average degree of intelligence at the time I felt that he was suffering greatly in terms of financial return.

Ms. KUEBLER. But the more the elevator was used, the more money Mr. Rocca would make, the more it would help to recoup his investment.

Mr. PARK. It was not a question of making money, but his financial suffering was such that I think he was getting desperate.

Ms. KUEBLER. You testified that you knew that Mr. Rocca was an important constituent of Mr. McFall's; is that correct?

Mr. PARK. I feel that he was a prominent constituent, yes.

Ms. KUEBLER. You understood that to be the case?

Mr. PARK. Yes.

Ms. KUEBLER. So it is fair to say that Mr. McFall's actions in trying to get President Ford and in sending you this telegram were calculated to meet the greater need of an important constituent?

Mr. PARK. Well, I would go further than that. If a Congressman does not honor the legitimate requests coming from his constituents, he would be stupid or be unwise.

Ms. KUEBLER. If a constituent asked him to send a telegram like this, he would ignore that request at his peril.

Mr. PARK. I don't seem to understand your question.

Ms. KUEBLER. Well, he would be an idiot if he didn't act on the request.

Mr. PARK. Well, that is the judgment that I should not make.

Ms. KUEBLER. It was your testimony this morning that your primary purpose in participating in the Inchon ceremonies, in trying to work out some arrangements, was to help a fellow businessman, namely, Mr. Rocca.

Mr. PARK. Yes, and I felt that he made investment with the good faith and he was being mistreated, and this is where the buy American disposition comes out as a result, I suppose, of the exposure I had. I felt that he was unfairly treated and I was determined to do everything in my power to be helpful to him to correct that.

Ms. KUEBLER. And you could be more helpful in trying to arrange a good ceremony if you had this telegram from Mr. McFall in hand.

Mr. PARK. I don't know what kind of success I could have had, but I thought it certainly would help.

Ms. KUEBLER. And again let me ask you, Mr. Rocca did make the request that we try to get, Mr. Rocca did make the request of Mr. McFall that he send you the telegram; is that correct?

Mr. PARK. I am sorry?

Ms. KUEBLER. Mr. Rocca requested, asked Mr. McFall, to send the telegram?

Mr. PARK. I think that was the case.

Ms. KUEBLER. But at that point in time, namely, the telegram is dated, I believe that telegram is in the record. The telegram to you is dated October 22, 1974, and at that time Mr. McFall knew nothing of your involvement in the Inchon elevator, other than he was asked by Mr. Rocca to send this telegram to you?

Mr. PARK. I have no idea, one way or the other.

Ms. KUEBLER. You did not talk to Mr. McFall about the Inchon elevator?

Mr. PARK. No, but with respect I think that if Congressman made the direct appeal to the White House instead of trying to go through Koreans, we might have had better success.

Ms. KUEBLER. But you did not ask Mr. McFall to make this approach to the White House, to see if President Ford could go to the dedication ceremony?

Mr. PARK. No.

Ms. KUEBLER. Mr. Chairman, at this time we have no further questions of the witness.

Mr. FLYNT. Any redirect?

Mr. NIELDS. Yes, just a few questions, Mr. Chairman.

Mr. Park, there were some questions on cross-examination dealing with the number of times which you met with or had contacts with Congressman McFall or his office in December of 1969.

I would just like to run through that with you once again.

I take it it is your testimony that your unaided memory recalls one such meeting; is that right?

Mr. PARK. Yes.

Mr. NIELDS. And I take it then we have a memorandum of a telephone conversation on the 22d of December which you have seen——

Mr. PARK. Yes.

Mr. NIELDS. Which discusses a possible letter?

Mr. PARK. Yes.

Mr. NIELDS. And then we know that you delivered or caused to be delivered the sample letter from Edwin Edwards?

Mr. PARK. Yes.

Mr. NIELDS. And then we know that you obtained the letter dated December 24 which was addressed to you?

Mr. PARK. Yes.

Mr. NIELDS. And then we know that you dropped off a gift or which you indicated was from Chung Il Kwon, the Prime Minister?

Mr. PARK. Yes.

Mr. NIELDS. Right?

Mr. PARK. Yes.

Mr. NIELDS. And then we have D. Y. Kim's documents which it is your information were made up from records which were created at or about the time of your visits to Congress; is that right?

Mr. PARK. Yes.

Mr. NIELDS. And those indicate three visits to Congressman McFall's office?

Mr. PARK. Right.

Mr. NIELDS. And you don't specifically remember whether you went on each of those 3 days or had some kind of contact but you have no reason to disbelieve the document; is that right?

Mr. PARK. That is correct.

Mr. NIELDS. Now it was suggested to you, Mr. Park, on cross-examination, that your dropping off of a gift from Chung Il Kwon was a personal expression for Congressman McFall?

Mr. PARK. Right.

Mr. NIELDS. I take it it is clear when you dropped off this gift, either in words or in writing, that it was in fact not from you but from Chung Il Kwon; is that right?

Mr. PARK. That was the impression that one could receive.

Mr. NIELDS. And that was what you in fact informed Congressman McFall or his office at the time the gift was dropped off; isn't that right?

Mr. PARK. I think you do recall the testimony I gave you, that I wasn't certain whether I gave the gift to Mr. McFall in person or simply left. So if he had any impression or anybody had an impression, they would get an inquiry or form certain impression by the card that was being accompanied by the gift.

Mr. NIELDS. And that was a card with Chung Il Kwon's name on it?

Mr. PARK. Right.

Mr. NIELDS. And you are aware of the thank you letter which Congressman McFall sent——

Mr. PARK. Yes.

Mr. NIELDS. To Chung Il Kwon for the gift?

Mr. PARK. Yes, but what I was interested in saying to Ms. Kuebler was, as I promised from the outset, I wanted to be absolutely objective and fair to Congressman McFall, and whenever I felt there was need for elaboration, I would do so, and that was the attempt I made in that spirit.

Mr. NIELDS. I understand. Just so there is no unclarity, you may have been motivated yourself in part by personal friendship.

But the expression you communicated to Congressman McFall was that this gift came from the Prime Minister; is that right?

Mr. PARK. I think that is a fair statement.

Mr. NIELDS. OK.

Now you were asked, Mr. Park, on cross-examination, whether you had an independent recollection of your transfer of \$1,000 in connection with this Democratic congressional campaign dinner.

Before you were shown the thank you note or the copy of the thank you note to you—

Mr. PARK. Yes.

Mr. NIELDS. Do you recall that question?

Mr. PARK. Yes.

Mr. NIELDS. I just wanted to clear up that matter.

Mr. PARK. Shoot.

Mr. NIELDS. You were shown that thank you note, were you not, for the first time at the very end of your public testimony before this committee?

Mr. PARK. Yes. I recall that event very vividly, yes.

Mr. NIELDS. Prior to that time, both during your public testimony, during your executive session testimony, and during your testimony in Seoul, Korea when you were questioned by the Justice Department, there was an issue and an uncertainty in your mind as to whether you would make two \$1,000 contributions to Congressman McFall or only one; is that right?

Mr. PARK. Yes, that is the confusion that I was referring to.

Mr. NIELDS. And at first you thought you had made two when you were in Seoul in executive session, and at first in your public testimony here you thought you had made only one?

Mr. PARK. That is correct.

Mr. NIELDS. And you attempted to draw certain inferences from your documents, your ledger, and your diary?

Mr. PARK. Right.

Mr. NIELDS. But now isn't it a fact, Mr. Park, that from the beginning you had a recollection, apart from your documents about which you testified, that you had been asked to make a contribution in connection with dinner tickets?

Mr. PARK. I believe that is a fair statement.

Mr. NIELDS. Thank you.

Oh, I do have one other question.

Addressing your mind forward again to the 1974 contribution, the \$3,000 contribution—

Mr. PARK. Yes.

Mr. NIELDS. I take it that, I believe I am stating your testimony on direct examination accurately, that the subject was first raised by you with Ray Barnes as an effort by you to contribute to Congressman Mc Fall's upcoming election; is that right?

Mr. PARK. Yes.

Mr. NIELDS. The subject was again raised with you and Mr. Barnes by him when you told him you were going to Korea?

Mr. PARK. That is correct.

Mr. NIELDS. And you were still talking about a campaign contribution; is that right?

Mr. PARK. Yes.

Mr. NIELDS. And you then sent him the contribution with a note attached indicating good luck in your campaign, or good luck in your election, something to that effect?

Mr. PARK. That is correct.

Mr. NIELDS. And you recall at this time, and you have been asked about this repeatedly over the course of the last 6 months or so, no conversation with anyone regarding any change of purpose of this contribution; is that right?

Mr. PARK. Well, I felt that that was my recollection, but then when somebody else stepped forward and tried to tell you that they have a definite recollection, as a human being I want to honor what he is saying, that I may not dispute, but that is not my testimony.

Mr. NIELDS. Just so it is clear, you have no recollection of that, I take it.

Mr. PARK. Yes, but I used the carefully worded language that I would not rule out in absolute terms.

Mr. NIELDS. I understand.

And it is also clear that if you had been asked, you would have said they could use it for whatever they want.

Mr. PARK. That is right. I would have said no problem.

Mr. NIELDS. I have just one other minor matter, Mr. Park.

You testified on direct that you asked Curt Rocca to set up the first meeting with Congressman McFall.

Mr. PARK. Yes.

Mr. NIELDS. On cross-examination you agreed with a statement that Curt Rocca suggested to you that he arrange the meeting?

Mr. PARK. Well, also at my request.

Mr. NIELDS. At your request.

Mr. PARK. Yes.

Mr. NIELDS. I have nothing further, Mr. Chairman.

Mr. FLYNT. Ms. Kuebler.

Ms. KUEBLER. Mr. Chairman, my co-counsel, Mr. Olsen, has some questions on recross.

Mr. OLSEN. Very quickly, Mr. Park, it is your testimony that your unaided memory recalls only one meeting personally with Mr. McFall; is that correct?

Mr. PARK. Yes.

Mr. OLSEN. Now Mr. Nields referred to a memorandum of a telephone conversation concerning the letter.

Mr. PARK. Yes.

Mr. OLSEN. Do you recall whether that conversation was with Mr. McFall?

Mr. PARK. No.

Mr. OLSEN. Was it with Mr. Barnes?

Mr. PARK. Yes.

Mr. OLSEN. You also talk about dropping off a gift.

Do you recall if you dropped that off to Mr. McFall personally?

Mr. PARK. No, no, I already said to Mr. Barnes.

Mr. OLSEN. It was delivered to Mr. Barnes?

Mr. PARK. Yes.

Mr. OLSEN. The committee exhibit notes three visits to Mr. McFall's office.

Was it your testimony on cross-examination that these three visits could have been simply to some office personnel and not to Mr. McFall personally?

Mr. PARK. That is correct.

Mr. OLSEN. I would like to get back to the last issue which Mr. Nields raised with you, and that is the question of who requested the meeting on the Inchon matter?

Mr. PARK. This is referring to the first meeting?

Mr. OLSEN. You are correct.

Now you stated on direct examination that you asked Mr. Rocca to set it up?

Mr. PARK. Oh, no, he set it up, of course.

Mr. OLSEN. But your testimony was that you asked him to to set it up, on direct examination.

Mr. PARK. No; he did the actual, took charge of the actual mechanics of setting it up by calling Ray Barnes and introducing me. But I think seem to recall that I was also, had some participation in that, that I wanted to meet his congressman. It doesn't make any difference one way or the other, but I tried to be as accurate as possible.

Mr. OLSEN. As a factual matter, for the record though, did you initiate the request to Mr. Rocca to approach Mr. McFall?

Mr. PARK. No. I think the fair statement would be he initiated it but I followed it through. My counsel might have a better idea of answering it.

Mr. HUNDLEY. I wasn't asked.

Mr. OLSEN. You were the participant in this conversation?

Mr. PARK. Pardon me?

Mr. OLSEN. You were the participant in this conversation, this transaction?

Mr. PARK. Yes.

Mr. OLSEN. So what you are telling this committee then is that the idea originated with Mr. Rocca.

Mr. PARK. Yes.

Mr. OLSEN. And that the two of you participated in a joint venture, if you will—

Mr. PARK. Yes.

Mr. OLSEN. To pursue this?

Mr. PARK. Mr. Olsen, all I care is, I was delighted that Mr. Rocca introduced me to Congressman McFall, and I like him, and I still consider that I am his friend. Maybe it is a unilateral feeling. So why don't we stop at this point and let me just say that I am tired, and I would like to be dismissed, if I can.

Mr. OLSEN. I have no further questions.

Mr. NIELDS. Nothing further, Mr. Chairman.

Mr. FLYNT. You may step down.

Mr. PARK. Yes.

Mr. Chairman, as tired as I am, I do want to say just that I know, I have been told that this hearing is going to be the last

hearing to which I will be making the appearance. But if it is indeed the last hearing, I want to just say that I thank you again for the opportunity for me to come forward and tell my side of the story. And even though Mr. Quie is not here, I want to congratulate him on the nomination for Governor, and my good friend Thad Cochran for Senator, and I hope you win, and all the rest of you good health and hope to see you again under more pleasant circumstances. And Congressman Spence and I appeared coast to coast, front page newspaper, and I was glad to see that.

Mr. FLYNT. You may step down.

Mr. PARK. If all you need is publicity, please step out.

Mr. FLYNT. There are committee members present. We can proceed with at least one more witness, and maybe two.

Can you come back?

Mr. COCHRAN. Yes.

Mr. PARK. Add one last word. I want to thank Mr. Swanner also.

Mr. FLYNT. The committee will stand in recess while members who desire to do so cast their votes, and I hope they will return as promptly as possible.

[Recess.]

Mr. FLYNT. The committee will come to order.

Mr. NIELDS, will you call your next witness?

Mr. NIELDS. Mr. Chairman, the next witness is John Gibbons.

Mr. FLYNT. Mr. Gibbons, before taking your seat, would you please raise your right hand?

Do you solemnly swear the testimony you will give before this committee in the matter now under consideration will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GIBBONS. I do.

Mr. FLYNT. Mr. Gibbons, you may be seated, and please take the chair on your right.

Your name is John Gibbons?

TESTIMONY OF JOHN GIBBONS

Mr. GIBBONS. Yes, sir.

Mr. FLYNT. Mr. Nields, you may proceed with your questioning.

Mr. NIELDS. Thank you, Mr. Chairman.

Mr. Gibbons, have you ever been called by a company called Pacific Development, Inc.?

Mr. GIBBONS. Yes, I have.

Mr. NIELDS. When did your employment with that company begin?

Mr. GIBBONS. September 1974.

Mr. NIELDS. Would that be the very end of September 1974?

Mr. GIBBONS. Yes.

Mr. NIELDS. Who hired you?

Mr. GIBBONS. Mr. Tongsun Park.

Mr. NIELDS. Speak up, if you can.

Mr. GIBBONS. Mr. Tongsun Park.

Mr. NIELDS. And did Mr. Tongsun Park own and run PDI?

Mr. GIBBONS. Yes.

Mr. NIELDS. What was your job in PDI?

Mr. GIBBONS. I was comptroller in charge of administration, finance, accounting, personnel.

Mr. NIELDS. You will have to speak up and succinctly.

Mr. GIBBONS. I was in charge of administration, personnel, accounting, things of that nature.

Mr. NIELDS. Where had you been immediately prior to your employment with PDI?

Mr. GIBBONS. I worked for a private concern in South Korea.

Mr. NIELDS. Did there come a time when Tongsun Park asked you to carry an envelope to the office of Congressman McFall?

Mr. GIBBONS. Yes; there did.

Mr. NIELDS. When?

Mr. GIBBONS. I believe in the late fall of 1974.

Mr. NIELDS. About how long after you started working at PDI?

Mr. GIBBONS. Approximately a month.

Mr. NIELDS. How did Mr. Park make this request?

Mr. GIBBONS. He telephoned me at the 22d Street office to come to his home address on 30th Street, gave me the package there.

Mr. NIELDS. Do you recall what time of day it was?

Mr. GIBBONS. In the morning.

Mr. NIELDS. What happened when you went into Mr. Park's house to get the envelope?

Mr. GIBBONS. He wrapped something in some stationery and stuck it in a personalized envelope of his own and gave it to me.

Mr. NIELDS. Did he seal it?

Mr. GIBBONS. Yes.

Mr. NIELDS. Did you see what he wrapped in the stationery?

Mr. GIBBONS. No.

Mr. NIELDS. Did it have some thickness to it?

Mr. GIBBONS. Yes, it did.

Mr. NIELDS. In other words, it wasn't simply a letter?

Mr. GIBBONS. Yes, sir.

Mr. NIELDS. What did you do with the envelope?

Mr. GIBBONS. He instructed me to take it to Congressman McFall's office. I stuck it in my coat pocket and made the trip to Capitol Hill.

Mr. NIELDS. Did he tell you to see anyone in particular in Congressman McFall's office?

Mr. GIBBONS. Yes. I believe it was the administrative assistant.

Mr. NIELDS. Do you recall his name?

Mr. GIBBONS. No; I do not.

Mr. NIELDS. Did you arrive shortly thereafter at Congressman McFall's office?

Mr. GIBBONS. Yes, I did.

Mr. NIELDS. What happened when you arrived?

Mr. GIBBONS. I attempted to deliver the envelope to the gentleman. He asked me to step back into an adjoining office. I handed it to him. He checked the contents and said something to the effect of that is all, and I left.

Mr. NIELDS. When you say you attempted to hand it to him, exactly what do you mean?

Mr. GIBBONS. Well, I offered it to him. He said please step into the office. He did not take it from me in the foyer.

Mr. NIELDS. This was in the foyer?

Mr. GIBBONS. Yes; it was.

Mr. NIELDS. Was there anyone else in the foyer when you attempted to hand it to him?

Mr. GIBBONS. As I recall, it was a receptionist.

Mr. NIELDS. Was there anyone in the adjoining office into which he asked you to go?

Mr. GIBBONS. No, there was not.

Mr. NIELDS. When you say he looked at it, would you describe as precisely as you can remember exactly what he did?

Mr. GIBBONS. He opened the envelope, unfolded the stationery, looked at it, as I recall.

Mr. NIELDS. Did he look at it with his face to you or——

Mr. GIBBONS. He turned his back to me.

Mr. NIELDS. Did you see what was in the envelope at that time?

Mr. GIBBONS. No; I did not.

Mr. NIELDS. Would you describe this person?

Mr. GIBBONS. As I recall, the gentleman was of medium build, maybe around 6 feet, as I recall he was balding, wore half-frame reading glasses and was in his late forties roughly.

Mr. NIELDS. Did he thank you for what you brought him?

Mr. GIBBONS. Yes; he did.

Mr. NIELDS. Did you leave?

Mr. GIBBONS. Yes; I did.

Mr. NIELDS. Did you ever talk to him again?

Mr. GIBBONS. No; I don't believe so.

Mr. NIELDS. Specifically, did he, to your recollection, ever call you and ask you if he could use money that you had given him for an office account?

Mr. GIBBONS. Not to my recollection.

Mr. NIELDS. Would you have been authorized by Tongsun Park to tell the person you gave the money to anything about what he could do with the money?

Mr. GIBBONS. No.

Mr. NIELDS. In fact, Mr. Gibbons, when you were first interviewed by the staff, did you even know for certain that you had delivered money?

Mr. GIBBONS. No.

Mr. NIELDS. Do you recall ever speaking to Tongsun Park about the use of this money at any time after you delivered it?

Mr. GIBBONS. No, I did not.

Mr. NIELDS. I have no further questions.

Mr. FLYNT. Does any member of the committee desire to ask questions of Mr. Gibbons?

Ms. Kuebler, you may proceed with cross examination.

Ms. KUEBLER. Mr. Gibbons, before this day on which you made this delivery, had you ever previously seen or met Mr. Barnes?

Mr. GIBBONS. Mr. Barnes?

Ms. KUEBLER. Yes.

Mr. GIBBONS. No.

Ms. KUEBLER. Mr. Ray Barnes. Did you know at that time that Mr. Ray Barnes was Mr. McFall's administrative assistant?

Mr. GIBBONS. No. Mr. Park had said I was to deliver it to his administrative assistant.

Ms. KUEBLER. Mr. Gibbons, did you hand anything to this administrative assistant besides this envelope?

Mr. GIBBONS. Not to my recollection.

Ms. KUEBLER. Do you recall handing anyone in Mr. McFall's office your business card?

Mr. GIBBONS. Not to my recollection.

Ms. KUEBLER. Did you have a business card with Pacific Development?

Mr. GIBBONS. It is very possible I did during that time.

Ms. KUEBLER. Do you think you might have given your business card to the receptionist as a way to announce your presence?

Mr. GIBBONS. It is possible.

Ms. KUEBLER. Did anyone from McFall's office that you recall ever call you on the telephone?

Mr. GIBBONS. Not to my recollection.

Ms. KUEBLER. Did Mr. Barnes ever call you on the telephone?

Mr. GIBBONS. Not to my recollection.

Ms. KUEBLER. Mr. Gibbons, did you take telephone calls, did you talk on the telephone in the course of your employment with Pacific Development?

Mr. GIBBONS. Yes.

Ms. KUEBLER. Do you know about how often during a week you would have talked on the telephone in the course of performing your duties with Pacific Development? How many hours in the day do you think you spent on the telephone?

Mr. GIBBONS. Eight to 10.

Ms. KUEBLER. Eight to 10 hours a day on the telephone

Mr. GIBBONS. Oh, no.

Ms. KUEBLER. A week. Eight to 10 hours during what span of time do you think you spent on the telephone?

Mr. GIBBONS. It wouldn't have been—I thought your question was how many hours a day did I work.

Ms. KUEBLER. Let me clear this up. How many hours in a week do you think you talked on the telephone in the course of your employment?

Mr. GIBBONS. Three to 4. For the span of a week.

Ms. KUEBLER. How many telephone calls do you think that represented during a week?

Mr. GIBBONS. Possibly as many as 100, I suppose.

Ms. KUEBLER. Do you have a complete recollection of the subject matter of every telephone call that you took during the course of your employment at Pacific Development?

Mr. GIBBONS. No.

Ms. KUEBLER. Do you think it is possible that someone—given your hazy recollection of the subject matter of each telephone call, and the volume of telephone calls that you were engaged in—do you think it is possible that you could have talked to Mr. Barnes or someone from Mr. McFall's office—your testimony is yes, it is possible?

Mr. GIBBONS. It is possible.

Ms. KUEBLER. Did you in the course of your employment with Pacific Development take telephone messages for Mr. Park to leave for his later return?

Mr. GIBBONS. Yes.

Ms. KUEBLER. Did you ever take any telephone calls on which you later had no occasion to follow up on that call; in other words,

would it be possible that you may have taken a message for Mr. Park and never found out what happened to that message, whether Mr. Park ever in fact followed up on that message?

Mr. GIBBONS. It is possible.

Ms. KUEBLER. And it is also possible due to your hazy recollection that someone from Mr. McFall's office could have called you and asked you for—and asked you certain subjects which you do not now remember.

Mr. GIBBONS. It is possible.

Ms. KUEBLER. Mr. Gibbons, how many other people besides you worked in Pacific Development during let's say after September 1974—let's say through 1974.

Mr. GIBBONS. Me and three other people.

Ms. KUEBLER. So there were four employees of Pacific Development besides Mr. Park?

Mr. GIBBONS. That is correct.

Ms. KUEBLER. And the telephone number of Pacific Development—did each of you have his or her own telephone lines? In other words, did you have a separate number at Pacific Development, separate from Mr. Park or any other employee?

Mr. GIBBONS. No. there were extension numbers, but one single telephone number.

Ms. KUEBLER. So if someone called the main number of Pacific Development looking for Mr. Park, they might get you or they might get some other employee?

Mr. GIBBONS. That is correct.

Ms. KUEBLER. Mr. Gibbons, was there an employee at the time of your employment, let's say late 1974, early 1975, named Mr. Kim?

Mr. GIBBONS. Yes.

Ms. KUEBLER. And this was a Korean gentleman, right?

Mr. GIBBONS. Yes.

Ms. KUEBLER. Do you recall the names of the other employees?

Mr. GIBBONS. Yes. Mr. B. Y. Lee and Mr. J. E. Kim.

Ms. KUEBLER. So there were two other men in the office besides you who were employees of Mr. Park's?

Mr. GIBBONS. That is correct.

Ms. KUEBLER. No further questions, Mr. Chairman.

Mr. FLYNT. Do you have any redirect?

Mr. NIELDS. Just one or two, Mr. Chairman.

Mr. FLYNT. Redirect.

Mr. NIELDS. This Mr. Kim, is this J. S. Kim?

Mr. GIBBONS. Yes.

Mr. NIELDS. Now, Mr. Gibbons, you have testified that you received numerous telephone calls and talked on the telephone a number of hours each week while you were employed at PDI.

How many times did you receive calls from Congressmen's offices seeking advice about how to treat money delivered to that office by Tongsun Park?

Mr. GIBBONS. None that I recall.

Mr. NIELDS. No further questions.

Mr. FLYNT. Recross?

Ms. KUEBLER. No questions, Mr. Chairman.

Mr. FLYNT. Questions on my right? Questions on my left?

The witness may step down.

The committee will suspend and will resume its hearing at 10:30 tomorrow morning in Room 2212.

The Chair has been advised by staff counsel that the next witness will take a substantial length of time for questioning—during the recess, the counsel for both sides met with the Chair.

The hearing will suspend until tomorrow at 10:30 a.m.

[Whereupon, at 4:55 p.m. the committee recessed, to reconvene at 10:30 a.m., Room 2212, Rayburn House Office Building, Thursday, September 21, 1978.]

THURSDAY, SEPTEMBER 21, 1978

**HOUSE OF REPRESENTATIVES,
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT,
Washington, D.C.**

The committee met, pursuant to adjournment, at 10:39 a.m., room 2212, Rayburn House Office Building, Hon. John J. Flynt, Jr. (chairman of the committee) presiding.

Present: Representatives Flynt, Spence, Quillen, Bennett, Preyer, and Fenwick.

Also present: John M. Swanner, staff director, John W. Nields, Jr., chief counsel, Jeffrey Harris, professional staff; Carole L. Kuebler and George G. Olsen, counsel to Representative John J. McFall.

The CHAIRMAN. The committee will come to order.

Let the record show that five members of the committee are present. Let the record further show that two other members have indicated that they are on their way.

When the committee recessed on yesterday, Mr. Nields announced that he had one additional, at least one additional witness, to call.

Are you ready to call that witness, Mr. Nields?

Mr. NIELDS. Yes, I am, Mr. Chairman.

The CHAIRMAN. Is that Mr. Ray Barnes?

Mr. NIELDS. That is Mr. Ray Barnes.

The CHAIRMAN. Mr. Barnes, before taking a seat, would you remain standing and raise your right hand, please.

Do you solemnly swear the testimony you will give before this committee in the matter now under consideration will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BARNES. Yes, sir.

**TESTIMONY OF RAYMOND BARNES, FORMER ADMINISTRATIVE
ASSISTANT TO CONGRESSMAN JOHN J. McFALL**

The CHAIRMAN. Your name is Raymond F. Barnes?

Mr. BARNES. Raymond F. Barnes, yes, sir.

The CHAIRMAN. Mr. Nields.

Mr. NIELDS. Mr. Barnes, did you at one time work for Congressman John McFall?

Mr. BARNES. Yes, I did.

Mr. NIELDS. When did you start working for him?

Mr. BARNES. It was in March 1963, as I recall.

Mr. NIELDS. Mr. Barnes, we don't seem to have a microphone today. I would ask you to keep your voice up, if you could. You are talking not only to me, and I am close to you, but you are also talking to committee members who are farther away.

Mr. BARNES. I will do my best.

Mr. NIELDS. Do you still work for Congressman McFall?

Mr. BARNES. No, I don't.

Mr. NIELDS. When did you cease working for him?

Mr. BARNES. As I recall, it was the last day of March in 1977.

Mr. NIELDS. Mr. Barnes, what was your position during the time that you worked for Congressman McFall?

Mr. BARNES. I was his administrative assistant.

Mr. NIELDS. Mr. Barnes, do you know a man named Tongsun Park?

Mr. BARNES. Yes.

Mr. NIELDS. Approximately when did you first meet him?

Mr. BARNES. I believe it was in late 1969.

Mr. NIELDS. Was that in Congressman McFall's office?

Mr. BARNES. Yes, as I recall.

Mr. NIELDS. Approximately how many other occasions since then have you met Tongsun Park?

Mr. BARNES. That is hard to tell exactly. I would say eight or nine times.

Mr. NIELDS. Were those times in Congressman McFall's office or somewhere else?

Mr. BARNES. All but one, I believe, was in the Congressman's office.

Mr. NIELDS. Where was that one?

Mr. BARNES. That was one night that I attended a reception at the George Town Club.

Mr. NIELDS. Mr. Barnes, you will see a stack of exhibits to your right on the table in front of you. I would ask you to turn to committee hearing exhibit No. M-11. That is a long piece of paper about three-quarters of the way through the stack.

Mr. BARNES. Yes, I have it.

Mr. NIELDS. Is that a copy of notes made by you?

Mr. BARNES. Yes, it is my handwriting.

Mr. NIELDS. Are those notes of a conversation with a Mr. Rocca on December 10, 1969?

Mr. BARNES. Yes, as far as I can tell that is correct.

Mr. NIELDS. Can you turn the page. Are those also notes which you made of a telephone conversation with Mr. Rocca?

Mr. BARNES. Yes.

Mr. NIELDS. Is that on December 16, 1969?

Mr. BARNES. That is correct.

Mr. NIELDS. I ask you to turn two pages to exhibit M-14. Are those also notes of yours?

Mr. BARNES. Yes, that is my handwriting.

Mr. NIELDS. Are those notes of a conversation with Tongsun Park?

Mr. BARNES. It looks like it is. It has his name up at the top. I believe so.

Mr. NIELDS. Is that on December 22, 1969?

Mr. BARNES. Correct, that is the date.

Ms. KUEBLER. Mr. Nields, exhibit 15 is not notes of the conversation.

Mr. NIELDS. I said M-13.

Ms. KUEBLER. I am sorry.

Mr. NIELDS. Mr. Barnes, did you have a general practice of discussing telephone conversations with Mr. Rocca and Mr. Park concerning rice in Korea with your boss, Congressman McFall?

Mr. BARNES. Generally speaking, yes, if I had the time and he was available.

Mr. NIELDS. Mr. Chairman, I ask that exhibits M-11, M-12, and M-13 be received in the record of this hearing at this time.

The CHAIRMAN. M-11 and 12 have already been introduced.

Mr. NIELDS. They have not been introduced up until this time.

The CHAIRMAN. Is there any objection?

Without objection 11 and 12 will be received.

Mr. NIELDS. And 13, Mr. Chairman.

The CHAIRMAN. And 13 will be received. (See Exhibits).

Mr. NIELDS. Mr. Barnes, I would like you to turn to M-14. This consists of 2 pages. I would like you to take a look at the second page. Is that a letter sent or a copy of a letter sent out of Congressman McFall's office to the Honorable Chung Il Kwon, Prime Minister of the Republic of South Korea, dated December 30, 1969?

Mr. BARNES. Yes, as far as I can determine.

Mr. NIELDS. Back to the first page, is that a calling card of Il Kwon Chung, Prime Minister of the Republic of Korea?

Mr. BARNES. It would appear to be, yes.

Mr. NIELDS. Do you recall seeing that calling card in Congressman McFall's office?

Mr. BARNES. No.

Mr. NIELDS. Mr. Barnes, I would like you to turn your attention to the year 1974. Did there come a time in the fall of 1974 when an employee of Tongsun Park delivered an envelope to you?

Mr. BARNES. Yes.

Mr. NIELDS. When was that?

Mr. BARNES. Well, I believe it was in mid-October. I don't know the exact date. I don't have it in front of me.

Mr. NIELDS. Well, can you do better than that, Mr. Barnes, based on your memory of any document that you have seen?

Mr. BARNES. Not at this moment. The date, October 18, comes to mind, but I am not sure that is the date that you are referring to.

Mr. NIELDS. Well, Mr. Barnes, did the envelope contain a note?

Mr. BARNES. Yes.

Mr. NIELDS. And did the note bear a date?

Mr. BARNES. I believe it did.

Mr. NIELDS. And you believe that date was October 18?

Mr. BARNES. As far as I can recollect.

Mr. NIELDS. And that note is no longer in existence, is that right?

Mr. BARNES. No, it is not.

Mr. NIELDS. All right. I will return to that subject later on.

Would you describe as best that you can recall what happened the day a messenger from Tongsun Park came to your office and gave you an envelope?

Mr. BARNES. Well, as I recall, and based upon conversations with you, I believe, Mr. Nields, the man came to my office and I greeted him. He apparently was announced by the receptionist to me. I came out and met him in the foyer and then we went into Mr. McFall's office.

He identified himself as the representative of Mr. Park. I had not met the gentleman before, that I can recall if it were the one that I believe it would be, now, and then he said he had an envelope for me to convey to Mr. McFall. I believe he handed me a calling card also and I accepted the envelope, thanked him, and he departed.

Mr. NIELDS. Now, Mr. Barnes, first I would like to ask you whether you had advance knowledge that he was going to come and make a delivery?

Mr. BARNES. Not to my recollection. There is an indication apparently in some of the testimony or some of the conversations I have had that he did call the office prior to his visit.

Mr. NIELDS. Well, to be more specific, did you have advance warning that a campaign contribution was to be delivered?

Mr. BARNES. No.

Mr. NIELDS. Had you discussed the campaign contribution with Mr. Tongsun Park before the visit?

Mr. BARNES. I don't recall discussing one with him, no.

Mr. NIELDS. Not at all?

Mr. BARNES. I don't recall it, no.

Mr. NIELDS. Mr. Barnes, when the messenger came in the office, did he offer you the envelope in the reception area?

Mr. BARNES. No. As I said a moment ago, we went into Mr. McFall's office.

Mr. NIELDS. So he did not offer you the envelope in the reception room?

Mr. BARNES. Not to my recollection, no.

Mr. NIELDS. When you went into Mr. McFall's office, did you take the envelope and turn your back to the messenger and open the envelope and look inside it?

Mr. BARNES. I don't remember doing that.

Mr. NIELDS. And you have previously testified that you did not do that?

Mr. BARNES. As far as I can recall, that is true. I don't remember such an event.

Mr. NIELDS. Mr. Barnes, what did you do after the messenger left?

Mr. BARNES. As I try to reconstruct it, I opened the envelope, I believe, and saw that it contained money, cash. I can't recall the exact time frame, but I was in touch with Mr. McFall by telephone later in the day and I conveyed that information to him.

Mr. NIELDS. What did he say?

Mr. BARNES. As I remember, he said, well, put it away and we will discuss it when I get back from California.

Mr. NIELDS. So he directed you not to turn it into the campaign fund; is that right?

Mr. BARNES. I think my answer is evident.

Mr. NIELDS. Mr. Barnes, did you count the money?

Mr. BARNES. Yes.

Mr. NIELDS. How much was it?

Mr. BARNES. \$3,000 in \$100 bills.

Mr. NIELDS. Did you disclose that to Congressman McFall on the phone?

Mr. BARNES. I believe I did, yes.

Mr. NIELDS. Where did you put the money?

Mr. BARNES. We had a locked drawer in my office and a money box. It was deposited in that. It was a file drawer.

Mr. NIELDS. What did you do with the note?

Mr. BARNES. I left it in the envelope.

Mr. NIELDS. Did you put that also in the file drawer?

Mr. BARNES. Yes.

Mr. NIELDS. What did the note say?

Mr. BARNES. As best I can recall, it said something to the effect that Mr. Park was wishing Mr. McFall good luck in the election.

Mr. NIELDS. Now, Mr. Barnes, did there come a time when Congressman McFall returned and you had another discussion with him about the money?

Mr. BARNES. Yes.

Mr. NIELDS. About how long later was that?

Mr. BARNES. I don't remember exactly when Mr. McFall returned, but it was after the election which would be the first Tuesday in November, I believe. He would have been back—sometimes he didn't come in the office for a few days after coming back from a visit to California. I can't give you the exact date, but some time early in November.

Mr. NIELDS. About 2 weeks later?

Mr. BARNES. Yes.

Mr. NIELDS. Can you tell us the conversation you had with Congressman McFall then concerning the money?

Mr. BARNES. Well, I think we—this is purely an effort to recollect and I am not too clear about it, I will have to admit, but we sat down and discussed what the Congressman wanted to do with the money.

Mr. NIELDS. Give us the nature of that discussion as well as you can remember it.

Mr. BARNES. I am afraid I can't give you particulars of something that happened 4 years ago that didn't seem to be of any great consequence or importance at that time. I can't give you particulars.

Mr. NIELDS. Had you ever received a contribution of \$3,000 in cash before?

Mr. BARNES. No.

Mr. NIELDS. Well, did you discuss, Mr. Barnes, the legality of receiving it as a campaign contribution?

Mr. BARNES. I would assume that we did. We generally did discuss things of that nature. I couldn't tell you exactly what we said. I think that there was some question about whether a campaign contribution could be accepted since Mr. Park, who was identified as the donor, was not an American citizen.

Mr. NIELDS. Now, Mr. Barnes, had you previously looked into the law on this subject?

Mr. BARNES. I had had some general discussions several years earlier with Mr. Paul Wohl, who was then counsel to the Clerk of the House, about the general area that would be covered by this.

Mr. NIELDS. When you say the general area, you mean receipts of contributions from foreign nationals; is that right?

Mr. BARNES. Right, persons who were not American citizens.

Mr. NIELDS. Did you also have discussions with Mr. Wohl on the subject of the propriety of putting money into an office account?

Mr. BARNES. Well, we discussed, tried to discuss office accounts with Mr. Wohl, but he didn't really want to talk about office accounts, as I recollect. He had sort of a "hands off" attitude about such things and would really not give us advice, speaking of administrative assistants or persons who might occasionally be involved with such things.

Mr. NIELDS. You attempted on several occasions, did you not, to obtain advice and approval from him on the subject of putting money in office accounts.

Mr. BARNES. Not necessarily approval. I wanted to know what the law was, and as I recall, he said it was not covered by any law, it is neither fish nor fowl I think was the term that he used. So that was about the extent of the guidance I could get from him.

Mr. NIELDS. Didn't he really say rather that it was not covered by any law, that it was outside of his jurisdiction?

Mr. BARNES. I believe he went beyond that, Mr. Nields.

Mr. NIELDS. OK.

Now, Mr. Barnes, I would like you to turn to exhibit M-17. It is the third to the last page in your packet of exhibits.

Mr. BARNES. Yes.

Mr. NIELDS. Mr. Barnes, is that a letter written by you in February of 1974, that is prior to the receipt of the contribution from Tongsun Park?

Mr. BARNES. Yes.

Mr. NIELDS. On the subject of the legality of receiving contributions from foreign nationals?

Mr. BARNES. Yes.

Mr. NIELDS. Did that result, was that the fruit of your inquiry into the subject?

Mr. BARNES. This was a reading of the code, as I remember. That is what the letter was based upon.

Mr. NIELDS. And you in the letter, you quoted Title 18 Sec 613; is that right?

Mr. BARNES. Right.

Mr. NIELDS. And you underlined a certain part of it in your letter which states that it is illegal to receive a campaign contribution, and here is the underlined portion, "from an agent of a foreign principal, directly or through any person either for or on behalf of such foreign principal or otherwise in his capacity as agent of such foreign principal." Is that right?

Mr. BARNES. Yes.

Mr. NIELDS. And you are writing this in the context of a particular example; is that right?

Mr. BARNES. I am not sure I know what you mean by that, Mr. Nields.

Mr. NIELDS. I mean there is a question that you are answering regarding a contribution from a particular person.

Mr. BARNES. That is right. This was the subject of the original letter to the Congressman's aides in California.

Mr. NIELDS. And you say in assessing the legality of that, you say, and I point out on the second page, "It would appear to be very difficult to identify contributors as being either agents of

foreign principals or having acted on behalf of such foreign principals," indicating that in this case it appears that the contribution would be lawful.

Mr. BARNES. Would be lawful?

Mr. NIELDS. That is the second full paragraph.

Mr. BARNES. I would not say there is any conclusion in the paragraph. It is a statement.

Mr. NIELDS. You say here under the circumstances described where those Mexican nationals are persons who are legal residents of the United States or are in the country on work permits, it would appear to be very difficult to identify contributors as being either agents of foreign principals or having acted on behalf of any foreign principals.

Mr. BARNES. Correct, but I did not reach a conclusion there. You reached a conclusion.

Mr. NIELDS. And on the bottom it says, "The only prohibition against acceptance of political contributions in this instance would involve those from 'foreign principals' either directly or indirectly."

Mr. BARNES. That is what it says, yes.

Mr. NIELDS. You do not recall specifically, you say, your conversation with Congressman McFall regarding the Tongsun Park contribution, but I take it that you had that conversation knowing the information which you had previously set forth in this letter; is that right?

Mr. BARNES. Yes, I know that, but this had been some months earlier.

Mr. NIELDS. Based on your research which you had set forth in this letter, the contribution from Tongsun Park would be illegal as a political contribution only if he was an agent of a foreign principal; is that right?

Mr. BARNES. If he could be identified as an agent of a foreign principal and were not a citizen of the United States, I presume the political contribution would be illegal.

Mr. NIELDS. What possible foreign principal in his case could he have been an agent for, based upon your knowledge of him?

Mr. BARNES. Well, I suppose he could have been an agent for a number of foreign principals, but I am sure you are referring to the Korean Government.

Mr. NIELDS. Did you have any knowledge of his relationship with any foreign principal other than the Korean Government?

Mr. BARNES. No. I didn't really have any knowledge of his relationship with the Korean Government per se.

Mr. NIELDS. Well, Mr. Barnes, he had delivered a gift to your office on behalf of the Prime Minister of South Korea; is that right?

Mr. BARNES. Well, of course, he was apparently acquainted with the individual, yes.

Mr. NIELDS. And you knew him as the agent for the Korean Government in rice purchases, didn't you?

Mr. BARNES. Not necessarily. He may have been the contractual agent or something of that nature, but I had no knowledge that he was being paid to act on behalf of the Government of Korea.

Mr. NIELDS. But you did testify, did you not, on June 5, I quote: "We knew he was authorized to purchase rice for the government," for the Korean Government?

Mr. BARNES. That he had some sort of arrangement, apparently. Whether he was paid I had no knowledge.

Mr. NIELDS. And you knew he had urged passage of military aid and military assistance in a general way for the Government of Korea; is that also right?

Mr. BARNES. Well, I couldn't say that for a fact, that he had urged it. He didn't urge it to me. I don't know whether he had conversations with people who might be in a position to help him.

Mr. NIELDS. Now, Mr. Barnes, in addition to discussing this law regarding foreign principals, agents of foreign principals, with Congressman McFall, did you discuss with him the size of the contribution and the fact that it was in cash?

Mr. BARNES. I am not sure that I discussed the law per se with Congressman McFall. As I said before, this thing had been written some time before. I don't believe I said to him according to title XVIII, chapter such and such, this is the law.

Mr. NIELDS. You just said to him that there were problems with receiving?

Mr. BARNES. Problems, very definitely. There could have been problems in several areas if he were not an American citizen. We didn't know he was not an American citizen.

Would you rephrase the question?

Mr. NIELDS. Yes.

In addition to discussing the fact that Tongsun Park was not an American citizen, did you discuss with Congressman McFall the size of the contribution and the fact that it was in cash?

Mr. BARNES. Yes, I think we did discuss that, as I recall.

Mr. NIELDS. Did you discuss the undesirability of reporting such a contribution?

Mr. BARNES. Not necessarily that, no. No, I don't think we went into that. It was a general discussion in which we talked about the contribution and really what the Congressman wanted to do with the money.

There were questions about accepting any political contribution and some question of whether he wanted to accept it under any other circumstances.

Mr. NIELDS. In any event, he told you to put the money in the office account; is that right?

Mr. BARNES. He did direct me to put it in the office account, correct.

Mr. NIELDS. Now what did you do then after he told you to put the money in the office account?

Mr. BARNES. Well, I am not sure exactly when this occurred, whether it was before our conversation or after, but I attempted to get confirmation from the donor that this money could be accepted for placement in the office account.

Mr. NIELDS. Well, I am going to return to that subject, Mr. Barnes, a little bit later, but in any event, what did you do with the money?

Mr. BARNES. Oh, what did I do physically with it at the time?

Mr. NIELDS. Yes.

Mr. BARNES. I put it away in the office, in the safe, and did not deposit it immediately.

Mr. NIELDS. You left it where it was?

Mr. BARNES. Yes.

Mr. NIELDS. When did you first make a deposit of this money into the office account?

Mr. BARNES. I would have to—I don't recall exactly. It was some time afterwards.

Mr. NIELDS. Some time in February 1975; is that right?

Mr. BARNES. It could have been.

Mr. NIELDS. Did you put it all in then?

Mr. BARNES. No, I did not.

Mr. NIELDS. How much did you put in the first time?

Mr. BARNES. I don't recall. I don't have notes on those deposits.

Mr. NIELDS. \$500?

Mr. BARNES. But as I recall, I did try to place it in the account at least in segments of \$500, yes.

Mr. NIELDS. Did you spread them out over a period of approximately 2 or 3 months?

Mr. BARNES. I don't know whether it was that long. It was over several weeks.

Mr. NIELDS. \$500 and then another \$500 and then another \$500 and another \$500, and then \$400; is that right?

Mr. BARNES. As I remember, I do have a list of deposits, come to think of it. I could identify them from the typewritten list if you would want to go over it.

Mr. NIELDS. Well, why don't you turn to the document marked as committee hearing exhibit No. M-15. What is M-15?

Mr. BARNES. This is a Thermofax copy of pages in a ledger book that I maintained.

Mr. NIELDS. This was a ledger book reflecting deposits into and withdrawals from the office account?

Mr. BARNES. That is correct.

Mr. NIELDS. Is that right, indicating the source of the deposit and the purpose of the withdrawal; is that right?

Mr. BARNES. Right.

Mr. NIELDS. Now while we are on this subject, you might turn to M-16. I am going to ask you whether that is a thermofax copy of the checkbook also showing entries into and checks written on the office account?

Mr. BARNES. Yes.

Mr. NIELDS. Mr. Chairman, I ask that Exhibits M-15 and M-16 be received into the record of this hearing at this time.

The CHAIRMAN. Is there any objection?

Ms. KUEBLER. No objection.

The CHAIRMAN. Exhibits M-15 and M-16 will be received. (See Exhibits).

Mr. NIELDS. Thank you, Mr. Chairman.

The last thing I have is that I would like to ask counsel to stipulate that the \$3,000 from Tongsun Park received in October of 1974 was not reported as a campaign contribution by Congressman McFall with the Clerk of the House in 1974. I have discussed this before.

Mr. FLYNT. What say ye?

Ms. KUEBLER. May we have a minute to confer, Mister Chairman? [Discussion off the record.]

Mr. NIELDS. Now, Mr. Barnes, perhaps you would like to refer to the third Thermofax page, I think it is marked "Page 5" in the original in exhibit M-15 which is your ledger.

Look down at the bottom half of that page. I am going to ask if you didn't put this money into the office account in five installments, 500, 500, 500, 500, and 400?

Mr. BARNES. Yes; that is true, but as I remember from the appearance here, there was some extra money put in with some of the deposits.

Mr. NIELDS. A reimbursement for an airline ticket or something of that nature might go in with cash?

Mr. BARNES. On June 5, 1973.

Mr. NIELDS. Now, Mr. Barnes, what became of the other \$600? There was \$3,000 originally and now there is \$2,400 in the office account. What became of the other \$600?

Mr. BARNES. \$300 in cash was deposited in the petty cash envelope that I maintained in the same locked drawer for the McFall office petty cash account.

Also, \$300 was placed into a similar envelope which was maintained in the office for Mr. McFall's whip office petty cash account. This came from the \$3,000 in question.

Mr. NIELDS. Mr. Barnes, why did you wait from November until February before you made the first deposit into the office account of the money which had been received from Tongsun Park?

Mr. BARNES. Well, I presume I wanted to make sure that it was proper to deposit it into the account, and I also I was very concerned about receiving and depositing large sums of cash in the office account.

Mr. NIELDS. Now my first question, Mr. Barnes, has only to do with why you waited so long to make the first deposit, not why you split them up.

Was there a law passed in October 1974 which contemplated possible regulations by the FEC requiring reporting of money into office accounts?

Mr. BARNES. I believe so, yes.

Mr. NIELDS. Were you waiting to see whether the FEC did anything about that law before you decided whether to put the money into the office account?

Mr. BARNES. No; I don't believe so.

Mr. NIELDS. Why did you wait so long?

Mr. BARNES. Well, as I said, I was just concerned about the large amount of money in cash. I had always tried to be very careful with handling such amounts of cash, any other amounts of money as far as that is concerned, but particularly—

Mr. NIELDS. Mr. Barnes, that explains why you split it up into a number of small deposits, but why did you wait?

Mr. BARNES. I couldn't answer you truthfully other than my caution.

Mr. NIELDS. Caution about what?

Mr. BARNES. About the very thing I said, I was concerned about the large amount of it in contribution.

Mr. NIELDS. What was the alternative?

Mr. BARNES. The alternative—once the decision was made, I was instructed to put in the money. There was no alternative.

Mr. NIELDS. Why did you wait?

Mr. BARNES. I did it without direction. It was just a feeling that I wanted to feel secure in making the deposits.

Mr. NIELDS. Are you sure you were not waiting to see what the reporting requirements would be, Mr. Barnes?

Mr. BARNES. I don't believe so. I don't see why I would have.

Mr. NIELDS. You did keep track of those, didn't you?

Mr. BARNES. Later on, quite later on, but not at the time. As I remember, that law did not take effect until January. It would not have been applicable at that time. If I had really been concerned about whether it was going to be required to identify the donor, I presume that I might have deposited it at one time earlier.

Mr. NIELDS. But you didn't know whether the reporting requirements were going to be retroactive or not, did you?

Mr. BARNES. No, I didn't, but I assumed that you would have a better chance if you were trying to hide something in doing it early, I suppose.

Mr. NIELDS. You did deposit, did you not, another amount of cash into the office account which was received after Tongsun Park's contribution but deposited before; is that right?

Mr. BARNES. You will have to let me think about that. Which one are you referring to?

Mr. NIELDS. Mr. Linden, Keith Linden. There is an entry on page 5. It is "1-17-75, \$500, Keith Linden."

Mr. BARNES. That was made somewhat earlier, I guess.

Mr. NIELDS. You are testifying that that was received before Tongsun Park's contribution was received?

Mr. BARNES. No. I think you misstated something a while ago, according to this record. It says here that the first deposit from Park was made November 22, 1975. Is that right?

Mr. NIELDS. No; that is not right.

Mr. BARNES. That must have been 1974, Mr. Nields. I made an error in the last date.

Mr. NIELDS. Well, Mr. Barnes, let's go through it. Here on page 5 there is an entry, "2-18-75."

Mr. BARNES. February 18, 1975.

Mr. NIELDS. Do you see that in the lefthand column about four-fifths of the way down?

Mr. BARNES. What page are you on, 5?

Mr. NIELDS. Page 5.

Mr. OLSEN. Perhaps it would be helpful to the committee to point out that the Xerox copy on the exhibit apparently also includes part of a Xerox copy which I assume to be the following page.

Mr. NIELDS. Yes; I think that may be the problem that we are having now. He sees two digits and one is from the underlying page.

Mr. BARNES. February 18, I see, January 17, the Linden deposit was made January 17, 1975. Yes, I follow you. And the Park deposit was made February 18, 1975.

Mr. NIELDS. Then you will see there are three other Park deposits after February 18.

Mr. Barnes, I am going to state something for the record and I would like you to agree or disagree.

There is a \$500 marked Park deposit, February 18, 1975.

Mr. BARNES. Yes.

Mr. NIELDS. There is a \$500 deposit, and also with \$304 in addition, and \$500 from Park on March 7, 1975.

Mr. BARNES. Right.

Mr. NIELDS. There is another \$500 deposit from Park on March 31, 1975.

Mr. BARNES. Yes.

Mr. NIELDS. There is another \$500 deposit from Park on May 28, 1975.

Mr. BARNES. Right.

Mr. NIELDS. Then there is a \$400 deposit from Park on June 5, 1975.

Mr. BARNES. Correct.

Mr. NIELDS. That is the final deposit from Park. The remaining \$600 was put in the whip office petty cash and the congressional office petty cash; is that right?

Mr. BARNES. Right.

The CHAIRMAN. Can we suspend at this point so that members desiring to do so may return to the floor of the House to cast their votes.

[A brief recess was taken.]

The CHAIRMAN. The committee will come to order.

The committee recessed so that members could vote on the floor of the House. Mr. Nields was examining Mr. Raymond Barnes. You may continue, Mr. Nields.

Mr. NIELDS. Thank you, Mr. Chairman.

Mr. Barnes, just before the recess, we established when the money from Tongsun Park was put into the office account, five different occasions. Now I would like to ask you why it was put into the office account on five different occasions in five smaller installments?

Mr. BARNES. Well, as I said before, I am not exactly sure when the decision was made to put it in, but I did attempt to clarify whether it was permissible to deposit the money in the office account. I don't remember the exact date that occurred but it would have been somewhat after our discussion, my discussion, with Mr. McFall after he came back from California.

Mr. NIELDS. I am going to ask you about that further, but my question now is why it was broken down into installments?

Mr. BARNES. As I testified before, Mr. Nields, I had had considerable concern about carrying a lot of money, a lot of cash, down to the bank; \$3,000, you will have to admit, was a lot of money in cash.

As I testified before, that bank had been held up, although it was just across the street from the FBI building, and several people who were waiting in line had their billfolds taken, cash and so forth. That was one reason I was concerned about it. Therefore, I did not want to trot down there with \$3,000 in cash in my hand or in my pocket and make a deposit. That was one reason. Then I just didn't feel it was advisable to enter it all in one time. I just felt that may be smaller contributions would be better. I don't know

why. I was just naturally cautious. Frankly, I did not like office accounts to begin with.

Mr. NIELDS. So you thought that smaller deposits into the office account would look better; is that right?

Mr. BARNES. Not be so obvious perhaps. Maybe that is a better way to put it.

Mr. NIELDS. In what respect were you afraid that it would look bad if you deposited it all into the office account at once?

Mr. BARNES. I can't answer that specifically. It was just a gut feeling. I didn't feel it was a good thing to do. We didn't have many large deposits as you can see by the record. One was \$1,275. That is 1974. That is about the biggest I can recall other than the initial deposit. That was by check as I remember. I just didn't feel secure in doing it.

Mr. NIELDS. Are you telling us, Mr. Barnes, that you felt that \$3,000 into your office account all at once would have the appearance of impropriety of it?

Mr. BARNES. I don't know to whom it would appear improper.

Mr. NIELDS. But that is what you were worried about; is that right?

Mr. BARNES. As I say, that could have entered my mind. I couldn't say yes or no.

Mr. NIELDS. Mr. Barnes, you are the only one who knows what was in your mind.

Mr. BARNES. Well, I am just not sure exactly what my state of mind was at that particular time. I know I just didn't feel it would be to Mr. McFall's advantage to make such a large deposit and for me, my own safety, to go down and make the deposit at that time.

Mr. NIELDS. If this had been taken as a campaign contribution and reported, then there would have been no secret about that fact that \$3,000 in cash had been received; is that right?

Mr. BARNES. Well, I don't know how we would have handled that because we did not have a campaign account in Washington. It would have had to have been transmitted in some fashion to California. I couldn't really answer you on that.

Mr. NIELDS. I don't think that was my question, Mr. Barnes. My question is: If it had been deposited in the campaign account and reported, then there would have been no secret that that amount of money had been received; is that right?

Mr. BARNES. I presume not. I am not so sure it was a secret.

Mr. NIELDS. But you did not want it to appear in the office account that you had received \$3,000 at one time from one person; is that right?

Mr. BARNES. Well, no one else had access to those books so I don't see that that is, that there is any particular validity to that assertion. This was not an advertised office account. None of them were. Nobody else had access to the accounts.

Mr. NIELDS. That is really my question, Mr. Barnes. You were worried about the appearance of this \$3,000 contribution. If it went into the office account, it was not going to be public. If it went into the campaign account, it would be public.

Mr. BARNES. It would have been, sure.

Mr. NIELDS. Now I am asking you, did you discuss that fact with Congressman McFall at the time you were deciding what to do with the money?

Mr. BARNES. About that I was concerned about putting that much money in the account?

Mr. NIELDS. You were concerned with the appearance of \$3,000 in cash and it would be public if it was reported as a campaign contribution and would not be public if it were put in the office account?

Mr. BARNES. I couldn't specifically answer that question. I know that we did discuss whether or not to put it in the office account. I don't know whether that particular facet of it was discussed or not.

Mr. NIELDS. But you can't rule it out?

Mr. BARNES. I can't rule it out. I can't say that it occurred.

Mr. NIELDS. Mr. Barnes, you said you didn't like office accounts. Why didn't you like office accounts?

Mr. BARNES. Well, I had seen, they have been politically embarrassing to a number of Members of Congress and former Members of Congress in the past. I just felt I didn't want to see that happen to my boss.

Mr. NIELDS. Mr. Barnes, I would like to have you address your attention forward to October 1975. Did you have a conversation with a newspaper reporter on the telephone at that time?

Mr. BARNES. Yes; I did.

Ms. KUEBLER. 1975, Mr. Nields?

Mr. NIELDS. Excuse me. I believe I have the wrong year. It is October 1976, excuse me.

Mr. BARNES. Yes, I think we both were thinking the same thing, however.

Mr. NIELDS. Who called whom?

Mr. BARNES. Mr. Scott Armstrong, of the Washington Post, called me.

Mr. NIELDS. What did he say?

Mr. BARNES. I believe he first tried to get a hold of the Congressman, although I can't be sure. He said something to the effect or, if you will wait just a minute, I will try to refresh my memory.

Mr. NIELDS. You don't have to do that. You can turn to the last page of the stack of exhibits in front of you. It is committee hearing exhibit M-18.

Now I think we ought to establish what you are looking at, Mr. Barnes. Is that a memorandum which you dictated of your conversation with Scott Armstrong immediately following the conversation?

Mr. BARNES. It is a memorandum as described. However, I did not dictate it. I typed it myself on my typewriter.

Mr. NIELDS. Now, refreshed by that memorandum, would you please tell us what your conversation with Scott Armstrong was?

Mr. BARNES. Well, Mr. Armstrong called me late in the afternoon on the October 5, 1976, according to this memorandum which is, as I recall, correct, and asked if I remembered visiting Tongsun Park—Tongsun Park visiting our office or my having seen him in December 1975. He was very explicit.

I told him that I may have seen him at a brandy party at the Georgetown Club about that time which was the last time I saw

him that I could recall. That is the reception that I referred to earlier that I had seen Mr. Park at.

Then he asked me if Mr. McFall may have received any money from Park about that time, again specifically December 1975. I told him I was not aware of any such donation, contribution.

He then asked me if I had received any cash from an aide of Park about that time. I said I had not. Again, he was referring specifically to the time frame in which the question was posed.

Then I asked him if Park had said he had given Mr. McFall any cash and he said he had not but that an aide had said he had given it to me. Later, he said during the conversation, he said he was mistaken, that the aide said he had given the cash to me in late 1974 or early 1975. It was sort of an afterthought. He was sort of mumbling to himself when he said this to me on the telephone. I made no comment on it.

Armstrong then asked where the books for the campaign were kept and I told him Mr. Olhasso was the chairman and I told him Mr. McFall was the treasurer of the committee and several Members of Congress were their own treasurers.

He then asked if Mary Albertson, one of Mr. McFall's principal aides in the California office, assisted in keeping the books and I said she did. Then Mr. Olhasso called on the telephone about that time and I told him that Mr. Armstrong would be calling and informed him of Mr. Armstrong's interest.

Olhasso called back shortly afterwards and said he talked with Armstrong and advised him that he knew nothing of Mr. Park or any contributions, but he would have Mary—that is, Mrs. Albertson, check the records. That is the end of the memorandum.

Mr. NIELDS. Mr. Chairman, I think it would be well to include this memorandum in the record at this time. It is exhibit M-18.

The CHAIRMAN. Is there any objection?

Ms. KUEBLER. No objection, Mr. Chairman.

The CHAIRMAN. Without objection, committee hearing exhibit No. M-18 will be received for the record.

Mr. NIELDS. NOW, MR. BARNES, JUST TO RECAPITULATE, MR. ARMSTRONG ASKED YOU ABOUT A CONTRIBUTION FROM A AIDE OF TONGSUN PARK IN LATE 1975. YOU SAID THERE HAD BEEN NONE. HE GOT THE DATE WRONG. THEN HE CORRECTED HIMSELF ON THE DATE AND YOU REMAINED SILENT; IS THAT RIGHT?

Mr. BARNES. As I say, he was sort of talking to himself at the time. He was sort of mumbling into the telephone. I just didn't say anything. I didn't respond aye or nay.

Mr. NIELDS. Now, did you disclose this conversation to Congressman McFall?

Mr. BARNES. I tried to contact him that afternoon. I don't believe I made contact with him in the afternoon. I think he was out of the office on a trip in the District or something. But I did pass the information along, as you note here, to two of his principal assistants in California.

Mr. NIELDS. Mr. Barnes, are you testifying that you did not tell this to Congressman McFall?

Mr. BARNES. I am not sure that I talked to him that immediate time.

Mr. NIELDS. How about the next day?

Mr. BARNES. I am sure I did.

Mr. NIELDS. In fact you testified that you did.

Mr. BARNES. Yes; I did, but I am not sure of the exact time. I talked with Mr. McFall about it, that is right. But at that time immediately after I think I tried to get a hold of him and couldn't, but they knew it and I did talk to him at a later time. I think it was probably in the next day or so, yes.

Mr. NIELDS. In the next few days you told Congressman McFall of the questions and your answers; is that right?

Mr. BARNES. Right.

Mr. NIELDS. Did he tell you to call back Scott Armstrong and tell him you had received some money from Tongsun Park in 1975?

Mr. BARNES. No.

Mr. NIELDS. Now, what did you do after you received this call from Scott Armstrong, or what else did you do? How about the note?

Mr. BARNES. I typed this memorandum.

Mr. NIELDS. No; I mean the note that had accompanied the contribution.

Mr. BARNES. I did destroy the note, but I am not sure whether it was immediately after that or not.

Mr. NIELDS. It was shortly after that, wasn't it, Mr. Barnes?

Mr. BARNES. Very possible. Before I went to California, let's put it that way. I think I went to California later in the month.

Mr. NIELDS. Shortly after you received the call from Scott Armstrong you destroyed the note?

Mr. BARNES. Within a few days.

Mr. NIELDS. How did you destroy it?

Mr. BARNES. I tore it up.

Mr. NIELDS. And threw it out?

Mr. BARNES. I threw it in the wastebasket.

Mr. NIELDS. What did you do that for?

Mr. BARNES. I just didn't feel that it would be helpful to have this note in the file from Mr. Park who was at that time receiving a great deal of unwanted publicity, I am sure, in the Washington papers and elsewhere. At the same time, Mr. McFall was a candidate for higher office in the House structure. It was my decision. I may have been wrong, but I just felt it would not be helpful to him if this note were available.

Mr. NIELDS. The note disclosed two facts, is that right, Mr. Barnes?

Mr. BARNES. It said something to the effect that—the only thing I can remember was, it said, "Good luck in the election."

Mr. NIELDS. And, in fact, the money had not been used for the election; is that right?

Mr. BARNES. Well, it didn't say this is a donation, as I recall. It said something to the effect of, "Good luck in the election," and that is right, your conclusion, your afterthought or whatever it was, is correct, it was not used in the election.

Mr. NIELDS. So the note contained two relevant facts: One is that Tongsun Park had made a contribution or transferred some money. In other words, it contained his name and, second, it indicated it was for the election.

Mr. BARNES. Well, I am not sure that it did. It said, "Good luck in the election." Does that mean this is a contribution? It could.

On the other hand, I don't know what his thoughts were at the time.

Mr. NIELDS. Just so that the record is clear on this point, Mr. Barnes, I take it you did not discuss the fact that you were going to destroy the letter with Congressman McFall before you destroyed it?

Mr. BARNES. No; I did not.

Mr. NIELDS. Did you discuss it with him later?

Mr. BARNES. I think he brought it up later on after it was discovered that the note was missing. I don't think he was very happy about it. In fact, I am sure he was very unhappy.

Mr. NIELDS. You told what you had done?

Mr. BARNES. Yes.

Mr. NIELDS. When?

Mr. BARNES. Whenever it was we discussed it. I couldn't tell you the date.

Mr. NIELDS. Were you still employed?

Mr. BARNES. Yes; this is before I retired which was some time later.

Mr. NIELDS. Mr. Barnes, did Tongsun Park ever—excuse me. Did you ever ask Tongsun Park for a contribution?

Mr. BARNES. I can't remember having asked him for any.

Mr. NIELDS. In fact, you have testified in the past, have you not, that you did not ever ask him for a contribution?

Mr. BARNES. To the best of my recollection I did not, no.

Mr. NIELDS. In the past you have testified that you never did ask him; is that right?

Mr. BARNES. To the best of my recollection, that is true.

Mr. NIELDS. And you were asked even whether you had ever asked him for a contribution for tickets?

Mr. BARNES. I could not remember.

Mr. NIELDS. And you testified that you had not asked him for tickets; is that right?

Mr. BARNES. I was basing it on my memory, that is true, as I am trying to do now, base my answers to your questions on my memory.

Mr. NIELDS. Now I would like to return, Mr. Barnes, to the subject that you raised earlier and that is whether you ever asked permission, after receiving the \$3,000, to change it from a campaign contribution to a contribution for the office account?

Mr. BARNES. Well, there, again, you are drawing a conclusion in asking the question. I was not knowledgeable that it was offered as a campaign contribution. There was no definite information from which to draw that conclusion.

But, yes, I did attempt to clarify if the contribution could be utilized for deposit in Congressman McFall's office account. I tried to call, or I recollect as best I could calling the person who had brought the money to my office. There was a card on my Rolodex indicating that Mr. Gibbons had been in my office so I assume that was the person I tried to call.

The purpose was to determine, as I had stated, whether it would be permissible to deposit the money in the office account, and also

whether Mr. Park had declared or was intending to declare the contribution as an election contribution.

The answer I received—and I can't tell you whether it was in this conversation with the party I talked to or after the time that person had had a chance to check with somebody and called me back—was that it was allright with Mr. Park, it was OK to go ahead and put it in the office account, that he had no objections to this and, no, he was not going to report it as a contribution.

Mr. NIELDS. Mr. Barnes, this conversation took place, you say, with the emissary; is that right?

Mr. BARNES. To the best of my recollection, based upon the fact that I had found—or somebody in my office had found—this card from Mr. Gibbons on my Rolodex after I had left the office. So as best I can recollect, that was the person that I tried to call.

Mr. NIELDS. That is consistent with the testimony you gave on June 5, 1978; is that right?

Mr. BARNES. I believe it is.

Mr. NIELDS. That you called the emissary?

Mr. BARNES. To the best of my recollection, that is correct.

Mr. NIELDS. How about telling Congressman McFall about this conversation? What is your testimony on that?

Mr. BARNES. I believe we did discuss the fact that I had received this information, although I could not swear to it.

Mr. NIELDS. You testified under oath, Mr. Barnes, on June 5, 1978, that you talked to Mr. McFall about it. I want to establish your testimony on June 5 was under oath; is that right?

Mr. BARNES. Of course it was.

Mr. NIELDS. And you testified you informed Congressman McFall?

Mr. BARNES. To the best of my recollection I did inform Congressman McFall.

Mr. NIELDS. And you made this check in between the time that you had talked to him on the phone while he was in California and the time that he returned?

Mr. BARNES. I believe that is when it occurred.

Mr. NIELDS. You have also just testified that you were not sure this was a campaign contribution.

Mr. BARNES. Well, as I say, the only indication I had as to what it was was the note, and it just said, as far as I could recollect, "Good luck in the elections." I assume this was the campaign contribution, but it was not "Here is something for your election," "Here is something to help you defray your expenses in the election."

Also, Mr. Park had given permission to Congressman McFall, as I recall, to place an earlier contribution of \$1,000 in 1972, in his office account.

Mr. NIELDS. Mr. Barnes, prior to your testimony on June 5, you had given four versions of the events surrounding the \$3,000 contribution to investigators; is that right?

Mr. BARNES. It is possible I learned a little bit about it from various factors each time within the time frame.

Mr. NIELDS. First, in an FBI interview, November 29, 1976, then in a signed statement in your own words on April 27, 1977—

Mr. BARNES. To whom was that?

Mr. NIELDS. I will show you these documents, Mr. Barnes, in a minute.

Third, in an interview, stenographically recorded in your house with this committee; n, 4, in sworn testimony in a deposition before this committee, March 23, 1978.

Mr. BARNES. Yes.

Mr. NIELDS. I am showing you the records of these interviews. They are marked "exhibits 19, 20, 21, and 22."

First of all, I would like to ask you whether in any of those statements, did you mention the fact of receiving authorization to put the money in an office account?

Mr. BARNES. I would have to read them. I do not think I did.

Mr. NIELDS. I would like you first to address yourself to the FBI interview, page 3, paragraph 2.

Mr. BARNES. That is the one on top. Page 3, paragraph what?

Mr. NIELDS. Do you have that?

Mr. BARNES. Second paragraph?

Mr. NIELDS. Yes; two-thirds down the page. "Barnes said he felt Park meant the money to be a political contribution."

Did you say that to the FBI agent during your interview?

Mr. BARNES. That is their version.

Mr. NIELDS. I am asking if you said that to the agent.

Mr. BARNES. You are asking me to swear to something which was part of a long statement of November 29, 1976—November 24, 1976. I would have to say, if they said I did, I probably did.

Mr. NIELDS. But you mentioned nothing about the authority to put it in the office account?

Mr. BARNES. No; at the time I apparently did not recall the circumstances which were developed later on.

Mr. NIELDS. And you mentioned nothing about it in the signed statement which you prepared which purported to set forth the facts concerning the \$3,000 contribution and your contacts with Tongsun Park?

Mr. BARNES. This is the one from the Justice Department, requested by the Justice Department?

Mr. NIELDS. Yes; it is.

Mr. BARNES. This very briefly covers the subject.

Mr. NIELDS. Then I would like for you to turn to page 15 of your stenographically recorded interview with the committee.

Mr. BARNES. This is exhibit 21?

Mr. NIELDS. Yes; page 15, at the bottom of the page, you are asked about your conversation with Congressman McFall. You say:

Answer. He said, "Well, just put it away and then we'll decide what to do with it when I get back." This was sometime in October, I believe. And he was going to come back shortly after the election was over.

Question. And so exactly what did you do with the money then?

Answer. I put it in the cash box that the petty cash was in, and left it in the safe, envelope, and put it away.

Question. And what was the next event that transpired with respect to the money?

Answer. Well, after he came back we talked about it. He gave me instructions to put it in the office account.

You did not mention anything about an emissary; is that right?

Mr. BARNES. But that does not rule out the fact that I recall it now.

Mr. NIELDS. The issue of authorization to put it in the office account was an important one to you, was it not?

Mr. BARNES. Yes, of course.

Mr. NIELDS. It was important enough to destroy the letter that disclosed it to be a campaign contribution?

Mr. BARNES. Well, here again you are stating a fact that you have drawn a conclusion from, that it was a campaign contribution. Apparently it was, but I do not think that letter said so per se.

Mr. NIELDS. Why did you destroy it?

Mr. BARNES. I just did not think it would be to Mr. McFall's advantage to have Park's name associated with his office account or any account, as far as that is concerned. At least that is the way I felt about it after he received all the adverse note, publicity, and the newspapers had already convicted him of being an agent for Korea.

Mr. NIELDS. You had also to find out from Scott Robertson whether that had been reported as a contribution in California?

Mr. BARNES. I do not know that I had.

Mr. NIELDS. And you know the letter indicated it was for the election?

Mr. BARNES. "Good luck in the election."

Mr. NIELDS. So the issue whether it was a campaign contribution properly reported was a issue in your mind at the time you went to destroy letter?

Mr. BARNES. I could not say it was. It might have been .

Mr. NIELDS. But nonetheless, you did not disclose anything about any authorization to put it in the office account until the fifth time you were asked your version of the facts related to this?

Mr. BARNES. I am sure I gave additional details of things as we discussed this. We discussed this in great length in visits to your office, telephone calls and so forth. These do serve to jog your memory, Mr. Nields.

Mr. NIELDS. Now, Mr. Barnes, Mr. Gibbons' memory has not been jogged about giving you authorization to put the money in the office account. Mr. Park's memory has not been jogged.

Mr. BARNES. Did they state I did not make such a call?

Mr. NIELDS. And indeed Mr. McFall states he does not recall you disclosing this to him. Could it be you have a recollection of something that did not occur? Mr. BARNES. I recall making the call to the office and discussing it with someone. I thought it was Mr. Gibbons or whoever brought it to my office. I could not swear that it was he. It could have been someone else in his office who had information., contact with Mr. Park. Because the information that came back was that it was OK. It would be more logical that it would come from Mr. Park. But I do have a vivid recollection of making such a call.

Mr. NIELDS. You testified on June 5 it was a conversation with the emissary. Now you are saying it might have been with someone else?

Mr. BARNES. I thought it was; yes.

Mr. NIELDS. You are also saying now it was your understanding Mr. Park had been consulted on this question.

Mr. BARNES. I would assume—I thought at the time that it was Mr.—whoever it was, Gibbons, Kim, or whoever it was that I was talking to. I think the answer came back from whoever I talked to, but I am sure—I presume he would have to check with somebody, whoever it was, and tell me. This is something again you are asking me to testify on that happened 4 years ago, as to the exact particulars of the telephone call, when I have many calls throughout the year; as you do.

But as I best recollect, I did talk to this person and I am not sure he gave me the information then or called me back, he, she, or whoever it was.

But I do remember making the telephone call and getting such approval.

Mr. NIELDS. Were you not asked on June 5 the following questions and did you give the following answers?

Question. Had you ever talked to Park about it?

Answer. No.

Question. Did you ever subsequently talk to Park about it?

Answer. I don't believe I did, no.

Question. So you never received authority from the donor—namely, Tongsun Park—to put the money into the office account?

Answer. No; but I had received what I considered to be an assurance from the person who was his emissary who brought that amount of money over, that it was OK.

If you felt it important enough to get permission to put it in the office account, you would have talked to Mr. Park, would you not?

Mr. BARNES. It could have been as early as a few days after the man came into the office. I did not make any notations of it.

Mr. NIELDS. Your testimony is that you never made an effort to discuss with Mr. Park whether it was all right to put the money in the office account?

Mr. BARNES. I had such permission that it was all right from the person I talked to.

Mr. NIELDS. I have no further questions, Mr. Chairman.

Mr. FLYNT. It is now 12:22. The committee plans to take a recess at 12:30.

Miss Kuebler, would you like to begin your cross-examination, or wait until after the recess?

Ms. KUEBLER. Our cross-examination will last more than 8 minutes. It might be confusing to ask part now and part after the recess. So, I would like to start after the recess.

Mr. FLYNT. Does any member of the committee have any questions?

Mrs. Fenwick.

Mrs. FENWICK. On this call, when you decided to telephone to find out about the appropriate disposition of the money, did you get the card out of the files so you could get in touch with the emissary?

Mr. BARNES. I believe I did. I also had the telephone number of the Pacific Development Co. in my file. So I could not say I did use the card or I used another telephone number that I had on the Rolodex file.

Mrs. FENWICK. Is it still in your file?

Mr. BARNES. The card on the Rolodex file was left in the office. I did not take it.

Mrs. FENWICK. I was told later on it was discovered in the office. How is it you remember so vividly calling but you do not remember whether it was a woman or man that you talked to? You said "he or she." You said in another place you talked to the emissary.

Mr. BARNES. I believe it was the emissary.

Mrs. FENWICK. Was it just the secretary you spoke to?

Mr. BARNES. I believe Mr. Park did have a woman secretary who was very close to him and had a position of authority.

Mrs. FENWICK. Did you often call that office?

Mr. BARNES. I had called one time, months and months before.

Mrs. FENWICK. And do not recall whether you spoke to a male or female at the time you made this call?

Mr. BARNES. I believe I talked to a man—you mean when I was trying to clarify whether my recollection was that it was a man. But I was not going to rule out that it was somebody else.

Mrs. FENWICK. I see.

Did you ever see the amethyst cufflinks and the tie tack that were in the package? You testified you did not see the card.

Mr. BARNES. I may have seen the cufflinks; I believe Mr. McFall had them in his desk or on his desk. I probably did. I was not very impressed by them.

Mrs. FENWICK. You do not remember seeing the card, though?

Mr. BARNES. No.

Mrs. FENWICK. On this card you asked if Mary Albertsen assisted in the books. She was, therefore, I gather, a campaign employee.

Mr. BARNES. At times during the campaign, but she was basically his secretary.

Mrs. FENWICK. You mean a federally paid employee?

Mr. BARNES. Yes.

Mrs. FENWICK. Did she keep the books of the campaign?

Mr. BARNES. I believe she did.

Mrs. FENWICK. Was that the usual system?

Mr. BARNES. The usual system for Mr. McFall's office?

Mrs. FENWICK. For keeping books of the campaign.

Mr. BARNES. I believe so. I did not get directly involved in the campaign except when I would visit on occasion out there.

Mrs. FENWICK. You never got any campaign contributions?

Mr. BARNES. Yes; I would relay them to the office.

Mrs. FENWICK. To the office or the campaign offices?

Mr. BARNES. We did not have two offices for quite a while.

Mrs. FENWICK. So they went to the regular Federal office?

Mr. BARNES. Rented space.

Mrs. FENWICK. But the federally supported office, I mean?

Mr. BARNES. Yes.

Mrs. FENWICK. Who was Mr. Olhasso?

Mr. BARNES. He has retired as I understand, but he was a field representative.

Mrs. FENWICK. Like Miss Albertsen?

Mr. BARNES. Yes. I believe there are rules in the campaign where they carry this out on their own time as far as work that is done in connection with the campaign. I understand it is permissible activity.

Mrs. FENWICK. Thank you, Mr. Chairman.

Mr. FLYNT. The committee will stand in recess until 2 o'clock.

[Whereupon, at 12:30 p.m, the hearing was recessed, to resume at 2 p.m., this same day.]

AFTERNOON SESSION

The CHAIRMAN. The committee will come to order.

At the time of the recess earlier today, staff counsel had completed direct examination of Mr. Barnes.

Ms. Kuebler, you may proceed with the cross-examination.

Ms. KUEBLER. Thank you, Mr. Chairman.

The cocounsel, Mr. Olsen, will proceed with the cross-examination of the witness.

The CHAIRMAN. Mr. Olsen, you may proceed.

Mr. OLSEN. Mr. Barnes, it was your testimony earlier this morning that you were the administrative assistant for Mr. McFall from March 1963 to some time in March 1977; is that true?

Mr. BARNES. That is true.

Mr. OLSEN. Would you please describe your responsibilities as administrative assistant?

Mr. BARNES. Well, I was in charge of the office personnel. I had overall responsibility carrying out the Congressman's programs and desires and activities in behalf of the things that were transpiring in his congressional district primarily. There were other duties as well.

Sometimes it involved writing newsletters or taking care to make sure that all the necessary correspondence was handled, looking into problems involving military installations, for instance, or other Federal activity in the district in case they needed some help on problems.

Mr. OLSEN. So that you don't have to be exhaustive with your description, would you say it is a fair conclusion that when Mr. McFall was absent from the office, that you were in charge of the office?

Mr. BARNES. Yes.

Mr. OLSEN. Would you also believe that it is a fair statement that you were charged with responsibility for day-to-day matters?

Mr. BARNES. That is correct.

Mr. OLSEN. In your opinion, did Mr. McFall give you broad authority to act in such matters?

Mr. BARNES. I would say it was rather broad; yes.

Mr. OLSEN. Now you mentioned that you had a particular responsibility for handling matters involving the home district. Would those matters include dealings with rice agents, rice brokers, and rice sellers?

Mr. BARNES. Yes; on occasion.

Mr. OLSEN. Mr. Barnes, I would like to direct your attention to committee exhibit 12. These are your notes of the December 16, 1969, conversation. Is that correct?

Mr. BARNES. M-12?

Mr. OLSEN. Yes.

Mr. BARNES. Yes.

Mr. OLSEN. Do these notes recount the conversation that you had with Mr. Rocca?

Mr. BARNES. Wait a minute. I am looking at 13. Yes.

Mr. OLSEN. Now, would you please read to yourself the first four or five lines of that set of notes, and then would you tell me if those lines recount a conversation between Mr. Rocca and Mr. Freeland?

Mr. BARNES. That was my understanding of it; yes.

Mr. OLSEN. So what you are doing in these notes, then, is relating a third-hand interpretation of another conversation; is that correct?

Mr. BARNES. Second or third; yes.

Mr. OLSEN. I ask you now to turn to committee exhibit 13. These are your notes of a conversation with Mr. Park reportedly on December 11, 1969; is that correct?

Mr. BARNES. Yes.

Mr. OLSEN. In the middle of the page in large parentheses there is a statement, "Would like letter to show how Cal del helped."

Do you recall the circumstances by which you made that notation?

Mr. BARNES. Well, as best I can recollect, Mr. Park was advising me of an action by the Department of Agriculture, apparently with Korea for the sale of rice, so much rice under Public Law 480 program and so much under financing with the Commodity Credit Corporation on a sort of deferred payment program.

Mr. OLSEN. With specific reference to that section in parentheses, could you tell me if Mr. Park ever explained to you why he wanted that letter?

Mr. BARNES. I believe that he said that he was—when was this?

Mr. OLSEN. December 22, 1969, according to the notation on the top of your notes.

Mr. BARNES. I believe he wanted to use it to further his image in dealing with certain people in Korea that he was, that he helped work out a program.

Mr. OLSEN. Is it your recollection that it was Mr. Park who requested this letter?

Mr. BARNES. Yes; it was.

Mr. OLSEN. You testified this morning that you had a general practice of discussing conversations with Mr. Rocca and Mr. Park with Mr. McFall, if you had the time and he was available?

Mr. BARNES. Yes.

Mr. OLSEN. You also just told me that you were in charge of handling day-to-day operations for Mr. McFall's office. Did there ever come a time or were there times when you considered conversations with Mr. Rocca or Mr. Park perhaps to be part of those day-to-day duties and not require reporting to Mr. McFall?

Mr. BARNES. It is possible.

Mr. OLSEN. I direct your attention, Mr. Barnes, to committee exhibit 14, the second page. This is a letter dated December 30, 1969, from Mr. McFall to Il Kwon Chung. I further direct your attention to a notation in the bottom lefthand corner which reads: "McF/R/AS."

Would you please describe, if you can, what that notation means?

Mr. BARNES. Well, John J. McFall and then the initial "R" signifying that I had either dictated it or prepared a draft on it, and the other initials were of a secretary in the office.

Mr. OLSEN. So are you telling us that you prepared this letter?

Mr. BARNES. I prepared the draft; yes. Excuse me. As I remember, those are the initials of Alice Stevens who had been Mr. McFall's secretary for many years. It was part of her duties to thank people whenever they would give Mr. McFall a Christmas present or a minor gift of some sort. So that would—

Mr. OLSEN. Are you telling us, then, that this is the type of letter that would perhaps be prepared in the normal course of business and without much reflection?

Mr. BARNES. That is right. It was a routine thing. Apparently these were Christmas gifts. It was about Christmastime and it was routine.

Mr. OLSEN. Thank you.

Now, we talked for a long time this morning about an event in 1974 when an employee of Mr. Park delivered an envelope to you and you testified that in this envelope there was a sum of money plus a note with words to the effect, "Good luck in your campaign."

Mr. BARNES. "Good luck in the election."

Mr. OLSEN. Mr. Barnes, did you interpret the words on that note as meaning that the \$3,000 contained with that note had to be used exclusively for campaign purposes?

Mr. BARNES. Well, I think it would have been the normal practice to consider it as a campaign donation with the exception that Mr. Park had made such a contribution prior to that time and had advised Mr. McFall that he could place it in his office account.

So whereas you would normally expect to be considered that, I would not say that would be the sole reason for such a contribution.

Mr. OLSEN. Now when you talk about you would normally expect, you are talking about a contribution that one might receive from someone with whom he had not had a prior course of dealings with, such as in the case of Mr. Park, where he had indicated that the funds he had previously given could be placed in the office account?

Mr. BARNES. Yes; I am just assuming that this is any type of a contribution.

Mr. OLSEN. To pursue that matter a little bit more, was it your testimony this morning that you did not know that an emissary from Mr. Park was going to arrive with some money?

Mr. BARNES. I could not recall, as I recall, that there had been contact. Perhaps he did call the office to see if I was going to be in or something. I don't know.

Mr. OLSEN. Was it the usual practice in Mr. McFall's office to conduct business with the visitors in the foyer?

Mr. BARNES. No.

Mr. OLSEN. Is it not a fact that the usual practice in Mr. McFall's office was that a staff member would receive visitors in the Member's office when the Member was absent; is that correct?

Mr. BARNES. That is correct.

Mr. OLSEN. If a constituent arrived at Mr. McFall's office and Mr. McFall was on the floor, for example, where would he be entertained?

Mr. BARNES. Usually in the Congressman's office, after the red carpet was rolled out, of course.

Mr. OLSEN. Do you recall if, when Mr. Gibbons or the emissary from Mr. Park arrived with the money, he gave you his calling card?

Mr. BARNES. I don't recall that he did. Apparently he did.

Mr. OLSEN. But you testified that you did have his calling card on your Rolodex?

Mr. BARNES. Yes, it was discovered on my Rolodex. It had been on my desk, after I left Mr. McFall's employ.

Mr. OLSEN. Do you have any reasonable explanation of how that calling card could have gotten on your Rolodex?

Mr. BARNES. No way.

Mr. OLSEN. Is it your normal practice to put a calling card that you receive from somebody on your Rolodex or have your secretary do it?

Mr. BARNES. I would do it. It saves writing, trim it down and staple it on.

Mr. OLSEN. So you would recall that the logical resting place for such a card if Mr. Gibbons gave you such a card would be on your Rolodex?

Mr. BARNES. Right.

Mr. OLSEN. Can you recall what the Rolodex card said or what Mr. Gibbons' card said?

Mr. BARNES. I think I remember the term "controller" or something.

Mr. OLSEN. That would imply that he was in a corporate position. Did the card indicate that he was an employee of Pacific Development?

Mr. BARNES. I think it did. I have not seen the card since it was called to my attention.

Mr. OLSEN. Now you testified this morning that you had occasion to call Pacific Development; is that true?

Mr. BARNES. Yes; I remember making two or three calls down for various purposes.

Mr. OLSEN. Do you remember if they had a single number or whether the various employees of Pacific Development had different telephone numbers?

Mr. BARNES. I don't recall.

Mr. OLSEN. Is it possible that they had a single telephone number?

Mr. BARNES. I couldn't answer that.

Mr. OLSEN. Do you believe that it is reasonable to assume that the number you used to contact the emissary for Mr. Park was the number that appeared on the Rolodex card bearing Mr. Gibbons' name and the fact that he worked for Pacific Development?

Mr. BARNES. I would assume so.

Mr. OLSEN. Do you recall discussing the arrival of Mr. Gibbons or any other emissary or the presentation of money with Mr. Park prior to that emissary's appearance at Mr. McFall's office?

Mr. BARNES. No; I cannot.

Mr. OLSEN. There was testimony this morning, the allegation was made this morning that when you received the money, when you received the envelope, you turned your back on Mr. Gibbons, opened the envelope, turned around and dismissed Mr. Gibbons.

Do you think that when that envelope was handed to you, you acted in any overt, sinister, or secretive manner?

Mr. BARNES. I would not think so. That would not be my normal practice.

Mr. OLSEN. You don't recall turning your back in any event?

Mr. BARNES. No; I don't.

Mr. OLSEN. You talked with Mr. Nields this morning about your conversation with Mr. McFall while he was in California concerning the funds that were given to you by Mr. Gibbons. Do you recall during the course of that conversation mentioning anything about a foreign national or the ability to give, the ability of a foreign national, to give money?

Mr. BARNES. I can't honestly say I recall the details of that nature.

Mr. OLSEN. Could you relate for us the substance of that conversation?

Mr. BARNES. Well, I think if he would be receiving a contribution from Mr. Park, that is about all I remember of it. I think he asked me what it was and how much, of course, and how it came in and that sort of thing. I think he wanted to know—well, he said, I think I told him it was cash and that it was in \$100 bills.

Mr. OLSEN. You told this committee this morning that at some time prior to this contribution from Mr. Park you had had some general discussions with a Mr. Wohl concerning accepting money from foreign nationals.

Mr. BARNES. Yes, that is true. This was concerning a separate matter several years prior to this time.

Mr. OLSEN. And you believe that at that time you were exercising caution as to whether or not it was appropriate to take that money?

Mr. BARNES. Yes.

Mr. OLSEN. Do you believe that in your dealings with contributions and other funds that may have come into the office, that you were basically a cautious man?

Mr. BARNES. I thought I was being very cautious. That is one reason I kept the ledger on all the contributions and expenditures.

Mr. OLSEN. And that you exercised your best efforts to make sure that the funds were handled appropriately and legally?

Mr. BARNES. Yes.

Mr. OLSEN. I would like to turn your attention to committee exhibit 17.

Mr. BARNES. Which one is that?

Mr. NIELDS. Second to the last.

Mr. OLSEN. This is a letter from you to Mr. J. Kenneth Wing in Manteca, Calif. Can you please identify Mr. Wing for us.

Mr. BARNES. Mr. Wing is the staff assistant to the Congressman based in his Manteca office.

Mr. OLSEN. You have not offered any testimony as to your background, Mr. Barnes.

Are you an attorney?

Mr. BARNES. No, I am not.

Mr. OLSEN. Do you have any legal training?

Mr. BARNES. No, I don't.

Mr. OLSEN. Do you recall, do you think that in your exercise of caution in handling funds that came into the office, you may have developed some familiarity with the campaign laws?

Mr. BARNES. Oh, well, as far as reading them, yes, and trying to seek interpretations from people who were familiar with them, who were knowledgeable on these laws.

Mr. OLSEN. Do you recall what Mr. Wing's question was that you were responding to in this letter?

Mr. BARNES. Well, it was a letter—I don't seem to see it here. I thought that the copy of the letter had been given to the committee, too, but it was a letter—I am not sure whether it was addressed to Mr. Wing. It was addressed to the office. It was addressed to the office of Congressman McFall in Manteca, attention of Mr. Wing.

Thank you. There it is.

Mr. OLSEN. Would you please identify for the record the document that you now have in hand.

Mr. BARNES. It says exhibit 16, witness Barnes, February 24, et cetera. The letter in question, my memory does suffice this time, office of Congressman John McFall, Manteca, attention Mr. Ken Wing. It is to comply with my request for me to submit what I believe to be legal campaign funds, et cetera, I submitted the following. It was not addressed to the Congressman. It was addressed to the office, Mr. Wing contacted me about it and asked me to prepare something for him, as I remember.

Mr. OLSEN. Was Mr. Wing referring to a particular campaign or a particular election?

Mr. BARNES. Yes. It was the gubernatorial election in California.

Mr. OLSEN. So it was a State post?

Mr. BARNES. That is correct, and apparently I gave some information that applied to Federal law through error.

Mr. OLSEN. In other words, in the February 12, 1974, answer you refer to the United States Code in answering an inquiry about a State election practice?

Mr. BARNES. That is right.

Mr. OLSEN. Do you have any knowledge of whether or not California law would prohibit the receipt of contributions of this nature?

Mr. BARNES. No, I do not.

Mr. OLSEN. Mr. Barnes, there was some testimony this morning concerning Mr. McFall's relationship with the Korean Government. You testified that this may have been a contractual basis.

Mr. BARNES. Mr. McFall's?

Mr. OLSEN. I am sorry, Mr. Park's relationship with the Korean Government.

Mr. BARNES. Well, I was speculating, I guess, because I had no knowledge of any direct relationship between Mr. Park and the Korean Government. But he was apparently authorized to act in behalf of an agency or something over there to represent their interests over there in purchasing of rice.

Mr. OLSEN. So we are talking about rice. Would it be a fair characterization that you had no direct evidence, nothing firm in had, that Mr. Park was an agent for the Korean Government?

Mr. BARNES. No, definitely not.

Mr. OLSEN. And that perhaps the only thing that you might have had was a slight inclination that he may have been in the order of an independent contractor?

Mr. BARNES. Something of that nature.

Mr. OLSEN. And that all these dealings were concerning rice?

Mr. BARNES. Yes. That was my only contact with him that I was—that is the sole subject that I was concerned with.

Mr. OLSEN. Mr. Barnes, did Mr. Park ever approach you on the subject of military assistance to Korea?

Mr. BARNES. No, other than—I don't believe he actually ever talked to me about it. The only reference I had is this second-party note of a conversation with Mr. Freeland which was reported by Mr. Rocca, I believe.

Mr. OLSEN. So he never came up to you and said, Mr. Barnes, I urge you to urge the Congressman to vote in favor of military assistance?

Mr. BARNES. No, never.

Mr. OLSEN. On the eighth or ninth occasion that you testified this morning that you met with Mr. Park, Mr. Park never made any such statement with respect to military appropriations?

Mr. BARNES. No, he never.

May I volunteer this information? We had two subjects of conversation that were, as far as I can recall, primarily with the purchase of rice and the interest of selling California rice to Korea, and the second was to make arrangements for this party that he wanted to host in honoring Mr. McFall.

Mr. OLSEN. So earlier on in your direct testimony of Mr. Niels this morning, and again this morning, you told him you had a general practice of reporting to Mr. McFall, so when Mr. Park would come in and talk about rice matters to you, to the extent that you did report to Mr. McFall, what you were reporting was information about rice and not military assistance?

Mr. BARNES. Yes. I never discussed the military assistance as far as I can recall with Mr. Park.

Mr. OLSEN. Thank you.

We also heard testimony this morning about your cautiousness in handling large sums of money. Are you an individual who is used to personally carrying around large sums of money?

Mr. BARNES. Never. Credit cards, yes, but money—

Mr. OLSEN. So you don't travel or carry a lot of cash?

Mr. BARNES. No.

Mr. OLSEN. And you consider this reluctance to carry and handle large sums of money as a personal characteristic?

Mr. BARNES. I guess you would call it that.

Mr. OLSEN. You and Mr. Niels talked this morning about the methodology that you employed to deposit funds that you received, the \$3,000 from Mr. Park. I guess there were really two aspects to that: One was the question of why you didn't deposit immediately. Was that decision not to deposit immediately your decision?

Mr. BARNES. Yes, entirely.

Mr. OLSEN. Did Mr. McFall direct you not to deposit it immediately?

Mr. BARNES. No. He just told me to put it in the account.

Mr. OLSEN. You also testified that you had a gut feeling that perhaps smaller deposits would look better, Is this your own gut feeling?

Mr. BARNES. Yes.

Mr. OLSEN. Did Mr. McFall ever express to you that he had the same gut feeling

Mr. BARNES. No, he did not.

Mr. OLSEN. So, again, it was your own determination to deposit it in small sums?

Mr. BARNES. He was not aware that I had done this until after the fact.

Mr. OLSEN. And you were exercising that caution that you had exercised throughout your employment as administrative assistant?

Mr. BARNES. That is correct.

Mr. OLSEN. Now, again, there was some discussion this morning about the appearance of impropriety. I would like to clarify that testimony.

Is it not a fact that you did not testify this morning that you did not perceive any appearance of impropriety? Perhaps I ought to take out negatives.

Mr. BARNES. You will have to straighten that out for me.

Mr. NIELDS. I would object to the form of that question. He has asked what the record reflects earlier today and the record speaks for itself. I also believe he has misstated it.

Mr. OLSEN. I agree with Mr. Nields that I misstated. I object to the form of the question myself.

The CHAIRMAN. Rephrase the question.

Mr. OLSEN. I will rephrase the question, Mr. Chairman.

Mr. Barnes, was your decision to deposit the funds in incremental amounts precipitated by your cautiousness or by the fact that you perceived some impropriety?

Mr. BARNES. I believe the principal reason was that I was just by nature cautious and perhaps overly protective of the office account itself in some respects.

Mr. OLSEN. Fine.

Now you also testified this morning that you office account books and records pertaining thereto were not generally made available to the public?

Mr. BARNES. No. In fact, I am not sure that over one or two persons in the office knew that I had such a ledger. It was not generally known. I did not make it evident.

Mr. OLSEN. You also testified that out of a—you also testified that you had a feeling about office accounts, that they could possibly embarrass your boss. This was your own personal feeling, was it not?

Mr. BARNES. That is right.

Mr. OLSEN. Did Mr. McFall tell you to deposit those funds you received from Mr. Park in incremental amounts?

Mr. BARNES. Mr. Barnes. No, he did not.

Mr. OLSEN. Again, your decision with respect to the timing and the methodology of such deposits was your own?

Mr. BARNES. That is correct.

Mr. OLSEN. And Mr. McFall had nothing to do with it?

Mr. BARNES. No. As I testified just a moment ago, I don't think he was aware of it all until after it had transpired, some time after.

Mr. OLSEN. You and Mr. Niels talked this morning about the destruction of the note. Did Mr. McFall tell you to destroy that note?

Mr. BARNES. No, he did not.

Mr. OLSEN. Was it you own decision?

Mr. BARNES. Yes, it was.

Mr. OLSEN. What was Mr. McFall's reaction? Was he angry when he found out that the note was destroyed?

Mr. BARNES. Well, I think you will have to ask Mr. McFall that question. The impression I got was that he was not very happy about it. He was not pleased. He doesn't get angry very often.

Mr. OLSEN. Did you ever solicit a contribution from Mr. Park?

Mr. BARNES. Not that I can remember.

Mr. OLSEN. Again, going back to that telephone conversation that you made to someone concerning whether or not you could place the money in the office account, was it your testimony that you have a vivid recollection of such a telephone call?

Mr. BARNES. I can remember the call per se very well.

Mr. OLSEN. There is no question in your mind but that you did make that call?

Mr. BARNES. I talked to someone in Park's office, yes.

Mr. OLSEN. And it is your recollection that the answer that you got from that inquiry was, one, that it was OK to put the money in the office account, and, two, that that sum was not going to be reported?

Mr. BARNES. As a political contribution, correct.

Mr. OLSEN. As a political contribution?

Mr. BARNES. Correct.

Mr. OLSEN. Mr. Niels raised the issue this morning that in four previous statements to the Justice Department, to the FBI, and to the special staff, you did not mention the fact that you had made such a telephone call.

On any of those four prior occasions were you ever asked if you made such a telephone call?

Mr. BARNES. Not that I can recollect.

Mr. OLSEN. Is it a fair statement that the cumulative effect of your interview with the FBI, your interview with the Justice Department, your interview with the special staff, jogged your memory so that that conversation became even clearer in your mind?

Mr. BARNES. There is no question about the fact that I have been able to recall more of what transpired in the last 3 or 4 years. The subject has been hashed and rehashed and questions asked to me any my memory jogged on numerous occasions. That is a reasonable assumption, yes.

Mr. OLSEN. Now, the fifth time that you gave testimony or a statement on this matter, did you—

Mr. BARNES. Fifth time? Which time and date would that be?

Mr. OLSEN. I believe that would be June 5th. Mr. Niels may correct me on that. June 5th. Did you volunteer to appear or did Mr. Niels call you?

Mr. BARNES. Mr. Niels called me in for a conversation, as I recall. I don't know. Was I down there twice? I am not sure about that incident. I think he called me in once for a conversation and we had an extended conversation. Then I think he called me in again for the purpose of making a deposition.

But we did have a conversation prior to the time of the deposition. Is that your recollection? I think that is the way it went. I should not ask him to prompt me, but I think that is the way it went.

Mr. OLSEN. Mr. Chairman, if you would indulge me for one second to talk to cocounsel.

Mr. Barnes, to summarize from what you just told us, you did not, then, in that fifth interview, call up Mr. Niels and say, Mr. Niels, I have got something else that I want to make sure appears on the record?

Mr. BARNES. No.

Mr. OLSEN. Mr. Niels called you in in the course of that fifth interview and that fact came to light?

Mr. BARNES. yes. We chatted in his office for some time. Then I think we went over to Mr. Bennett's office and he was present for the actual deposition.

Mr. OLSEN. Mr. Chairman, if I could, Mrs. Kuebler has just a few additional questions for this witness. If the Chair permits, she could take over at this time.

The CHAIRMAN. You have no objections do you, Mr. Niels,

Mr. NIELDS. No, Mr. Chairman.

The CHAIRMAN. Go ahead, Mrs. Kuebler. You may proceed.

Ms. KUEBLER. Mr. Barnes, this will be very brief.

You testified this morning that Mary Albertson in Manteca, Calif., customarily handled the campaign books for Mr. McFall; is that true?

Mr. BARNES. Yes, that is what I testified, yes.

Ms. KUEBLER. Under what circumstances did Mrs. Albertson keep these books? Do you think she kept those as part of her official duties or did she keep those as a volunteer on her own time?

Mr. BARNES. I think she kept them as a volunteer. She sort of had combined duties for many, many years. She worked with a law firm and they paid her a salary and part of her time would be devoted to congressional—

Ms. KUEBLER. So she was only a part-time congressional employee on a part-time clerk-hire employment; isn't that true?

Mr. BARNES. Not part-time because we don't have such a thing.

Ms. KUEBLER. But she was not a full-salaried employee in your congressional office? She was paid a percentage of a salary?

Mr. BARNES. She was paid a salary commensurate with her duties.

Ms. KUEBLER. Which were not full time?

Mr. BARNES. That is right. She was employed by another firm.

Ms. KUEBLER. Thank you.

No further questions.

The CHAIRMAN. Redirect?

Mr. NIELDS. A few questions, Mr. Chairman.

The CHAIRMAN. You may proceed, Mr. Niels.

Mr. NIELDS. Mr. Barnes, you testified it was customary to receive visitors or a particular constituent in a Congressman's office when he was absent?

Mr. BARNES. Yes.

Mr. NIELDS. Was it customary to take mail deliveries in the Congressman's office?

Mr. BARNES. Mail deliveries?

Mr. NIELDS. Yes, if somebody were delivering a letter.

Mr. BARNES. It would depend upon the circumstances. If this gentleman called for an appointment, I probably would have gone in there with him. I don't recall whether he did or did not.

Mr. NIELDS. But it would not be in conflict with the practice of your office to receive a letter in the foyer which was being delivered by a messenger, would it?

Mr. BARNES. That is a good question. It depends on the circumstances. If it were just an ordinary letter, that is probably true. There might have been some inclination that he might have made some call saying he wanted to deliver something personally for Mr. McFall, I am not sure.

Mr. NIELDS. If you knew it was a campaign contribution particularly in cash, you would not accept it in the foyer; is that right?

Mr. BARNES. I would not accept any contribution in the foyer, but I did not have an indication that he was going to come give me an envelope filled with \$100 bills. That is for sure.

Mr. NIELDS. Now, Mr. Barnes, you say that Tongsun Park never discussed the subject of military aid with you?

Mr. BARNES. I couldn't recall it?

Mr. NIELDS. But he did ask you to draft a letter for Congressman McFall's signature about military aid, didn't he?

Mr. BARNES. If you are referring to the drafts that were supplied by Mr. Park and/or Congressman Edwards I believe.

Mr. NIELDS. No. I am referring to letters actually sent over Congressman McFall's signature to President Park Chung Hee of South Korea with your initial "R" indicated that you worked on that letter?

Mr. BARNES. Those are based upon drafts that he prepared. I looked them over and I could not see anything particularly damaging.

Mr. NIELDS. My question was just about military aid.

Mr. BARNES. I think that was probably only part of it, wasn't it? But he did not discuss it with me per se. That was the answer to the question.

Mr. NIELDS. Now, Mr. Barnes, you have indicated that you had a feeling that office accounts were somehow suspect, indeed you considered them politically sensitive and dangerous, I believe those were your words, from time to time; is that correct?

Mr. BARNES. That is correct.

Mr. NIELDS. Did you ever discuss that feeling with Congressman McFall?

Mr. BARNES. I think we did in the latter years I was there from time to time.

Mr. NIELDS. Now, Mr. Barnes, you are in the habit of writing memos of telephone conversations; is that right?

Mr. BARNES. Sometimes.

Mr. NIELDS. Well, you made memos of conversations with Mr. Rocca?

Mr. BARNES. That was a rice matter which I needed the information on, that is true.

Mr. NIELDS. Memos of conversations with Mr. Park?

Mr. BARNES. Again, it was a rice matter which is something I was working on at the time.

Mr. NIELDS. And memos of conversations with Scott Armstrong?

Mr. BARNES. Definitely.

Mr. NIELDS. Now, did you make a memo of your conversation with the employee at PDI that authorized you to use the contribution in your office account?

Mr. BARNES. No, I did not.

Mr. NIELDS. You have testified that you were a very cautious man and you were obtaining, according to your testimony, authority to use a \$3,000 cash contribution in your office account.

Why didn't you make a memorandum of the conversation in which you received the approval?

Mr. BARNES. Perhaps I would have been wiser to do so. There is no question about it. But as I recall, Mr. Park had personally, my understanding was that he had personally authorized the congressman to use a previous contribution or donation in a similar matter so I really didn't place that much importance on it.

Mr. NIELDS. Why did you make the call then?

Mr. BARNES. To assure myself this was an option available to the Congressman.

Mr. NIELDS. So you did need to make the call in order to have that option?

Mr. BARNES. To my own satisfaction.

Mr. NIELDS. And you are a cautious man?

Mr. BARNES. I hope I am.

Mr. NIELDS. And you made no memorandum of that conversation?

Mr. BARNES. No, I did not.

Mr. NIELDS. Is it possible that that is because the conversation did not in fact occur?

Mr. BARNES. I don't believe so.

Mr. NIELDS. I have no further questions.

Mr. QUILLEN. Off the record.

The CHAIRMAN. We will have to go vote.

Mrs. FENWICK. Mr. Chairman, I have one or two questions, if I may.

The CHAIRMAN. I am afraid we will have to suspend so the Members can vote. However, if the gentlewoman insists, I will be glad to wait.

Mrs. FENWICK. I never insist, Mr. Chairman.

The CHAIRMAN. I didn't mean to cut you off.

Mrs. FENWICK. No, I can do it later.

[A brief recess was taken.]

Mr. FLYNT. The committee will come to order.

When we recessed for the last vote, it was my recollection that the gentlewoman from New Jersey, Mrs. Fenwick, desired to question the witness.

Mrs. FENWICK. Thank you, Mr. Chairman.

Mr. FLYNT. The gentlewoman from New Jersey is recognized.
Mrs. FENWICK. Briefly, like Mr. Niels, I was interested in the letter of February 23, 1973, and your testimony that the initials ending "/r/as" meant you had drafted the letter, "r" meaning you.

I want to ask in the paragraph on page 2 where the letter reads:

We have observed with great interest the constructive overtures your government has initiated with North Korea and the recent political reforms you have just successfully concluded. We commend both your vision and your courage in these undertakings. As I mentioned to my friend, Tongsun, these long negotiations with North Korea will require patience and persistence to achieve the goal of peaceful and favorable unification of your separated nation.

You were aware, of course, that Mr. Tongsun Park was discussing matters other than rice.

Mr. BARNES. Yes, but as I said, it did not deeply involve matters of our national defense or contribution to national defense of the Republic of Korea.

Mrs. FENWICK. It goes on to say:

But that end, if achieved, certainly will justify your recent efforts and rightfully gain for yourself a most important place in the long and admirable history of Korea. Ultimately, I feel, these efforts will prove beneficial in achieving a lasting peace in Asia.

I hope that you will be blessed with continued good health and that your spirits will remain high. We will continue to look to Tongsun Park for cooperation in all areas of our mutual interest.

This letter which you apparently drafted or supervised assumes interest in a lot more than rice.

Mr. BARNES. I think those questions should be more properly directed to the Congressman.

Mrs. FENWICK. I direct them to you on your testimony that you had no interest in Mr. Park's interest in anything but rice.

Mr. BARNES. I think we referred to that letter as speaking of a little more than rice but really not to any great consequence that I can see.

Mrs. FENWICK. Where you spoke also, Mr. Barnes, of the various purposes for which you telephoned the Pacific Development Co. from time to time, what were those purposes?

Mr. BARNES. In answer to Mr. Olson's question, I think I said I telephoned down there to try to get in touch with Park on the rice matter on one or two occasions. Any other conversations probably had to do with arrangements for the party he wanted to have for Mr. McFall.

Mrs. FENWICK. So the various purposes would be the rice, the party and the contribution?

Mr. BARNES. Yes.

Mrs. FENWICK. Thank you very much.

Mr. FLYNT. Thank you, Mrs. Fenwick.

Any questions, Mr. Bennett?

Mr. BENNETT. No.

Mr. FLYNT. Mr. Spence.

Mr. SPENCE. No questions.

Mr. FLYNT. Mr. Hamilton?

Mr. HAMILTON. No questions.

Mr. FLYNT. Have you any more witnesses?

Mr. NIELDS. I have no further witnesses.

First I would like to offer the record exhibits 14 and 17.

Mr. FLYNT. Have you any objection?

Mr. OLSON. I do not believe so, Mr. Chairman. If I can take one second to see what they are.

No; no objection.

Mr. FLYNT. Without objection, exhibits 14 and 17 are entered into the record.

Ms. KUEBLER. Mister Chairman, we would be willing to stipulate for the record at Mr. Nielsds' request that the \$3,000 which was given to Mr. Barnes on behalf of Mr. McFall in October of 1974 by an emissary of Tongsun Park was not entered in the reports of Mr. McFall's election committee which were routinely filed at that time with the Clerk of the House of Representatives.

We would only stipulate this with the understanding that this did not mean or provide any suggestion that such action was required by law.

Mr. NIELDS. That is fine, Mr. Chairman.

Mr. FLYNT. Without objection, the stipulation is agreed to.

Have you anything else, Mr. Nielsds?

Mr. NIELDS. I have nothing further, Mr. Chairman.

Mr. FLYNT. The staff rests?

Mr. NIELDS. The staff rests.

Mr. FLYNT. You can step down, Mr. Barnes.

Miss Kuebler.

Miss Kuebler, I remind you, you are entitled to an opening statement if you desire.

Ms. KUEBLER. We reserved that right and I would like to make such a statement at this time.

Mr. FLYNT. You are recognized for that purpose.

Ms. KUEBLER. Mr. Chairman, members of the committee, in his opening statement, Mr. Nielsds explained the charges against John McFall and outlined the facts he was going to prove. Indeed, as respondent has maintained throughout this presentation, the burden of proof rests squarely on Mr. Nielsds' shoulders.

He has failed to meet that burden. There are no factual bases for the allegations contained in the statement of alleged violation. And I will repeat that, there are no factual bases. The so-called evidence presented to you by the special staff is composed mainly of broad innuendo, circumstantial evidence, and vague implications.

Respondent submits that at the close of the presentation of the special staff's case, they had failed to meet the burden placed upon them by the Rules of the House of Representatives, the rules of this committee, and House Resolution 252.

In our case, respondent will go much further and demonstrate the following items: that the statement of alleged violation fails to state facts constituting a violation of the Code of Official Conduct or other applicable law, regulation or standard of conduct, that respondent has never knowingly accepted any contribution from Tongsun Park as a campaign contribution.

That respondent has never received any campaign contribution from Tongsun Park which contribution was subject to the reporting requirements of section 304(b) of Public Law 92-225 or which contravened the standards set forth in rule 43, clause 1, Code of Official Conduct, House of Representatives.

That respondent did not violate rule 43, clause 6, rules of conduct, House of Representatives. He did not convert a contribution from Tongsun Park to his personal use nor did he fail to keep his campaign funds separate from his personal funds.

In fact, we will show the respondent's treatment of \$3,000 received from Tongsun Park was proper and consistent with prevailing statutory laws, with the code of conduct of the House of Representatives, and usual and customary treatment of such funds at that time.

At all times relative to this contribution the respondent conducted himself in a manner which did not violate rule 43, clause 1. In fact, we submit a reasonable person could not, on the basis of respondent's conduct, or the circumstances surrounding such conduct, construe or infer that respondent has or might have been influenced in the performance of any of his official duties by the activities of Tongsun Park.

We would also like to take this opportunity to remind the committee the factual details are not dispositive of the case. What is dispositive is the meaning and purpose of that statute and those rules, is of paramount importance. For this purpose, we will adduce testimony as to such meaning and purpose. We will also show that not only does respondent believe that he conducted himself at all times relevant to this investigation in a manner which reflects creditably on the House of Representatives, but that he did in fact do so. Thank you.

We would like to call as our first witness, Robert E. Moss.

Mr. FLYNT. Mr. Moss, will you please raise your right hand before taking a seat.

Do you solemnly swear that testimony you will give before this committee in the matter now under consideration will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MOSS. I do.

Mr. NIELDS. Mister Chairman, may I make a brief statement at this time?

Mr. FLYNT. Yes, sir, you may.

Mr. NIELDS. I am not going to object to this witness' testimony, although I have been informed that he is going to testify to what the law is and what it means.

But I would like to make a statement that it is up to the committee to determine what the law is, based on briefs and arguments of adversary counsel in this case. The law speaks for itself, and it is the committee's obligation to interpret it.

However, to my knowledge it is unknown to the law to have an expert testify on the question of American law and its meaning.

However, if Congressman McFall wishes to have Mr. Moss give his opinion, his interpretation of the law, I have no objection, so long as it is understood the law speaks for itself.

Mr. FLYNT. I will respond to that by saying of course the law speaks for itself. But in the case of a law which as near as the committee has been able to determine has never been interpreted judicially, the committee would welcome any assistance the committee could receive.

Now, at the end of Mr. Moss' testimony, if you want to make a motion that it be stricken, the Chair, of course, would entertain

such a motion. But I am not prejudging how the judge or how the chairman or the committee will respond.

Mr. BENNETT. Is it more appropriate for counsel to submit a brief?

Mr. NIELDS. I have stated my position. I will not object. I will examine.

Mr. FLYNT. You may.

TESTIMONY OF ROBERT E. MOSS

Your name is Robert Moss?

Mr. MOSS. Yes.

Ms. KUEBLER. We are bringing Mr. Moss before the committee today as a legislative specialist, not as an expert witness. We believe Mr. Moss has expertise in interpretation and application of the Federal Election Campaign Act such as few other persons have been able to attain in the short period of time during which those laws have been officially on the books. We also submit he will be able to assist the committee in interpreting the meaning of these laws which according to the staff papers form the basis for counts 1 and 2 of the alleged violation.

Mr. FLYNT. The Chair understood you to say you are proposing to offer Mr. Moss not as an expert witness but as a legislative specialist?

Ms. KUEBLER. Yes, but we feel his opinion may be valuable to the committee in helping them to make up their own minds as to what the law was and we would submit, of course, the committee is the final judge.

Mr. FLYNT. You may proceed.

Ms. KUEBLER. What is your present employment?

Mr. MOSS. General counsel, House Administration Committee, U.S. House of Representatives.

Ms. KUEBLER. How long have you held this position?

Mr. MOSS. Since June, 1976.

Ms. KUEBLER. Please tell the committee your duties and responsibilities in this position.

Mr. MOSS. Partially those of any chief counsel of a committee of the House. I have normal legislative and administrative duties. Beyond that, because of the legislative and oversight jurisdiction over the Federal Election Commission involved both with the act and the operation of the Commission in all of my tenure at the committee. In fact, in March of this year, the committee reported out and the staff prepared under my direction a rewrite of the Federal Election Campaign Law, H.R. 11315. It was a total and comprehensive rewrite of the act before this committee. It was reported on March 6. We did not get a rule for reasons that did not have a lot to do with that bill.

Ms. KUEBLER. You were required to examine the present campaign law and determine a lot of details about it; is that correct?

Mr. MOSS. Yes.

Ms. KUEBLER. So it is fair to say that you have some responsibility in the area of the Federal Election Campaign Act?

Mr. MOSS. Yes.

Ms. KUEBLER. Have you ever had occasion to advise Members of the House of Representatives on the application of the Federal Election Campaign Act?

Mr. MOSS. Yes, I have.

Ms. KUEBLER. Would you care to estimate how many Members of the House of Representatives you may have assisted in interpretation?

Mr. MOSS. Close to a quarter or a third of the House over the past 4 or 5 years.

Ms. KUEBLER. How many persons in total?

Mr. MOSS. 100, 120—I have not kept records.

Ms. KUEBLER. Mr. MOSS, what was your employment before you served as general counsel to the Committee on House Administration?

Mr. MOSS. I was general counsel to the Clerk of the House of Representatives.

Ms. KUEBLER. How long did you hold that position?

Mr. MOSS. From April 1975 until June 22, 1976.

Ms. KUEBLER. What were your duties and responsibilities while you served as general counsel to the Clerk of the House?

Mr. MOSS. The Clerk of the House is responsible for providing all the furniture in this room, for instance.

The Federal Election Campaign Act made the Clerk of the House an ex officio member of the Federal Election Commission. In 1975 Speaker Carl Albert designated me to represent the House and the clerk on the Federal Election Commission. I sat at the Commission table and participated in debate. I was an ex officio designate at the Commission. That was one of my major responsibilities. Additionally, I was involved in giving Members of Congress and staff persons advice with regard to not only the campaign law, but the lobbying law and other matters.

Ms. KUEBLER. Mr. MOSS, in your position as general counsel to the Clerk of the House, did you ever have occasion to advise Members of the House as to their responsibility in response to the Federal Election Campaign Act?

Mr. MOSS. Yes.

Ms. KUEBLER. Would your estimate as to the number of persons advised be the same?

Mr. MOSS. Yes.

Ms. KUEBLER. Was Mr. McFall one of those Members you advised during the time you served as general counsel to the Clerk of the House?

Mr. MOSS. Yes.

Ms. KUEBLER. What was your employment before that?

Mr. MOSS. Chief counsel, Labor Relations Subcommittee, from December 1972 until April 1975.

Ms. KUEBLER. Thank you. And just briefly, what were your duties during this employment?

Mr. MOSS. My duties were the normal legislative responsibilities of a chief of staff of a legislative subcommittee. We drafted and carried to the floor a number of pieces of legislation.

Ms. KUEBLER. What was your employment before serving as counsel to the Subcommittee on Labor Relations?

Mr. Moss. I served 2 years at the Democratic National Committee as director of campaigns, and previously to that, I was deputy director of campaigns.

Ms. KUEBLER. Would you briefly outline your duties and responsibilities as well as telling the committee how long you served in this position?

Mr. Moss. From August 1970 until November 1972, at the Democratic National Committee. My responsibilities were varied. The Democratic National Committee in those days did not have much money and we were all generalists. I was in charge of relations with Congress, with the State parties, preparing campaign manuals for candidates. We attempted to put on seminars for candidates.

Ms. KUEBLER. You had a pretty fair overview of the other side of the application of the campaign law?

Mr. Moss. Yes, became very involved with the other side of the law.

Ms. KUEBLER. What was your employment prior to serving on the Democratic National Committee?

Mr. Moss. From 1966 to 1970, I was in private practice of law.

Ms. KUEBLER. Indicate what legal training you have had, where and when you received it.

Mr. Moss. Graduated from University of Berkeley Law School in 1966 and received an LL.B.

Ms. KUEBLER. Have you taken the bar exams or are you a member of any bar association?

Mr. Moss. The California Bar Association, the Federal and Supreme Court Bar Association.

Ms. KUEBLER. Mr. Moss, have you served on any boards or commissions in connection with your work with the Federal Election Campaign Act?

Mr. Moss. I mentioned earlier, my service on the Commission as an ex officio member. While serving in that capacity, I also served on a task force on office accounts, set up by the Federal Election Commission. That task force was comprised of Commissioners Robert Tiernan, Joan Aikens, Vern Thomson, and one other Commissioner. The general counsel of the Federal Election Commission, the staff director, several staff attorneys and myself.

The purpose of that task force was to try to decipher the meaning of section 439a which is the relevant statute before this committee today. We spent approximately 4 months in meetings attempting to decide what that statute means. As a result of our meetings, a series of regulations were propounded by the Federal Election Commission.

Ms. KUEBLER. Have you ever been asked to speak before any groups in the area of the Federal Election Campaign Act?

Mr. Moss. I have spoken to several groups or associations, yes.

Ms. KUEBLER. Have you ever participated in any programs at educational institutions relating to the Federal Election Campaign Act?

Mr. Moss. I have participated in the campaign study group at the Kennedy School of Politics at Harvard University in May of 1977.

Ms. KUEBLER. Mr. Chairman, again, after an examination of the witness' credentials, I submit that he will certainly be able to offer

testimony which might be helpful to the committee members in making their decisions on the law. That is the only reason why we are calling him.

The CHAIRMAN. Mr. Nields, do you wish to ask any questions or make any comment?

Mr. NIELDS. On his credentials? No, Mr. Chairman.

The CHAIRMAN. The Chair rules that the witness is properly qualified.

Ms. KUEBLER. I believe you have had an opportunity to review a document which has already been admitted into the committee's hearing record and that is the special staff's response to respondent's motion to dismiss. Is that not correct?

Mr. MOSS. Yes, I have it in front of me.

Ms. KUEBLER. I call the committee's attention to that document which I believe counsel has already included in the record.

The CHAIRMAN. It was read into the record or considered as having been received into the record without objection.

Ms. KUEBLER. Mr. Moss, have you read the portion of the staff response which I will hereafter refer to as the staff response, that portion which purports to analyze section 439a of title II of the United States Code? I believe that is found in count 2 of their presentation.

Mr. MOSS. Yes, I have read it and I have it before me.

Ms. KUEBLER. First of all, would you tell this committee what conclusions you think that the staff has drawn?

Mr. NIELDS. Mr. Chairman, I do object to this. I think if he wants to testify to what the law means, that is fine, but to testify to conclusions we have drawn has nothing to do with it.

Ms. KUEBLER. I am going to ask him if he agrees with your analysis and I believe he is free to agree or disagree. I merely have to ask him what your analysis is in order to proceed.

Mr. NIELDS. I withdraw the objection.

The CHAIRMAN. You may answer.

Mr. MOSS. Rather than provoke controversy, I will read what I think is the conclusion of the staff analysis in count 2 and I will read it in their own words.

Found on page 6:

Thus, it is clear that while 439a authorized use of excess campaign contributions to make charitable contributions and to defray business expenses of being a Congressman, it did not authorize conversion of campaign contributions for personal use.

That seems to be the crux of count 2; that 439a did not authorize the conversion of excess campaign funds for personal use.

Ms. KUEBLER. Do you agree with that statement you just read?

Mr. MOSS. I do not.

Ms. KUEBLER. Would you please tell this committee why you disagree with that statement and what the basis is for your disagreement?

Mr. MOSS. I disagree with that statement for two reasons: One is that one does not have to go past the face of the statute. If one reads section 439a, it is in my opinion clear and there is a canon of interpretation that if a statute is clear on its face, you don't have to go behind it to legislative history.

I can read it if you like. Is that necessary?

Ms. KUEBLER. Let's read section 439a of title II into the record. I believe it is before the committee, but I would refresh their recollection.

Mr. Moss. I refer the committee to page 5 of the staff analysis. At the bottom of the page there is an accurate quotation of the statute. However, the staff then makes the comment that is inaccurate.

At the conclusion of the quotation of the statute they say, "This law was repealed in 1977." That is not the case. The law was not repealed in 1977 or in any other year. The law is currently in effect. Our committee has the legislative jurisdiction over that law. I would hope we would know if it had been repealed.

The statute says as follows:

The amounts received by a candidate as contributions that are in excess of any amount necessary to defray his expenditures, and any other amounts contributed to an individual for the purpose of supporting his activities as a holder of Federal office, may be used by such candidate or individual as the case may be to defray any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office, may be contributed by him to any organization described in section 107 of the Internal Revenue Code of 1974, or may be used for any other lawful purpose.

It seems to me the question is: What is "any other lawful purpose"? I think the staff in their analysis agrees that the excess campaign funds may be used to defray office expenses and that they may be used to make charitable contributions. They say they may not be used for personal expenses.

It is my position that they may; again, for two reasons: One, because the statute says so. It says, "lawful purpose." And I don't know where personal expenses are found to be unlawful.

Second, I think we can go behind the statute and look at the legislative history. I think if we do that very briefly, it will become clear that this statute permits personal use of excess campaign funds.

Mrs. FENWICK. Mr. Chairman, is it improper for me to ask a question at this point?

The CHAIRMAN. Ordinarily, Ms. Kuebler would have a right to object, but I am sure she will not.

Ms. KUEBLER. I would have no objection.

Mrs. FENWICK. I am with you on page 5. "Amounts received by candidate as contributions." Aren't we referring there to campaign contributions? This was not a campaign contribution.

Mr. Moss. The statute has two classes of givers, the first class is, as you say, contributions. But if you will go to the third sentence and it says, "Other amounts contributed to an individual," then it specifies why they are contributed. They are not contributed for political purposes. They are contributed for the purpose of supporting his activities as a Federal officeholder.

So that statute really is referencing two kinds of gifts. One is a contribution and the second I prefer to call a donation which is not political.

Mrs. FENWICK. Thank you, Mr. Moss. Thank you, Mr. Chairman.

Ms. KUEBLER. Mr. Moss, would you mind briefly telling us what in the legislative history you think supports your interpretation of that statute?

Mr. Moss. Yes. I will try to be brief.

What I think supports my interpretation is the fact that the United States Congress has on three occasions attempted to outlaw the conversion of excess campaign funds to personal use and in each case they have failed. The first occurred in 1974. The Senate passed a bill that subsequently resulted in the 1974 amendments to the Federal Election Campaign Act. There were two provisions in that bill.

Section 317, which now is 439a, the section we are talking about, was set forth precisely as it is now with one exception, the phrase at the bottom "any other lawful purpose" was not there. It stopped after charitable contributions. It was a period.

Then Senator Byrd introduced a second provision to that bill, section 617. It made it a crime to convert campaign funds to personal use.

Now those two provisions were in the Senate-passed bill.

Ms. KUEBLER. Mr. Moss, let's just point out for the record that this legislative history refers to Public Law 93-443 which eventually became the 1974 amendments to the Campaign Act which went into effect January 1, 1975.

Mr. Moss. That is correct. When the bill went to conference, and I have a copy of the conference report here and I will read exactly what it said:

Section K, conversion of contributions, Senate bill. Section 304-A of the Senate bill amended chapter 29, title XVIII of the United States Code inserting a new section 617 which prohibited the embezzlement or conversion of political contributions.

House amendment: No provision.

Conference substitute: The conference substitute omits the provisions of the Senate bill.

The provision to make it a crime to convert campaign funds to personal use did not survive the conference. The second part of the conference dealt with section 439a which is now before us. It is entitled "Certain Uses of Contributions."

I won't bother reading the section again, I have read it earlier. That was the Senate provision.

The House amendment: No provision.

The Conference substitute: The conference substitute is the same as the Senate bill with the addition of the language, "for any other lawful purpose."

So, in other words, section 439a that we are dealing with was created in that conference and an attempt to make conversion of excess campaign funds illegal was defeated and the language, "for any other lawful purpose," was added in the conference.

We may not like that, but those are the facts. That is precisely what happened. A member of the conference was Senator Dick Clark. Two years later, in 1976, Senator Clark tried again to prohibit the conversion of excess campaign funds to personal use. This is from the March 24, 1976, Congressional Record, page S-4158. I will quote Senator Clark. He has read his amendment and this is the first thing he says:

Mr. President, the purpose of this amendment clearly is simply to correct a flaw in the present law which would, under certain circumstances, result in the conversion of excess campaign funds to personal use.

I might say this amendment was suggested by Congressman Bedell.

He goes on to say:

The point is that under the present law it seems quite clear that a person can convert campaign funds to personal use.

Finally, Senator Packwood says:

We think it would be a good amendment to this bill because it corrects a very serious problem, conversion of campaign contributions to personal use.

So once again, the Senate passed legislation to prohibit the conversion of excess campaign funds to personal use. Once again, we go to conference with the House. I have a copy of the conference report from the 1976 conference. Chairman Hays and Chairman Cannon cochaired that conference. I will read you what happened:

Conversion of contributions to personal use: Senate bill: section 107-A of the Senate bill amended section 317 of the act to provide that excess contributions received by a candidate and amounts contributed to him as an individual to support his activity as a Federal officeholder, which under existing law may be used for certain purposes, may not be converted to personal use.

That is what the Senate bill provided.

The House amendment: No provision.

The conference substitute: The conference substitute is the same as the House amendment resulting in no change in existing law.

There was a third attempt to change. And I was the author of that attempt. H.R. 11315 which was passed out of the Committee on House Administration on March 6, 1978, says:

Amendment to section 439a, contributions received by candidates for Federal office or by any political committee in excess of its outstanding debts and obligations may be used for any lawful purpose other than for personal use.

The bill was not passed.

My point simply is that on three separate occasions, twice in the Senate and once in the House, we attempted to change the law so that excess campaign contributions could not be converted to personal use. We failed in each instance. I am sure we will attempt again in the next Congress.

But the conclusion of the staff, the statement that they make—and I think I probably better read it again in count 1, "Thus, it is clear that 439a does not authorize conversions of campaign contributions to personal use,"—Mr. Chairman, is dead wrong.

Ms. KUEBLER. Thank you, Mr. Moss.

The CHAIRMAN. Just a minute, Ms. Kuebler.

Mrs. FENWICK. What page were you reading from?

Mr. MOSS. Page 6, Mrs. Fenwick.

The CHAIRMAN. Mr. Moss, the chair doesn't usually engage in picking nits, but would you be willing to correct your statement? You were the author of the third attempt or you attempted to assist in drafting the third attempt?

Mr. MOSS. I am sure we should correct the record because if my chairman saw it, I am sure he would attempt to correct the record.

Ms. KUEBLER. Have you read those portions of the staff response attempting to analyze the application of House rule 43, Code of Official Conduct, as it relates to section 430a?

Mr. MOSS. Yes.

Ms. KUEBLER. Do you agree with that discussion?

Mr. MOSS. No.

Ms. KUEBLER. Would you please explain briefly to the committee what your areas of disagreement are and on what you base that opinion?

Mr. MOSS. I will be very brief this time. I think that the change to House rule 43, clause 6, speaks for itself and does not need interpretation. If you will recall, the 1974 conference report took place around October. That was when we enacted 439a and permitted the conversion of campaign funds to personal use.

However, there was a House rule in existence at that time and I think I probably had better read it:

A Member shall convert no campaign funds to personal use.

So you had a clear conflict between the statute and the House rule. The statute took effect on January 1, 1975. On January 14, 1975, the House rule was amended. It was changed and the language was added that provided that, "unless specifically provided by law."

Now what that change did was incorporate 439a. I am delighted to inform the committee that two years later on March 2, 1977, that language was taken out in House Resolution 287. But for a 2-year period the House rules incorporated the provisions of section 439a that permitted the conversion of excess campaign funds or office account funds to personal use.

Mrs. FENWICK. We have a vote.

The CHAIRMAN. The second bells have not rung.

Ms. KUEBLER. So it would be your testimony that because of both the enactment of section 439a and that amendment to the House rule, that in the spring of 1975 it was not a violation of either the Federal Election Campaign Act or the House rule to convert campaign funds or office account funds to personal use?

Mr. MOSS. Yes.

Ms. KUEBLER. Thank you. We will move to the area of discussion in count 1.

I refer you again to the special staff's response. Have you read count 1 of the special staff's response?

Mr. MOSS. Yes, I have. I have it before me.

Ms. KUEBLER. Does that section or that discussion in count 1 discuss the application of the Federal election campaign law of 1974 regarding contributions, and I use contributions as a technical term?

Mr. MOSS. Yes, it does.

Ms. KUEBLER. What was the state of the law in 1974? I am referring to the Federal Election Campaign Act of 1974 regarding contributions. And I again use contribution as a term of art.

Mr. MOSS. The law in 1974 was somewhat confusing. There was no Federal Election Commission—I think we must keep that in mind—that one could go to for advisory opinions or counsel.

Ms. KUEBLER. Who was a Member directed to go to in the event of a question about the Federal Election Campaign Act, a Member of the House of Representatives?

Mr. MOSS. Members were not directed to go to anyone. By tradition, Members would normally go to either the general counsel to the Committee on House Administration or the general counsel to

the Clerk of the House because those were two professional staff persons who dealt with the campaign law.

Ms. KUEBLER. But you were giving us the state of the law in 1974 regarding contributions. Maybe it would help if you simply gave us the definition of a contribution that was in effect at that time.

Mr. MOSS. The law in 1974, as I began to say, was unclear and there was a lot of confusion. The definition of a contribution, if read literally, would force a Member of Congress to report illegal contributions. In fact, I would like to quote from a circuit court opinion.

The CHAIRMAN. The witness will suspend. Certain members have requested that you suspend at this time so that they may vote. We hope that all members will return as soon as the vote has been completed.

The committee stands in recess until after the vote.

[A brief recess was taken.]

Mr. FLYNT. Miss Kuebler, you have a request?

Ms. KUEBLER. In the interest of time and moving this proceeding along, that the committee proceed with four members to resume the hearing Mr. Moss' testimony.

Mr. FLYNT. Any objection?

Mr. NIELDS. No, Mr. Chairman, but I would like for five to be here when I question.

At least I would like to reserve my rights to ask for it.

Mr. BENNETT. May I ask for a little argument on this point. There is nothing intrinsic about the number of people being here for a legal argument. The committee could ask that be put in a brief. I do not think that we should rule that he cannot proceed with the four. But it really is not required that you have any particular number when you are hearing a legal brief. Most of us who operate in this capacity do it by reading, not by listening to oral arguments.

So, can we not just go ahead with this and later meet the question as it comes up?

Mr. FLYNT. I expect we had better wait for five.

The committee will stand in recess until we get five members.

The CHAIRMAN. The committee will come to order.

The Chair has been informed that one additional member is expected to be here at 6 p.m. We have exhausted every means available to us to obtain the presence of an additional member so that we can proceed under the rules of the committee.

With the expectation that we will have five members here at 6 p.m., the committee will stand in recess until 6 p.m. and it will be called to order again at that time.

[A brief recess was taken.]

Mr. FLYNT. Six o'clock. The time set to reconvene having arrived, the committee will come to order. The Chair announces three members are present. We stand in recess awaiting the arrival of two additional members. [Recess.]

Mr. FLYNT. It is 6:05. The committee will come to order.

When the committee recessed several recesses ago, Ms. Kuebler had additional questions to ask Mr. Moss. You may proceed, Ms. Kuebler.

Ms. KUEBLER. Thank you, Mr. Chairman. I am proceeding with the understanding that it is your view now that we will be able to complete both the direct questioning and cross-examination of this witness—

Mr. FLYNT. No; that was not the understanding. The understanding was we would do our best. But I think you are well aware that no such agreement can be made. But if it is humanly possible we intend to finish with this witness today; and that is as far as the Chair will go.

Ms. KUEBLER. Let me say we do not intend to keep him on for an undue period of time.

Mrs. FENWICK. I cannot hear you.

Ms. KUEBLER. Let me review and refresh the witness' recollection. We had proceeded into a discussion of the staff analysis under count 1 of the statement of alleged violation, and I believe I asked you if you had read that, to which you replied yes. And I was asking you what area of the law that count involved.

Mr. Moss. That area of law that was involved, the Federal Election Campaign Act, dealt with contributions. I started to discuss very briefly the law as it existed in 1974.

The point I began to make is that the law at that time was in some confusion. Any time you attempt to take the words of a statute and apply them to the political world you have difficulty because the political world does not fit normal statutory language.

The definition that is involved I will read: "A contribution means a gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of influencing the nomination for election, et cetera, made for the purpose of influencing the nomination for election."

That was the statutory section that was in effect in 1974.

In fitting the words of the statute to the real world, the political world, the courts and indeed the Federal Election Commission have had to take a pragmatic approach. For instance, you cannot expect a Congressman or candidate to reject a contribution from a constituent because in the Congressman's mind it might be illegal.

The law provides he may take it, take a week or so, investigate. If it is illegal, he should return it.

A perfect example is a corporation check. You may get a check from a partnership and not know it is a corporation. The law requires that when you accept that check you ultimately return that contribution within a reasonable period of time if you determine it is an improper contribution.

By the same token, you had to report in 1974; there was no Federal Election Commission in existence for a Member of Congress or a candidate to go to.

I would like to quote from an opinion of Judge Oakes, *United States v. National Committee for Impeachment* in 469 Fed. 2d, 1135, 1972. It is only two sentences, but it gives you a flavor of the difficulty that the courts and others were having with the campaign law and particularly with the definition of contribution in 1972, 1973, and 1974.

The judge says:

The Senate report, which is particularly important because the Senate bill was the one passed in lieu of the House, may be searched in vain for any passage which

throws further light upon the meaning of "political committees" or "made for the purpose of influencing". Here as elsewhere Congress has voiced its wishes in muted strains and left it to the courts to discern the theme in the cacophony of understanding.

Mr. BENNETT. If I might state, we have a very erudite man testifying now. The things he is saying might come better from the lips of the counsel.

He has not addressed in his last statement his expertise as a legislative person. I do not want to cut him off, but I want to make the observation that should be made by an attorney in an argument on the law.

I am not going to object.

Ms. KUEBLER. We certainly take your point under advisement.

Moving on, Mr. Moss, I believe your testimony then is that generally it was not only your opinion but the opinion of some courts and other people generally involved with the campaign laws at that time that the definition of "contribution" was left vague by the Congress in its wisdom when it enacted the law, and therefore one trying to determine what a contribution was in the technical sense of the term may have had some difficulty.

Mr. Moss. The language appears to be clear as you read it, but it becomes vague and difficult when one attempts to apply the language to the real world.

Ms. KUEBLER. Mr. Moss, is it fair to say—what in your opinion is the central question involving the Federal Election Campaign Act underlying count 1? We want to get this out so we can understand it as a basis for your later analysis.

Mr. Moss. The central question in count 1 is whether a contribution given in October 1974—a donation given to Mr. McFall in 1974 was a contribution within the terms of this act, and second, if it was a contribution within the terms of this act, was it a reportable contribution?

Ms. KUEBLER. Mr. Moss, how is it one determines—in your opinion, how would one determine whether a donation is a contribution? You just see it is difficult to apply. So let us explain that difficulty for the committee. Why would it be difficult?

Mr. Moss. There are normally three criteria which need to be examined when one makes such a determination. The first and most significant is intent: What did the donor or giver intend when he handed over the money? If there is any question or doubt about the donated intent, and I might say the donative intent can be impugned because the contribution generally is determined to be illegal, it can be impugned because the donor did not make clear what he meant when he handed over the money, and the donative intent could be impugned because of prior or earlier occurrences.

Two other elements one must look at are the terms of acceptance of the contribution or donation or money by the donee, and third, the use to which the funds are placed.

Ms. KUEBLER. If the donative intent is unclear, then you are saying that use can determine whether we have a technical contribution under campaign laws?

Mr. Moss. Yes. If someone were to give a member of this committee \$500 in 1974 and say, "Here, put this in your office account," the donative intent is that it go to your office account. If the person

were to take the money several hours later and put it in his campaign account and spend it for campaign purposes, do you have a violation? The donative intent had nothing to do with campaigns but the use was for use in a campaign. The reason we have disclosure laws is so people can go to see where you got the money you spent on your campaign. It is my opinion the law would impute the donation back to the donee and require that money be reported.

Whether or not you would get involved with trust laws or you have a gift problem or tax problem, I do not want to get into that, but you would have to report that contribution.

Ms. KUEBLER. Let me use this as an example. We have a situation where we have had testimony before that in 1972, a contribution was made by Tongsun Park to Mr. McFall. Mr. McFall accepted, saying, "I do not have any use for it in my campaign fund. I will put it in my office account." The donor said, "Fine."

Then in 1974, the same donor sent a donation to Mr. McFall, enclosing with it a note, "Good luck in the campaign," or "Good luck in the election." The note said one of those things.

The donee, Mr. McFall, assumed that, "I cannot accept that \$3,000 from the donor because of foreign-national problems. He assumed it was illegal for him to accept it as a campaign contribution, and so he instructed his AA to put it in the office account. We have had testimony as to whether the administrator received permission from the donor—

Mrs. FENWICK. We are not hearing the law, we are hearing the defense. These questions are not directed to the law in any impersonal way, but directly to the defense of the respondent.

Mr. FLYNT. I feel you might be using a specific instance rather than a hypothetical case.

Ms. KUEBLER. All right, I will withdraw that question. What I was trying to do was to get his testimony closer to the case we are considering. We can use other hypotheticals.

Mr. NIELDS. Ms. Kuebler said at the sidebar we were not going to have any testimony on this issue. I would object to having this witness testify as to under the proof of the case, this Congressman is guilty or not guilty of the charges. If he wants to testify as to what the law says, I will not object.

Ms. KUEBLER. I was not intending to have this witness testify as to the guilt or innocence of this respondent.

Mr. Moss, will you continue. Assuming the donor makes a contribution, is that contribution always reportable?

Mr. Moss. The best way for me to answer that question is to run through two or three abstract examples.

Mr. NIELDS. I want the witness to answer yes or no.

Ms. KUEBLER. Only I have the right to instruct my witness to answer yes or no. He is under oath and he is not under oath to answer yes or no.

Will you proceed?

Mr. FLYNT. Answer the question as best you can. If the Chair feels you are going beyond the scope of this query, the Chair will stop you.

Mr. Moss. As I understand the question, assuming for the sake or argument that the donation is a contribution within the act, at what point of time does the recipient have an obligation to report

those funds? I gave an example earlier of someone giving you money for your office account and you putting it in your campaign account and I said you had to report it.

The other instance was someone giving you a corporation check, you would review it and return it because it is illegal.

Under those circumstances as to the law in 1974, and now, you are acting as a reasonable man. You have called the secretary of State, or State Comptroller, and you have determined that it is a corporation check and you have mailed it back to the point of origination. You do not have to report that.

The question you are asking now is how do you draw the line when you have to report.

If you take the example of the mom and pop grocery store, they gave you a check. You take it and you find out it is Mom and Pop, Inc. You send it back. As I said, you do not have to report that.

You can take that one further step. Mom and Pop, Inc., gave you a check; it does not say "Inc." on the check so you do not know. You call the secretary of state and determine it is a corporate check, you call Mom and Pop, Inc., back up and say, "Look, I cannot take this money; it is corporate. Do you mind if I put it in my office account?"

They say, "No; we do not mind it." I am assuming we are in 1974, when office accounts were legal. In my opinion, under those circumstances, you do not have a reportable campaign contribution because the intent was vitiated in fact, it was modified, because Mom and Pop said "Yes, go ahead and put it in the office account."

One step further removed from that, Mom and Pop give you a check, you take it home. Two or three weeks later, you call the secretary of state, find out it is a corporate check.

This time, you do not call Mom and Pop back; you do not return the check. You simply take the check and put it in your office account, which is in 1974 a legal use of the money.

Mr. FLYNT. You say a legal, or illegal?

Mr. Moss. It is a legal.

Now the question at this point of time is, do you have a reportable contribution? On this third example, I think it is a close question. In my opinion, you do not, and I would admit to this committee, there might be others who would argue the other side of that point. The donative intent is clear, it was given to you as a political contribution. The acceptance is unclear, because you may have held it for the use to which we put the money, not political. I would submit, if this transaction occurred a year later, in 1975, when the Federal Election Commission had issued regulations for the reporting of office accounts, there would be no problem whatever, because the money would be reported either as a campaign fund or as an office account fund. But in 1974, office accounts were a creature of habit; they were not authorized anywhere.

So the question then becomes, is the fact that the contribution was illegal sufficient to mitigate or modify the donative intent? So you might go ahead and make another legal use of the money instead of returning it. That I submit is a factual determination. I would submit you could look at relations between the parties in the past. The question of the legality or illegality of the contribution I think bears.

You would also want to look at the kind of instruction that the donor gave to the donee. Was it express, clear, in writing, ambiguous? All of those are factors that come to bear in this decision. The point I am trying to make by going through these three or four examples is that it is not a simple matter, as the staff indicates on page 4 of the staff report.

The law is just simply not that clear. I gave you the example of somebody giving you money for your office account. You could put it in your campaign fund and would not have to report it under their logic.

Mr. BENNETT. Have any courts said anything about this at all?

Mr. MOSS. I wish they had, Mr. Bennett. I read the one quote in which the judge said there is not much to go on. I think—

Mr. BENNETT. There must be a lot of law on the question of when something is received.

Mr. MOSS. There is a lot of law in the gift area, and it is my position that in the examples, in all the examples I have been giving, none of them raised a reportable contribution, and the law you might have to look to is whether the donee violated the intent of the donor in terms of the gift. The donor might have action against the donee because he went against the intent of the donor. But there is nothing in the campaign law which says you have to take the money given to you and use it for the purpose for which it is given; the campaign law does not say that. It says if you get a contribution at some point in time, you have to report it. But it does not say you cannot take it, make another legal use of it.

Again, I will go back to the corporate-check analysis, because I think everybody can understand it. If you get a corporate check in the mail and return it within a reasonable period of time, you do not have to report it. So the law is just not that clear.

Mr. BENNETT. I find it difficult to believe that there are no court cases to decide when a person has received something and changed his mind about it, but you are not the lawyer. You are giving legislative advice.

The CHAIRMAN. In that connection, I believe I might throw some light on that.

It is the opinion of the Chair that there has been no, excuse me, that there has been only one—no, I will withdraw that. There have been more than two cases.

Mrs. FENWICK. Am I correct in understanding you to say that receipt is unquestioned once it has been deposited?

Mr. MOSS. Would you repeat that?

Mrs. FENWICK. Do I understand you correctly to say that when a political donation or any other donation has been deposited in an account, it is obviously received?

Mr. MOSS. That is a strong indication that the middle element that I call acceptance is there, yes.

Mrs. FENWICK. Yes, I would think so.

Mr. MOSS. But even then you might not have to report it.

Mrs. FENWICK. If you deposited it.

Mr. MOSS. Under current regulations, 103.3 B of the Federal Election Commission, now you have a 10-day period during which you may, as long as you act in good faith—

Mr. BENNETT. There must be hundreds of cases on receiving stolen goods, for instance. I can't believe there are not probably thousands.

The CHAIRMAN. Go ahead, Ms. Kuebler.

Ms. KUEBLER. Mr. Moss, then, it is fair to say that what you are showing in these examples is that there is flexibility and interplay in what you say are the three elements that go into the term "contribution", donative intent, acceptance, and use. Is that a fair summary?

Mr. MOSS. Yes.

Ms. KUEBLER. And the Federal Election Commission generally looks to the facts surrounding the transactions in order to determine more fully when something has been made for the purpose of influencing, when a donation has been made for the purpose of—

Mr. MOSS. Yes.

Mr. NIELDS. I object to the question of the Federal Election Commission. It was not in existence at the time of the facts of this case.

Ms. KUEBLER. Let me rephrase the question. Is it fair to say that the enforcement bodies in existence at the time in 1974 which we are discussing would look to those three elements, and I might also add that counsel for the special staff has also said in a statement before this committee that he considers the period in 1975 to be relevant, in which point there was a Federal Election Commission.

The CHAIRMAN. I don't think that is a proper question, Ms. Kuebler.

Ms. KUEBLER. Well, isn't it fair to say that an enforcement body might look to those three elements and look to the factual interplay of those elements?

Mr. NIELDS. Objection. He has testified to being a legislative specialist and he has no knowledge of the Department of Justice which was the enforcement body at that time.

Ms. KUEBLER. Mr. Nields, I believe the Clerk of the House had responsibility to review reports and refer apparent violations to the Department of Justice.

The CHAIRMAN. That is the recollection of the Chair, that the Clerk of the House was the receiving agency, the reviewing agency, and in some instances the enforcement agency.

Mr. NIELDS. I was unaware of any enforcement responsibility, Mr. Chairman.

Ms. KUEBLER. Mr. Moss, isn't it fair to say that even though the law which went into effect in January 1, 1975, provided for the establishment of the Federal Election Commission, that because of difficulty in getting those Commissioners confirmed, appointed and confirmed, that the Clerk of the House continued his responsibilities in this area well into 1975?

Mr. MOSS. That is correct.

Ms. KUEBLER. Thank you.

The CHAIRMAN. Again, the Chair is of the impression that there was, that what counsel is referring to was the fact that the law was declared unconstitutional, the act was declared unconstitutional because of the appointing power vested in the President of the United States when the act gave certain appointive powers to

officials other than the President. That is the recollection of the Chair.

Ms. KUEBLER. That was the decision of the Supreme Court in *Buckley vs. Vallejo* in January 1976. The Federal Election Commission was operating for a certain period of time prior to 1975 when that decision was brought down.

The CHAIRMAN. But when it was declared unconstitutional, the Clerk of the House and the Secretary of the Senate resumed some of the functions that had been delegated by the act to the Federal Election Commission.

Ms. KUEBLER. That is my understanding, Mr. Chairman. Is that your understanding, Mr. Moss?

Mr. MOSS. Yes.

The CHAIRMAN. Is it your understanding, Mr. Nields?

Mr. NIELDS. Mr. Chairman, I am frankly not certain. I don't know.

Ms. KUEBLER. Well, Mr. Moss, I believe we were on—before the intervening discussion—I believe you had completed a series of examples which tended to show that there was some flexibility and interplay between what you have termed elements involved in a contribution, donative intent, acceptance and use; is that correct?

Mr. MOSS. Yes.

Ms. KUEBLER. And that ultimately a decision made by whatever enforcement body one would look to or even someone trying to decide for himself whether or not he had received a contribution as termed in the act, that person would have to look at factual circumstances surrounding that contribution?

Mr. MOSS. Yes. In my opinion the factor I would examine if I were trying to determine whether or not the contribution existed would be first donative intent, which I think is the most significant factor; second, acceptance of the contribution; and, third, the use to which it was put.

The point I was trying to make in going through the examples was that there is an interrelationship between those three. There is a flexibility and an illegal contribution can modify or vitiate the original donor's intent; that if you put it to a different use, you may have a different result than the donor intended, and that the simple declaratory statement in the staff report is too strong.

The law is not that simple. The law is complicated in my opinion on this issue, and that one must look when applying this law to any factual situation, nonetheless a political factual situation.

One must look at the totality of the facts surrounding the words in the statute. There is unfortunately, it has been pointed out, very little judicial opinion to help us with this.

Ms. KUEBLER. Mr. Moss, is there any question in your mind that a direct donation by an individual to a Member's office account in 1974 would have been a legal and proper transaction?

The CHAIRMAN. Ms. Kuebler, I am not going to allow that question.

Ms. KUEBLER. All right.

Mr. MOSS, in your experience as general counsel for the Clerk of the House, do you recall approximately how many Members had office accounts?

Mr. Moss. There was no real way for us to determine because office accounts in 1974, while they were perfectly legal, had no reporting requirement imposed upon them. Based on the number of Members who asked me questions about them and talking on the floor of the House, I would estimate that there were more than 100 to 150 Members who had office accounts. There is simply no way to prove that.

I don't know if the Obey commission has some information, but a substantial amount of Members had them.

Ms. KUEBLER. In 1974, did contributions to these office accounts have to be publicly reported? Was there any requirement of that?

Mr. Moss. There was no requirement.

Ms. KUEBLER. Mr. Moss, as a final question, in your opinion could funds in an office account in 1974 or later time be used for personal purposes?

Mr. Moss. Absolutely. The Internal Revenue Service treated the office account as well as the stationery account of Members, in terms of tax purposes, as their property. A Member could at any time take property from an office account and put them to any lawful purpose.

Mrs. FENWICK. The question was 1974 or later time. What later time are you referring to?

Ms. KUEBLER. Well, the period in question that has been raised by the staff is, I believe, the time after October 1974, through 1975. So perhaps I should split up that question and ask you from October 1974, through the end of 1974.

Could funds in an office account be used for personal purposes?

Mr. Moss. Yes.

Ms. KUEBLER. Past that, after January 1975, and through the end of 1975, could funds in an office account be used for personal purposes?

Mr. Moss. Yes.

Ms. KUEBLER. Mr. Moss, do you believe there is anything further that you would like to say to this committee to clarify your position on count 1?

Mr. NIELDS. I object.

The CHAIRMAN. I don't think that is an appropriate question, Ms. Kuebler, to ask him about specific counts in this. I think that is for the committee to determine.

Ms. KUEBLER. All right.

Mr. Moss, we have then received testimony from you that the analysis that the staff made of the definition of a contribution of the Federal Election Campaign Act, as they outlined in the staff response under count 1, you have testified that in your opinion it is not as simple as they say.

Mr. Moss. Yes.

Ms. KUEBLER. In other words, in your view the law and the difficulty of someone interpreting that law to decide what to do presents them with a little more complex question.

Mr. Moss. That is correct. And I also went through a series of examples, and each of those cases affected my opinion as to whether or not the transaction indicated a reporting obligation, and in each case I said it did not.

Ms. KUEBLER. Thank you, Mr. Moss.

No further questions.

The CHAIRMAN. Mr. Nields?

Mr. NIELDS. Mr. Moss, one preliminary question.

You cited the fact that the Internal Revenue Service taxed money into an office account as showing that it was legally received and could be used. You are aware that the Internal Revenue Service taxes stolen property and embezzled property, aren't you?

Mr. MOSS. That is not the point I was making.

Mr. NIELDS. That is not the question. Are you aware that the Internal Revenue taxes stolen and embezzled property?

Mr. MOSS. No; I was not.

Mr. NIELDS. Wouldn't that indicate that the tax treatment really has nothing to do with the legality of the receipt?

Mr. MOSS. I don't think that is a fair statement.

Mr. NIELDS. Mr.——

Mr. MOSS. The point I made——

Mr. NIELDS. Mr. Moss, you said it is not a fair statement. Do you know Congressman McFall?

Mr. MOSS. Do I? Yes.

Mr. NIELDS. For how long have you known him?

Mr. MOSS. I first met John McFall, I would say, in 1968. I think I met him and shook his hand at a cocktail party once or twice in 1968 through 1970 or 1971.

Mr. NIELDS. How often have you met with him or talked with him since then?

Mr. MOSS. Since I have come to work on the Hill, the first 2 years I was the chief counsel for the Labor-Management Relations Subcommittee, 1972 to 1974. I may during that 2-year period have seen Mr. McFall two or three times.

After that I became the general counsel to the Clerk of the House of Representatives and by coincidence my office was approximately 40 feet down the hall from his. I got to know him better. We would bump into one another in the hall.

During that 2-year period I don't know how many times I bumped into him. I would say frequently.

Mr. NIELDS. How about since then?

Mr. MOSS. Since I moved up to House Administration I think I have probably seen him less frequently, though I do see him on the floor of the House on occasion. I have never had dinner with him. I have never had a drink with him, never been to a movie with him, never been to his house. I have seen him only on Capitol Hill.

Mr. NIELDS. Are you a member of the California Bar?

Mr. MOSS. Yes; I am.

Mr. NIELDS. Any bar associations there?

Mr. MOSS. In town?

Mr. NIELDS. In California?

Mr. MOSS. No. I am a member of the Supreme Court Bar and the California Bar.

Mr. NIELDS. Has he sponsored any of your applications in the bar association?

Mr. MOSS. I think he and John Tunney sponsored my applications to the Supreme Court Bar.

The CHAIRMAN. The Bar of the Supreme Court of the United States?

Mr. MOSS. Yes, the United States of America requires two persons.

Mr. NIELDS. Do you regard yourself as Congressman McFall's attorney?

Mr. MOSS. When?

Mr. NIELDS. At any time?

Mr. MOSS. As I stated earlier, I gave advice to well over 100 Members of Congress. When I gave that advice to a Member of Congress, for the scope of the advice I was giving to them, I regarded myself as their attorney. When I gave Mr. McFall advice, I regarded myself as his attorney. I do not now regard myself as his attorney.

Mr. NIELDS. Have you ever advised any Congressman during the period 1975 to 1976 that it was lawful to take campaign funds and put them to personal use?

Mr. MOSS. I don't know.

Mr. NIELDS. You don't know if you ever gave that advice or not?

Mr. MOSS. Mr. Nields, I gave legal advice to 100 or 150 Members of Congress. I didn't keep notes. I did a lot of other things. My answer to you is I don't recall if I gave that advice or not.

Mr. NIELDS. Mr. Moss, you have testified that in support of your conclusion on the first point, that there were a number of proposed criminal statutes making it a Federal crime to embezzle campaign funds; is that right?

Mr. MOSS. I said that there was one statute, section 317 of the Senate-passed bill in 1974. I can read it if you would like.

Mr. NIELDS. No; I don't need you to read it.

And that bill failed, is that right, that provision of the bill?

Mr. MOSS. The bill did not fail. The provision was lost in the conference.

Mr. NIELDS. I think you testified there were two subsequent occasions on which bills were proposed which would have made embezzlement of campaign funds against the Federal law; is that right?

Mr. MOSS. No. I said that there were two subsequent occasions when the Senate on one and the House on the other attempted to prohibit the use of campaign funds, excess campaign funds for personal use.

Mr. NIELDS. What is the difference?

Mr. MOSS. I don't think you are making a crime if you say in title II of the United States Code that you cannot use excess campaign funds for personal use. Maybe you are. That certainly is not what I would call embezzlement.

Mr. NIELDS. Were there criminal penalties attached to these proposed bills? What were the penalties?

Mr. MOSS. There are civil penalties and there were civil penalties in the bills as I recall. I don't recall whether or not the bill in 1976 called for imprisonment. There were civil penalties.

Mrs. FENWICK. No criminal penalties?

Mr. MOSS. I think not, but I am not positive.

Mr. NIELDS. You don't know, but I take it in any event these three occasions in which Congress failed to make embezzlement of campaign funds against Federal law, those were all statutes; is that right?

Mr. MOSS. Without accepting your word embezzlement, they were bills that had passed the Senate and/or the House.

Mr. NIELDS. And one of the bills used the word embezzlement; is that right?

Mr. MOSS. The first in a separate section.

The CHAIRMAN. I want to ask a question about the statutes. Were they statutes or not?

Mr. MOSS. I am not clear on the question, Mr. Chairman. They were not statutes, they were bills. I think he may have some trouble with the legislative process. These were bills that had passed the Senate and a comparable bill had passed the House and they went to conference and there never became a statute on this issue.

The CHAIRMAN. A bill has no effect unless it is enacted and signed into law by the President?

Mr. MOSS. That is correct.

Mr. NIELDS. These were proposed statutes; is that right?

Mr. MOSS. I guess you could call it, they were bills that had passed the Senate. Is that a proposed statute?

Mr. NIELDS. Mr. MOSS, you are aware of the difference between a House rule and a statute?

Mr. MOSS. Yes.

Mr. NIELDS. You testified that there were efforts to put this into law, that means into a statute, and they failed; is that right?

Mr. MOSS. Yes.

Mr. NIELDS. As I asked you already, you are aware of the difference between a statute and a rule, and failure to make something a violation in a statute doesn't tell you very much about whether it is a violation of the rule; is that right?

Mr. MOSS. I agree.

Mr. NIELDS. So I would like to turn, then, away from these failure to make conversion of embezzlement of campaign funds criminal and ask you about the House rules.

As I understand it, it is your testimony that for a 2-year period of time, approximately, that the House of Representatives specifically authorized its Members to use for their own personal enrichment moneys which had been collected for the sole purpose of getting them elected to Federal office; is that right?

Mr. MOSS. My testimony did not use that language. My testimony was that on January 14, 1975, the House adopted House Resolution No. 5, which added to House Rule 43, clause 6, language that said, "Unless specifically provided by law," et cetera, and that that existed until March 2, 1977.

Mr. NIELDS. I will ask the question again: Is it your testimony that for that period of time, 1975 to 1976, the House had authorized its Members to use for their own personal enrichment moneys which had been collected for the sole purpose of supporting their election?

Mr. MOSS. Ultimately, yes.

Mr. NIELDS. That is your testimony and that is that testimony which I would like to test now.

Are you aware of the case of Thomas Dodd?

Mr. MOSS. Yes; in the sense that I have read the comments you put forth in the response.

Mr. NIELDS. Are you aware that Thomas Dodd was censured for converting campaign funds to his personal use by the Senate of the United States?

Mr. MOSS. Yes; I am.

Mr. NIELDS. In 1967?

Mr. MOSS. Yes.

Mr. NIELDS. Are you aware that in the absence of any explicit rule against such conduct, the Senate found that the conduct was worthy of censure because it is contrary to accepted morals and derogates from the public trust?

Mr. MOSS. Yes, and there was also the absence of any specific authorization to do so.

Mr. NIELDS. And are you aware that following the Senate's action in that case, both the Senate and the House passed explicit rules prohibiting the use of, the putting of campaign funds to personal use?

Mr. MOSS. Yes.

Mr. NIELDS. So that it would be your testimony, I take it, that from that time until the end of 1974 it violated the House rule to put campaign funds to a personal use?

Mr. MOSS. Yes.

Mr. NIELDS. Now here is my question: What legislative event changed that rule? Was it Section 439a?

Mr. MOSS. It was a combination of Section 439a, which had the language, "lawful purpose" and which went into effect January 1, 1975, and the change 2 weeks later in House rules which then made the House rule fit the language of 439a.

Mr. NIELDS. Did 439a authorize Members of Congress to take, to use for their own personal enrichment, moneys which had been collected solely to support their election?

Mr. MOSS. If you read 439a carefully, it doesn't talk about Members of Congress. It talks about candidates, and half the people who run for the House lose.

Mr. NIELDS. Did 439a authorize Members to put campaign funds to personal use?

Mr. MOSS. It authorized candidates and Members, yes.

Mr. NIELDS. Let me read you from the confererence report which went to each house when they passed this bill.

The provisions of this section do not affect any rule of the Senate or the House of Representatives limiting the use of funds received as political contributions.

Now there was one House rule, was there not, at that time that limited the use of political contributions funded.

Mr. MOSS. The law—I mean, that is not at all inconsistent. That simply says that section 439a, which permits candidates to convert excess campaign contributions to lawful purposes, their own use, has no impact or effect on existing House rules. That language is put in many statutes. It is not unusual to have a House rule and a statute in conflict.

If you read the second part of that sentence, let's finish the sentence—"nor do they have any effect on the Federal tax exempt treatment of any such contributions used by a candidate for personal purposes."

Clearly, the intent is to authorize the use for personal purposes. That is the rest of the sentence that you read.

Mr. NIELDS. Are you testifying, Mr. Moss, that because the Internal Revenue Service would tax money if you converted it to your personal purposes, that therefore they are authorizing it?

Mr. MOSS. No. I am simply saying that the conferees; did as they do on many occasions, look, this is what we are doing but we don't know what we are doing to the tax law so we don't mean to change the tax laws.

Mr. NIELDS. They didn't mean to change the House rules; is that right?

Mr. MOSS. No, they did not.

Mr. NIELDS. And the House rules prohibited conversion of campaign funds to personal views, true?

Mr. MOSS. Until January 14, 1975.

Mr. NIELDS. I take it, it is your testimony that the statute 439a did not authorize, in violation of a House rule, a Member of Congress to convert campaign funds to personal use?

Mr. MOSS. Mr. Nields, the statute authorized a candidate or a Member of Congress to use excess campaign funds or donations from his office account for personal use.

Mr. NIELDS. Let me read you the conference report again. "The provisions of this section"—which is the section you have just been saying authorized Members to convert campaign funds to their personal use—"do not affect any rule of the Senate or of the House of Representatives limiting the use of funds received as political contributions."

Mr. MOSS. That is what I said.

Mr. NIELDS. Let me move to the next event which is that the House made an amendment to its rule.

Mr. MOSS. Yes.

Mr. NIELDS. Are you saying the House amendment to its rule authorized Members of Congress to convert campaign funds to personal use?

Mr. MOSS. You have just very ably pointed out that there was a conflict between the statute, 439a, and the House rules. The conference report language took cognizance of that conflict by saying, in passing the statute, we don't intend to affect House rules. You said that and I agree with you. Two weeks later the House changed its rule so that the rules of the House were concurrent with the statute.

I think if you read the rule, it is clear. The answer to your question is yes.

Mr. NIELDS. You are saying that by adding the words "unless specifically provided by law," that the House of Representatives intended for the first time to authorize its Members to convert moneys which had been collected to get them elected and use them for their own personal enrichment; is that right?

Mr. MOSS. I am not saying that. For the first time—

Mr. NIELDS. For the first time since at least before the Dodd case; is that your testimony?

Mr. MOSS. My testimony is that the House rule permits a Member of Congress to use funds for a lawful purpose. Now I am

also testifying that conversion to personal use would have been a lawful purpose.

Mr. NIELDS. Well, I think we are now talking about the change in the House rule. We have already established that 439a did not change the House rule and consequently did not authorize a Member of Congress to convert money to a personal use that he collected for campaign purposes.

Now I am asking you about the House rule which was changed on January 14, 1975. I am asking you if that authorized a Member of Congress to take campaign funds and use them for his own personal enrichment?

Mr. MOSS. I have to say that read with 439a, had that result, yes.

Mr. NIELDS. Do you think it had that intent?

Mr. MOSS. It is my opinion when observing the sequence of events of the conference report, the law becoming effective and the change in House rules all taking place over a 2-month period, that that may very well have been the intent. I am not saying I like it, but I think that may have been the intent.

Mr. NIELDS. You think that was the intent?

Mr. MOSS. I think the intent in the change in the House rule was to make it fit with 430a.

Mr. NIELDS. Let me read you from a newspaper article which—

Ms. KUEBLER. Mr. Chairman, he objected to my evidence outside the scope. How can he read from a newspaper article? Where is a newspaper article an expert on anything?

Mr. NIELDS. If she lets me ask the question, I think she will understand. It is dated January 3, 1977, and quotes Bob Moss, counsel of the House Administration Committee, with respect to the phrase "unless specifically provided by law" which was added to the House rules, and it quotes you as saying: "I can't believe that it was intended that way"—referring to an intent to permit campaign funds to be used for personal purposes.

Mr. MOSS. I didn't say I liked it.

Mr. NIELDS. But you said you couldn't believe it was intended that way.

Mr. MOSS. That doesn't say it wasn't. I said I—

Mr. NIELDS. Let me read it again. "I can't believe it was intended that way."

Mr. MOSS. I would have to see the article.

Well, let me read the second sentence. "But, the way it is written, I guess you could take campaign money and go out and buy a houseboat." That is exactly what I said.

Mr. NIELDS. You are saying it was not intended to do that?

Mr. MOSS. No, I said the way it is written it could be used for personal purposes.

Mr. NIELDS. You are saying you don't believe it was intended that way, but the literal language compels that result.

Mr. MOSS. I do not recall what I was saying. What I said about the houseboats would be clear.

Mr. NIELDS. Let's work on that proposition and see what the literal language requires. The House rules as amended read:

A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. Unless specifically provided by law, he shall convert no campaign funds to personal use.

What do you think that means?

Mr. MOSS. Unless the law provides a statute that he may take excess campaign funds and put them to a lawful purpose, personal use, if the law provides that, if the rule change permits it.

Mr. NIELDS. "Unless specifically provided by law, he shall convert no campaign fund to personal use."

Is there any personal use to which a Member cannot put campaign funds under your reading of that statute?

Mr. MOSS. It has to be lawful.

Mr. NIELDS. So he cannot bribe somebody with it and he cannot extort somebody, but basically, it has no operative effect at all?

Mr. MOSS. I am saying it has to be a lawful purpose.

Mr. NIELDS. But other than unlawful, he can take the campaign fund and put it to any use he wants?

Mr. MOSS. Yes.

Mr. NIELDS. You are saying the language in this rule was in existence in 1975 or 1976, "Unless specifically provided by law he shall convert no campaign funds to personal use."

You are saying that meant nothing except he could not go out and commit a crime?

Mr. MOSS. Lawful use, yes.

Mr. NIELDS. So they may just as well not have had it.

Mr. MOSS. Well, "lawful" means something.

Mr. NIELDS. Unless specifically provided by law, now, you say you do not believe it was intended to authorize conversion of campaign funds to personal use. Let us see if as lawyers we cannot find a way out—

Mr. MOSS. I wish you would read the two sentences together so the committee will get the full meaning of what I said.

Mr. NIELDS. You say, I cannot believe it was intended that way, but I guess the way it is written you could take campaign money and go buy a houseboat. You are saying it was not intended, but the literal language of the statute is what is interpreted. Where is it specifically provided by law that you can do so?

Mr. MOSS. It is specifically provided in 2 U.S.C. 439(a).

Mr. NIELDS. Would you not say that proposal allows you to put excess campaign funds to a charity, and excess campaign funds to ordinary and necessary expenses of your office. But that is all it specifically authorizes you to do?

Mr. MOSS. I do not agree with that.

Mr. NIELDS. In spite of the fact you agree the intent is as I indicate?

Mr. MOSS. What is the intent?

Mr. NIELDS. The intent not to authorize somebody to put their campaign funds to any use they want.

Mr. BENNETT. Mr. Chairman, having once been a lawyer, I know of very few counterparts in any court proceeding I was in. I would be more interested if case law was brought before us. There is case law on when things are received. It does not have to be on this statute. It could be, as I mentioned before, on receiving stolen goods, that is an analogous situation. In the thing he is now addressing there is something else that has not been mentioned here. That is, this proceeding is in the nature of a quasi-, at least, criminal proceeding. It is a basic, fundamental manner in the

construction of such statutes, that they have to be clear. You cannot bring a man to things that are criminal in nature under ambiguous statutes and not have these cases take their toll.

If arguments such as this are going to be made, I would like to read cases on both sides of it. In other words, I would like to read cases showing me to what extent penal-type laws are allowed to be construed favorable to the state or the individual.

I hate to put this burden on you, but I did not cause it. In other words, you are acting as if this man is a Supreme Court Judge and makes judicial decisions, and that is done by both counsel on both sides, and I think we are the people who pass on the law. I think this committee passes on the law. I do not know how to pass on the law just by the observation of this. I do think they have a bearing on this, because the bearing is that he has in the performance of his duty as an administrator, has had practice based upon his opinion as to what the law was.

I am just saying to you, you are building up a need for a lot of briefs and cases as far as I am concerned. Because I think when a man is before a semicourt, as we are here, he is entitled to have statutes construed in his favor if they are ambiguous, as a very fundamental principle of law.

Mr. SPENCE. Mr. Chairman, while we are stopped right here, may I ask a question? Earlier, you said you did not give written opinions to Members when they asked your advice.

Mr. MOSS. I have on occasion given letter opinions.

Mr. SPENCE. Do you keep copies?

Mr. MOSS. Yes, sir, I do. I do not recall any on the specific issues we are discussing now.

Mr. SPENCE. When one asks you for an opinion they could not use it and back it up if they did not have a written opinion.

Mr. MOSS. If they specifically asked for it, I would.

Mr. SPENCE. If you have the wrong answer it is not written. That is all.

Mr. BENNETT. I am not cutting you off.

Mr. NIELDS. As you know——

Mr. BENNETT. I did not mean to cut you off.

Mrs. FENWICK. The three things you put down are so simple, the intent, the acceptance by the donee, and the use to which it is put, there we are dealing with something which is real. I do not accept the difference between the legal world and the political world; I think they have to march together. A great deal of this is really semantic and legalistic. I am not a lawyer, so I guess I do not enjoy it as much as others.

Mr. MOSS. You will probably reach a more sound conclusion.

Mrs. FENWICK. I am startled to say you could advise somebody in good conscience to take a political donation and use it for personal use, when the language and habit which you, yourself have quoted and which has been quoted here is so obviously contrary to such a conclusion. It startles me. It is like going to a priest and getting advice contrary to the Ten Commandments.

Mr. MOSS. Do you want me to respond?

Mrs. FENWICK. I do not know.

Mr. FLYNT. I hope we can proceed and eventually bring today's session to a close.

Mr. NIELDS. I will be very brief from now on, Mr. Chairman. Just a couple more questions, Mr. Moss.

First, you are aware this change in the rules which you say for the first time authorized Members of Congress to put campaign funds to a personal use, are you aware it makes a minor change in the rule relating to the Code of Official Conduct relating to the use of campaign funds? That is in the Congressional Record describing this amendment.

Mr. MOSS. I suppose that is what was done.

Mr. NIELDS. You are saying, Mr. Moss, that the House of Representatives was attempting to authorize its Members to convert funds?

Mr. MOSS. I do not like the inflammatory words. I am saying the House rule authorized Members of Congress and candidates to make lawful use of excess campaign funds. A lawful use could be to convert that to your personal use and pay taxes on it.

Mr. NIELDS. And they described that change as a minor change in the rule?

Mr. MOSS. Would you want them to run it on the front page of the Washington Star?

Mr. NIELDS. Are you saying the House of Representatives sought to make this change in a way which was not ethical—I suggest you do not have much respect for the institution.

Mr. MOSS. I object to that statement. I have a lot of respect for the institution.

Mr. NIELDS. You indicated Congress failed to make embezzlement of funds a crime. Do you not think there are State laws of embezzlement?

Ms. KUEBLER. Mr. Chairman, I am unaware embezzlement is a subject of this proceeding.

Mr. NIELDS. Do you not think embezzlement and conversion are part of the campaign laws?

Mr. MOSS. The State laws——

Mr. NIELDS. I am asking you if you do not think there are State laws which prohibit you from taking a gift given you from one purpose and put it to the use of another.

Mr. MOSS. I said earlier, that State laws may be a factor.

Mr. NIELDS. I would like to turn to the subject on which you testified, that is, the meaning of the Federal Election Campaign Act of 1972, the subject of count 1.

You have said it is extremely difficult to apply a statute to the political world. Was not this act passed by the Congress of the United States designed to apply precisely to the political world and only to the political world?

Mr. MOSS. Yes.

Mr. NIELDS. Let us see if we cannot read it. Section 304(a) requires each candidate to report receipts and expenditures. Is that right?

Mr. MOSS. That is correct.

Mr. NIELDS. Now, I think we can all agree, there is enough play in the word "receipt" so that if somebody takes a contribution, keeps it for a couple of days, then returns it, then it is not received and consequently does not have to be reported.

But what if someone takes a contribution and keeps it for 3 or 4 years? Is there any question in your mind that it is received and it is a receipt?

Mr. MOSS. My point is, you cannot interpret the law literally.

Mr. NIELDS. You certainly tried awfully hard to interpret the last law you testified about literally.

Mr. FLYNT. I would like to ask the questioner to not become argumentative with the witness. Confine your examination to questions.

Mr. NIELDS. In section 302(b) it requires—304(b)—that the report disclose the name of each person who has made one or more contributions of over \$100. Is that right?

Mr. MOSS. That is right.

Mr. NIELDS. Then the question we turn to is, what is a contribution?

Mr. MOSS. Right.

Mr. NIELDS. So we go to the definition of a contribution, and it says "a gift made for the purpose of influencing the nomination for election."

Mr. FLYNT. Excuse me, Mr. Nields, is it nomination or election?

Mr. NIELDS. It reads "a gift made for the purpose of influencing the nomination for election or election."

Mr. FLYNT. All right.

Mr. NIELDS. Now where do you get the notion that the contribution turns on three questions, intent, receipt and use? What part of the statute are you relying on?

Mr. MOSS. I am relying on my opinion and the practical application of the statute.

Mr. NIELDS. Is there anything in the statute which indicates that?

Mr. MOSS. Neither donative intent.

Mr. NIELDS. Does it not say "a gift made for the purpose of influencing a nomination for election"?

Mr. MOSS. I find donative intent, acceptance and usage. I simply say those are the three elements which I, in my experience, use in trying to determine whether a gift is a contribution. This committee can come up with its own.

Mr. NIELDS. The sole words you use are "made for the purpose of influencing election"?

Mr. MOSS. Yes.

Mr. FLYNT. Ms. Kuebler, any further questions?

Ms. KUEBLER. No, Mr. Chairman.

Mr. FLYNT. Mr. Bennett?

Mr. BENNETT. No questions.

Mr. FLYNT. Mr. Spence?

Mr. SPENCE. No questions.

Mr. FLYNT. Judge Preyer?

Mr. PREYER. No questions.

Mr. FLYNT. Mrs. Fenwick?

Mrs. FENWICK. No questions.

Mr. FLYNT. First of all, the committee is very anxious to complete this hearing. Your next witness will be Mr. McFall?

Ms. KUEBLER. That is right.

Mr. FLYNT. Before we can proceed to that, we will require seven members to be present. The Chair is of the belief that the earliest time we can reasonably expect seven members will about on the afternoon of Monday next. Therefore, it is the intention of the Chair to set the next meeting, and does so now, at least tentatively, until 2 o'clock next Monday, at which time we hope before that session of the committee meeting is concluded, the entire investigative hearing in this case can be disposed of. That is the intention of the Chair and the committee.

With that understanding, that we will meet again at 2 o'clock on Monday, unless the Chair advises members and counsel prior to that time, the committee will adjourn until Monday at 2 o'clock.

[Whereupon, at 7:20 p.m., the committee was adjourned, to reconvene Monday, September 25, 1978, at 2 p.m.].

MONDAY, SEPTEMBER 25, 1978

HOUSE OF REPRESENTATIVES,
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT,
Washington, D.C.

The committee met, pursuant to notice, at 2 p.m., in room 2226, Rayburn House Office Building, the Honorable John J. Flynt, Jr. (chairman of the committee) presiding.

Present: Representatives Flynt, Spence, Quillen, Bennett, Hamilton, Preyer, and Fenwick.

Also Present: John M. Swanner, staff director; John W. Nields, Jr., chief counsel; Carole L. Kuebler, George G. Olsen, and J. D. Williams, counsel to Representative John J. McFall.

Mr. PREYER. Here.

Mrs. Fenwick?

Mrs. FENWICK. Here.

Mr. Flowers? [No response.]

Mr. Caputo? [No response.]

Mr. SWANNER. Seven members present, five members absent.

Mr. FLYNT. I recognize Mr. Spence.

Mr. SPENCE. Pursuant to House Rule X I2(g)1, I move we go into executive session.

Mr. FLYNT. Before we take a vote on this I want to explain the purpose of this. We have a request in writing which can be ruled upon only in executive session.

This is a motion which under the rules of the House must be made in open session with a quorum present, and the vote thereon must be taken by rollcall.

When your names are called, those in favor vote aye, opposed vote no.

Mr. SWANNER. Mr. Flynt.

Mr. FLYNT. The committee will come to order.

The staff director will call the roll.

Mr. SWANNER. Mr. Flynt.

Mr. FLYNT. Here.

Mr. SWANNER. Mr. Spence.

Mr. SPENCE. Here.

Mr. SWANNER. Mr. Teague. [No response.]

Mr. Quillen?

Mr. QUILLEN. Here.

Mr. SWANNER. Mr. Bennett.

Mr. BENNETT. Here.

Mr. SWANNER. Mr. Quie. [No response.]

Mr. Hamilton?

Mr. HAMILTON. Here.

Mr. SWANNER. Mr. Cochran. [No response.]

Mr. Preyer?

Mr. FLYNT. Aye.

Mr. SWANNER. Mr. Spence.

Mr. SPENCE. Aye.

Mr. SWANNER. Mr. Teague. [No response.]

Mr. Quillen?

Mr. QUILLEN. Aye.

Mr. SWANNER. Mr. Bennett.

Mr. BENNETT. Aye.

Mr. SWANNER. Mr. Quie. [No response.]

Mr. Hamilton?

Mr. HAMILTON. Aye.

Mr. SWANNER. Mr. Cochran. [No response.]

Mr. Preyer?

Mr. PREYER. Aye.

Mr. SWANNER. Mrs. Fenwick.

Mrs. FENWICK. Aye.

Mr. SWANNER. Mr. Flowers. [No response.]

Mr. Caputo? [No response.]

Mr. SWANNER. Mr. Chairman, seven members answer aye, five members absent.

Mr. FLYNT. On this vote by rollcall, the yeas are seven, nays are none. The motion is agreed to. We can save time if the members will step right out here with me, and the staff director, rather than clear the room.

The committee is in executive session.

[Whereupon, at 2:05 p.m. the committee proceeded into executive session.]

[At 2:10 p.m. the committee proceeded into open session.]

Mr. FLYNT. The hearing will be in order.

Ms. Kuebler?

Ms. KUEBLER. Mr. Chairman, at this time I would like to call Congressman John McFall as a witness.

Mr. FLYNT. Would you raise your right hand. Do you solemnly swear the testimony you will give before this committee in the matter now under consideration will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. McFALL. I do.

Mr. FLYNT. You may be seated.

You are John J. McFall?

Mr. McFALL. That is right.

Mr. FLYNT. A Representative of the State of California in the U.S. House of Representatives?

Mr. McFALL. Yes.

Mr. FLYNT. What district do you represent?

Mr. McFALL. The 14th of California.

Mr. FLYNT. Ms. Kuebler, you may proceed.

Ms. KUEBLER. Mr. McFall, before I proceed with the direct questioning I believe you have a brief opening statement to make to members of this committee.

TESTIMONY OF JOHN J. McFALL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. McFALL. Mr. Chairman, as I have before, I wish to express my appreciation to the members of this committee for the job they are doing, both for the House of Representatives and for me.

I know that you are going to resolve many questions that have been in the press, involved with the House of Representatives, and certainly you are giving me the opportunity for a vindication of the many charges that have been made against me.

I know it is not easy for you and other members of the committee, but it is a service that you are doing for the House, for me, and for the country.

I believe that after all the testimony is in you will find that I have not violated any laws or rules of the House; I have not been involved in any action that has any appearance of impropriety.

As I said to the committee in my sworn statement in August, I believe that the facts will show that at all times I have been motivated by a desire to do a good job for my constituents in the 14th Congressional District of California, and for the country.

I also believe that my actions with the press and the committee since this investigation began reflect my sincere desire to determine the truth, not only for my own conscience, but for this committee and my constituents.

I thank you, Mr. Chairman.

Mr. FLYNT. Thank you, Mr. McFall.

Ms. KUEBLER, would you waive my presence for about a minute while I return a phone call?

Ms. KUEBLER. Certainly, Mr. Chairman.

Mr. BENNETT. If you will proceed.

Ms. KUEBLER. Thank you.

Mr. McFall, when did you begin your service in the House of Representatives?

Mr. McFALL. January 4, 1957.

Ms. KUEBLER. And would you tell this committee when you began your service on the House Committee on Appropriations?

Mr. McFALL. December 1963.

Ms. KUEBLER. Would you please tell this committee as best you can recollect what subcommittees of the House Committee on Appropriations you have served on, and the dates of that service?

Mr. McFALL. Well, I served on military construction from the beginning. I believe my second term, or in 1965, I went on the District of Columbia Committee. Then I went off the District of Columbia Committee and served for two terms on the Foreign Operations Subcommittee—1967, 1968, 1969, and 1970, I believe.

Then I went on the Transportation Committee when it was formed in 1969. I was on three subcommittees. Beginning in 1971 I was on just Transportation and Defense. From time to time I have been on the legislative subcommittee as well.

But basically my committees at the moment are Defense and Transportation, and for two terms, I believe—1967, 1968, 1969, and 1970—I was on the Foreign Operations Subcommittee.

Ms. KUEBLER. Thank you.

Would you tell this committee what positions of leadership you have held in the House of Representatives and the date of your service in those positions?

Mr. McFALL. Well, I was the deputy whip for I believe two terms. I was whip for two terms.

Ms. KUEBLER. Thank you.

Mr. McFall, can you recall the first time that you began responding to inquiries for assistance from the California ricegrowers, in particular those located in the 14th Congressional District?

Mr. McFALL. Well, that began almost immediately upon my coming to Congress. I have been helping them, I believe, ever since I have been here. In those early days, the port of Stockton, which is in my district, shipped the rice from northern California.

Stockton Elevators, which is owned by a firm of which a member is a Mr. Curt Rocca, whose name has come up in these deliberations, owned that firm, a very large grain elevator. The rice was shipped out of the port of Stockton.

At that time about 6 percent of the rice of the State was raised in my district, and it is now down to about 3 percent. A large amount of the rice now goes out of Sacramento, since that port has been developed.

Mr. FLYNT. Ms. Kuebler, will you suspend long enough to let the record show I have returned.

Ms. KUEBLER. Yes, sir.

Mr. McFALL. We have requests even to this day. We are helping them now with the sales of rice to Indonesia. Earlier the rice sales were to Okinawa. Beginning sometime in the sixties there were sales to Korea.

Ever since I have been in the House, there have been some requests from the ricegrowers of California for my help with the Department of Agriculture for the sale of rice under the Public Law 480 program.

Ms. KUEBLER. Thank you, Mr. McFall.

So, it would be a fair statement that every year that you have been in Congress you have involved yourself in some form of assistance for ricegrowers in California?

Mr. McFALL. Yes.

Ms. KUEBLER. Mr. McFall, you mentioned the name Curt Rocca. How did you first come to know Mr. Rocca?

Mr. McFALL. I knew Mr. Rocca in college. He was in my class. We graduated in 1938. Then after I was elected to Congress, because of his association with the Stockton Elevators, I came to know him better.

Ms. KUEBLER. And Mr. Rocca, you said, is in the rice business. Would you elaborate on your understanding of what involvement Mr. Rocca has in the rice business?

Mr. McFALL. Well, Mr. Rocca's firm is a family-owned firm, the Pacific International Rice Mills. They were a part of the consortium that was involved with three other firms, including the rice cooperative, California rice cooperative.

Testimony before this committee indicates those four were in a consortium until the middle of 1970 when a court decision in California said that the rice growers cooperative could not involve itself in that sort of an arrangement for overseas sales.

Pacific International Rice Mills to this day sells rice under its various corporate names overseas.

Ms. KUEBLER. But as far as you understand from the time you came to Congress until the present time, Mr. Rocca is involved in the rice business in such a way that his business affects your district?

Mr. McFALL. That is correct. He had a business, Stockton Elevators, in my district. Then he sold that. Then he had another business until 1975. He is actually a resident of San Francisco.

Ms. KUEBLER. How many times would you estimate you may have talked to Mr. Rocca or responded to inquiries from him during your service in Congress?

Mr. McFALL. Well, I can't really say. I would assume it was at least half a dozen times a year in some manner or other, either by phone, by myself personally, his calling the office or my seeing him at some function.

He has come back here to functions and so forth. It is at least half a dozen times a year.

Ms. KUEBLER. And you would describe your relationship as both based on those of constituent interests and a personal relationship?

Mr. McFALL. That is correct.

Ms. KUEBLER. Mr. McFall, do you recall that Mr. Rocca contacted you on or about December 1969?

Mr. McFALL. Yes, he did. He called me on December 10, 1969.

Ms. KUEBLER. And what was the subject of that telephone call?

Mr. McFALL. Well, he asked me if I would see Mr. Park. He also asked me about the foreign aid appropriation bill which had just passed the House on December 9.

Ms. KUEBLER. What did he ask you about the foreign aid appropriations bill? Was he interested in anything specifically?

Mr. McFALL. Yes, he was. He was interested in the \$50 million for South Korea, which was very important to the sale of the rice, which was in surplus at that time.

Ms. KUEBLER. Did he ask you to do anything in that telephone call?

Mr. McFALL. Well, he asked me about the appropriation, and I told him it was already done, "We did it yesterday." That is always a nice thing to be able to say to someone who asks you about some action, that he wants you to help with. And I said, "We did it yesterday."

Ms. KUEBLER. Did he ask you to do anything else?

Mr. McFALL. He asked me to see Mr. Park.

Ms. KUEBLER. And who did he tell you that Mr. Park was?

Mr. McFALL. Well, I knew who Mr. Park was from the conversations that my assistant, Mr. Barnes, who has appeared before this committee, had had with Mr. Rocca and Mr. Freeland over the years, or over that year of 1969. I knew that he worked as an agent of the ricegrowers of California.

Ms. KUEBLER. So, you had heard the name, but you had never met Mr. Park or seen Mr. Park?

Mr. McFALL. No, I had not seen him, nor had I met him.

Ms. KUEBLER. But you had heard his name in connection with rice and the ricegrowers?

Mr. McFALL. That is correct.

Ms. KUEBLER. Now, Mr. McFall, you have just mentioned something about the foreign aid bill. You mentioned that something had been done in committee before you took the telephone call from Mr. Rocca.

What was that action that the committee had taken? Did you say the committee had reported the bill out?

Mr. McFALL. The Appropriations Committee reported the bill out December 8. It was on the floor on December 9. It passed on December 9.

Ms. KUEBLER. Thank you.

But on December 8 and December 9 you had never met Tongsun Park?

Mr. McFALL. No.

Ms. KUEBLER. You had just heard his name?

Mr. McFALL. That is right.

Ms. KUEBLER. And then as you just said, on your telephone call on December 10, Mr. Rocca asked you if you would see him?

Mr. McFALL. That is correct.

Ms. KUEBLER. What was your response to that request?

Mr. McFALL. Certainly, I would be glad to see him.

Ms. KUEBLER. And did you then meet with Mr. Park?

Mr. McFALL. I met with Mr. Park on December 11.

Ms. KUEBLER. And where was that meeting?

Mr. McFALL. In my Rayburn office.

Ms. KUEBLER. What did Mr. Park tell you about himself in that early meeting?

Mr. McFALL. We had a wide-ranging conversation. He told me about how he had come to the United States to go to school at Georgetown; how he was a classmate of Mr. Brademas. It was a wide-ranging conversation, in which he told me about his background and how he had gone to school here and so on, and other people that he knew, and so forth.

Ms. KUEBLER. He did use the name of other members that he knew by way of telling you something about his background?

Mr. McFALL. That is correct.

Ms. KUEBLER. And as you just said it was a wide-ranging conversation. What can you tell the committee that you remember about the subject of your conversation?

Mr. McFALL. Well, it was—initially we discussed rice and his representation of the ricegrowers. We also—I told him about the passage of the bill which would facilitate the sale of the rice to South Korea. I congratulated ourselves on accomplishing that. That meant that hopefully South Korea would be able to buy the rice, basically California rice.

Ms. KUEBLER. Mr. McFall, did you tell him this because he asked you about it?

Mr. McFALL. No, I did not. He didn't ask me about it. I told him. I presume, listening to testimony here, that is what he was interested in. But I knew from my conversations with Mr. Rocca that everybody in the rice industry was interested in that.

I was interested in that. I had talked with Mr. Passman a week earlier about it. We had had a meeting with the Department of Agriculture, of which there is a memorandum in the committee exhibits about the sale of rice. This was a topic of some considerable interest to me.

Ms. KUEBLER. Let me see if I can summarize this.

You volunteered to Mr. Park the fact that the rice matters were taken care of, because of previous committee action?

Mr. McFALL. Well, perhaps I could summarize it for you myself, and for the committee.

We were very concerned about the rice because of the surplus. As indicated by the memorandum, this would have affected all of the rice in Texas, Arkansas, Louisiana, because if we were not able to sell the surplus, there would be a reduction in the allotments.

I went to Mr. Passman, who was the chairman of the subcommittee, the week before, and I said what are we going to do about the rice. Mr. Passman explained to me that he was going to offer an amendment to the full committee bill—to the bill in committee that would provide money to South Korea, so that they would be able to buy the rice.

I originally thought that it was nonmilitary aid. It turned out to be military aid, which would mean that the Koreans, as I understood it, would be able to transfer their funds internally so that they would have money to buy this rice.

We had the meeting of the committee on the 8th. I voted for the amendment. The amendment was defeated.

In the consideration of the bill in the House, Mr. Conte offered an amendment to cut. Mr. Broomfield offered an amendment to add money, \$50 million for South Korea and \$54.5 million for planes for Taiwan.

I was much opposed to the planes for Taiwan. I had opposed that in passage of the foreign aid authorization bill on November 20. So, I voted against that amendment. But it was passed by a large vote. So that there was \$50 million in there for South Korea.

It was my understanding that the South Koreans, if they got this money, they would be able to buy a very large amount of rice. So when Mr. Rocca called me on December 10 and mentioned that, I was able to say we did that yesterday.

On December 11, when Mr. Park came in, there was no large conversation about it. We discussed the sale of rice. I said, "We now have the money in the foreign aid bill, we will be able to buy the rice."

That was about it. We did not discuss legislation from the point of view of what he was interested in.

I don't believe—I am certain he did not mention to me the need of Korea for military aid. In fact, it is my opinion that at that time Korea did not need military aid. There were 50,000 South Korean troops in South Vietnam. They were getting large funding through the defense bill for that.

My purpose, and I think all of those who were interested in rice from the States that I mentioned, including the chairman of the subcommittee, were interested in seeing that that money was put in there for the purpose of allowing South Korea to buy the rice.

Ms. KUEBLER. Mr. McFall, you served on the Appropriations Committee for a number of years. Is that unusual, for there to be several reasons behind certain items in the legislation? Is it unusual for there to be domestically related reason behind an amendment in a foreign aid appropriations bill?

Mr. McFALL. I would bow to the opinion of the other members of the committee who are listening, but in my opinion many times there are amendments put in the foreign aid bill especially in order to assist our domestic industry.

A large part of the money that is in the foreign aid bill is for purchase of materials in the United States.

Ms. KUEBLER. Mr. McFall, during this meeting with Mr. Park, did Mr. Park ask you to do anything?

Mr. McFALL. No, he did not.

Ms. KUEBLER. Did he ask you to insert any items in the Congressional Record?

Mr. McFALL. No, he did not.

Ms. KUEBLER. Did he ask you to vote in any particular way in any committee matter?

Mr. McFALL. No, he did not.

Ms. KUEBLER. Did he discuss with you the possibility that you might become a conferee on the foreign aid appropriations bill?

Mr. McFALL. No, he did not. I assume he knew that. I knew that. I don't think Mr. Park had to discuss with me my vote. He knew that I was in favor of providing these funds for South Korea for the purpose of purchasing the rice.

That was my purpose. I think that was his purpose. Or, I assumed that that was his purpose. I don't think there was any necessity for him to ask me to do anything. He knew that I was sympathetic to both his and my mutual interest in this.

Ms. KUEBLER. What were his and your mutual interests?

Mr. McFALL. The purchase of the rice by South Korea.

Ms. KUEBLER. Thank you.

Then Mr. Park did not ask you to do anything in the upcoming conference on the foreign aid appropriations bill?

Mr. McFALL. No.

Ms. KUEBLER. He didn't ask you to hold fast in the position you had taken in committee?

Mr. McFALL. No. I assumed that he would think that I would do that.

Ms. KUEBLER. Mr. McFall, do you consider what you just told this committee, that you told Mr. Park, to be the discussion of a legislative matter?

Mr. McFALL. I don't believe so. I think it was a discussion of rice, from my point of view. The legislative matter was over. He didn't ask me to do anything. I just told him, "Well, we have got it, we have got the money there, and we will be able to buy the rice."

We didn't discuss the matter from the legislative point of view that had already been accomplished.

Ms. KUEBLER. And you simply told him that this had happened as a matter of information?

Mr. McFALL. That is right. Of course, he knew it.

Ms. KUEBLER. Mr. McFall, did you send a letter to Tongsun Park on or about December 1969?

Mr. McFALL. Yes, I did.

Ms. KUEBLER. Do you recall what the contents of that letter were?

Mr. McFALL. Well, the letter is in the record, of course. Basically it was a letter from my point of view praising him for his selling California rice. I suppose the contents of the letter are available to the committee, and it speaks for itself.

But from my point of view, we were merely thanking Mr. Park for his participation in selling the rice. I thought that was what he wanted the letter for.

Ms. KUEBLER. Mr. McFall, I am going to pass over to you the set of committee documents, most of which were introduced into the record at hearings last week. I would like you to take a look at committee exhibit M-4 and tell us what that is.

Mr. McFALL. That is a letter dated December 24, 1969 to Mr. Park and signed by me.

Ms. KUEBLER. Thank you, Mr. McFall.

Would you tell us the circumstances that you recall surrounding this letter? How did you happen to come to send that letter?

Mr. McFALL. Well, Mr. Park asked Ray Barnes, my assistant, if I would send such a letter and he relayed the request to me and I agreed to send it.

Mr. Barnes composed the letter. He found in the files a letter from Mr. Edwin Edwards, who was then a Member of Congress, which was similar to this, and I presume that someone gave us a copy of something to follow.

Ms. KUEBLER. Mr. McFall, that letter to which you referred I believe is committee exhibit M-3. If you would also take a look at that. The marks are at the top. They are slightly hard to read.

Mr. McFALL. I have it.

Ms. KUEBLER. When do you recall the first time that you saw that draft letter which is M-3?

Mr. McFALL. I didn't see this draft letter until we went through the files after this investigation started.

Ms. KUEBLER. But now that you look at it, you assume it was a letter which Mr. Barnes used to prepare the letter which you sent to Mr. Park?

Mr. McFALL. That is correct.

Ms. KUEBLER. Now, did Mr. Park himself ask you to send this letter?

Mr. McFALL. No, he asked Mr. Barnes and Mr. Barnes asked me if I was willing to send the letter, and I said yes.

Ms. KUEBLER. What did Mr. Barnes tell you that Mr. Park had said was the reason why he wanted this letter?

Mr. McFALL. Well, I don't really recall any specific reason other than I thought he had done a good job in selling the rice and he wanted a letter from me expressing my thanks and appreciation for the job that he had done.

Ms. KUEBLER. And what was your impression of the motivation for that request?

Mr. McFALL. I thought it was for his own personal benefit, so that he might be able to show whatever people he may have involved, either with my people in California, or whoever he did business with in Korea, to indicate that he had done a good job.

Ms. KUEBLER. Why did you agree to send the letter? Why do you think you agreed to send the letter?

Mr. McFALL. Because I wanted him to keep right on selling the rice for us.

Ms. KUEBLER. All right. Thank you, Mr. McFall.

Mr. McFall, on or about December 1969, do you recall that you received a gift of cuff links?

Mr. McFALL. Yes, I did. It was left at my office, either by Mr. Park or someone from his office.

Ms. KUEBLER. Do you recall exactly the circumstances of the gift?

Mr. McFALL. Well, I didn't see Mr. Park. I recall getting a small box tied with some sort of paper, and there was—I had forgotten it, but—

Ms. KUEBLER. Did the donor, did the giver of this gift hand it to you personally?

Mr. McFALL. I don't believe so. I think he left it at the office. I found it among the other small Christmas presents that I had received.

Ms. KUEBLER. How did you find out who had left this for you?

Mr. McFALL. Well, the staff told me.

Ms. KUEBLER. Do you recall exactly who talked to you about it, or who might have?

Mr. McFALL. One of the girls in the office, I suppose. Mrs. Stevens was handling the matters at that time. It could be almost anybody in the office.

Ms. KUEBLER. Did they tell you who brought it by?

Mr. McFALL. No. I don't recall whether they did or not—whether it was Mr. Park or whether it was somebody from his staff.

Ms. KUEBLER. Did you at any time have the impression that those cuff links had been left for you by Mr. Park?

Mr. McFALL. Well, I had remembered all the time that those cuff links came from Mr. Park.

Ms. KUEBLER. So it is fair to say that at the time you must have had the impression they came from Mr. Park?

Mr. McFALL. That is correct. Now, I find that I have a letter in my file where I was supposed to write to this Prime Minister, and I recall that someone told me that Mr. Park asked me to send a letter to this Prime Minister.

But all this time, during this investigation, until that letter was called to my attention, I felt that those cuff links came from Mr. Park.

Ms. KUEBLER. Mr. McFall, that letter is committee exhibit M-4, which you have there. Would you mind just taking a look at that? I have it.

Ms. KUEBLER. Mr. McFall, did you prepare that letter?

Mr. McFALL. I believe that the letter was prepared in a routine way by Mrs. Stevens, as I recall.

Ms. KUEBLER. Would you look at the signature?

Mr. McFALL. The signature block shows my signature, Ray Barnes, and then the typist would be Alice Stevens.

Ms. KUEBLER. And what does that—

Mr. McFALL. That indicates—

Ms. KUEBLER. What does that indicate in your common office practice?

Mr. McFALL. That indicated that Mr. Barnes prepared the letter and Mrs. Stevens typed it.

Ms. KUEBLER. Do you recall did you sign that letter?

Mr. McFALL. Yes.

Ms. KUEBLER. Do you recall signing that letter?

Mr. McFALL. I must have signed the letter, but I don't have any independent recollection of signing the letter.

Ms. KUEBLER. Would it have been normal practice for you to sign that letter in a group with other letters?

Mr. McFALL. That is correct. I probably would have had a number of letters prepared for thanks for other Christmas gifts, and this was one of them.

Ms. KUEBLER. But just to summarize, would it not be fair to say that from the beginning of this investigation, when you were focusing in on this until the time this letter was discovered in your files, the only recollection that you had was that you received this gift of cuff links from Tongsun Park?

Mr. McFALL. That is correct. In my earliest statement in this matter to the FBI I listed this as a present from Mr. Park and I did not recall if there was any letter that had been sent to anybody else.

Ms. KUEBLER. Mr. McFall, we have heard there was a small business card connected with that gift with the name Chung Il Quon on it, I believe.

Do you have any recollection of seeing that card at the time of the receipt of the gift?

Mr. McFALL. Yes, I remember seeing the card because I had never seen a Korean card before, and it was a rather unique looking card. I had no idea what Mr. Park's connection might be with this fellow, but I remember seeing the card.

Ms. KUEBLER. But that didn't strike you as anything unusual?

Mr. McFALL. No.

Ms. KUEBLER. Mr. McFall, you stated that you yourself did not prepare that letter and it was prepared at the direction of others.

Who in your office would have determined who would receive thanks for the gift?

Mr. McFALL. Well, I mean, Mr. Barnes probably told Mrs. Stevens what to write. He determined this.

I suppose Mrs. Stevens also wrote routine letters to the others in which she composed the letters, and she may have composed this one, I don't know, after Mr. Barnes told her whom to write to.

Ms. KUEBLER. But to the best of your knowledge it would have been Mr. Barnes who would have determined to whom the letter would have been addressed?

Mr. McFALL. That is correct.

Ms. KUEBLER. Thank you.

Now, Mr. McFall, you have just testified you remember meeting once with Mr. Park in December of 1969 following a specific request from Mr. Rocca that you do so.

Do you recall the next time you met with Tongsun Park?

Mr. McFALL. Well, the next time I believe that I saw him in my office was some time in June 1961.

Ms. KUEBLER. Maybe 1971?

Mr. McFALL. Yes, 1971, but I don't recall any conversation at that time. I have tried to.

The next time where I really remember a conversation was November 1972.

Ms. KUEBLER. Mr. McFall, let's focus on this June 1971, period just for now. Was there anyone else in the room with you and Mr. Park during this meeting?

Mr. McFALL. Well, the records in my office show that Mr. Park came for a meeting with me in June of 1971.

Ms. KUEBLER. Do you recall anything about this meeting?

Mr. McFALL. No, I don't. I don't recall our conversation and I have heard testimony that Mr. Barnes was in the room. I really don't have an independent recollection of this meeting. It couldn't have been for very long. But my records in my office do show that he was there, and so I have to assume that I met with him at that time.

I don't have any independent recollection of the meeting or what we discussed, and when I had not thought about it until I was examined in the deposition taken earlier, and I have read over the deposition and I have tried to recall.

I just don't really have an independent recollection of what we discussed at that time.

Ms. KUEBLER. Did you ask Mr. Park to purchase a ticket or tickets to the Democratic fundraising, congressional fundraising dinner?

Mr. McFALL. No, I did not, and I did not know that anyone had asked him to buy tickets to the dinner, and I did not know that he had bought tickets to the dinner.

Ms. KUEBLER. Mr. McFall, would you please look at M-7 in the committee's exhibits.

Mr. McFALL. Yes, I have.

Ms. KUEBLER. And would you review that and tell this committee what that letter is and what you think that letter is?

Mr. McFALL. Well, this is a copy of a tissue copy letter we found in our files during this investigation. It's a letter addressed to Mr. George Blair in Lake Charles, La., expressing my thanks for his contribution to the congressional dinner held, I believe, in August 1971.

At the bottom of the letter there are indications that it was also sent to Mr. Tongsun Park at Pacific Development Inc. and three other people, a copy of the same letter.

Ms. KUEBLER. Mr. McFall, did you have an independent recollection of sending this letter prior to the discovery of this tissue in your files?

Mr. McFALL. No; I did not.

Ms. KUEBLER. Does the placement of the four signature blocks on the bottom indicate that identical letter would have been sent to those five individuals, and that you would have signed five letters in a group at one point?

Mr. McFALL. To the best of my recollection these letters would have been brought in by someone on my staff, all prepared in a pile, and the staff person would have said these are thank you letters to the people who donated funds to the congressional dinner for which you got credit, and will you sign them. And I signed them all, looked at the top one, leafed through them, and signed them all.

I don't recall ever seeing the name Tongsun Park in any one of those letters.

Ms. KUEBLER. Mr. McFall, you just mentioned that you got a credit with the dinner committee. I am not sure everyone understands what the credit system is.

Do you think you could briefly state what your understanding is of what your use of the term "credit" with the dinner committee meant?

Mr. McFALL. Well, people who buy tickets to the Democratic congressional dinner have the option of saying that it should be given to the credit of a particular Member. They don't have to do that. There is a line in the donation form that says the credit should be given to a certain Member, and later on those Members are notified as to how much credit they got and they are credited with raising so many tickets or so much money for the dinner.

Ms. KUEBLER. Does the credit have any correlation with the amount of money that you might receive back from the Democratic dinner committee?

Mr. McFALL. No. The fact is in those years I was not receiving money from the Democratic campaign committee because I didn't need it. I don't believe I received very many funds from the Democratic campaign committee, except in the beginning when Mr. Kirwan was the chairman of the committee and in recent years I have not received funds.

I don't recall any more than perhaps \$1,000 ever coming from them.

Ms. KUEBLER. So the term credit is simply a bookkeeping method used by the Democratic dinner committee?

Mr. McFALL. Yes.

Ms. KUEBLER. Mr. McFall, would you look again at that letter and tell me if you remember soliciting any of those other four individuals for a contribution to the dinner committee?

Mr. McFALL. No; I did not.

Ms. KUEBLER. Mr. McFall, did Mr. Park give you the contribution intended for the Democratic dinner committee?

Mr. McFALL. No; he did not.

Ms. KUEBLER. Do you recall Mr. Barnes telling you that Mr. Park had handed Mr. Barnes a contribution for the Democratic dinner committee?

Mr. McFALL. No; I am sure he did not.

Ms. KUEBLER. Mr. McFall, is it fair to say that every year that the Democratic congressional committee holds a dinner, you make an effort to sell tickets on behalf of that dinner?

Mr. McFALL. That is correct.

Mr. Johnson, Mr. Corman, and I generally have been the ones in California who have endeavored to sell the tickets.

Ms. KUEBLER. Thank you, Mr. McFall.

Would you now turn to committee exhibit M-6 and look at that briefly and tell the committee what that is?

Mr. McFALL. It's a letter dated June 18, 1971, addressed to President Park of Korea from my office, signed by me.

Ms. KUEBLER. Do you recall the circumstances under which this letter was sent? Do you remember why you sent that letter?

Mr. McFALL. Well, to the best of my recollection Mr. Park asked Mr. Barnes again if I would send such a letter. I believe there was some sort of a draft of a letter and I said that I would.

I told Mr. Barnes I didn't see—I can't recall talking to Mr. Park about it.

Ms. KUEBLER. In other words, you are saying Mr. Park, you do not remember that Mr. Park asked you.

Mr. McFALL. No; he did not ask. I recall that he did not ask me for the letter.

Ms. KUEBLER. Do you recall who did ask for the letter?

Mr. McFALL. Well, he asked Mr. Barnes for the letter.

Ms. KUEBLER. Do you know definitely that a draft had been supplied for the letter to Mr. Barnes?

Mr. McFALL. No; I do not. I would have to defer to the examination that was held here by the committee of Mr. Barnes when he was asked about this letter. He was the one who composed it, and whatever he said would be the truth.

Ms. KUEBLER. Do you remember what Mr. Barnes may have said as to why Mr. Park said he wanted this letter?

Mr. McFALL. No; I don't. It was in a sense——

Ms. KUEBLER. What was your impression of why Mr. Park wanted it?

Mr. McFALL. Well, I assumed that this again was to help him in selling rice to the South Koreans. I didn't know that he had any problem with his rice agency until all of this matter of this investigation came up and the matter was discussed in the newspapers.

It was merely on my part a good will gesture to Mr. Park, in an attempt to help him in his rice sales.

Ms. KUEBLER. Mr. McFall, would you look at the third and fourth paragraphs of this letter and tell the committee what, you know, what did you mean by those paragraphs?

Mr. McFALL. Well, the paragraph reads: "Our hope and expectation"——

Ms. KUEBLER. Mr. McFall, they have copies of the exhibit before them.

Mr. McFALL. The committee has the copies. The third paragraph——

Ms. KUEBLER. Well, you know, just what do you think you meant by saying those words, using those words?

Mr. McFALL. I refer to efforts, mutual efforts on our shared goals for a free Asia. I have been a strong supporter of South Korea since I have been in Congress, and I am now.

I believe that has been our foreign policy. I was saying I wanted to assist our mutual efforts to retain freedom in Asia, and the troops were still, South Korean troops were still in South Vietnam in 1971, I believe, and until very close to 1973, and the South Koreans were our allies and were helping us with what we were doing in Southeast Asia.

I might say with reference to paragraph 4 where I say, "Assist in advancing some of the presidential and congressional recommendations regarding aid for South Korea," I meant President of the United States and the Congress recommendations concerning aid to Korea.

Ms. KUEBLER. And on the following page in this letter where you refer to your capacity in the House and as majority whip, is it your testimony then that you were saying that you were simply in a position where you would carry out the congressional and presidential recommendations?

Mr. McFALL. That is correct.

Ms. KUEBLER. As a part of the leadership?

Mr. McFALL. That is correct. I am referring to the Presidential and congressional objectives and our relationship with South Korea.

Ms. KUEBLER. In other words, you were mentioning this as part of the team, you were not planning on striking out on your own?

Mr. McFALL. That is correct.

Ms. KUEBLER. Therefore, you made some specific recommendations of the President or Congress that you were thinking about or that Mr. Barnes might have been thinking about when he drafted this?

Mr. McFALL. I don't think there were any specific recommendations that I know of, just generally that I wished to express my friendship for South Korea and their importance to the security of the United States.

Ms. KUEBLER. OK. Thank you, Mr. McFall.

Now, let's turn from that exhibit and go forward in time.

Do you recall having any meetings with Mr. Park in 1972?

Mr. McFALL. I met with Mr. Park in my office on November 13, I believe, of 1972.

Ms. KUEBLER. Mr. Park, I am sorry, McFall, I am still back on last week.

Mr. McFALL. Mr. Park is handsomer and younger than I am.

Ms. KUEBLER. Mr. McFall, would you please tell the committee what you remember about what happened at that meeting with Mr. Park?

Mr. McFALL. Well, Mr. Park asked for an appointment. I knew he was coming. He came into the office, in my office in the Rayburn Building. He walked up to me, I stood up to shake his hand, and he handed me an envelope and said, "Here's something to help you with your campaign expenses." And since the election was over the week before I said, well, I don't have any campaign expenses. I will put this in my office account, and I put the envelope in my pocket.

We then discussed again foreign affairs. So far as I can tell we didn't talk about any legislative matters that were before the Congress. Again, general security.

I think of Mr. Park as a businessman who has knowledge of Southeast Asian matters, a man who attended the Georgetown Foreign Affairs School and who knew something about foreign affairs, he knew something about Southeast Asia.

He was a very friendly man, and I enjoyed my conversation with him. But it was a general conversation about mostly again, we are still in South Vietnam in 1972. I guess I talked about South Vietnam with almost everybody who came into my office trying to figure out what was going on.

Ms. KUEBLER. Mr. McFall, do you recall what, if anything, Mr. Park said to you when you said, well, I don't have any campaign expenses, but I will put it in my office account?

Mr. McFALL. Well, I don't recall any specific expression except that of a nod of agreement, or he certainly didn't say no, I didn't want to do that. He just seemed to agree to it.

Ms. KUEBLER. But he indicated as far as he was concerned that was a proper placement?

Mr. McFALL. That's correct.

Ms. KUEBLER. Did Mr. Park ask you to do anything for him in that meeting?

Mr. McFALL. Not that I can recall.

Ms. KUEBLER. Did he ask you to take, to make any specific votes or insert anything in the Congressional Record?

Mr. McFALL. No; he never asked me to put anything in the Record. He never asked me to vote in any particular way. He never asked me to take any legislative action in our relationship.

The only time we ever were close to discussing anything that happened in the Congress was in our first meeting where we discussed, I expressed satisfaction that we had passed the foreign aid bill, and thus we had the money to buy the rice.

Ms. KUEBLER. Now, we are down to this meeting in 1972.

Did you open the envelope while Mr. Park was in the room?

Mr. McFALL. No; I did not. I never opened the envelope. When he left I took the envelope into my administrative assistant's office in the middle and just handed him the envelope and said, "Here's something for the office account from Mr. Park."

Ms. KUEBLER. Did Mr. Barnes open the envelope then?

Mr. McFALL. Well, I don't recall; not in my presence.

Ms. KUEBLER. Did he eventually tell you what was in it?

Mr. McFALL. Yes, he told me there was \$1,000 in it, and we deposited that in this office account on November 14. I have seen the deposit slip and on the deposit slip is written, "Park."

Ms. KUEBLER. When did you learn Mr. Barnes had deposited the donation from Mr. Park in the office account, the next day?

Mr. McFALL. Well, either the next day or the day after that.

Ms. KUEBLER. Now, did you know that at the time that Mr. Barnes had made that deposit?

Mr. McFALL. Well, he made it right away. I believe I did. I don't recall. Mr. Barnes used to handle the office account, and I had great trust in him. I assume he put it into the account. Later on, I have seen that slip so many times and I have gone over this so many times, when we—

Ms. KUEBLER. Well, Mr. McFall, let me rephrase that.

Mr. McFALL. I don't really recall whether or not he told me specifically the next day, "Hey, I took that money and put it in the bank." I don't believe he did that.

Ms. KUEBLER. Would it be fair to say you first learned he deposited the \$1,000 from Mr. Park that was given to you on the 13th of November; that that was deposited in the bank on the 14th; did you learn about that by looking at the office account records some time when this investigation began?

Mr. McFALL. I believe that is true. I don't believe I ever thought of it again, I just handed him the money and assumed that he was going to take care of it.

Ms. KUEBLER. But you told him to put it in the office account?

Mr. McFALL. That's correct.

Ms. KUEBLER. Mr. McFall, we are now going to proceed into 1972. You mentioned earlier in testimony that in 1973 you were selected as majority whip.

Mr. McFALL. That's correct.

Ms. KUEBLER. And did you visit with Tongsun Park at any time in 1972?

Did you have any meetings with him?

Mr. McFALL. Well, except for the, oh, yes, I had one meeting with him in the early part of 1973 with reference to the dinner

that he was going to give me. He came into my office, in the whip office in the Capitol, and I believe he was there for 4 or 5 minutes. He really wanted to find out whether or not I wanted to have the dinner, and we discussed that briefly and exchanged pleasantries, and it was a very brief meeting.

Ms. KUEBLER. How did you first learn that Mr. Park wanted to give a congratulatory party for you?

Mr. McFALL. Well, he contacted Mr. Barnes and asked if he could give me a dinner and I at first said no, I didn't want a dinner. And he persisted.

Mr. Barnes persisted, and finally I agreed to it.

Ms. KUEBLER. Why were you reluctant about the dinner initially?

Mr. McFALL. Well, I am not a very social person and I didn't really care about having a dinner in my honor. But he seemed to think that it was something he wanted to do and Mr. Barnes said, well, he only wants to give you a dinner. He has given others. I had been down to the George Town Club for dinners in honor of Virginia Knauer, who was Mr. Nixon's consumer representative.

I was there for, briefly, for a dinner that he gave for Senator Saxbe, and I didn't stay very long at Senator Saxbe's dinner. And finally I agreed to the dinner.

Ms. KUEBLER. Now, do you remember that you and Mr. Park discussed anything at this meeting that you just told us about besides the party?

Mr. McFALL. Well, I have seen in the deposition a discussion of whether or not Mr. Park asked me about a picture; we discussed a picture. And there seemed to be a considerable number of questions about whether or not we talked about a picture.

Well, at that time I was looking for a picture for the office that would depict California and it had a lot of very small pictures of maybe members of the committee that had been in that office, a very large wall and these very small pictures on there, and I thought it would be nice if I could find some kind of large picture that would depict California, because I had one of the Golden Gate Bridge, which I had borrowed, and I guess we talked about the possibility of my getting some kind of a picture.

All I had was the water colors which my artistic friends said didn't look very good.

Ms. KUEBLER. Did Mr. Park ask you to send any letters for him during this meeting?

Mr. McFALL. No.

Ms. KUEBLER. Mr. McFall, can we establish the date of this meeting? Do you remember when this meeting was?

Mr. McFALL. Well, we have an exhibit I think that has all of the dates of the meetings and whatever that date is it was just before the—

Ms. KUEBLER. Would it be, Mr. McFall, do you recall it was on or before February of 1973?

Mr. McFALL. I believe so, but we have to go back through our records and try to find out the dates of all of these meetings, and I don't recall exactly the date, but I am sure that the staff has a record showing when this particular date was.

Ms. KUEBLER. That's fine, Mr. McFall.

I am just trying to get that approximate timing of this meeting on the record.

Mr. McFALL, would you turn to committee exhibit M-9 and look at that and briefly tell us what that is?

Mr. McFALL. Well, that is a letter dated February 23, 1973, addressed to President Park again, and signed by me.

Ms. KUEBLER. Do you remember why you sent this letter?

Mr. McFALL. Well, Mr. Park wanted me to thank President Park for buying all of the entire California rice crop in 1972. And I asked, I was uncertain as to what to say.

That was the letter where we asked for a draft and we have the draft in the file, and Mr. Park prepared the draft for me.

Ms. KUEBLER. Mr. McFALL, did Mr. Park discuss this letter with you?

Mr. McFALL. Not in the meeting in February in my whip office.

Ms. KUEBLER. Did he ask you for it?

Mr. McFALL. No.

Ms. KUEBLER. Whom did he ask for it?

Mr. McFALL. He asked Mr. Barnes again for the letter. It was his custom to ask Mr. Barnes for these matters.

Ms. KUEBLER. Mr. McFALL, in looking over that letter, do you see anything unusual about it?

What do you think you intended to do in sending this letter? Did you intend to do anything other than congratulate him for buying the rice?

Mr. McFALL. Well, basically that was my purpose; to thank the President for the purchase of the entire California rice crop in 1972, and also to indicate that Mr. Park was very helpful in making certain that the rice deal went through. We also added expressions of friendship and support for South Korea.

Ms. KUEBLER. Mr. McFALL, would you specifically look at paragraph 3, the third paragraph on the first page of that letter and look over that and tell the committee what you think you meant by the words in that paragraph?

Mr. McFALL. Well, you know, here again I am saying—

Ms. KUEBLER. For example, what did you mean by "more meaningful assistance in those areas in which the interests of your country and mine converge"?

Mr. McFALL. Of course, this letter was prepared for my signature. I read it over. I didn't see that I had said anything other than very friendly expressions of friendship, to be redundant, toward South Korea, and I said, "In those areas where the interests of our country and mine converge", I said previously, "our mutual interests", and I considered that South Korea was our ally in February of 1973.

Our interests would be similar in Southeast Asia, and I could see no harm in saying that I supported continued mutual friendship with South Korea.

Ms. KUEBLER. Did you look upon this letter or do you now look upon this letter as anything more than a routine courtesy?

Mr. McFALL. Well, I looked upon it as an assistance in the selling of the rice, all the way through I referred to our, to the purchase of rice by South Korea. And I had hoped that it would assist in the continuation of South Korea's purchases.

Ms. KUEBLER. Thank you, Mr. McFall.

You have mentioned a little earlier that in February Mr. Park met with you to discuss having a party for you.

Did he, in fact, give you such a party?

Mr. McFALL. Yes, he did.

Ms. KUEBLER. Was he the only sponsor of the party?

Mr. McFALL. No; there were invitations sent out to other Members. We received a copy of the invitation and it had Mr. Hanna, Mr. Minshall and Mr. Park as the sponsors of the party.

Ms. KUEBLER. Were there any Members of Congress besides Mr. Hanna and Mr. Minshall at this party?

Mr. McFALL. There were a number of Members of Congress at the party. The Speaker was there, Mr. Albert, majority leader, now Speaker, Mr. O'Neill, Birch Bayh's wife was there, Elliot Richardson was there, Creighton Abrams, who is now deceased and was then the Chief of Staff. There were about 100 people there, including several Members of Congress, and Mrs. Boggs of Louisiana was there.

Ms. KUEBLER. Did you receive——

Mr. McFALL. Mr. Hanna, Mr. Minshall.

Ms. KUEBLER. Did you receive any kind of commemorative gift at this party, Mr. McFall?

Mr. McFALL. Yes; I received a silver tea set which Mr. Park described in his testimony.

Ms. KUEBLER. What were the circumstances under which you accepted this commemorative gift?

Mr. McFALL. Well, after the dinner, it was a very nice dinner, and some speeches by Mr. Albert and by Mr. O'Neill, Mr. Park, they asked me to come up to the front and they gave me this tea set, and Mrs. McFall was there sitting with me.

Mrs. Boggs stood next to me and helped me unwrap the tea set.

Ms. KUEBLER. But this was in the middle of the assembled gathering?

Mr. McFALL. Yes; there were 100 and I have forgotten how many people were, at least 100 people, and in that small room at the George Town Club.

Ms. KUEBLER. Who did you think was giving you this gift?

Mr. McFALL. Well, they kept the gift until it was engraved, and it was engraved to me: "From his friends in Congress", or "His friends in Washington", that's right.

I assume that Mr. Hanna, Mr. Minshall, Mr. Park and perhaps others might be giving me the gift.

Ms. KUEBLER. Did you ever go to any other dinner such as this and receive a commemorative gift?

Mr. McFALL. No. I went to another dinner or two other dinners for Mr. O'Neill. But I didn't receive a gift.

Ms. KUEBLER. Were you ever at dinners where anyone else received a commemorative gift such as this?

Mr. McFALL. Well, Mr. O'Neill's dinner, he received a gift at each of his dinners.

Ms. KUEBLER. And when you went to this dinner for Mr. O'Neill, who did you think was giving Mr. O'Neill those gifts?

Mr. McFALL. Well, here again the same people sponsored that party, Mr. Minshall, Mr. Hanna and Mr. Park, and——

Ms. KUEBLER. So you assumed that they were all together in making this?

Mr. McFALL. The same kind of a dinner. I assumed it was the same as my own.

Ms. KUEBLER. Thank you, Mr. McFall.

Mr. McFall, I am going to give you two letters which we would like, which are marked respondent exhibit 1 and respondent exhibit 2. And I would like you to look at respondent exhibit 1, if you would, while additional copies are being given to the committee and to the staff.

Mr. McFALL. Yes; I have read both letters.

Ms. KUEBLER. Mr. McFall, before I ask that—

Mr. FLYNT. Mr. Nields, do you have any objection?

Mr. NIELDS. She has not offered them yet, Mr. Chairman, but I have no objection if she does.

Mr. FLYNT. Go ahead, Ms. Kuebler.

Ms. KUEBLER. Mr. Chairman, there being no objection, I would just take this opportunity to ask that respondent exhibits 1 and 2 be admitted into the record of this hearing.

Mr. FLYNT. Is there objection?

Mr. NIELDS. No objection.

Mr. FLYNT. Without objection, they will be received.

[The exhibits follow:]

PACIFIC INTERNATIONAL FOODS Co.,
San Francisco, Calif., October 17, 1974.

HON. JOHN J. McFALL,
Congressman, House of Representatives,
Washington, D.C.

DEAR JOHN: I appreciated the opportunity of talking to you at home last evening about Korea Silo Co., Ltd., and as per your request I will outline below my ideas and a resume of the specifics.

Pacific International Foods Co. of San Francisco, the parent company of Pacific International Rice Mills, Inc., and Pacific International Grain Co., a number of years ago joined with Daehan Flour Mills Co., Ltd., of Seoul, Korea, the largest Korean flour milling complex, to form the Korea Silo Co. The purpose of this 50/50 joint venture of Korean and American corporations was to design and construct a modern bulk unloading terminal for the Republic of Korea at the new Port of Inchon.

Korea has been plagued with the necessity of unloading all of its bulk cargos, essentially grains and rice, by the primitive hand method. This process has been extremely costly, both to Korea and to the United States, in excessive freight rates, vessel delays and losses, through the method of handling and the inadequate storage.

This terminal facility is a "first" for Korea, and the American partner has brought technology and know-how to the operation. The complex is quite impressive, with storage for 150,000 tons of bulk grains, connected to a new, modern pier, with the most sophisticated unloading equipment available in the world today. The vessels will be able to unload at approximately 800 tons per hour in comparison to the present capacity of approximately 1,000 to 1,200 tons per day. There will also be the advantage of being able to unload the vessels in almost any type of weather, while now a great deal of time is lost because of rain and other weather problems. The difference in ocean freight rates, due to the rapid turn around alone on modern bulk carriers, can run as high as \$5 or \$6 per ton of cargo shipped, meaning a tremendous savings to the Koreans and better prices for the American farmers.

This joint effort embodies all of the cooperation shown between the two countries, and has been made possible through the collaboration of the American and Korean partners, and also by the U.S. Department of Agriculture under the Private Trade Entity Program, which has assisted with part of the financing through a 12-year loan. The Korean government has made available the new harbor, which makes the whole plan feasible. The project exemplifies a joint cooperation between both countries and the free enterprise segments within the countries.

We are planning to have an Opening Ceremony, upon completion of the construction of the silos, piers and unloading towers, for the dedication of the facilities in late November of this year, and we were delighted when we heard that President Ford was going to be in Seoul on November 22. With food one of the main areas of concern in the world today, we think that it would be most fitting if President Ford were to take this opportunity to participate in the dedication, showing his interest in America's concern over the food situation in the developing countries and an example of American assistance in solving this critical problem. The President's recognition and participation in this coalition of American/Korean progress would be extremely beneficial to both President Park and President Ford and to the countries involved.

The ceremony itself could be quite short, and both Presidents could cover the distance from the Blue House in Seoul to Inchon by helicopter in a few minutes. By automobile the time required for travel is about 45 minutes.

I am enclosing a picture of the site, taken during construction, and an artist's conception of the pier, to give you some idea of the scope of the project, the cost of which is \$11,000,000.

Your assistance, John, on the above would be very much appreciated, and I am confident would be an exemplary action for the President to perform.

Cordially yours,

C. M. ROCCA,
Executive Vice President.

NOVEMBER 13, 1974.

Mr. C. M. ROCCA,
*Executive Vice President, Pacific International Foods Co.,
San Francisco, Calif.*

DEAR CURT: We have now received a further reply from the White House concerning an invitation to President Ford to attend the dedication ceremony of the new bulk unloading terminal at the Port of Inchon.

Unfortunately, it confirms the information that Ray Barnes gave to you by telephone during your recent conversation with him.

As you will note from the enclosed letter from the President's Appointment Secretary, Warren S. Rustand, the President's tight schedule will not permit adding an additional engagement. It is our understanding that the President will be in Korea for only one day, on November 20.

Sorry that we could not work this out, but apparently conditions were such that it could not be done. I hope we will have better luck next time.

Best wishes,

JOHN J. MCFALL,
Member of Congress.

THE WHITE HOUSE,
Washington, D.C., November 6, 1974.

Mr. RAY BARNES,
*Administrative Assistant to the Majority Whip,
House of Representatives, Washington, D.C.*

DEAR MR. BARNES: Max Friedersdorf forwarded, along with his own personal endorsement, your letter and the attached correspondence to Congressman McFall from Mr. C. M. Rocca inviting the President to attend opening ceremonies of the new bulk terminal at the Port of Inchon when he visits Korea.

The President is most appreciative of the kindness of Congressman McFall in bringing Mr. Rocca's letter to his attention and is grateful for the invitation to attend this opening at Inchon. While he would like to have the opportunity to do this, he will be on such a tight schedule during the brief time he is in Korea it will not be possible to add this engagement to his itinerary.

With the President's very best wishes.

Sincerely,

WARREN S. RUSTAND,
Appointments Secretary to the President.

Ms. KUEBLER. Mr. McFall, do you recognize respondent exhibit 1?

Would you please describe that exhibit for the committee?

Mr. McFALL. Well, I don't know which number it is, but the letter, the first one that I have is a letter dated October 17, 1974, on the letterhead of the Pacific International Foods Co., San Francisco, and it's addressed to me, and it is signed by C. M. Rocca, executive vice president of the Pacific International Foods Co.

It says briefly that he appreciated the opportunity to talk to me the night before, and he asked me to try to get President Ford to attend a dedication for a bulk loading facility which he had constructed in South Korea.

Mr. Ford was making an Asiatic trip, and he asked me if he could, if I could try to get President Ford there. He also wanted to get President Park of Korea to be present also.

He had called me and talked to me on the phone about this the day before. Now, I don't recall whether or not I was in my district, in my district office or whether or not I was in my home in Alexandria, but I talked to him about this and I asked him to send me a letter describing what he wanted me to do.

He agreed to do it. I said, send the letter to the Washington office so that Mr. Barnes will have a description of what you want me to do.

He also in the conversation asked me to send a telegram to Tongsun Park asking him to try to get President Park to come to such a joint ceremony.

Ms. KUEBLER. I might just point out for the members, any of the members, the telegram which Mr. McFall just mentioned is a committee exhibit M-10 which has already been admitted into the record. So this letter dated October 17 from Curt Rocca summarizes Curt Rocca's request to you which he had made in a telephone call the previous night?

Mr. McFALL. That is correct.

Ms. KUEBLER. To you?

Mr. McFALL. Except I am trying to find it, but he does not mention in the letter his request for a telegram to Tongsun Park.

Ms. KUEBLER. But you recall he had made such a request to you?

Mr. McFALL. He did make such a request and I told him that we would do the whole thing, and then I contacted Mr. Barnes and told him that a letter was coming from Park and he had asked us to try to get President Ford there and asked us to send the telegram to Tongsun Park, and such a telegram was sent by Mr. Barnes.

Ms. KUEBLER. Mr. McFall, I believe you just said a letter coming from Mr. Park. Was that correct?

Mr. McFALL. No. He asked me in the telephone conversation.

Ms. KUEBLER. This is Mr. Rocca asked you?

Mr. McFALL. Mr. Rocca asked me to do all of the things that he outlines in his letter. In addition to that, he asked me to send a telegram to Mr. Park.

Ms. KUEBLER. And did you think this was a reasonable request?

Mr. McFALL. Well, yes, it was a request from, in a sense, a constituent, although I guess Mr. Rocca does not vote in my district. But in view of our longtime relationship, and I saw an attempt to help him with his business in Korea, but it not only would help him personally, it would help California ricegrowers because if

we could have gotten the bulk loading facility operating in Korea we would be able to ship rice much cheaper than they would be able to ship the bagged rice out of New Orleans.

We have to compete with shipments out of New Orleans, and a bulk loading facility would give us a real leg up, because it would be cheaper for California rice, if we can get it through this bulk loading facility.

Ms. KUEBLER. Did Mr. Rocca tell you Mr. Park had an interest in this joint venture, in this bulk loading facility?

Mr. McFALL. Well, I thought perhaps he did, and I said at the time of the deposition that I thought that was perhaps the reason that he asked me to send him the telegram. I have since discussed the matter with Mr. Rocca and, of course, there is evidence before the committee from Mr. Park that he did not have such an interest.

Mr. Rocca told me that he met Mr. Park, Mr. Tongsun Park, in San Francisco in September, and that Mr. Park had suggested that anytime he needed any help with anything in Korea he would be glad to do it. And for that reason, Mr. Rocca said he asked me to send the telegram to Tongsun Park.

Ms. KUEBLER. Mr. McFall, would you please look at respondent exhibit 2, which is two pages, and just briefly mention, tell the committee what that letter is?

Mr. McFALL. Well, the first is a letter dated November 13, 1974, to Mr. Rocca, enclosing a letter from Warren S. Ruston, the appointment secretary to the President, the President, from the White House, and says that the President could not come to Mr. Rocca's dedication ceremonies.

I forwarded that letter to Mr. Rocca on November 13, and explained to him that Mr. Ford's schedule was too tight and did not permit his attending the ceremony.

Ms. KUEBLER. In other words, this letter and the enclosure represents the culmination of your office and your staff's efforts to try to comply with Mr. Rocca's initial request to you?

Mr. McFALL. That is correct. Mr. Barnes and staff did it all. I was out in California in November, well, no, they did it all. But on November 13, I probably was back in Washington, and I signed the letter in Washington, I believe.

Ms. KUEBLER. Thank you, Mr. McFall.

Do you recall, you have just mentioned that in October of 1974 you were in the California area.

Do you recall taking a telephone call from Mr. Barnes during this period?

Mr. McFALL. Yes. In October, on or about October 18 or thereabouts, Mr. Barnes called me to tell me that we had received a campaign contribution from Mr. Park.

Ms. KUEBLER. But he used the term "campaign contribution"; is that what you just testified?

Mr. McFALL. Well, yes. He said we have received a contribution from Mr. Park, and he said there is a letter with the saying, "Good luck in the campaign," and he also told me, I remember now, you can't take a campaign contribution from a foreign national. So he said what will I do with it?

I said, well, keep it there until I get back and then we will figure out what to do with it.

Ms. KUEBLER. But, by giving Mr. Barnes that instruction did you feel you were accepting the contribution at that point by giving Mr. Barnes that instruction?

Mr. McFALL. No. Since Mr. Barnes felt I could not accept a campaign contribution from Mr. Park, as we had earlier tried to find out whether or not contributions from foreign nationals were permissible, I thought, well, we will have to sit down and figure out what to do with this money. We can't take it as a campaign contribution, and so I just told him to hold it until such time as I could discuss it with him.

Ms. KUEBLER. And did you eventually have that discussion with Mr. Barnes?

Mr. McFALL. When I came back to Washington we sat down in my office at the Rayburn Building and determined what to do with it, and finally determined that we should put it in my office account.

Ms. KUEBLER. Did you instruct Mr. Barnes to place it in your office account?

Mr. McFALL. Yes, I did.

Ms. KUEBLER. Did Mr. Barnes mention to you at any time after that instruction that he may have called to try to get permission to use it in the office account?

Mr. McFALL. No; he did not.

Ms. KUEBLER. Do you know the method and the timing which Mr. Barnes used to place the \$3,000 in the office account?

Mr. McFALL. I know it now, but I did not get that information until October of 1976.

Ms. KUEBLER. And how did you eventually learn of the disposition Mr. Barnes had made of the funds?

Mr. McFALL. Well, he called me to tell me that the Washington Post had asked questions about a contribution from Mr. Park, and during the conversation I said, well, you put the money in the office account, didn't you, and he said, yes, but I put it in in installments, and so forth.

Ms. KUEBLER. But that was the first time you learned that he had—

Mr. McFALL. That's correct.

Ms. KUEBLER [continuing]. Done the depositing in the method in which he selected, and which he has already testified to. You mention Mr. Barnes told you there was a note enclosed with the money. Did you ever see that note?

Mr. McFALL. Yes, I saw the note. When I got back to the office and we were discussing what we would do with it.

Ms. KUEBLER. Do you remember anything unusual about the note?

Mr. McFALL. Well, it was a handwritten note. I guess it would be difficult to distinguish between what my recollection of the note was and what I have heard others describe it many times during the course of the investigation; but it was a handwritten note on rather thick cream colored paper, and it said words to the effect, "Good luck in the election," something about "I am sorry I can't

see you personally," or something of that nature, and signed, by I think, "Your friend, Tongsun."

Ms. KUEBLER. Did you tell Mr. Barnes to do anything with the note?

Mr. McFALL. No.

Ms. KUEBLER. Did you learn that he eventually did something with the note?

Mr. McFALL. Yes; I learned that he destroyed the note.

Ms. KUEBLER. What was your reaction when you learned that?

Mr. McFALL. Well, my reaction was that it was gone, and that I wish we had the note.

Ms. KUEBLER. But you were a little disappointed that he decided to throw the note away.

Mr. McFALL. Well, of course, it would have been to our interest to have the note, but Mr. Barnes is my good friend and hard working and I am sure he did whatever he did in what he thought was my interest.

Ms. KUEBLER. Mr. McFall, Mr. Barnes testified earlier that he served as your administrative assistant.

What was your understanding of Mr. Barnes' delegation of authority from you while he served as administrative assistant?

Mr. McFALL. Well, I don't suppose we ever had a job description. Mr. Barnes went to work for me in March of 1963, and his job grew. He was a sort of assistant congressman. He did everything there was to do in the office and managed the office, and helped me with everything that happened in the office. So I guess he did exactly the same thing that other Members' administrative assistants do.

Ms. KUEBLER. Would it be fair to say Mr. Barnes had a broad delegation of authority from you?

Mr. McFALL. That is correct.

Ms. KUEBLER. When you were not in the office was Mr. Barnes in charge?

Mr. McFALL. That's correct.

Ms. KUEBLER. Did you find it necessary—

Mr. McFALL. Sometimes he was in charge when I was in the office, you know.

Ms. KUEBLER. Did you find it necessary to ask Mr. Barnes about every detail of every job he performed during the day?

Mr. McFALL. No; Mr. Barnes was a very competent man. He did many things during the day that I did not know about. He knew a lot about the office, perhaps many things he knew a lot more about than I did.

He did the business of my office and carried on the business as administrative assistant with a lot of independence, and he was a very competent, intelligent man and I have great trust and confidence in him.

Ms. KUEBLER. Mr. McFall, let's just return briefly to Mr. Park. Did you ever meet with Mr. Park in or after 1974? Do you recall any additional meetings with him?

Mr. McFALL. I met with Mr. Park the last time I believe in December 1974. The chronology shows in the whip's office. Whenever the date was, it was very nearly the end of the Congress. Mr. Albert had me sitting in the chair most of the day and I kept

running back and forth to the whip office and Mr. Park had to wait for me, and I really didn't get a chance to talk to him very much.

He came in to wish me Merry Christmas before he went back to Korea. That was the last time I saw Mr. Park in 1974 and until all of this matter started.

Ms. KUEBLER. Thank you, Mr. McFall.

Mr. McFall, you have just testified that you instructed Mr. Barnes to place the \$3,000 donation from Mr. Park in your office account.

Let's move into some events in 1975 that have attracted the attention of this committee concerning your office account.

In 1975 do you remember taking out a loan from your office account?

Mr. McFALL. In July 1975, I wanted to assist one of my daughters in the purchase of an automobile. I took \$1,500 and \$500 from the office account, and helped her buy the car. Within 2 weeks she paid back a portion and in 3 or 5 weeks she paid back the \$1,200, and I owed her \$300, so I told her that I would repay that to the account myself.

I forgot to repay that until later, but it's all repaid. At that time in the beginning of the year there was something like \$3,200 in that account from other sources. Then the Park money was put in, so, in a sense, I had a lot more money in the account than I borrowed.

Ms. KUEBLER. Mr. McFall, were you the only person in your office who ever took a loan from the office account?

Mr. McFALL. No; there were other people in the office that borrowed from the account from time to time, and it was paid back.

Mr. Barnes' mother died, and he couldn't go to the bank. He borrowed \$1,000. When he came back from California after his mother's funeral he went down to the credit union and borrowed \$1,000 and repaid the account. Several other people in the office have borrowed \$500, one person borrowed \$500 twice and repaid it, another person borrowed \$300 once and repaid it.

Ms. KUEBLER. Mr. McFall, did you ever take any other short term loans from the office account that you can recall, anything for travel or anything like that?

Mr. McFALL. Well, the account was used as a revolving account. We would sometimes go and pay for United Airlines tickets.

Ms. KUEBLER. The United Airlines tickets were back to California?

Mr. McFALL. That's right, and then we would get reimbursed by the Clerk and it would go back into the account.

Then I decided to get a United Airlines credit card and we didn't use the account further. I started the account in 1972 with money that I had left over from a District of Columbia campaign committee, which was \$5,047. I guess the cash flow in that account was some \$12,000. Over the period of time I had donations from other people.

Mr. Park's \$4,000 went in there, so there was \$8,000 of other money in that account. I borrowed from it in 1972 from the money that I had had in there originally, paid it back.

The money was used for office expenses, and we filed with the Clerk of the House a complete recapitulation of all of the money that was donated, all of the expenses that were made. I paid income taxes on all of it. And all of the records of the account are filed with the committee.

Ms. KUEBLER. Yes, Mr. McFall.

Mr. McFall, let's turn from 1975 to late October, November of 1976, or I believe maybe summer of 1976 would be a more fair characterization.

What was your reaction in 1976 when the newspapers in Washington started carrying stories about Tongsun Park and his activities?

Mr. McFALL. My first reaction was I am glad I am not involved in that.

Ms. KUEBLER. Did you have any idea that—was there anything in there that you hadn't known before about Mr. Park?

Mr. McFALL. Well, yes. I didn't know about his activities that had come out in the press. Just like other Members of Congress, I knew only about my own relationship with Mr. Park.

For the first part of the press stories, I was glad that I was not involved in it. But I sure found out differently.

Ms. KUEBLER. In other words, Mr. McFall, it is fair to say that you were somewhat surprised by some of these stories because it was almost like it wasn't the same guy?

Mr. McFALL. Well, I knew nothing about Mr. Park's relationship with Mr. Hanna, with Mr. Passman, other Members of Congress. Of course, whatever has been brought up by this committee, except for my own part in the matter, is something I didn't know about.

Ms. KUEBLER. Mr. McFall, you have just mentioned that Mr. Barnes had a conversation with Scott Armstrong of the Washington Post in October of 1976. Did Mr. Barnes talk to you about his conversation with Mr. Armstrong at sometime near the time when he had it?

Mr. McFALL. Well, yes. He called me after he talked to Mr. Armstrong, told me what he had said to Mr. Armstrong. I thought he had told Mr. Armstrong the truth, and told him to just wait and see what happened.

Of course, he testified here from his own memorandum of his conversations with Mr. Armstrong. He told me substantially the same thing. I, from what he told me—I thought that he had told Mr. Armstrong the truth. I thought, well, we would let the matter drop and see what the Washington Post did.

Ms. KUEBLER. Mr. McFall, sometime thereafter you began giving interviews to your local newspapers—is that not the case—about any facts they might want to know.

Mr. McFALL. Well, the Thursday after the election a reporter from the Modesto Bee named Dick LeGrand was interviewing me about the election.

One of his questions was, "Did you have anything to do with Mr. Park?" I said, "Yes." He said, "What?" I said, "Well, Mr. Park gave me contributions to my office account." And that was the beginning of the press stories.

Ms. KUEBLER. In other words, Mr. McFall, in November of 1976 you frankly granted an interview to a reporter from one of your

constituent newspapers and told him the facts that you remembered at that time about anything you might have done with Mr. Park?

Mr. McFALL. When Mr. LeGrand asked me a direct question if I had any relationship with Mr. Park, I told him the truth.

Ms. KUEBLER. Then it is fair to say that you never attempted to hide anything like that from your hometown newspapers?

Mr. McFALL. No.

Ms. KUEBLER. And you continued to grant interviews with those newspapers around that time, is that not the case?

Mr. McFALL. That is correct. The other newspapers—

Ms. KUEBLER. But that was at least 6 months before any involvement of Congress or any other official body here?

Mr. McFALL. That is correct.

Ms. KUEBLER. And is it not also the case, Mr. McFall, on or about December 1976, the files of your office concerning rice and Mr. Park were made available to any members of the press who wished to see them?

Mr. McFALL. Yes. We made the files all available. I have forgotten just exactly the date. We filed a complete recapitulation of the office account with the clerk on or about the first of December.

We provided at some time—and I have forgotten the date—all of the files, all of the information to the press, our rice file.

Ms. KUEBLER. But the only delay between the initial interview with the Modesto Bee and this is simply the time it took to go through the files and compile the records?

Mr. McFALL. That is correct. It took some time to do that.

Ms. KUEBLER. Thank you, Mr. McFall.

Mr. McFall, I just have one more area I believe we did not get into in the direct examination, in the earlier examination; that is, you mentioned that you and Mr. Barnes thought that you could not accept a campaign contribution from Mr. Park because he was a foreign national.

Would you tell this committee how you happened to reach that understanding of the law?

Mr. McFALL. Well, sometime during 1970, I believe it was, I had a question in my mind concerning a possible contribution from a man of Chinese ancestry who lived in my district. He had migrated back to Taiwan. He had, before he left said, as he had in the past, he supported me with campaign contributions, he would still support me with campaign contributions.

I was interested in whether or not he still could, if he went to Taiwan. So, I asked Mr. Barnes to find out. He went to the then chief clerk's counsel, Paul Wohl, and asked him about this.

Of course, the committee has the deposition of Mr. Barnes with reference to this, the deposition of Mr. Wohl concerning this. Mr. Wohl didn't provide any very good information to Mr. Barnes.

I did not talk to Mr. Wohl. But Mr. Barnes came back after talking to Mr. Wohl, trying to do some research of his own, I guess—he concluded that a foreign national could not make a campaign contribution.

I accepted that. He was wrong, of course, but that was my impression, that was his impression, that a foreign national could not make such a campaign contribution.

Ms. KUEBLER. But you had the impression prior to around 1972.

Mr. McFALL. Well, that was my impression in 1972 from approximately 1970 on, when Mr. Barnes had made the original inquiry with Paul Wohl.

Ms. KUEBLER. And at what point did you learn that that was an erroneous understanding?

Mr. McFALL. Well, when this began, 1976. I probably should have known when the 1974 act was passed. But I just wasn't as familiar with this legislation as I probably should—because it outlawed campaign contributions from foreign nationals beginning January 1, 1975.

Of course, it followed that if I had known that, I would know they were legal before January 1, 1975.

Ms. KUEBLER. In other words, Mr. McFall, you were observing the law several years before it was enacted?

Mr. McFALL. Well, that is correct.

Ms. KUEBLER. Mr. McFall, I do not have any further direct questions for you. I wonder if you have any closing remarks, or any other matter you feel might help the committee in understanding this matter.

Do you have any statements you would like to make to the committee?

Mr. McFALL. No, I do not.

Ms. KUEBLER. Mr. Chairman, I have no further questions for this witness.

Mr. FLYNT. Mr. Nields?

Mr. NIELDS. Mr. Chairman, would it make sense for my benefit and the witness' to take a 2- or 3-minute break at this point?

Mr. FLYNT. I would be glad to.

Take an 8-minute break.

[Brief recess.]

Mr. NIELDS. Mr. Chairman, in the interest of time I am willing to proceed.

Mr. FLYNT. Ms. Kuebler, we have six members present. Mr. Nields says in the interest of time he is willing to proceed. I would like to ask you if you are willing to waive the absence of Mr. Quillen.

Ms. KUEBLER. Mr. Chairman, I just discussed this with my client and he thinks everybody has been very patient and we ought to go ahead. I agree with him.

Mr. FLYNT. You may proceed, Mr. Nields.

Let the record show seven members are present.

Mr. NIELDS. Mr. McFall, you have testified on direct examination that shortly after the election in 1976 you made all of your records relevant to Mr. Park and your office account available to the press.

Does that include the original ledger book in which Mr. Barnes made entries?

Mr. McFALL. No, that did not.

Mr. NIELDS. Was there a reason for that?

Mr. McFALL. No, I don't know of any reason, except that he had put together a compilation of the account which showed exactly what the account was all about, and we thought that that was better—would better explain what went on because the ledger

book, as you know, is rather disjointed. You have to go back through it.

It is kept in a running account. We felt that the information provided to the press in that compilation was better information than would be in the ledger books.

Mr. NIELDS. Wasn't it also, Mr. McFall, because there were three pages which had been cut out of the ledger book and you thought that the press might draw the wrong inference from that? Wasn't that also a consideration discussed by you and members of your staff?

Mr. McFALL. No, because I think the explanation of those three pages is a very simple one, which I have discussed with you.

Mr. Barnes had that book in his home as a household account book. He had some household accounting figures in there. There were three pages used in a book of about 100 pages in it, so he decided to use the book for his purpose, and he tore out or cut out the pages that had his household accounts on it and used the book for his ledger.

Mr. NIELDS. Mr. McFall, you testified on direct examination that it was Mr. Rocca and not Mr. Park who first mentioned the relationship between the \$50 million in aid and the sale of rice, and that it was you rather than Mr. Park who first raised that issue in your discussions.

Now, let me ask you a question. I would like you to turn to page 19 of your deposition.

Mr. McFALL. I have the page.

Mr. NIELDS. I ask you if you were not asked these questions, and if you didn't give these answers:

Question. Did you discuss the foreign aid bill for the military assistance for Korea?

Answer. With Mr. Park?

Question. With Mr. Park.

Answer. I don't believe so.

Mr. McFALL. That is correct.

Mr. NIELDS. Now, why did you testify then that you had not discussed the military bill at all with Mr. Park?

Mr. McFALL. Well, I didn't remember it at the time. If you go right to the rest of the conversation—

Mr. NIELDS. Yes, I am going to that.

Mr. McFALL. You see I don't recall when it was, either before or after, but the notes indicate Mr. Rocca called us on December 16 and told us about the \$50 million appropriations.

"I can recall conversations with Mr. Passman about it." I discussed those on my direct examination. I go on on page 20, in which I tried to express my recollection at that time as to who I talked to about this.

Since that time I have sat down and read the Congressional Quarterly. I looked at my deposition questions. I tried to recall the whole relationship of what happened in 1969.

And I—the legislative history shows that the appropriation, foreign aid authorization, was voted on November 20. The bill was in committee on December 7. It was on the floor on December 8. Mr. Rocca called on the 10th. Mr. Park came in on the 11th.

So, with the jogging of my memory, with that research, and with reading over the deposition, I am trying to recall the entire facts.

Mr. NIELDS. The question, Mr. McFall, was why you denied discussing the foreign aid bill with Mr. Park and, at the same time, the answer is you didn't recall it, is that right?

Mr. MCFALL. That is right. My answer was I don't believe so. I didn't say that I did not discuss it with him. I said I don't believe so.

Mr. NIELDS. That was not the first time that you had been asked about that conversation with Mr. Park, was it?

Mr. MCFALL. In earlier testimony you asked about that, and I could not recall discussing it with him.

Mr. NIELDS. In fact, you testified that you had, and I am quoting now from page 5 of your recorded interview of June of 1977. "I have no independent recollection of that meeting."

Mr. MCFALL. That is correct.

Mr. NIELDS. Now, I take it that you had had several discussions with your staff and your lawyers in preparation for both of these depositions to help you recall the circumstances of your first meeting with Mr. Park. Is that also true?

Mr. MCFALL. Each time when I discussed it with you, and then I discussed it again, then I decided, well, we will get out the Congressional Quarterly. We will look at this thing, we will try to figure out what happened.

To the best of my recollection, I figured out what happened.

Mr. NIELDS. Now, Mr. McFall, in light of your hazy recollection of this meeting at both of the occasions on which you testified previously, can you say with confidence that Mr. Park's recollection is not more accurate than yours and that he, rather than you, raised the subject of the military aid bill?

Mr. MCFALL. Well, I listened to Mr. Park's testimony and I think Mr. Park had considerable difficulty in recalling what had happened 9 years ago. His testimony was somewhat hazy, in my opinion.

In my opinion, he came into the office. Mr. Rocca had called the day before, asked me about the foreign aid bill. I said we did that yesterday. That is a recent recollection. I couldn't recall that before. But, I am pretty sure that that happened.

Then, as I recall, we were discussing the sales of rice. I was interested in the sale of rice. Mr. Park was interested in the sale of rice. I was happy that we had provided this money in the foreign aid bill.

As I understood, even though it was for military appropriations, the South Korean Government had somehow replaced the money and used the money to purchase rice. As Mr. Passman put it, they would use cash in order to buy rice. We wouldn't have to worry about Public Law 480.

So, I believe that all we discussed was the sale of rice, which is what I said here. We talked about the foreign aid bill in terms of our being able to buy the rice. That was the only reference we made to the foreign aid bill.

Mr. NIELDS. The question, Mr. McFall, was whether in light of your hazy recollection you could be confident Mr. Park's testimony,

that he raised the subject and not you, was inaccurate. What is the answer?

Mr. McFALL. Well, my answer is that I don't think Mr. Park's testimony is any better than mine.

Mr. NIELDS. Can you be confident that his recollection is inaccurate?

Mr. McFALL. I can be confident that my recollection is as good as his.

Mr. NIELDS. I take it that means you cannot be confident that his recollection is inaccurate?

Mr. McFALL. I said I can be confident that my recollection is as good as his.

Mr. NIELDS. Now, Mr. McFall, also on page 19 of your deposition transcript, you state: "The notes indicate that Mr. Rocca called us on December 16 of 1969 and told us about the \$50 million appropriation."

Mr. McFALL. That is right, he did.

Mr. NIELDS. And during your previous deposition you had testified on page 6: "Well, I would have to say that I don't really recall the conversation with Mr. Rocca." That refers to the conversation on December 10.

Mr. McFALL. Right. At that time I recall Mr. Rocca called. As you think about this, and get all your facts in line, it suddenly popped into my mind that I was able to say to him at that time we took care of that yesterday.

That popped back in my mind. That meant that Mr. Rocca said something about the foreign aid bill and about the necessity of buying the rice, and I said, well, we took care of that yesterday.

Mr. NIELDS. Why do you suppose Mr. Rocca took the trouble of calling Mr. Barnes on the 16th and referring to the fact that Mr. Park had said that the military appropriation bill was tied to the rice purchase if he had previously said the same thing to you?

Mr. McFALL. Well, I assume he was still trying to make certain that the bill was passed. After it passed the House, it had to go to the Senate, the conference was on.

As I recall, the Senate did not release—at least the Congressional Quarterly said—the Senate did not accept the conference report which passed the House. I assumed that this was a continuing matter that Mr. Rocca was interested in.

Mr. NIELDS. Mr. McFall, I would like to ask you some questions about your office account.

Mr. McFALL. Yes, sir.

Mr. NIELDS. Now, in your signed statement to this committee you said that your office account was started in April of 1972 with \$5,047 which was left over from your District of Columbia campaign account.

Mr. McFALL. That is right.

Mr. NIELDS. And you said that the law effective in April of 1972 abolished that account. That is not quite accurate, is it?

Mr. McFALL. Well, as I understand it, the District of Columbia campaign accounts which had been previously proper at some time in 1972, became improper.

Mr. NIELDS. Let me see if I can clarify my question, Congressman McFall. The fact is they were not abolished. They were simply made subject to the reporting requirement. Isn't that true?

Mr. McFALL. Well, it is my recollection that District of Columbia campaign accounts were no longer permissible. So, we tried to find out whether or not we could put that money into our California account.

We could not account for all of the money that was in there because we couldn't tell exactly who gave it to us. It came from two wine and cheese parties that I had given, 1971, 1972. We had some transactions in and out.

We kept a separate account in accordance with the law, but we could not say that so and so gave us each amount of money. So, we decided that the best thing to do was to put it in an office account.

Mr. NIELDS. Now, Mr. McFall, isn't it a fact that prior to the 1972 law District of Columbia campaign accounts were not subject to any reporting requirement. After the 1972—

Mr. McFALL. That is correct.

Mr. NIELDS. All accounts including District of Columbia accounts were subject to reporting requirements. There was nothing in the law which abolished District of Columbia campaign accounts.

Mr. McFALL. That may be true. What you say may be true. My understanding of the law, my discussion with Mr. Barnes was that they were abolished. That has been my understanding of the law since that time.

Mr. NIELDS. In any event—

Mr. McFALL. That is why we took the money out of there and put it into an office account.

Mr. NIELDS. In any event, you took the money out of an account which was previously not subject to a reporting requirement and then put it into the only kind of account which in 1972 was not subject to a reporting requirement, which was an office account. Is that true?

Mr. McFALL. Well, that is true. But there was no reason to hide what was in there. It had been given to me at wine and cheese parties. People paid \$100 to come to my wine and cheese party in 1971, 1972.

Now, if we misunderstood the law again at that time, well, we misunderstood the law. There was no reason to hide what was in there. The fact is if anybody looked at it, they wouldn't have been able to find out who gave me the money anyway.

Mr. NIELDS. Mr. McFall, I would like to direct your attention to the 1972 cash contribution of \$1,000 made in your office by Tong-sun Park.

Mr. McFALL. Yes, sir.

Mr. NIELDS. That was originally offered by him as a campaign contribution, is that right?

Mr. McFALL. Yes, sir.

Mr. NIELDS. Why did you put it in your office account instead?

Mr. McFALL. Because at that time I had the same mistaken understanding of the law on foreign nationals making a contribution to my campaign. For that reason, I asked if we could put it into the office account.

Mr. NIELDS. Now, I would like you to refer to page 57 of your deposition of March 23.

Now, starting at line 8, the question, "Now, you had told Tongsun Park 2 years earlier that you didn't have any campaign expenses." That is referring to the 1972 conversation.

Mr. McFALL. That is right.

Mr. NIELDS. Answer. "At that time I didn't, yes, I was unopposed in 1972. I got both nominations."

Question: Did you tell him in 1972 that you could not take the money from a foreign national or did you just think that in your mind?

Answer: I did not think that in my mind. I did not tell him that.

Mr. McFALL. Well, I didn't tell him that. I don't know whether or not I thought of it at the time or not. But, I did tell him that I would put it in my office account.

Now, it is possible that I wasn't thinking of it. I don't know whether or not I thought of it or not, but I did think at that time, it was my understanding, beginning in 1970, that I could not take a campaign contribution from a foreign national.

Now, whether or not I had it in my mind at the time Park came in, I don't really know. But, I did have the understanding that that was the law at that time, so it is possible also that I thought of it at that time.

Mr. NIELDS. But you don't remember where you thought of it at that time?

Mr. McFALL. Not really.

Mr. NIELDS. You do know you told them you had no campaign expenses, is that right?

Mr. McFALL. That's correct.

Mr. NIELDS. But Congressman, you did have a practice of receiving campaign contributions after the election, so that you could carry them over to the next time that you would run, didn't you?

Mr. McFALL. Well, I had money in my campaign account that was left over from the 1972 election at that time. I had savings money, each campaign, and I am sure that I didn't have any campaign expenses that were unpaid at that time.

Mr. NIELDS. No, I didn't mean that. My question is even when you didn't have any unpaid expenses, you still accepted contributions for your campaign and put them in your campaign account, didn't you?

Mr. McFALL. Well, if someone had come in with a campaign expense, a campaign contribution, I probably would have, that's correct.

Mr. NIELDS. Indeed, your record reflects that you turned over to us that you received \$3,000 in campaign contributions 3 days prior to Tongsun Park's visit to your office.

Mr. McFALL. That may be true.

Mr. NIELDS. And another \$3,000 7 days after he had been in your office.

Mr. McFALL. That could be true.

Mr. NIELDS. So that the fact that you didn't have any unpaid expenses was not normally a reason for rejecting campaign contributions.

Mr. McFALL. No, but that is what I told Mr. Park at that time. I did not have any campaign expenses and I didn't have my campaign expenses.

Mr. NIELDS. But you nonetheless took campaign contributions from others in the same period of time.

Mr. McFALL. Right.

Mr. NIELDS. Why did you not take Tongsun Park's contribution as a campaign contribution?

Mr. McFALL. It must have been in my mind the fact that as I understood the law that he was a foreign national, and I could not take a campaign contribution from him.

Mr. NIELDS. Now, what was the name of this Chinese man that you checked out in 1976?

Mr. McFALL. Sam Wah You.

Mr. NIELDS. Well, isn't it a fact, Congressman, that you accepted a campaign contribution from Sam Wah You in 1972?

Mr. McFALL. Yes, sir, but he had not moved to Taiwan at that time.

Mr. NIELDS. Well, Tongsun Park had not moved to Korea, had he?

Mr. McFALL. Well, I don't know where—is that relative? I don't now what the answer to that question is.

Mr. NIELDS. Well, Mr. McFall, isn't it a fact that the reason that you put Tongsun Park's \$1,000 into your office account was that it was cash in a very large amount from a man you knew to be, to have lobbied you for legislation in favor of Korea?

Mr. McFALL. No.

Mr. NIELDS. And isn't it a fact that that was the kind of contribution which you automatically knew was a contribution for your office account?

Mr. McFALL. No.

Mr. NIELDS. Well now, you have taken contributions from other people into your office account, haven't you?

Mr. McFALL. Yes.

Mr. NIELDS. In addition to Tongsun Park?

Mr. McFALL. Yes.

Mr. NIELDS. Approximately six people or so?

Mr. McFALL. That's correct.

Mr. NIELDS. Have you ever taken any by check?

Mr. McFALL. I don't recall. I think the record would reflect that. I didn't see all of those contributions. I don't recall whether or not there were any by check or not.

Mr. NIELDS. But you recall a lot by cash, don't you?

Mr. McFALL. Yes.

Mr. NIELDS. Do you recall testifying before this committee that all of your office account contributions were in cash? I believe stated accurately, Mr. Mabry stated that in your presence during your first interview, and you agreed with him.

Mr. McFALL. Whatever the records would reflect, that's the truth. I don't have that information myself.

Mr. NIELDS. Why do you suppose all of the contributions to your office account have been in cash?

Mr. McFALL. I don't know.

Mr. NIELDS. Are you aware that some of the people who put money in your office account have made contributions to your campaign in smaller amounts by check?

Mr. McFALL. Yes.

Mr. NIELDS. And you have no explanation for why the money which they gave you for your office account was in cash?

Mr. McFALL. No.

Mr. NIELDS. Is it possible, Congressman, that the reason they are all in cash is that you planned not to report the contributions into the office account and you did not want them in a form which was easily traceable?

Mr. McFALL. No, that is not true. All of the contributions to my office account were put down by Mr. Barnes, they were faithfully recorded in that account, and I have not put any of that money in my pocket.

Mr. NIELDS. Congressman, who were the people who contributed money to your office account? The list includes or is made up of J. D. Williams, Les Barnes, Dick Tribbe, Charles Botsford, John Rane, Mr. Linden, and Mr. Reinke; is that correct?

Mr. McFALL. Yes.

Mr. NIELDS. Isn't it a fact, Mr. McFall, that these are by and large lobbyists?

Mr. McFALL. That is correct.

Mr. NIELDS. Mr. McFall, did there come a time in July 1975 when the FEC sent to Congress proposed regulations which would have required the reporting of all contributions to office accounts?

Mr. McFALL. That is right. They did.

Mr. NIELDS. Did you ever take another contribution into your office account?

Mr. McFALL. Yes, one from Mr. Linden was in January, no, that was in January 1974.

Mr. NIELDS. In 1975.

Mr. McFALL. Was it 1975? Well, the contribution from Mr. Linden came in 1975.

Mr. NIELDS. Yes, but the proposed regulations did not come over until July 1975; isn't that right?

Mr. McFALL. Yes, but the law was passed in 1974 which required the Federal Election Commission to make such regulations as of January 1, 1975.

Mr. NIELDS. You did not know when those would take effect, did you?

Mr. McFALL. No, but I would assume that if the law was passed they would be effective January 1, 1975.

I think they would have if they had not been turned down twice by the Congress.

Mr. NIELDS. I would like to turn ahead to the \$3,000 cash contribution which you learned about from Tongsun Park in October 1974.

Once again, why did you put—that was also, to your understanding, made by Tongsun Park as a campaign contribution?

Mr. McFALL. Yes, that's correct.

Mr. NIELDS. And according to your testimony you never asked him whether, in that case, whether you could put it in your office account; is that right?

Mr. McFALL. That's correct.

Mr. NIELDS. And you never had any discussion with Mr. Barnes concerning any such conversation that he might have had?

Mr. McFALL. That's correct.

Mr. NIELDS. Why did you put that in your office account?

Mr. McFALL. I put that in the office account because I did not think I could accept it as a campaign contribution because he was a foreign national. And I wish I had put it in my campaign account because I wouldn't be here answering these questions if I had.

Mr. NIELDS. Now Congressman, you have also testified that you obtained this understanding of the law from——

Mr. McFALL. Mr. Barnes.

Mr. NIELDS. Mr. Barnes?

Mr. McFALL. That's correct.

Mr. NIELDS. Now you have seen, have you not, I believe it's exhibit 17.

Mr. McFALL. The letter to Mr. Wing?

Mr. NIELDS. The letter to Mr. Wing.

Mr. McFALL. The letter to Mr. Wing?

Mr. NIELDS. In which Mr. Barnes sets forth very succinctly the results of his research and cites exactly the appropriate statute; is that right?

Mr. McFALL. Well, I have seen the letter now. I never saw the letter before this, these proceedings started. I never saw the letter before, didn't discuss it with Mr. Barnes, nor did I discuss the basis of that letter with Mr. Barnes.

Mr. NIELDS. But you discuss the law with Mr. Barnes?

Mr. McFALL. I discussed his conclusion as to the law. I never discussed that particular provision of the United States Code. I did not know that that was the basis for his determination. If I had known, I can read the statute. I never read that statute, never discussed that statute with Mr. Barnes.

If I had, I could have asked him some questions about his conclusion.

Mr. NIELDS. What statute did you discuss with Mr. Barnes?

Mr. McFALL. I didn't discuss any statute with Mr. Barnes. I discussed with Mr. Barnes his conversation with Mr. Wohl and his conclusion, after his conversation with Mr. Wohl, that a campaign contribution from a foreign national was not proper.

Mr. NIELDS. This conversation with Mr. Wohl was back in 1970, as I understand it; is that right?

Mr. McFALL. Well, yes; that was when I saw Mr. Wohl's deposition he had conversations with Mr. Barnes at that time. I have to say that my recollection was refreshed by what I read in Mr. Wohl's deposition. I don't have an independent recollection as to whether it was 1970 or 1971, and I have not gone back to find out what time it was that Mr. Sam Wah You went to Taiwan and we had the original discussion.

Mr. NIELDS. Well now, Mr. McFall, in fact you don't have a very vivid recollection even of your conversations with Mr. Barnes on the subject of the law, do you?

Mr. McFALL. I don't know how to answer that question.

Mr. NIELDS. Well, let me put it in another form then.

Isn't it possible, indeed likely, that Mr. Barnes told you what he knew about the law as set forth in this letter, not some piece of misinformation, which apparently Mr. Barnes was under no confusion about?

Mr. MCFALL. No; he did not.

Mr. NIELDS. Isn't it possible, Congressman, 3 days after you had voted on the law which made receipt of campaign contributions from foreign nationals unlawful, you, in fact, were aware that that was the law and that it was law for the first time as enacted on October 15, 1974?

Mr. MCFALL. I don't believe I voted. That would be the conference report; it was passed on October 17, and I believe I was on my way to California on October 17, and we have not checked the records but I don't believe that I voted on that conference report.

However, even if I had voted on the conference report in the last days of the Congress, it's quite conceivable I would not know what was in that conference report.

Mr. NIELDS. Now, Mr. McFall, isn't it also true that Mr. Barnes, in fact, did tell you of the law which was in effect; namely, that the law prohibiting receipt of campaign contributions from an agent of a foreign principal, you still would have been uncertain as to whether you could legally receive Mr. Park's contribution?

Mr. MCFALL. I don't recall Mr. Barnes telling me about that. Do you have an instance where Mr. Barnes said that he told me about that?

Mr. NIELDS. My question is, if you discussed with Mr. Barnes what he, in fact, knew about the law as set forth in his letter, you still would have had substantial doubt whether you could legally receive the contribution from Park; isn't that right?

Mr. MCFALL. Well, I never discussed Mr. Barnes' letter. That would be a hypothetical question. I don't know what conclusion I would have reached. I knew about the law of agents of a foreign principal. I did not know Mr. Barnes had any idea that a foreign national was an agent of a foreign principal.

Mr. NIELDS. But, Mr. McFall, you were aware that Tongsun Park had been lobbying for legislation for his government; is that not right?

Mr. MCFALL. No; I was not aware of that.

Mr. NIELDS. Hadn't you told him that you were now in a position to help on Korea, only military aid?

Mr. MCFALL. That is what I wrote in the letters, but I did not consider that he was lobbying for Korea.

I thought that this was his way of helping himself in order that his position would be as a rice salesman, an agent of the California Rice Growers, would be strengthened.

I did not know that he had had any ideas about being a lobbyist for Korea.

Mr. NIELDS. Well, any agent likes to be in good graces with his principal, Congressman. Why do you still think it was relevant to Tongsun Park, helpful to him to write to the President of the Republic of Korea and tell him that you were going to assist as best you could on military aid?

Mr. MCFALL. Well, you know, I considered Mr. Park an agent of the ricegrowers from California. I didn't consider him an agent of

South Korea. My idea was that he was interested in having people say he was a good man, and that he had done a good job of selling rice for the people of California.

Mr. NIELDS. Did he ever ask you to send a letter to that effect to the RGA?

Mr. MCFALL. Well, no. I think the RGA probably knew that already.

Mr. NIELDS. But he did ask you to send such a letter to the head of state of the Republic of Korea?

Mr. MCFALL. That's right.

Mr. NIELDS. Did you send any letters to any other heads of state?

Mr. MCFALL. No; gratefully I have not.

Mr. NIELDS. Now again, why did you think that it was helpful to him to write a letter to the head of state of South Korea informing him of your willingness to help on military aid?

Mr. MCFALL. Well, you know, Mr. Park had done a good job in selling rice for the people of my district and the people of California. I thought that any of these letters that I had written which indicated my friendship for South Korea would assist in the continuing of those sales of rice to South Korea and, of course, Mr. Park was helping us to get those sales accomplished, and really I was trying to further the rice sales and keep South Korea buying rice.

Mr. NIELDS. And did it not occur to you, Congressman McFall, that Tongsun Park also wanted his principal in Korea to know that he was—

Ms. KUEBLER. Mr. Chairman, I object to that question. There is no evidence on the record Mr. Park had a principal in Korea at all.

Mr. FLYNT. I sustain the objection. Rephrase the question.

Mr. NIELDS. I withdraw it. It never occurred to you, Congressman McFall, that Tongsun Park wanted his friends in Korea and notably the head of state of the Republic of Korea, to know his friends in Congress were going to be helpful on the issue of military aid?

Mr. MCFALL. Well, I am not sure what Mr. Park wanted. I know that what I wanted was that South Korea would continue to buy rice.

Mr. NIELDS. I understand that, Congressman, but the issue in this case is whether reasonable persons might construe you as being influenced in return for the money that you received.

I would like to turn to that now.

Tongsun Park had asked for your help and you have promised your help to him; is that correct?

Mr. MCFALL. When did he ask, I don't recall his ever asking me for any help, and my promise of any help.

Mr. NIELDS. In any event, you promised him—

Mr. OLSEN. Mr. Chairman, I would like to object to the form of the question, helped with what?

Mr. NIELDS. Thank you. I think I can reframe it better.

You had promised help for Tongsun Park both in terms of helping him sell rice and in terms of helping his country; is that right?

Mr. MCFALL. No, I hadn't promised Mr. Park either one.

Mr. NIELDS. Now, in 1971, in the summer of 1971, you wrote a letter to President Park Chung Hee at his request; is that right?

Mr. MCFALL. At Mr. Tongsun Park's request, yes.

Mr. NIELDS. And that that was on June 18, 1971.

Mr. McFALL. That is correct.

Mr. NIELDS. On how many occasions during 1971 did Tongsun Park visit your office?

Mr. McFALL. Well, I would have to rely upon whatever the record shows as to when Tongsun Park visited my office. My only recollection of when Tongsun Park visited the office was in June 1971, at or about the time that letter was written.

As I testified on direct examination, I don't really recall any conversation with Mr. Park at that time, and I know he asked Mr. Barnes for the letter and he did not ask me. I don't recall a conversation about the letter. And I don't know, I don't recall a meeting with Mr. Park in my office in 1971 other than that particular meeting.

Whether or not he visited the office and talked to somebody else in the office, that I have no knowledge of.

Mr. NIELDS. In any event, the record discloses one meeting and that is the day before the letter; is that right?

Mr. McFALL. I believe that is what the record—whatever the record shows is the fact.

Mr. NIELDS. And I don't think there is anything in the record at the moment, Congressman.

I am showing you a diary. Can you identify it?

Mr. McFALL. Well, this was the office diary kept in one of my offices, either in the whip's office or in my district office. I believe it's my district office diary.

Mr. NIELDS. And for what year?

Mr. McFALL. 1971.

Mr. NIELDS. I would ask you to turn to the entry on June 17.

Mr. McFALL. Yes, Tongsun Park, 5 o'clock.

Mr. NIELDS. That reflects a visit by Tongsun Park or appointment for Tongsun Park at 5 o'clock this afternoon; is that correct?

Mr. McFALL. That is correct.

Mr. NIELDS. Do your diaries reflect any other visits by Tongsun Park during 1971?

Mr. McFALL. I don't know. Whatever we were able to compile and give to the committee in earlier testimony would have to be the fact. I don't know personally, I don't recollect whether or not there was any other meeting with Tongsun Park with anybody else in my office.

Mr. NIELDS. Well, did your staff compile a chronology?

Mr. McFALL. Yes; they did.

Mr. NIELDS. And do you still have access to that chronology?

Mr. McFALL. Yes; we have it.

Mr. NIELDS. And perhaps you would like to look at it.

Mr. McFALL. You can put it in the record if you would like.

Ms. KUEBLER. Mr. Nields, I have put my evidence into the record. If you want to put something in we will have to take that up in that case. I did not come prepared to put in that chronology. If you wanted to do that you might have asked me before this.

Mr. NIELDS. Well, I think instead of doing that, Mr. Chairman, I will mark this diary as an exhibit and offer it in evidence, which I will do.

I thought I could do this through testimony from the Congressman, but apparently he does not have a recollection or a memory of his chronology.

Mr. FLYNT. Mr. Niels, are you putting in the entire 365 day diary?

Mr. NIELDS. Yes, I am, because I am now unfortunately in the position of having to establish that Tongsun Park did not visit his office as reflected in the diary on any other day than June 17.

Mr. FLYNT. Let me look at it.

Mr. Niels, let me ask you again, do you want to put in the entire 370-odd pages of this, many of which are absolutely blank?

Mr. NIELDS. Mr. Chairman, if counsel for Congressman McFall will stipulate that his diaries reflect no other visits to his office by Tongsun Park in 1971 and she can refer to her chronology, if she wishes to do that, then I don't want to put this document in at all.

If she is unwilling to stipulate that—

Mr. FLYNT. Now, you have offered the document, and I was just asking for a yes or no answer.

Do you want to put it in?

Mr. NIELDS. The entire document, yes.

Ms. KUEBLER. Mr. Chairman, Mr. Niels did not ask me to stipulate that previously. We would certainly consider a stipulation, but of my own, independent knowledge I do not know that to be the case. I will take his word for it if that will make it easier for the committee.

Mr. FLYNT. I was not aware of any request for a stipulation. Were you, Mr. Bennett?

Mr. BENNETT. No, why don't you let her see it and then maybe she will stipulate to whatever he desires.

Mr. McFALL. Mr. Chairman, I can clear this up. We have a chronology which has been prepared by my staff trying to find out all of the times I talked to Mr. Park when he had—it includes times when I had conversations with him, times I went to the five parties that I went to. And we can find that and we can put it in evidence, if that is what is necessary. We are not trying to hide anything.

I just don't happen to remember offhand without that chronology whether or not I met with Mr. Park. I know that I never met with him in any other time in 1971, but I don't know whether or not he came to the office and met with anybody else.

Now, I just don't happen to know the answer to that question.

Mr. BENNETT. Not to be argumentative, but could I inquire why it's important to prove he didn't meet with Mr. Park?

Mr. NIELDS. Yes, Mr. Bennett, you may.

What I am trying to fix is the date on which Mr. Park discussed the purchase of tickets and the date on which he delivered money for the purchase of tickets.

Mr. BENNETT. So by ruling out a certain number of days, you hope to come down to the days that he did?

Mr. NIELDS. Precisely.

Mr. OLSEN. Mr. Chairman, with respect to the proposed exhibit, I might indicate that is in no way dispositive of the issue of whether or not Mr. Park met with Mr. McFall or any other member of his office. Indicating that there were 364 other days in the year at

which the diary does not record that someone was there does not mean that that individual was not at such office.

Mr. Park, I believe, in his testimony last week indicated that on occasion he would drop in to Mr. McFall's office unannounced and, indeed, I believe that was also the testimony of Mr. Barnes. So with respect to that exhibit it is not dispositive or even probative of the point which Mr. Niels attempts to make with it.

Mrs. FENWICK. Mr. Chairman, could I comment?

It seems to me Mr. McFall has been so reasonable, and he cannot remember 365 days. So, he suggests, as I understand it, that the chronology that he has prepared, which he has not got before him, and therefore is not able to refresh his memory, should be handed to the committee and entered into the record.

It seems to me so reasonable to do so.

Ms. KUEBLER. Mrs. Fenwick, that chronology we prepared was brought in as a committee document at the deposition which Mr. McFall has been referring to, March of 1978. We turned it over to the committee at that time and it became part of the evidence.

Mr. Niels has not asked me about that document. He did not bring it in. He has that within his control. If he wishes to show that to Mr. McFall and use that to refresh his recollection, I have no objection to that.

But, I don't know why Mr. Niels didn't mention that in the first instance. I don't think I am responsible for his evidence.

Mrs. FENWICK. As I understood it, there was an objection from Mr. McFall's attorneys which Mr. McFall did not share. He seemed perfectly willing to have the chronology entered anyway.

Mr. FLYNT. I would like, if I may—excuse me, Ms. Kuebler—I would like to ask unanimous consent that the record reflect that I made this statement immediately after the remarks of the gentleman from New Jersey.

The reason I brought the question of the diary up, there are more than 370 pages in the diary. Many of them have absolutely no entry whatsoever. I was just trying to cut down on the size of this record and the cost of printing the record.

Now, on the days when there was no entry, I think that every member of this committee would take official notice of the fact that that doesn't mean people didn't come in that day because I know in my own instance—and I am sure it is the case, in the case of my colleagues on the committee—a constituent does not have to have an appointment to come into the office. We might have 100 visitors with no entry at all in the book.

Mrs. FENWICK. I think Mr. McFall has covered all of that.

Mr. NIELDS. Mr. Chairman, I think I can perhaps simplify the matter. I have the chronology. I ask that it be marked exhibit 24. I withdraw my offer of exhibit 23. I would like to substitute instead the offer of exhibit 24.

Mr. FLYNT. The offer of exhibit 23 is withdrawn. Exhibit 24 is tendered. Is there objection?

Ms. KUEBLER. No objection, Mr. Chairman.

Mr. FLYNT. Without objection, Exhibit No. 24 is—

Ms. KUEBLER. I would like to look at it.

Mr. FLYNT. I am going to get some copies made of it. Mr. Jaffe, get us about 12 copies made of it.

[Exhibit No. 24 was marked for identification.]

Ms. KUEBLER. Mr. Chairman, if I might be recognized for just a minute, I have had a chance to examine the chronology. I would like to say for the record it was not an attempt on my part or Mr. McFall's part to be complete and detailed about every date that might have become relevant in this investigation all along.

It was prepared, I believe, about March 1978. It was simply a summary of important dates in the investigation which tended to help Mr. McFall refresh his recollection when giving testimony about events many years ago.

I would just like the record to show that. We did not attempt for that to be complete in any way. It does not necessarily reflect Mr. McFall's refreshed memory. It was simply dates that had been discovered by the staff and through our research.

Mr. FLYNT. As of the early part—what month did you say?

Ms. KUEBLER. Mr. McFall gave sworn testimony before this committee in March of 1978, I believe. It would have been prepared just about prior to that time. Yes, he testified on March 23, 1978. So, I would say mid-March would be a fair statement.

Mr. NIELDS. Congressman, do you have that chronology in front of you?

Mr. McFALL. No, I do not.

Ms. KUEBLER. Mr. Jaffe went to make some copies.

Mr. NIELDS. Maybe there is one other matter we can cover while we are waiting for it. I would like to make another set of documents, exhibit 25.

[Exhibit No. 25 was marked for identification.]

Mr. NIELDS. I would like to show it to the witness.

Mr. FLYNT. Show it to witness' counsel, first.

I would like to see it, too.

Mr. NIELDS. Congressman McFall, I am showing you a packet of documents relating to the Democratic congressional campaign dinner in 1971. That includes an information sheet, invitation, ticket and a card pertaining to that dinner, indicating the date of June 29, 1971.

You had previously testified that your recollection was the dinner was in August. My question to you is, does that refresh your memory as to the actual date of the Democratic congressional campaign dinner in 1971?

Mr. McFALL. Well, I will tell you that my knowledge of this is rather sketchy. I think we could probably find out from the Democratic campaign committee the exact date of that dinner. But it is my recollection that it was originally proposed for June.

We hadn't sold enough tickets and they had to postpone the dinner until August, and that the dinner was actually held in August of 1971. We can find out from the committee exactly when it was held, but I believe that that is what happened.

The dinner was originally planned for June. They didn't sell enough tickets. So, they had to postpone it until later in the year.

Mr. FLYNT. Do you offer exhibit 25 for the record?

Mr. NIELDS. I do not, Mr. Chairman. I was going to ask for a stipulation on the date, but Congressman McFall has raised an issue and I think we will have to get better proof than I have offered so far on that issue.

Mr. FLYNT. Well, if you asked for a stipulation, we might save time.

Mr. NIELDS. I am going to show Ms. Kuebler a letter from a staff assistant, Democratic congressional committee, and ask whether she is willing to stipulate the dinner was on June 29, 1971.

Ms. KUEBLER. Mr. Chairman, in response to the request of counsel, I have to say I am a little mystified. He has just shown me a letter from a staff assistant over at the present dinner committee, stating that the dinner was held in June, 1971.

However, I don't believe I want to stipulate something that is contrary to the recollection of my client. I have no reason—I have no independent knowledge on my own. I don't quite understand why Mr. Nields thinks this is so important.

Perhaps when we see where he is going with this the reason might become clear and we can work something out. But I can't stipulate something that is contrary to my client's recollection.

Mr. FLYNT. Maybe I can cut through some of this. When was the dinner actually held?

Mr. NIELDS. Mr. Chairman, it is my information, and it is set forth by the staff assistant that the dinner was actually held on June 29, 1971, which was some 12 days after Tongsun Park was in Congressman McFall's office as reflected by his diary and some 11 days after the letter.

Mr. BENNETT. What is that intended to prove?

Mr. NIELDS. Tongsun Park testified that shortly before the dinner he was asked to buy tickets, and he in fact bought tickets. I am attempting to ascertain whether the purchase of the tickets was at or about the time of the letter.

Mr. BENNETT. Has there been any denial by Mr. McFall?

Mr. FLYNT. Are we talking about the 1971 dinner?

Mr. NIELDS. 1971.

Mr. FLYNT. The Chair is going to declare a three-minute recess in an effort to—the Chair was on the dinner committee at that time. I don't remember what happened.

Mr. McFALL. Mr. Chairman, the letter which purports to show that the dinner was at that time was written by a secretary who went back through the files of the committee and found the invitation.

Now, that is not an indication saying that the dinner was held on that date. My recollection is that it had to be postponed until August. So, it could very well be that Mr. Park was in at that time, that it was originally proposed at that time. But still my recollection is that it was postponed to August.

Mr. FLYNT. Maybe I won't have to declare the recess after all. Are you saying that this letter from a present staff assistant who was not on the staff in 1971 proves the date the dinner was held?

Mr. NIELDS. No, I am not. That is why I have not offered it, and I did not offer the tickets. I am not going to be able to prove this now through this witness. If this remains an issue, it will have to be resolved—

Mr. FLYNT. The Chair declares a 3 minute recess.

[Brief recess.]

Mr. FLYNT. The committee will reconvene.

The Chair had hoped to be able to resolve this. The Chair made a call to the then executive director of the Democratic congressional campaign committee and he doesn't recall when it was held.

So, I guess we will have to have a witness to that effect if we are unable to stipulate. Nobody remembers.

Mr. NIELDS. I suspect, Mr. Chairman, that at some point we will be able to stipulate, but now is obviously not the time.

Ms. KUEBLER. Mr. Chairman, perhaps we could get an affidavit submitted from someone who might remember at some later time, hold the record open for receipt of that affidavit.

Mr. FLYNT. They are trying to find out. Maybe we will have it today. We will call the witness.

Mr. NIELDS. In any event, Congressman McFall, on June 18, 1971, you wrote a letter to the President of South Korea at Tong-sun Park's request, is that right?

Mr. McFALL. If that is the date of the letter which is the exhibit, yes, that is the date.

Mr. NIELDS. And at some time during the summer of 1971 he contributed \$1,000 in cash which was credited to the Democratic congressional campaign committee, which was credited to you, and for which you thanked him.

Mr. McFALL. I discovered that after this investigation started. I did not know that at the time. I did not know that until I found the letter which thanked him for the contribution.

Mr. NIELDS. And in November of 1972 he gave you \$1,000 in cash and a few months later in February of 1973 he requested that you send a letter to the President of South Korea for his benefit, and you did so, is that right?

Mr. McFALL. I don't know whether or not it was for his benefit. He did not tell me it was for his benefit at that time.

Mr. NIELDS. Who else's benefit do you think it might have been for?

Mr. McFALL. That is your opinion; perhaps it was for his benefit, and that is your conclusion. If you want to put that conclusion in the question, that is your conclusion and not mine.

Mr. NIELDS. What is your conclusion?

Mr. McFALL. My conclusion is that he asked me to write a letter to President Park which thanked him for buying all of our rice in 1972. Now, it may have helped him, and it also probably helped my rice growers in California. But for you to say that I wrote it for his benefit, that is not true.

Mr. NIELDS. Why do you think he asked you to write it?

Mr. McFALL. I don't know. I heard him testify here. I would think that his testimony is better on that than mine.

Mr. NIELDS. Moving ahead to 1974, in October you received \$3,000 in cash from him, is that right?

Mr. McFALL. That is correct.

Mr. NIELDS. And you sent a telegram to him a few days later, is that correct?

Mr. McFALL. There is no connection between the telegram and the contribution.

Mr. NIELDS. Was there any connection between the letters and the contribution?

Mr. McFALL. No, sir.

Mr. NIELDS. But a reasonable person could construe that there was such a connection?

Mr. OLSEN. Mr. Chairman, I object to the form of that question.

Mr. NIELDS. I will withdraw it.

Mr. FLYNT. Question withdrawn.

Mr. NIELDS. Congressman, at the time you received the \$3,000 in cash, you were aware that you would be voting on military aid bills for Korea that year and other years in the future. Is that also true?

Mr. McFALL. Well, you know, I was aware that I would be voting on all sorts of things, for foreign aid, for other things. I don't know of anything specific. When you receive a campaign contribution from someone you are not aware of—you are aware you are a Member of Congress and that you are going to have to vote on almost anything that comes before you, in the future and in the past.

Mr. NIELDS. Congressman, when you received cash contributions from people other than Tongsun Park, how did you decide whether they would go in your office account or your campaign account?

Mr. McFALL. Well, normally the office account contributions came from people who made them for the office account.

Mr. NIELDS. Was that true in every case, every other case? It was designated specifically for the office account?

Mr. McFALL. I believe in every case it was for the office account, yes.

Mr. NIELDS. Mr. McFall, why, in your mind, was Mr. Park giving you \$1,000 in cash in 1972 and \$3,000 in cash in 1974?

Mr. McFALL. To help me with my election.

Mr. NIELDS. Well, why, then, did you take the money and use it for some other purpose than the one which Tongsun Park intended?

Mr. McFALL. Because in each instance I thought that I could not accept a campaign contribution from him.

Mr. NIELDS. And you felt that there was nothing wrong in taking money which he gave you in order to help you in your election and using it for some completely different purpose.

Mr. McFALL. In the case of the \$1,000 I told him that I would do that. He made no objection. In the case of the \$3,000 I felt that the fact that I would use it in my office account for newsletters and office expenses was similar to what he would want, and what he agreed to before, and that he would have no objection to that.

Mr. NIELDS. So you think that his sole purpose in giving you the money was not just to help you with your election, that he would want to help you with other things?

Mr. McFALL. Well, I assumed that he would also want to help me with matters in my office, such as office—I mean campaign—newsletters, matters of that kind, which are very similar to campaign expenses. That is what the money was used for.

Mr. NIELDS. And why do you think he wanted to help you with that?

Mr. McFALL. Well, Mr. Park had sold a lot of rice for the people of my district. I had helped the people of my district sell that rice. I would think Mr. Park would want to see me reelected so that I could continue to help my people in my district to sell rice.

Mr. NIELDS. If you didn't use the money for your campaign, then the money wouldn't help you get reelected, would it?

Mr. McFALL. Yes. Newsletters help you get re-elected, too.

Mr. NIELDS. Mr. McFall, the money which was in your office account was not principally used for newsletters, was it?

Mr. McFALL. It was used for all office expenses. We have a compilation showing how much of that money was used for office expense—for newsletters. In 1975 I believe over \$1,000 of the expenditures were for newsletters.

Mr. NIELDS. That was the only expenditure for newsletters, wasn't it?

Mr. McFALL. Well, I am not sure. You can go back on the account itself, which is a better evidence than what I could give you concerning how that money was expended. It is all detailed in a compilation which you have.

Mr. NIELDS. And that compilation shows that the largest item was personal loans, totaling \$6,600, approximately half of which went to you and approximately half of which was to members of your staff, all of which were repaid.

Mr. McFALL. That wasn't an expenditure. That was——

Mr. NIELDS. A use?

Mr. McFALL. Well, you know I don't want to get into an argument with you about whether or not—what was a use and what was not a use. I suppose that is a matter for the committee to determine. But all of the money was eventually used for office expenses.

Mr. NIELDS. Was there a personal auto repair?

Mr. McFALL. Yes, there was, for \$2.50.

Mr. NIELDS. How about \$149?

Mr. McFALL. No. The auto repair—which one do you see? There was \$149 which was paid for auto repair, and which was repaid by me. It was \$53.82, automobile repair, office account reimbursed, see April 3, 1974. That was reimbursed.

The expenditure for automobile which was not reimbursed was for \$2.50 for my—the cigarette lighter somehow was lost by the staff, and we bought another one and put it back. That is the only item in here for automobile expenses which was not reimbursed.

Mr. NIELDS. Congressman, when did you first learn that the note attached to the \$3,000 contribution was destroyed?

Mr. McFALL. Sometime in 1977.

Mr. NIELDS. Is that at or about the time that you were collecting the records in preparation for delivering them to the committee?

Mr. McFALL. I believe so.

Mr. NIELDS. That was before Mr. Barnes had left your employ, is that right?

Mr. McFALL. Yes, sir, I believe so.

Mr. NIELDS. Now, I would like you to turn to your interview, your stenographically recorded interview, at page 24.

Mr. McFALL. Is that the one under oath?

Mr. NIELDS. Not under oath.

Ms. KUEBLER. Mr. Nields, I would just like to insert one thing, clarify a question you just asked.

Mr. McFall and his staff have been collecting the information since November 1976, since before you or the committee was ever

interested in this investigation. I would like the record to show that.

Mr. NIELDS. Do you have that page 24? The top of the page. You see the question, "And what was done with the note?" Answer: "Well, I am not sure what has happened to the note."

That wasn't quite true, was it?

Mr. MCFALL. Well, I am not really sure. I will have to back up here now. I am not sure at what time I knew that the note was destroyed. This was—I have since determined that the note was destroyed, I found out from Mr. Barnes. When I found that out, I am not sure.

Mr. NIELDS. Well, it was before Mr. Barnes retired, wasn't it?

Mr. MCFALL. I am not sure.

Mr. NIELDS. And it was in fact at or about the time that you collected up your records for the committee and, in fact, didn't you have a discussion with Mr. Mayberry about the note, at or about that time?

Mr. MCFALL. I believe so.

Mr. NIELDS. And that was well before June 10, 1977, wasn't it?

Mr. MCFALL. Yes; I believe so.

Mr. NIELDS. So, at the time you testified on June 19, 1977, you were sure what had happened to the note, were you not?

Mr. MCFALL. Well, I am not sure that I was sure at that time or not.

Mr. NIELDS. Well, Mr. Barnes——

Mr. MCFALL. At the present time I am sure, but I am not sure of what I knew at that time.

Mr. NIELDS. Well, Mr. Barnes had told you that he destroyed the note by them.

Mr. MCFALL. That is what I know now. But, I am not sure I recalled that at the time.

Mr. NIELDS. Mr. Barnes had told you that prior to June?

Mr. MCFALL. I know that now, yes.

Mr. NIELDS. And you discussed the matter with Mr. Marbry prior to June?

Mr. MCFALL. I believe so, yes.

Mr. NIELDS. I have no further questions.

Mr. FLYNT. Any redirect?

Mr. OLSEN. Mr. Chairman, if you would indulge us for just 1 minute?

Mr. FLYNT. All right.

I will ask the committee members if they have anything to ask?

Mr. BENNETT. No questions.

Mr. FLYNT. Mr. Spence?

Mr. SPENCE. No, Mr. Chairman.

Mr. FLYNT. Mr. Hamilton?

Mr. HAMILTON. No questions.

Mr. FLYNT. Mr. Quillen?

Mr. QUILLEN. No questions.

Mr. FLYNT. Judge Preyer?

Mr. PREYER. I just wanted to ask do you remember the date of the first dinner for Speaker O'Neill? The only reason I ask is that I notice you mention that Mr. Tongsun Park was in your office on June of 1971, and that you had no recollection of it.

Was that anywhere close to the date of the Speaker's dinner? Could it have been possible he was there to issue an invitation for the Speaker's dinner?

Mr. MCFALL. Well, the Speaker's dinner or Mr. O'Neill's dinner was after my dinner in 1973.

Mr. PREYER. No, it was later than that.

Mr. NIELDS. December of 1973.

Mr. PREYER. December? All right, thank you.

Mr. FLYNT. Mrs. Fenwick?

Mrs. FENWICK. Thank you, Mr. Chairman.

What was Mr. Linden lobbying for; what did he represent?

Mr. MCFALL. I don't really know. I know Mr. Linden; I don't remember the name of his company.

Mr. Linden is an old friend of mine who used to work for a former Congressman and then later on he went to work for an aluminum company in California.

Mrs. FENWICK. I see; thank you.

Mr. MCFALL. And I have known him for, oh, 20 years, I guess.

Mrs. FENWICK. I see.

Mr. MCFALL. He is an American citizen.

Mrs. FENWICK. Is Mr. Sam Wah You an American citizen?

Mr. MCFALL. Well, no. Mr. Sam Wah You, I believe, was a recent alien.

Mrs. FENWICK. I see.

Mr. MCFALL. Mr. Sam Wah You sneaked into the country.

Mrs. FENWICK. And his money went into the campaign account, did it, Mr. Sam Wah You's money?

Mr. MCFALL. Mr. Sam Wah You was a man who came into the country and he got amnesty in 1949. He was the owner of a large grocery store chain in my district. He was a permanent resident alien. But I don't think he ever became a citizen.

Mrs. FENWICK. But his contribution went into the campaign account as I remember your saying?

Mr. MCFALL. Well, yes, the campaign contribution that he may have given me a long time prior to 1970 went into the campaign account.

Mrs. FENWICK. The year he gave it to you was long before that, is that true?

Mr. MCFALL. That's correct, that is when he owned the grocery stores in California. Then when he went to Taiwan to set up—

Mrs. FENWICK. Yes, but I am interested in the date of when he gave you that contribution to which you testified earlier.

Mr. MCFALL. Sometime before 1970 is all I can recall.

Mrs. FENWICK. I see. I wondered just one thing, Mr. McFall.

If you were troubled about the liability of these contributions, the \$1,000 and the \$3,000, why didn't you just return them?

Mr. MCFALL. Well, because I thought it was proper that we could put it into the office account, and I believe it was proper to put it in the office account. The \$1,000 contribution, I believe I had his consent to put it in the office account.

Mrs. FENWICK. Yes, but I mean—

Mr. MCFALL. The \$3,000 contribution I believe it was properly put in the office account.

Mrs. FENWICK. If you had been troubled since 1970 by the belief that gifts from foreign nationals were illegal, I just wondered how it was you didn't just say I am sorry, I think they are illegal.

Mr. McFALL. Well, they would have been perhaps improper for a campaign donation, but they could have been proper for an office account, which they were. If you will recall, the law specifically said that labor unions could not put their money into a campaign, corporations cannot, and so forth. But, in office accounts, labor unions, corporations, and others gave contributions to office accounts.

Mrs. FENWICK. Were they always in cash?

Mr. McFALL. And it was proper to put them in office accounts.

Mrs. FENWICK. Were they always in cash?

Mr. McFALL. Well, I believe all of my contributions were in cash. I don't know what about other contributions to others.

Mrs. FENWICK. No, but I mean about yours.

Mr. McFALL. I believe all of my contributions were cash.

Mrs. FENWICK. I see.

Thank you.

Mr. FLYNT. Mr. Olsen or Ms. Kuebler?

Mr. OLSEN. Just briefly, Mr. Chairman. Mr. McFall, you offered a stenographically recorded statement on June 10, 1977, and then a deposition of March 23, 1978, in which you were asked questions concerning the matters that this committee is now examining. Is that correct?

Mr. McFALL. Yes.

Mr. OLSEN. It's now the end of September. Since the time when you gave those two statements, have you examined your thoughts in the records and the facts in greater detail?

Mr. McFALL. Yes, I have. I have looked or tried to read over each one of those depositions. I went back to the Congressional Quarterly to look up facts. I have tried to find out more surely what the facts are.

Mr. OLSEN. And your testimony here today represents the culmination of all those efforts to refresh your memory and to learn the truth of what, in fact, happened?

Mr. McFALL. Yes, sir.

Mr. OLSEN. Are you confident that testimony does, in fact, reflect the truth, the circumstances as to which you have testified today?

Mr. McFALL. Yes.

Mr. OLSEN. No further questions, Mr. Chairman.

Mr. FLYNT. Any other questions, Mr. Nields?

Mr. NIELDS. Yes, I do have another question.

Congressman, I think perhaps you misunderstood a question of mine earlier, which was whether you didn't receive a contribution from Sam Wah You in 1972.

Mr. McFALL. Well, I don't know. It would, if it were reflected in my campaign statements, I am sure I did, but I don't recall when he gave me a campaign contribution. I don't know when he went to Taiwan. My knowledge of when we started talking with Mr. Wohl came from Mr. Wohl's testimony, and I don't recall when Sam Wah You gave me a contribution.

Mr. BENNETT. I take it he's a Chinaman?

Mr. NIELDS. I would like the reporter to mark this exhibit.

[Reporter marks exhibit, exhibit 26.]

Mr. NIELDS. Look at the paper-clipped part.

I would like to show exhibit 26 to the witness. I direct your attention to the paper clip. It's marked by a paper clip on the side.

Mr. BENNETT. What is holding us up here?

Mr. NIELDS. The Congressman is looking at the exhibit.

Mr. MCFALL. I have a——

Mr. BENNETT. I didn't mean to be critical.

Mr. MCFALL. I have been shown my campaign statement, my postelection campaign statement for 1972, and I see where in 1972 Mr. Sam Wah You gave, apparently, bought a ticket to one of my dinners, my testimonial dinner in 1972. I don't know whether this was before or after Mr. Sam Wah You went to Korea. It could have been, not Korea, but Taiwan.

It could have been that he still owned the Central Mart stores in Stockton, and it could be that somebody bought a ticket to one of these dinners in his name.

I did not know that he had made this, had purchased this ticket, and I don't recall what time he went to Taiwan.

Mr. NIELDS. So that I take it one possibility then is that in 1972 you had not made your inquiry about the foreign national law.

Mr. MCFALL. Well, I believe we did because from Mr. Paul Wohl's testimony I believe we did. I believe the discrepancy here comes because I think Mr. Sam Wah You went to Taiwan prior to that time, and he still owned the Central Mart stores, and somebody bought a ticket, he may have come back, he may have authorized somebody to buy a ticket for him.

But his original going to Taiwan was what stimulated our desire to find out whether or not foreign nationals could make campaign contributions.

Mr. NIELDS. But after you checked it, you took a campaign contribution from Sam Wah You?

Mr. MCFALL. Well, he bought a ticket to a dinner which I don't recall and didn't know that he had made. You know people buy tickets. As I recall they were only \$10, and anybody could have bought a ticket in his name. Perhaps his comptroller who was still there bought the ticket or tickets in his name.

But, as I recall, he had gone to Taiwan and that is what sparked our desire to find out whether or not since he was, when he lived in Taiwan, that would make him a foreign national. Now, that caused us to try to find out whether foreign nationals could make a campaign contribution.

Obviously, he had contributed to my campaign before, he had contributed to my campaign in 1972, if that is correct, and he did not lose his ability to make that contribution.

But that is what sparked my inquiry concerning the foreign national. If he went over to Taiwan, and what would be his status if he stayed over there.

Mr. NIELDS. And after that inquiry you nonetheless received a campaign contribution which is on your reports, which you saw, I assume at the time.

Mr. MCFALL. Well, no, Mr. Nields. His going originally to Taiwan sparked our original inquiry concerning foreign nationals.

Now, whether or not Mr. Sam Wah You contributed to my dinner in 1972 really wouldn't have anything to do with whether or not that inquiry was made in 1970 or not.

Mr. NIELDS. No; it does not have anything to do with that, but it has something to do with what you did after you made the inquiry.

Mr. McFALL. Well, you know, Mr. Sam Wah You cannot, as a matter of law, did not lose his ability to make a contribution. But what I was trying to find out, when he did go to Taiwan, whether or not he would lose it if he stayed over there.

Now, I don't know whether he stayed over there or not. He eventually died over there and he is dead now.

Mr. NIELDS. The fact is, Congressman, you received a contribution from Sam Wah You in 1972, is that right?

Mr. McFALL. My records show it. I did not know it.

Mr. NIELDS. Sam Wah You was a foreign national?

Mr. McFALL. No, he is not a foreign national.

Mr. NIELDS. Was he a citizen of the United States?

Mr. McFALL. He was, to my way of thinking, a permanent resident alien. I don't believe he ever became a citizen. But that did not make him a foreign national. If he went to Taiwan and stayed over there, he might have been a foreign national.

Mr. NIELDS. How about Tongsun Park?

Mr. McFALL. To my knowledge, Mr. Tongsun Park was a foreign national.

Mr. NIELDS. And what was the difference between Tongsun Park and Sam Wah You?

Mr. McFALL. The difference would have been if Mr. Sam Wah You had stayed over in Taiwan, would he then have become a foreign national?

Mr. NIELDS. Tongsun Park didn't stay over in Korea, he was in the United States, wasn't he, representing the California rice-growers?

Mr. McFALL. That's correct.

Mr. NIELDS. Running the George Town Club?

Mr. McFALL. He was still a foreign national, wasn't he?

Mr. NIELDS. So was Sam Wah You.

Mr. McFALL. Well, you don't know that.

Mr. NIELDS. Well, you have testified he was not a citizen.

Mr. McFALL. That's correct.

Mr. NIELDS. Tongsun Park, was he a citizen?

Mr. McFALL. No.

Mr. NIELDS. Now is it possible, Mr Chairman, if the difference between Sam Wah You and Tongsun Park was that Sam Wah You was paying \$10 and Tongsun Park was a lobbyist and was paying \$1,000?

Mr. McFALL. No.

Mr. NIELDS. I have no more questions.

Mrs. FENWICK. I have one thing, Mr. Chairman, if I may.

Mr. FLYNT. Yes, Mrs. Fenwick.

Mrs. FENWICK. I am a little troubled, Mr. McFall, by the letter of February 23, 1973.

In the last paragraph you say:

As I mentioned—

this is to the President of South Korea—

As I mentioned to my friend, Tongsun Park, these long negotiations with North Korea will require patience and persistence to achieve the goal of peaceful and favorable communication of your separated nations * * *

so that you were writing to the President to inform him earlier in the letter concerning the rice, but certainly later in the letter, as you say:

As I mentioned to my friend, these long negotiations * * *

so that to some extent you did know and wanted the President to know that Tongsun Park was interested in the successful negotiations involving the reunification of his troubled country.

It certainly suggests it, I mean.

Mr. McFALL. Well, I believe that stems from perhaps a conversation with Mr. Park about the existence of these talks and my knowledge of reading it in the newspaper, and so on. I would assume that Mr. Park would have an interest in reunification, as any other Korean probably did. I had an interest in it, and I think that reflects that.

Mrs. FENWICK. I see.

Thank you.

Mr. FLYNT. Mr. Olsen?

Ms. Kuebler?

If there are no further questions, the Chair will read rule 2 of the supplemental procedure.

At the conclusion of the taking of all testimony and receiving of all evidence with regard to each of the above named respondents, the chairman shall fix a date certain to hear closing oral argument from the staff and respondents, and conduct deliberations thereon.

Rule 3 reads 3 calendar days prior to the date set for supplemental rule 2, staff and respondent shall file with the committee written proposed findings of fact, with support for each proposed finding.

Subject to agreement by counsel, the Chair is going to suggest that the date called for in this rule 2 be set for Tuesday, October 3, and that the date for the filing of supplemental or filing of written proposed findings of fact, with support for each proposed finding, be noon Saturday, September 30.

Is there any objection on the part of the staff?

Mr. NIELDS. No objection.

Mr. FLYNT. Any objection on the part of counsel for Mr. McFall?

Ms. KUEBLER. Mr. Chairman, is it the case we will receive the transcript of this hearing Wednesday morning, this being Monday?

Mr. FLYNT. All probability you can get it tomorrow. You can certainly get it by Wednesday.

Ms. KUEBLER. I understood there was more than 24 hours that has to be elapsed before we got it.

Mr. FLYNT. The Chair will state that we have asked that these be transcribed immediately as they are taken, and it is the opinion of the Chair that everything that transpired up until an hour ago has already been transcribed.

Mr. NIELDS. Mr. Chairman, I have one other matter I would like to raise.

Mr. FLYNT. That is in connection with this case?

Mr. NIELDS. Yes.

Mr. FLYNT. All right. What is it?

Mr. NIELDS. It's the issue of the date of the 1971 dinner.

Mr. FLYNT. Oh, yes.

Mr. NIELDS. I am now informed that the bookkeeper's records show that the dinner was actually held on June 29. I would like to find out what records she bases that on, and at some future time, notwithstanding the fact we have scheduled the final papers, offer that proof in a form which is agreeable to counsel for Congressman McFall and the committee.

Subject to that, I rest.

Mr. FLYNT. Can we agree that counsel for both sides make every effort to enter a stipulation?

If not, the Chair will permit Mr. Nields to submit an affidavit along the lines that he has suggested, and if there is a conflict in it, that we will give Ms. Kuebler an opportunity to submit a counter affidavit.

Ms. KUEBLER. Thank you.

Mr. FLYNT. Is there anybody that does not agree with it?

Ms. KUEBLER. I will accept that statement, and I would also say that I know this committee is under heavy time pressure, so given the fact that that is awfully quick for us to submit our written findings and proposals, we will make every effort to do so, and that was noon Saturday.

Mr. FLYNT. Noon Saturday.

Ms. KUEBLER. To the committee office?

Mr. FLYNT. Room 2360, the committee office, yes.

The committee will meet again tomorrow at 10 o'clock.

The meeting tomorrow may be a pro forma meeting because of matters that at this time are not resolved. If possible, the committee will proceed with the matter which is scheduled for tomorrow, September 26.

Until 10 o'clock tomorrow, in this same room, the committee stands adjourned.

[Whereupon, at 6:10 p.m. the Committee on Standards of Official Conduct adjourned.]

APPENDIX F

TRANSCRIPT OF ARGUMENTS

WEDNESDAY, OCTOBER 4, 1978

HOUSE OF REPRESENTATIVES,
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT,
Washington, D.C.

The committee met, pursuant to notice, at 10:50 a.m., in room 2226, Rayburn House Office Building, the Honorable John J. Flynt, Jr. (chairman of the committee) presiding.

Present: Representatives Flynt, Spence, Teague, Quillen, Bennett, Quie, Hamilton, Preyer, Fenwick, Flowers, and Caputo.

Also present: John M. Swanner, staff director, John W. Nields, Jr., chief counsel, Martha Talley, counsel; and Carole L. Kuebler and George G. Olsen, attorneys for Representative John J. McFall.

The CHAIRMAN. The committee will come to order.

The staff director will call the roll.

Mr. SWANNER. Mr. Flynt.

The CHAIRMAN. Here.

Mr. SWANNER. Mr. Spence.

Mr. SPENCE. Here.

Mr. SWANNER. Mr. Teague. [No response.]

Mr. QUILLEN.

Mr. QUILLEN. Here.

Mr. SWANNER. Mr. Bennett.

Mr. BENNETT. Here.

Mr. SWANNER. Mr. Quie. [No response.]

Mr. SWANNER. Mr. Hamilton.

Mr. HAMILTON. Here.

Mr. SWANNER. Mr. Cochran. [No response.]

Mr. SWANNER. Mr. Preyer. [No response.]

Mr. SWANNER. Mrs. Fenwick.

Mrs. FENWICK. Here.

Mr. SWANNER. Mr. Flowers. [No response.]

Mr. SWANNER. Mr. Caputo.

Mr. CAPUTO. Here.

Mr. SWANNER. Mr. Chairman, seven members present, five members absent.

The CHAIRMAN. Seven members constitute a quorum. A quorum is present.

The Chair would like to make the following announcements. The Parliamentarian and presiding officer have just informed me that there will be a number of votes on conference reports, to be followed by a series of a minimum of four votes on motions to suspend the rules and pass designated legislation. The debate on the conference reports, I am informed, in many instances will not consume the entire hour allowed.

We have a room in the Capitol available to us at 1 o'clock p.m. today; it is room H-140. It is my Appropriations Committee room.

I suggest that we begin. The time allowed and the rules that will govern the oral argument will be 30 minutes to the side, with the

side having the burden of proof opening and closing, with 30 minutes in between. That is the procedure which the committee heretofore has established, and as far as the Chair is aware, is generally the procedure which is followed.

The Chair will try to indicate to leading counsel on each side or to the counsel that may be speaking at the time when 20 minutes, 25 minutes, and 29 minutes have been consumed. The matter before the committee at this time is the oral argument, to be followed by deliberations in the matter of Representative John J. McFall.

Does any member of the committee have anything to bring up before we proceed to oral argument; on my right and on my left?

Ms. Kuebler, you understand the 30-minute rule? I have been advised that there may be a request for 2 or 3 additional minutes. If such a request is made, the Chair is going to be lenient and grant the request with the understanding that the same extension be granted to the side not making the request as is to the side making the request.

Mr. Nields, you may proceed.

Mr. NIELDS. Thank you, Mr. Chairman.

At the outset and before I use up any of my time, I think everyone has a stipulation with attached exhibit No. 25. Added to the original exhibit 25 is a newspaper article indicating the date of the Democratic Congressional Campaign Committee dinner in 1971.

I would offer the stipulation and the attached documents in the record at this time.

The CHAIRMAN. Without objection, I understand this has been previously agreed to by counsel on both sides?

Mr. NIELDS. Correct.

The CHAIRMAN. Without objection, they will be made part of the record. [See exhibits.]

Mr. NIELDS. Thank you, Mr. Chairman.

May I proceed now?

The CHAIRMAN. You may.

ORAL ARGUMENT OF JOHN W. NIELDS, JR.

Mr. NIELDS. Mr. Chairman, members of the committee, Ms. Kuebler, Mr. Olsen:

There are three charges which have been filed against Congressman McFall which arise out of the receipt by him and disposition by him of \$4,000 in cash from Mr. Tongsun Park. At the heart of this case is the fact that Congressman McFall received \$4,000 in cash from Tongsun Park which was not reported publicly until after this investigation began, and he wrote letters at the request of Tongsun Park to the head of state of the Government of South Korea praising Tongsun Park and promising legislative support for Korea, facts which would leave the impression in the mind of a reasonable person that Park had purchased some influence with Congressman McFall.

I would like to take the counts one at a time.

In count 1, Congressman McFall is charged with receiving a \$3,000 campaign contribution from Tongsun Park in cash in October 1974, and with failure to report that contribution as required by law. There is no dispute in the record that Tongsun Park

delivered or caused to be delivered through his messenger, John Gibbons, \$3,000 in cash to Congressman McFall's administrative assistant, Raymond Barnes, on October 18, 1974.

There is also no dispute in the testimony that the money was originally given by Park as a campaign contribution. Park has squarely testified that he intended this as a campaign contribution. He has testified that he discussed it with Barnes in advance as a campaign contribution and that he included with the contribution a note which in effect described it as a campaign contribution. The record is also absolutely clear that Mr. McFall understood it as a campaign contribution.

He has testified that right after it was received, Mr. Barnes called him on the telephone and told him that they had a campaign contribution from Tongsun Park. The day when Mr. McFall was asked why he thought Tongsun Park gave him the money, he testified at this hearing "Because he wanted to help me with my reelection."

There is, therefore, absolutely no question that the money was initially given to Congressman McFall as a campaign contribution.

There is a square dispute in the testimony, however, on the question whether the original purpose of the contribution was changed at some subsequent time. This is a crucial question with respect to count 1, because if Park changed the original purpose of the contribution at some subsequent time, then it would lose its character as a campaign contribution; it would not have to be reported.

Mr. Barnes, Congressman McFall's administrative assistant, testified that after the contribution was received, he called Mr. Gibbons, the messenger, on the phone and obtained from him authorization to put the money into the office account. Mr. Gibbons' testimony is to the contrary.

I suggest to this committee that, on the basis of the record before it, the testimony of Mr. Gibbons should be credited and that the committee should find that, whether through a very poor recollection or through a misguided effort and clumsy effort to help his old boss, Mr. Barnes' testimony is wholly unworthy of belief.

I think those of you who were present at the taking of Mr. Gibbons' testimony will recall that, of all the witnesses who have testified with respect to this \$3,000 contribution, he had by far the best recollection, as well he should have, because less than 1 month after he had come back from Korea, started working for Tongsun Park, he was asked by Park to deliver an envelope to the offices of a congressman, John McFall. He testified that he took the envelope at Park's house, carried it to Congressman McFall's office, met Raymond Barnes in the foyer, and attempted to give him the envelope.

Barnes refused to take it. He ushered him into the next room. There Barnes took the envelope, turned his back to Gibbons, opened it, looked inside, turned around and said "Thank you," and Mr. Gibbons left. Mr. Gibbons' recollection of that event was extremely vivid. But when asked whether he ever spoke to Mr. Barnes again, Mr. Gibbons said "No, I don't believe so." When asked specifically whether anyone had discussed with him the idea of changing the purpose of the campaign contribution, he said he

had no recollection of any such conversation. He would not have had the authority to grant such permission if he had been asked, without talking to Tongsun Park, and had had no recollection of talking to Tongsun Park.

Tongsun Park testified he had no recollection of talking to anyone about this subject either.

Finally, Mr. Gibbons testified that when he was first questioned by the staff in this investigation, he still did not know for sure what was in the envelope which he had delivered.

I submit that Mr. Gibbons' recollection was superb, that he had absolutely no motive to lie, and that the committee should find, based on his testimony, that Mr. Barnes never made that call.

Mr. Barnes, on the other hand, I submit to this committee, was an exceedingly poor witness. Mr. Barnes' testimony on a number of issues was squarely contradicted by the testimony of Mr. Park and Mr. Gibbons, and on this particular issue, his testimony was contradicted by the testimony of Congressman McFall himself. Barnes said that after he obtained approval to put the money in the office account, he informed Congressman McFall that he obtained that approval and it was okay to put the money in the office account. Congressman McFall testified that such a conversation never took place.

Furthermore, Mr. Barnes' testimony was inherently unworthy of belief. Mr. Barnes did not mention this call to Mr. Gibbons until the fifth time on which he had given his version of this \$3,000 contribution to investigators.

Now if Mr. Barnes was unaware or had been unaware of the significance of this conversation with Mr. Gibbons, then even though it might have occurred, he might have simply neglected to tell it to the investigators on his first four statements.

However, I submit that the record clearly reveals that Barnes was aware right from the beginning, right from the beginning, of the importance of the fact that the campaign contribution had been offered as a campaign contribution; had not been reported as a campaign contribution, and the fact that there was no excuse for the failure to report it.

You will recall that Mr. Barnes testified that in October of 1976, just 1 month before he was first interviewed by the FBI, Mr. Barnes was called by Scott Armstrong of the Washington Post. Scott Armstrong of the Washington Post asked him if he hadn't or if Congressman McFall hadn't received a contribution from Tongsun Park in 1975. He got the year wrong, so Barnes said no. Then Scott Armstrong corrected himself on the year, and Barnes said nothing.

Then Barnes suggested that Scott Armstrong should call the California district office, Congressman McFall's California district office, where the records of campaign receipts were kept. So Scott Armstrong called, at Barnes' suggestion, the California office, and the California office called Barnes back, and they told him that Scott Armstrong had called, and that they had told him there was no record of a contribution from Tongsun Park.

So Barnes knew two things. He knew, first, that Scott Armstrong had learned about the contribution, and, two, that Scott Armstrong had learned that it hadn't been reported. Barnes knew a third

thing. He knew that in his files was a note, the note which Park had attached to the contribution, which indicated that it was indeed a campaign contribution which was required to be reported.

What did Mr. Barnes do then? He went into his files. He took out the note, ripped it up, and threw it away.

Why did he rip up the note?

Well, he testified before this committee that it just might be that he ripped up the note because he was worried about the fact that the campaign contribution had not been reported. So Mr. Barnes had it on his mind in October of 1976 that this contribution was not reported, that it had been given as a campaign contribution, and that there was no excuse for failure to report it.

Now if there had been a conversation with Mr. Gibbons, that would have supplied the excuse for failing to report it. But when the FBI came around 1 month later and asked him about these events, he didn't mention any conversation with Mr. Gibbons. Instead he said that he felt the \$3,000 was intended by Park as a political contribution.

I submit there is only one explanation for Mr. Barnes' failure to mention this conversation with Mr. Gibbons which would have explained why the money hadn't been reported, and that reason is that the conversation never took place.

So I submit that it has been clearly and convincingly established that the \$3,000 was intended as a campaign contribution, understood as a campaign contribution; that no permission to change it had ever been obtained from Tongsun Park or any messenger, and, consequently, it was required to be reported.

The law is absolutely clear that the intent of the person giving the contribution is determinative of the question whether it must be reported. The testimony of Mr. Moss before this committee that a recipient of a campaign contribution can render it unreportable by unilaterally putting it to another use has absolutely no support in the statute, absolutely no support in common sense. I submit that the charge in count 1 has been sustained.

The CHAIRMAN. Mr. Nields, would you suspend?

Mr. NIELDS. I will.

The CHAIRMAN. How many members desire to record their votes?

The committee will suspend.

Mr. Nields, you have consumed 13 minutes. You have 17 minutes remaining.

Does that agree with your clock, Ms. Talley?

Ms. TALLEY. It does.

The CHAIRMAN. The committee will stand in recess until the vote has been recorded.

[Recess.]

The CHAIRMAN. The committee will come to order.

The Chair and other members of the committee have been advised that there will be frequent votes. One of the members of the committee suggested to the Chair, and he and I together consulted with almost every other member and we have come to the conclusion, I don't know whether it is accurate or not, but at least we have concluded that if the procedure which is anticipated does materialize, that Mr. Nields will not be able to utilize the remaining 17 minutes he has before 1 o'clock.

Accordingly, after having discussed this with counsel on both sides and with almost every member of the committee, the committee stands in recess until 1 o'clock this afternoon, and we will reconvene, not in this room, but in room H-140.

We will try to make as much space available as can possibly be made available for those who wish to be present.

The committee stands in recess.

[Whereupon, at 11:44 a.m., the committee recessed, to reconvene at 1 p.m., this same day, in room H-140.]

AFTERNOON SESSION

The CHAIRMAN. The committee will come to order. A quorum is present.

At the time of the recess, Mr. Niels had consumed 13 minutes. Mr. Niels, you may proceed with 17 minutes remaining and again with the understanding Ms. Kuebler and Mr. Niels, that if you need additional time for reasons heretofore explained to the Chair, the request will be granted.

Mr. NIELDS. Thank you, Mr. Chairman.

In count 2, it is charged that Congressman McFall converted the campaign contribution from Tongsun Park in 1974 to his personal use and failed to keep his campaign funds separate from his personal funds. The facts with respect to count 2 are undisputed. It is undisputed that \$2,400 of the \$3,000 which was given to Congressman McFall in October of 1974 was placed into his office account, and it is undisputed that his office account was used from time to time for personal purposes.

There was a total of \$6,000 in loans to Congressman McFall and other members of his staff, which came out of the office account; a total of over \$3,000 in loans which went to Congressman McFall, and a loan of \$1,505, which went to Congressman McFall shortly after the Tongsun Park money went into the account.

It is submitted that the facts conclusively establish the campaign contribution from Tongsun Park was mingled with the other moneys in the office account and that the moneys in the office account were used in part for personal purposes.

This, I submit, conclusively establishes the charge in count 2, establishes a charge which I think the committee can find is a relatively minor example of a violation of House rule XLIII, clause 6.

The defense, however, which is offered by Congressman McFall and his witness, Robert Moss, the defense to this charge, raises an issue which this committee must decide, which is by no means minor.

Congressman McFall and Mr. Moss say that for a 2-year period of time, the relevant period of time to this case, 1975 and 1976, this Congress authorized its Members to convert campaign funds to their personal use. They claim that Congress authorized Members of Congress to use for their own personal enrichment moneys which had been given to them solely to help defray their election expenses. I submit that this proposition is both shocking and incorrect.

In 1967, the Senate censured Thomas Dodd for converting campaign funds to a personal use. It did so in the absence of any specific written rule governing such conduct, and it did so, saying, and I am quoting:

Thomas Dodd's conduct deserves the censure of the Senate, is contrary to accepted morals, derogates from the public trust expected of a Senator and tends to bring the Senate into dishonor and disrepute.

Following that decision by the Senate, the House of Representatives passed a rule expressly forbidding conversion of campaign funds to a personal use. That rule has remained in effect from 1967 until the present time.

In 1975, there was an amendment to that rule which made the rule read conversion of campaign funds to a personal use was prohibited "unless specifically authorized by law." Congressman McFall and Mr. Moss' argument is that there was a law which specifically authorized everything that the rule prohibited; that there was a law which had been passed in October which specifically authorized conversion of campaign funds to a personal use. The law did no such thing.

The law specifically authorized conversion of campaign funds to a charitable use, and it specifically authorized conversion of campaign funds to a congressional business use. The law did not specifically authorize conversion of campaign funds to a personal use. Indeed, the Conference report specifically stated that the statute left intact the House rule prohibiting conversion of campaign funds to a personal use.

The technical legal analysis is all contained in my papers at pages 10 to 16. The point, however, is very simple. It was immoral long before the Thomas Dodd case for a Member of Congress to convert his campaign funds to a personal use. It has remained immoral ever since, and this Congress at no time, either surreptitiously or otherwise, authorized its Members to engage in such conduct.

I submit that the charge in count 2 has been conclusively sustained.

In count 3, it is charged Congressman McFall received \$4,000 in cash from Tongsun Park under circumstances which might be construed by a reasonable person as influencing his official duties. The essence of count 3 is simple. You may recall Tongsun Park testified that Mr. Barnes first asked him for a contribution to the Democratic congressional campaign dinner shortly before that dinner was held on June 29, 1971. Congressman McFall's chronology reflects a single visit to his office by Tongsun Park during the year 1971. That was on June 17, 1971, 12 days before the dinner.

I submit that it is a reasonable inference to draw that Barnes solicited the \$1,000 cash contribution to that dinner from Tongsun Park on June 17, the day that he visited Congressman McFall's office.

The following day, June 18, Congressman McFall sent a letter at Tongsun Park's request to the head of state of the Republic of South Korea, praising Tongsun Park and promising legislative support for the Republic of Korea.

In November of 1972, Tongsun Park made a \$1,000 cash contribution in person to Congressman McFall; 3 months later, Congress-

man McFall sent a letter to the head of state of the Republic of South Korea, again at Tongsun Park's request, praising Tongsun Park and praising legislative support to the Republic of Korea.

In October of 1974, Tongsun Park caused a \$3,000 cash contribution to be delivered to Congressman McFall. Four days later, a telegram was sent by Congressman McFall to Tongsun Park in Korea, suggesting that the President of South Korea appear at an inauguration ceremony for the bulk-loading facility at the Port of Inchon, which Congressman McFall believed, although erroneously, that Tongsun Park had a business interest in.

The point of count 3 is that these events would leave the impression in the minds of a reasonable person that Park had been able to purchase some influence with Congressman McFall, and that is why these communications were sent.

The impression is substantially aggravated by the manner in which the money was handled. Although both the contribution in 1972 and the contribution in 1974 were offered specifically as campaign contributions, which would have to be reported, they were not received as such, and they were not reported. Different reasons have been advanced why these contributions were not treated as campaign contributions, and why they were not reported, but the fact remains that they were not reported anywhere except in Mr. Barnes' little black ledger, which had been seen, according to his testimony, by only one or two people in the world.

The fact remains that this also would leave the impression in the mind of a reasonable person that Congressman McFall had something to hide, and that was that Tongsun Park was purchasing some influence with Congressman McFall.

It is not only a reasonable person which might draw that conclusion. We know from the proof in the record that Raymond Barnes, himself, drew exactly that conclusion, because although Congressman McFall told him to put the \$3,000 received from Tongsun Park into the office account, in November of 1974, Mr. Barnes waited 3 months, until February 1975, before he put any of it in, and then he broke it down into \$500 increments and made five trips to the bank in order to put this money into the office account.

Mr. Barnes never gave a very adequate explanation for why he did that, but he did concede that he felt the \$3,000 cash contribution all at once into the office account would look bad. It had, according to Barnes, the appearance of impropriety to it. It would look bad.

Mr. Barnes has been asked to take a lot of the weight in this case. According to the testimony of Congressman McFall, the office account was originally opened because Mr. Barnes made a mistake about the law. Mr. Barnes told him that the only thing he could do after the 1972 Campaign Act was to take the money out of his District of Columbia campaign account and put it in his office account. Mr. Barnes told him that the new law had abolished his District of Columbia campaign account, whereas the new law simply required contributions into that account to be reported, but no law required the contributions into the office account to be reported. Similarly, in 1974, Congressman McFall testifies that he diverted Tongsun Park's \$3,000 campaign contribution into the office account because Mr. Barnes made a mistake of law and told

him that it was illegal to put the money in the campaign account, but would be legal to put it in the office account. In fact, the only legal difference between the two accounts was money going into the campaign account would be reported; money going into the office account was not.

However, I suggest the evidence before this committee conclusively established that it was not just Raymond Barnes who was aware of the appearance of impropriety to this money, because, in 1972, Congressman McFall himself decided, without any consultation with Raymond Barnes, without any consultation of the law, to put the \$1,000 which Park had offered as a campaign contribution into the office account. He made that decision the instant that Park offered him the money.

I think this committee should ask itself why, in November of 1972, did Mr. McFall put that \$1,000 contribution from Tongsun Park into his office account.

Mr. McFall, according to Park's testimony, told Park that the reason he was putting it into the office account was that it was after the election and he had no campaign expenses. And that was the reason that Congressman McFall gave in his initial testimony before this committee. However, at the public hearings, he was asked if it wasn't true that after the election, right before and right after Tongsun Park's contribution was received, he didn't take other moneys as campaign contributions, and he said, well, the absence of campaign expenses was not normally a reason to reject a campaign contribution. So why, he was asked, did he divert Tongsun Park's campaign contribution into his office account. Then he said, well, maybe it was because he was worried about the law prohibiting campaign contributions from foreign nationals. He said that sometime earlier he had checked out the law in connection with a contribution from a man named Sam Y.U., a Chinese alien, but then he was shown his campaign reports for the year 1972 and conceded that he had, in fact, received a campaign contribution from this very same Chinese alien, Sam Y.U. in 1972. So what, I ask the committee, is the difference between the contribution from Sam Y.U., which went into his campaign account and the contribution from Tongsun Park, which he put into his office account.

I submit that there is only one answer to that question. The contribution from Tongsun Park was \$1,000. It was in cash; it was from a lobbyist; it was from someone for whom Congressman McFall had previously done and would later do favors. Indeed, Congressman McFall has testified that all of the contributions which went into his office account were in cash, and he has testified that they were, by and large, cash from lobbyists. I submit to this committee Congressman McFall decided instantly on that day in 1972 to put the \$1,000 contribution into the office account because it was cash from a lobbyist like the other money which he put into his office account.

The CHAIRMAN. Mr. Nields, you have consumed 30 minutes.

Mr. NIELDS. I have a couple minutes more to go, Mr. Chairman.

The CHAIRMAN. All right. Both sides are granted 2 additional minutes.

Mr. NIELDS. It may be a little more than two.

The CHAIRMAN. That is all right. How much do you want?

Mr. NIELDS. Maybe I should ask for five, Mr. Chairman.

The CHAIRMAN. Both sides are granted an additional 5 minutes.

Mr. NIELDS. The proof in the record that Park, in fact, lobbied for Korea, and that Congressman McFall knew it, is ample. I will not go through Park's own testimony. You will recall that he testified, however, that Congressman McFall did not only talk to him about rice, but suggested to him that he ought to meet Congressman Passman, because Passman was in charge of foreign aid in Congress.

The letters, exhibits 6 and 9, conclusively establish Congressman McFall knew that Tongsun Park was not solely interested in rice. Each deals with rice, but each also deals with the subject of aid for Korea. In the second letter Congressman McFall closes by saying, "We will continue to look to Tongsun Park for cooperation in all our areas of mutual interest."

Up until now, I have been talking as though the case was solely about the appearance that Congressman McFall did favors for Tongsun Park in return for the money that he received. There is much more to the case than that, however. In the first letter that he wrote to the President of South Korea, it states, and I am quoting:

Through my previous membership on the Foreign Operations Subcommittee of the House Appropriations Committee and present membership on the Defense Subcommittee, I have had the opportunity to learn more about the progressive efforts being made for development of Korea and to assist in advancing some of the presidential and congressional recommendations regarding aid for your country. In my new capacity in the House of Representatives leadership team, as Majority floor whip, I look forward to being able to work even more effectively on matters of mutual interest and concern to Korea and the United States.

That was sent at the request of Tongsun Park.

The second letter, in February of 1973, reads:

As the 93d Congress examines the strength and positions of the free world and security issues affecting the interests of both the United States and Korea, I am hopeful that my new position as the Majority Whip in the House of Representatives will allow me to give more meaningful assistance in those areas where the interests of your country and mine converge."

Now, I said in my opening statement, and I say again, that the staff will not and has not proved that Congressman McFall was influenced, in fact, by Tongsun Park in the area of military aid to Korea. However, suppose that you are an editorial writer, constituent, or Member of Congress, who wanted to persuade Congress to change its attitude toward military aid to Korea, wanted to persuade Congress that they should cut off aid to Korea, and possibly you knew that Congressman McFall had received \$4,000 in cash from Tongsun Park and had then written letters to the head of state of the Republic of Korea, promising legislative support for Korea. I say to you that you would say there is no sense trying to persuade John McFall, because he is committed and beholden to Tongsun Park. I am not saying he was beholden to Tongsun Park. I am saying a Member of Congress cannot let himself be found in a position where a reasonable person would have the impression that his position on a legislative matter is frozen as a result of large campaign contributions made and letters written a foreign head of state on behalf of Tongsun Park; letting yourself be put in that

position is a violation of rule V of the "Code of Government Conduct", and it should not be condoned by this committee.

The CHAIRMAN. Mr. Niels has consumed 35 minutes. Ms. Kuebler, you are recognized for 35 minutes that you may allocate among yourself and Mr. Olsen as you see fit.

Ms. KUEBLER. Mr. Chairman, Mr. Olsen will be giving the final statement for the respondent.

The CHAIRMAN. Mr. Olsen, you are recognized, and, as I did in the case of Mr. Niels, I will notify you at intervals of 20 minutes, 25 minutes, and 34 minutes.

ORAL ARGUMENT BY GEORGE G. OLSEN

Mr. OLSEN. Thank you, Mr. Chairman.

Mr. Chairman and members of this committee, Mr. Niels: On July 12, 1978, this committee culminated a lengthy investigation of something which became known as the Korean influence-buying scandal. That culmination was the issuance of statements of alleged violation against four Members of Congress, including John J. McFall, who theretofore had a long distinguished and unblemished record of service to this institution.

The issuance of that statement of alleged violation against Mr. McFall placed him directly in the path of intense political and public pressure on Congress to restore confidence in the House of Representatives as a result of the publicity of the Korean scandal.

There is only one thing that can prevent that pressure from denying Congressman McFall an adjudication which meets fundamental notions of due process and which insures a fair, truthful and just decision. That one thing is this committee's resolve to do three things.

One, to ascertain with precision, the precise meaning, intent and purpose of the statutes and rules involved and the components, the elements of the violations alleged in the complaint;

Two, this committee must separate what is fact and what is truth from what is innuendo, implication and circumstances, and;

Three, this committee must apply the standard specified in the Manual of Offenses and Procedures. That standard is clear and convincing evidence that the violations alleged in the complaint actually occurred.

The Supreme Court has indicated what clear and convincing evidence means. It is that solidarity of proof which leaves no troubling doubt. Again, it is that measure or degree of proof which will produce in the mind of the trier of facts a firm belief or conviction as to the allegations sought to be established.

I submit to you that innuendo and implication do not satisfy the clear and convincing standard. I submit to you that Mr. Niels' rather active imagination, his ability to extract things from the reality of the congressional operations and attach to them a significance which does not exist, does not meet the clear and convincing standards. That standard must be applied by this committee, and, as I will demonstrate, that standard is not met with respect to any of the three counts.

Consider count 1:

Count 1 alleges that Congressman McFall violated section 304(b)(2) of the Federal Election Campaign Act of 1971 in that he failed to report a donation of \$3,000 from

Tongsun Park, ostensibly given for the purpose of influencing his election to the House.

That same count also alleges that this conduct did not reflect creditably on the House of Representatives and therefore violated Clause 1 of the Code of Official Conduct.

The facts pertinent to this allegation are clear, but they are not as simplistic as Mr. Nields would lead you to believe. On October 18, 1974, a donation of \$3,000 was delivered to Congressman McFall's office, unsolicited by him or any of his employees. The delivery was made to Raymond Barnes. The donation was accompanied by a note to the effect of, good luck in the election. Mr. Barnes conditionally accepted the donation, pending instructions from Mr. McFall, who at that time was in his home district in California.

Mr. Barnes apprised Mr. McFall of the donation, but asked for instructions on how he should dispose of it. Based on a mistaken impression that the campaign laws forbid acceptance of campaign contributions from foreign nationals, Congressman McFall directed Mr. Barnes to hold onto the money and said that a decision would be made as to the proper disposition of those funds when he returned to Washington.

When he did return, Congressman McFall determined that it would be proper to place the donation in the McFall office account and directed Mr. Barnes to do so. There is absolutely no evidence that that donation was commingled with Congressman McFall's campaign funds, nor has it ever been used for the purpose of influencing his election to the House of Representatives. Mr. Nields has presented no evidence on that point, and the record of this proceeding is devoid of any such evidence.

What is true, however, is that Congressman McFall never accepted a donation from Mr. Park on behalf of his campaign committee as a campaign contribution. These facts are manifest from the record, and Mr. Nields takes issue with few of them. He does, however, attempt to dismiss Mr. Barnes' testimony, particularly with respect to his testimony concerning the confirmation of authorization to put the \$3,000 in the office account.

What we cannot do is impute Mr. Barnes' testimony, Mr. Barnes' feelings, and Mr. Barnes' action to Mr. McFall. Mr. Nields leads you to believe that the only authorization for putting those funds into the office account was Mr. Barnes' conversation with supposedly Mr. Gibbons. I suggest that there are two other reasons why that could have been done on Mr. McFall's own determination.

First, in November of 1972, Mr. Park had personally delivered a donation to Mr. McFall, and, at that time, assented to Mr. McFall's decision to place the donation in his office account. Relying on this previous acquiescence, Congressman McFall justifiably assumed that the \$3,000 donation was not exclusively given as a contribution for the purpose of influencing his election to the House of Representatives.

Second, we all recall Mr. Park's testimony, that the purpose of the donation was not necessarily for campaign contribution, but that whatever the donee did with it was acceptable to him. Based on these two facts alone, we don't need Mr. Barnes' testimony to

demonstrate to this committee that Mr. McFall was operating properly when he put the fund in the office account.

But let's consider Mr. Barnes' testimony. If you recall, he indicated that he had a vivid recollection of that phone conversation. He doesn't admit, however, that it may not have been with Mr. Gibbons. He indicated that he had a business card for Pacific Development, and it was perhaps that number which he used. Mr. Park testified that there were several people at that number who could have been reached by Mr. Barnes.

I suggest that Mr. Barnes could have had that conversation although it may not have been with John Gibbons; it was some other employee of Mr. Park at Pacific Development.

Let us remember, too, that Mr. Barnes was not called by the respondent; Mr. Barnes was called by Mr. Niels, and where it suits Mr. Niels' needs, he cites Mr. Barnes, yet when the respondent suggested Mr. Barnes' testimony is important, Mr. Niels says we can't believe anything he says. I suggest that that double standard simply should not apply.

He says that Mr. Gibbons' testimony is absolutely accurate. It isn't. Review the transcript. Mr. Gibbons said he had numerous telephone conversations, perhaps on the order of 100 a week. He could not remember specifics of any of those conversations. There were other incidents in that transcript which indicate perhaps Mr. Gibbons' recollection isn't as accurate as Mr. Niels would lead you to believe.

Furthermore, there is the matter of the business card. Mr. Barnes suggests that Mr. Gibbons gave him his business card. Mr. Gibbons couldn't recall that at all.

Finally, Mr. Niels said, well, Mr. Barnes didn't tell us about the authorization until the fifth time that we talked to him. That is right. Mr. Barnes testified that Mr. Niels never asked him about it, and when Mr. Niels did ask him about it, that jogged his memory and he gave the proper response. The central question now deposited before this committee, then, is whether the facts as I have just stated them constitute clear and convincing evidence of a violation as alleged in count 1. The answer must be a resounding no.

Under section 302(a) of the Federal Election Campaign Act, the requirement to report depends on whether there was a contribution within the meaning of that statute. If there was no such contribution, there is no failure to report nor a violation of clause 1 of the Code of Official Conduct.

It should be noted that nowhere in the statute, its legislative history, or any rule purporting to interpret that statute, is there a definition of the term receipt or similar operative term for purposes of applying the requirement of reporting and disclosure of campaign contributions.

As Mr. Robert Moss' testimony events, this lack of explanation made many candidates and their committees uncertain as to the proper reporting, for example, of a contribution which clearly could not be accepted, such as a corporate donation, which had been physically transmitted to the committee. This confusion has been noted by Judge Oakes, of the U.S. Court of Appeals for the Second Circuit in U.S. National Committee for Impeachment. His sugges-

tion is where, as here, there is confusion over the meaning of key terms in the Federal Election Campaign Act, application of the statute must turn on the factual circumstances describing the event in question. In this case, three criteria are determinative in ascertaining whether the facts developed in this proceeding make out a contribution for purpose of the reporting requirements: One, donative intent; two, the terms of acceptance by the donee; and, three, the use to which the donation is put.

Mr. Niels would have this committee evaluate the facts on the basis of the first criterion only, and that is donative intent. I suggest to you that this would completely undermine the purpose of the act. For example, suppose an individual gave a contribution to an office account, but, in fact, the candidate used it as a campaign contribution.

Under Mr. Niels' reasoning, the donative intent controls that campaign contribution which was used for a campaign contribution would not have to be reported. I suggest that you need to evaluate all three factors to determine whether or not a contribution within the meaning of the statute was made.

Consider these factors: First, donative intent. The \$3,000 contribution was accompanied by the note to the effect of, good luck in the election. While these words suggest the donative intent was to make a campaign contribution, the surrounding circumstances do not.

Mr. Park expressed no objection when Mr. McFall accepted a prior donation on behalf of his office account. And Mr. Park has repeatedly stated that the use of the donation was immaterial to him, thus negating the intent which the note supposedly conveys.

Furthermore, Mr. Barnes has testified that he received authorization to place the funds in the office account. I suggest that his credibility with respect to the statement must be upheld.

Two, the second element for determining when a donation is a contribution for reporting purposes is the terms of acceptance by the donee. Congressman McFall decided that it would be improper to accept the money as a campaign contribution due to his mistaken perception of the law as precluding such contributions from foreign nationals. Subsequently he accepted the donation on behalf of his office account, and it was duly deposited therein. The donation was not accepted as a campaign contribution.

Third, the use of the donation as the third factor to be considered: Mr. McFall directed Mr. Barnes to place the money in the McFall office account, to be used to defray the expenses of running the office. The donation was never used to influence Congressman McFall's election to the House of Representatives, nor was it ever placed with funds used for campaign purposes.

Applying the third factual element of a contribution, then, for reporting purposes, it is evident that: One, the donative intent was not to influence Congressman McFall's election to the House of Representatives. Mr. Park didn't care what it was used for;

Two, the donee accepted the donation as an office account contribution; and

Three, the donation was not used for campaign purposes. It is beyond quibble, therefore, that the \$3,000 donation did not meet

the definition of contribution set out in the statute and for that reason does not constitute a violation of Public Law 92-225.

This same result is reached on an analysis of the facts on the basis of contract law, common law, gift law, and the statutory law governing the receipt of stolen goods. These are basically legal issues which are set out in full in respondent's findings of fact and conclusions of law, and I respectfully draw this committee's attention to them.

Count 2:

Count 2 alleges that Congressman McFall violated Clause 6 of the Code of Official Conduct by converting a campaign contribution of \$3,000 from Tongsun Park to his personal use and failed to keep his campaign funds separate from his personal funds. It is critical to note that these allegations are predicated upon a finding by this committee that the \$3,000 donation was a campaign contribution. If this committee finds that it was not a campaign contribution, this count 2 must fall.

With the exception of the nature of the \$3,000 contribution, the facts involved in count 2 are generally uncontroverted. In April 1972, Congressman McFall started an office account with \$5,047, which was left over from his campaign account in the District of Columbia. The office account was created because changes in Federal and California law required maintaining a record of a name and address of every contributor to the account, and this record-keeping had not previously been done for Mr. McFall's District of Columbia campaign account.

For Congressman McFall, therefore, to transfer the District of Columbia funds to his main California account, would not be permitted by State law. In fact, California election law in effect in 1972 did require a listing of the names, city or locality of each contributor regardless of the amount. This is the reason why that transfer was made, not the reason that Mr. Niels cites.

Congressman McFall dutifully compiled and made available all contributions to and expenditures from his office account to the Clerk of the House of Representatives. Notably the office account was used to defray expenses incidental to the conduct of Representative McFall's congressional office.

It was a customary practice in Mr. McFall's office to use the account to make short-term personal loans to the office staff. The gravamen of count 2 alleged by Mr. Niels is that Congressman McFall withdrew \$1,505.05 from the office account as a personal loan for the purpose of assisting one of his daughters in purchasing an automobile. Within 5 weeks, \$1,200 had been repaid by his daughter. Mr. McFall was required to reimburse the remaining \$305.05 to his account, which he later did. Mr. Niels cites a figure of \$3,000 to you. He does not disclose to this committee, however, that those were legitimate reimbursements for air flight connected with his services here in Congress.

Congressman McFall paid income taxes on the moneys placed in his office account in conformance with the Internal Revenue Code and the applicable regulations thereunder.

I suggest to you that there was no conversion of campaign funds to personal funds. One, there was never a campaign contribution in the first place. Two, Mr. McFall's actions do not constitute conversion. Conversion in this case would require that Congressman McFall be shown to have exercised control over the fund which is

consistent with, or adverse to, the fund, and that he cause some harm, expense, or inconvenience to the office account.

Such adverse impact has not been demonstrated. Respondent's established office practice allowed for certain personal loans from the office account to be secured by the borrower's promise to pay. Loans to several other employees had been paid, and Congressman McFall's interference with the office account was no greater than what had been considered usual practice.

The exchange of cash for short-term personal obligations of a U.S. Congressman is not conversion, because there is ample security for the loan.

Conversion should also not apply since Congressman McFall did not intend to affect any campaign funds. Having placed the donation in his office account, he dealt with it as such at arm's length in a manner no different than any other office employee. These facts on their face demonstrate that no campaign funds were converted, for there were none to convert, but more than that, they show that Congressman McFall acted reasonably without any intent to convert any property to his personal use, no damage was done to either the campaign fund or the office account fund.

But even if you find that there is a campaign contribution, there was no conversion because at that time it was lawful and proper to use excess campaign contributions to defray ordinary and necessary office expenses or for any other lawful purpose, including personal use.

From April 1972, until March 1977, no Federal law prohibited the establishment or operation of an office account. That is an account to defray expenses incidental to a congressional office.

On January 1, 1975, section 439(a) of the Federal Election Campaign Act Amendment of 1974, enacted into law on October 15, 1974, became effective. This section provided that a candidate for Federal office could use contributions in excess of his election expenses and any other amounts contributed to an individual for the purpose of supporting his activity as a holder of Federal office to defray such ordinary and necessary expenses and for any other lawful purpose.

Sufficient funds could lawfully go into his office account. The provisions of section 439(a) and the changes in the House Rule which Mr. Niels neglected to mention to you, permitted for a limited period of time the personal use of campaign funds. Let me read to you from the transcript of Mr. Robert Moss' testimony, counsel to House Administration. He says on page 142:

So you had a clear conflict between the statute and the House Rule. The statute took effect on January 1, 1975. On January 14, 1975, the House Rule was amended. It was changed and the language was added that provided that unless specifically provided by law. Now what that change did was to incorporate 439(a).

I am delighted to inform the committee that 2 years later, on March 2, 1977, that language was taken out in a House Resolution 287. But for a 2-year period the House Rules incorporated the provision of section 439(a) that permitted the conversion of excess campaign funds or office account funds to personal use.

Mr. Moss' long-time history of assistance to Congressmen in this area, unchallenged expertise in the area of election law, reaches this conclusion. Mr. Niels neglects to tell you that the House rule was amended to reflect 439(a). I suggest that even if you find there

was a campaign contribution, there was no violation of the law cognizable under count 2.

Count 3: Count 3 alleges that Congressman McFall conducted himself in a manner which did not reflect creditably on the House of Representatives, and that he accepted favors and benefits from Tongsun Park under circumstances which might be construed by reasonable persons as influencing the performance of his duties.

Now, Mr. Niels keeps talking about this reasonable person. What would it appear to you; what is it in your impression? That is not the standard.

The standard you must apply is whether there is clear and convincing evidence that such impression would exist; that a reasonable man would so find.

I suggest to you that this standard is not met with respect to count 3. Mr. Niels has succeeded in the last 30 minutes in extracting from reality certain facts and attaching to them innuendo and implications which are not justified.

As I will show in the next few minutes, Mr. McFall's actions were completely consistent with his obligations as a Congressman from the 14th District, and that all of his actions were completely consistent with all applicable statutes, rules and regulations.

Consider the context of Mr. McFall's actions. Congressman McFall's relationship with Tongsun Park existed for the principal purpose of assisting his constituents in disposing of their surplus supplies of rice and improving the general economic health of his congressional district by promoting additional sales of rice. This is uncontroverted on the record. Kurt Rocca, a long-time personal friend of Congressman McFall, who owned and operated substantial rice elevator facilities in the 14th Congressional District, requested Congressman McFall to meet with Tongsun Park. At that time, Mr. Rocca indicated Tongsun Park was a selling agent for California ricegrowers who had been instrumental in helping to sell rice to Korea.

Mr. McFall had no additional knowledge of any other possible connections of Mr. Park. From that time on, respondent McFall considered Tongsun Park to be simply a businessman engaged by the California Rice Growers Association to facilitate the sale of their goods. At no time did respondent McFall believe, or have reason to believe, that Tongsun Park was anything more than a selling agent for his ricegrowing constituents. The record in this proceeding is devoid of any evidence that Tongsun Park was an agent for the Korean Government.

Respondent McFall met with Tongsun Park on December 11, 1969, because he believed that such a conference would benefit his constituents. At that meeting, Tongsun Park did not attempt to influence Congressman McFall in the conduct of his official duties. In particular, Tongsun Park did not seek to have him support or oppose any specific legislation. The subject of legislation other than the military appropriation bill which Mr. McFall told him had already been passed, was not the subject in the conference.

Now, the special staff has implied there is some connection between this December 11, 1969, meeting and Congressman McFall's position on amendments to the foreign aid bill being considered by Congress at about that time, which would have provided \$50 million in military assistance to Korea. The record demonstrates that

there is no such connection. The formulation and adoption of the provision providing the military assistance to Korea took place on December 9, 1969, 2 days prior to the time when Mr. McFall first met or even talked to Mr. Park.

Furthermore, Congressman McFall's longstanding support for South Korea, coupled with the fact that military assistance from the United States would allow Korea to purchase rice from California growers with funds which would otherwise be spent for military equipment fully explains why Respondent McFall endorsed an amendment to the foreign aid authorization bill which would furnish \$50 million in assistance to Korea.

Mr. Nields' closing statement to you about the long voting record of an individual Congressman makes little sense. If what he says is true, that would mean that no long-term member of this institution could have a long and distinguished voting record one particular way on any given bill. That would put him in jeopardy, according to Mr. Nields, if he received a contribution from any lobbyist who might be interested in the matter.

On December 22, 1969, Tongsun Park requested a letter addressed to him, describing how he had been of assistance in the sale of rice to Korea. Congressman McFall acceded to this request because he believed such a letter might help Tongsun Park carry out his responsibilities as a selling agent for the California rice-growers. Congressman McFall's sole motivation was, therefore, to benefit his constituents.

In December of 1969, Congressman McFall received a small set of cuff links of nominal value, about \$5, delivered by Tongsun Park. The gift was apparently delivered along with the calling card of Il Kwon Chung, the Prime Minister of the Republic of Korea. Despite the presence of the calling card, it is clear Tongsun Park, not Il Kwon Chung, made the determination to give the insignificant present to Respondent McFall.

Mr. Nields suggests that the existence of this demonstrates some connection between Mr. McFall and Mr. Il Kwon Chung. I suggest the record doesn't bear out his assertion. Congressman McFall considered the gift inconsequential and up until the time the thank you letter was discovered in the files during the course of this investigation, he believed the cuff links had been given by Tongsun Park.

The gift of the cuff links and the thank you note cannot, and do not, establish any relationship between Congressman McFall and Il Kwon Chung, or any knowledge by Congressman McFall of any official relationship between Park and Il Kwon Chung.

On December 22, 1970, a second letter was sent to Tongsun Park under Congressman McFall's signature. The correspondence merely expressed respondent's happiness that preliminary arrangements have been made for a large purchase of United States rice by Korea. Other than that, the statements contained in the letter were customary and noncommittal civilities. Tongsun Park requested the letter, and Congressman McFall provided such a letter because he believed it would advance the interest of his constituents.

There is absolutely nothing in this letter or in its timing which is or appears to be improper.

Do not take what Mr. Niels reads into the letter. Read the face of the letter because the plain language reveals that it is nothing more than the customary civilities between the Congressman and also his desire to help out his constituents.

Over 6 months later, in June of 1971, Tongsun Park met with Respondent McFall in his offices. Although Congressman McFall admittedly has a limited recollection of the conversation during the short meeting, the record is barren of any evidence that indicates that Tongsun Park made any effort to influence Congressman McFall in the conduct of his official duties or that any other untoward activity occurred at that meeting.

A letter was sent by Respondent McFall to South Korean President Park Chung Hee on June 18, 1971, congratulating him on his reelection, in alluding to the friendly relationship existing between the United States and Korea.

The letter also stated that Respondent McFall in his recently assumed capacity as majority whip would endeavor to carry out congressional and Presidential policy objectives with respect to Korea. He was not carrying out his personal interest nor the personal interest of Mr. Park. Mr. McFall was carrying out his longstanding philosophy that South Korea was important to the United States national security and that it should be helped. No proof has been proffered which would contravene this clear expression.

Again this letter was requested by Mr. Park, and the same request was made of at least 11 other Congressmen who complied with Mr. Park's request.

Congressman McFall again furnished the letter believing he was performing a small, harmless courtesy which would assist Tongsun Park in promoting the sale of rice to South Korea.

There is testimony that around June 1971, Tongsun Park purchased tickets to a Democratic congressional dinner and credited the purchase to Respondent McFall. Mr. McFall did not request Tongsun Park to purchase the tickets nor did he authorize anyone on his staff to request such a donation. He received no substantial benefit by virtue of Tongsun Park's purchase because he did not receive the funds and because he was not receiving any monetary assistance from the Democratic congressional committee during the relevant time period.

There is no evidence, no clear and convincing evidence, that Tongsun Park purchased the tickets in order to secure favors from Mr. McFall, or to, in any way, influence the performance of his duties.

More importantly, since Respondent McFall had no knowledge of the contribution, it is impossible for him to have been or appear to have been influenced in his decisionmaking.

Nearly a year and a half later, Tongsun Park delivered an envelope to Respondent McFall which was discovered to contain \$1,000. This donation was not solicited, and Mr. McFall did not know that Tongsun Park intended to give him a contribution at that meeting.

Again Congressman McFall agreed to meet with Mr. Park because he knew him as a businessman and as a selling agent for his California rice interests.

Upon delivery of the contribution, Tongsun Park indicated that its purpose was to help with the campaign expenses. We have already discussed that. The placement in the office account was proper under the laws that existed at the time and there was no violation.

On February 23, 1973, Respondent McFall sent a second letter to the President of Korea, Park Chung Hee. The correspondence thanked Korea for its purchase of California rice. Tongsun Park again requested this letter, as he did several other Congressmen and Senators, and again Mr. McFall agreed to write the letter for the sole purpose of advancing the interests of his constituents.

There is no clear and convincing evidence, indeed, no evidence at all, that this list was sent in return for past favors from Tongsun Park or in anticipation of future favors.

Mr. Niels applies innuendo and implication to reach that goal. That is not clear and convincing evidence. It does not satisfy the special staff's burden of proof.

On October 18, 1974, Mr. Rocca requested Congressman McFall's assistance in communicating to the White House the suggestion that President Ford attend a dedication ceremony for the Inchon bulk loading facility. Mr. McFall assisted Mr. Rocca in this endeavor because it would have a significant benefit for the California ricegrowers, not because there was any particular relationship between Mr. McFall and Mr. Park or Mr. McFall and the Korean Government.

I suggest again that Mr. Niels is reading something into this fact which does not exist there.

We have already talked about the October 16, 1974, \$3,000 contribution from Mr. Park. Mr. Niels says that the factual pattern here is aggravated because of the way that Mr. McFall and Mr. Barnes treated that contribution. Forget about Mr. Barnes. We can't impute Mr. Barnes' actions to Mr. McFall. What were Mr. McFall's actions in that regard? He complied with the law at the time. Nothing sinister, nothing unethical, nothing immoral can be imputed to Mr. McFall because of those actions, actions which complied completely with the law.

Mr. Niels again talks about Mr. Barnes' conception that there was an appearance of impropriety. Those of you who were there at the testimony realized that Mr. Barnes did not testify that he perceived an appearance of impropriety. Those were words which Mr. Niels now puts in Mr. Barnes' mouth, but again apply the standard to Mr. McFall's conduct, not to Mr. Barnes' conduct.

Finally, there are the allegations that Mr. McFall knew that Mr. Park was lobbying for Korea. That is nonsense. There is no evidence in this proceeding, no evidence was developed in any deposition or hearing, that Mr. Park was a lobbyist for Korea. Mr. McFall's association with Mr. Park existed solely for the purpose of assisting his California constituents, not because he was responding to any lobbyist activity on the part of Mr. Park.

Respondent recognizes that this committee has a paramount duty to insure that the integrity of this institution is upheld, but I submit to you that integrity not only flows from disciplining those members who deserve discipline, but it also flows from having the courage to recognize what is true. I suggest that what is true in

this proceeding is that Mr. McFall has violated no statute, rule or law.

The CHAIRMAN. Mr. Olsen has consumed 35 minutes. Both sides have consumed 35 minutes.

Does the other side desire to be heard.

Mr. NIELDS. Mr. Chairman. I think I might just use about 15 seconds, if I may.

The CHAIRMAN. The same time will be accorded to Ms. Kuebler and Mr. Olsen, if they desire.

Mr. NIELDS. I just want to respond to the argument that the office account was not injured by the borrowings. I never said that the office account was injured. As stated in the words of the rule, the moneys of the office account were put to a personal use. They were put to a personal use. They were used so that Mr. McFall's daughter would not have to pay a finance charge on the new car that she was buying.

The CHAIRMAN. You are entitled to 30 seconds, if you desire.

Mr. OLSEN. I will just take 30 seconds to point out that conversation, the precise meaning, that one of the elements of conversation is some injury to the fund. There was no such injury. Conversation didn't occur.

The CHAIRMAN. Anything further by members of the committee? I recognize Mr. Spence for purposes of a motion.

Mr. SPENCE. Mr. Chairman, in accordance with House Rule XI 2(g)(1) I move that we go into executive session at this time.

The CHAIRMAN. This is a motion, which under the rules of the House, must be made in open session, a quorum being present.

The committee is in open session.

A quorum is present.

Further, under the rules of the House, this is a vote which must be taken by a recorded or rollcall vote.

As many as favor the motion will, when their names are called, vote aye.

Those opposed, vote no.

The staff director will call the roll.

Mr. SWANNER. Mr. Flynt.

The CHAIRMAN. Aye.

Mr. SWANNER. Mr Spence.

Mr. SPENCE. Aye.

Mr. SWANNER. Mr. Teague.

Mr. TEAGUE. Aye.

Mr. SWANNER. Mr. Quillen.

Mr. QUILLEN. Aye.

Mr. SWANNER. Mr. Bennett.

Mr. BENNETT. Aye.

Mr. SWANNER. Mr. Quie.

Mr. QUIE. Aye.

Mr. SWANNER. Mr. Hamilton.

Mr. HAMILTON. Aye.

Mr. SWANNER. Mr. Cochran. [No response.]

Mr. SWANNER. Mr. Preyer.

Mr. PREYER. Aye.

Mr. SWANNER. Mrs. Fenwick.

Mrs. FENWICK. Aye.

Mr. SWANNER. Mr. Flowers. [No response.]

Mr. SWANNER. Mr. Caputo.

Mr. CAPUTO. Aye.

Mr. SWANNER. Mr. Chairman, 10 members vote aye, 2 members absent.

The CHAIRMAN. On this vote in open session, a quorum being present, by rollcall vote the ayes are 10, the nays are 0. The motion is agreed to.

The committee will go into executive session and all persons, except the reporter and committee members and the staff director, will kindly excuse themselves.

The committee is in executive session.

[Whereupon, at 2:10 p.m., the committee proceeded into executive session.]

APPENDIX G

TRANSCRIPT OF DECISION

WEDNESDAY, OCTOBER 4, 1978

HOUSE OF REPRESENTATIVES,
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT,
Washington, D.C.

The committee proceeded into open session at 4:31 p.m., in room H-140, the Capitol, the Honorable John J. Flynt, Jr. (chairman of the committee) presiding.

Present: Representatives Flynt, Spence, Teague, and Bennett. Also present: John M. Swanner, staff director; John W. Nields, Jr., chief counsel; and Carole L. Kuebler and George G. Olsen, attorneys for Representative John J. McFall.

The CHAIRMAN. The committee will come to order in open session.

Before making any announcement on behalf of the committee, the chair wants to commend counsel for respondent and counsel for the committee for having conducted themselves in an exemplary manner, both personally and professionally, and the committee extends its thanks to such counsel for the quality of the oral arguments made in this case.

The chair now reads rule 13 of the rules of the committee:

Rule 13. Findings, Conclusions, and Recommendations.

After completion of the investigative hearings, the committee by the affirmative vote of a majority of its members shall adopt an appropriate resolution, report or recommendation which shall be made public and furnished to the complainant, if any—there is no complainant in this case—unless a majority of the members of the committee determines that there is good cause not to do so.

The chair now announces its findings.

As to count 1, by a vote of 8 to 3, the committee voted that count 1 be sustained, as amended, and the amendment was a purely technical one, striking out the parentheses in line 5 and the parentheses close in line 6, and inserting in lieu thereof, commas.

By the vote of 2 to 9, the committee voted that count 2 not be sustained.

By a vote of 4 to 7, the committee voted that count 3 not be sustained.

The committee further voted by a vote of 8 to 2, that the committee recommend to the House of Representatives that Mr. McFall be reprimanded, and that upon the adoption of this report, the reprimand be considered as having been administered.

Are there any questions from counsel?

Ms. KUEBLER. No questions, Mr. Chairman.

Mr. NIELDS. No questions, Mr. Chairman.

The CHAIRMAN. If not, the committee will stand in recess and return as soon as the pending vote is completed.

[Whereupon, at 4:35 p.m., the committee was recessed.]

APPENDIX H

EXHIBITS

TSA

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✓ Baroness G. Stackelberg 215-7366
1177 Columbia Road NW

✓ Clark W. Thompson 727-5117
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✓ Lawrence C. Merthan 727-6106
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COMMITTEE HEARING
EXHIBIT NO. M2

(359)

359

033046

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Mr. ...	(10) 392-2222 (41) 333-2358 1325 Conn. Ave, NW, Wash DC 1371 Bridge St, McLean Va.
Mr. ...	(10) 333-3332 (41) 333-1070 710 14th St, NW, Wash DC 2310 DeWitt Ave, Wash DC
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033048

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 Hon. Richard G. Kleindienst 682-7440 (H) 917-7200 (10) Miss Wyatt
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Donald A. Webster
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Miss Wyatt

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 20: 2110 (H)
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 Michael Reed 325-4365 (10)
 Rm 4148
 A.M. to Congressman Albert

NAME	WHERE TO CONTACT (TELEPHONE & ADDRESS)	ASSISTANT AND SECRETARY	COMMITTEE MEMBERSHIP	SPECIAL REMARKS
V. Hon. Albert, Carl	Phone: 225-4565, 966-4135 Room: H 148 Residence: 2440 Rayburn Bldg. 20515	보좌관 및 비서 Charles L. Ward.	학분위 위원장 의장 Speaker	미국 대통령 (1969년) 0% 후원 70% 후원 12/29/69 delivered a gift from P.M. (Prime Minister) (cuffing) 1/10/69 maneuvered to invite a US Congressional delegation to Korea 1/15/70 arranged a courtesy call by secretary general KOH
V. Hon. Betts, Jackson	Phone: 225-3885, 678-3914 Room: 2310 (R) Residence: 301 4th. SW, 30024	Mrs. Veyneil English	Donald Zahn	8/12/70 in connection with FI
Hon. Biers, Hale	Phone: 225-1636, 654-3743 Room: 2204 (R) Residence: 5715 Woodley Blvd, Bethesda, Md. 20014	Margaret W. Hynes	Barbara A. Rathe	69년 Paul B. Park 연방의원 8/17/69 arranged a meeting with Paul B. Park
Hon. Boland, Edward P.	Phone: 225-5611, 285-4648 Room: 2350 (R) Residence: 2611 Woodley Pl. 20008	P. Joseph Donoghue	원내총무 Majority Leader	12/15/69 behind-the-scenes maneuver in connection with military aid (breakfast) Delivered a personal letter and gift from S.S. 2/28 visited Korea. 12/29 delivered a gift from the director (garment). 2/28 visited Korea. 8/14/70 in connection with FI
Hon. Brudenas, John	Phone: 225-3915, 385-4075 Room: 2174 (R) Residence: 3050 P St. 20009	Anne M. Creighton	예산위 Budget	8/13/70 in connection with FI
Hon. Brucfield, William S.	Phone: 225-6135 Room: 2435 (R) Residence: 2911 E. Parkhill Drive	Jack Schuler	외사위 Public Works and Transportation	12/11/69 behind-the-scenes maneuver connection with military aid and delivered from P.M. and the director (cuffing) and
		Agnes M. Ribartz	외무위 Foreign	
		John R. Sinclair		

정병연 라저 보좌관 및 비서 조분위
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Mrs. Joan M. Southard 내부위

Interior and Insular 2/28/69 visited Korea
 8/14/70 in connection with F.I.

L. James Kronfeld 해결위

Budget 12/12/69 behind-the-scenes maneuver in
 connection with military aid 8/15/70 in
 connection with F.I. and delivered a gift
 from the Prime Minister (cuffring) X

Mrs. Rita M. Keating

Celta Hare Martin 농림위

Agriculture 12/12/69 behind-the-scenes maneuver in con-
 nection with military aid. 2/28 Visited Korea.
 Delivered a personal letter and a gift from
 S.G. (cuffring) 8/20/70 in connection with F.I.

Nina Sullivan

Ann B. Davenport 법사위

Judiciary 12/29/69 in connection with military aid
 and rice

Mary Alice Gaines

Stanley B. Sikes 법사위

Judiciary 8/17 visited Korea
 8/12/70 in connection with F.I.

Mary Hanagan

Jean C. Ringer 농림위

Agriculture 12/12/69 in connection with military aid and
 delivered a personal letter and gift from
 2/28 visited Korea. 3/22 P. 100

성명	연락처	보좌관 및 비서	소속 분위	특기	사항
Mr. Ford, Gerald R. Mich - R.	Phone: 225-3931, 548-2210 Room: H 230 Residence: 514 Crown View Dr., Alexandria, Va. 22314	Frank Meyer Mildred Leonard	원내총무	미국 민선의원 (Cuffring) 12/29/68 delivered a gift from P.M. (cuffring) 1/20/70 arranged a courtesy call by secretary general KOH	
Mr. Breilighausen, Peter H. NJ. - R.	Phone: 225-1700, 333-3681 Room: 2152 (R) Residence: 3614 N. St. 20009	William T. Kendall	외부위	1968 8월 28일, 8월 14일 관계	
Mr. Frey, Lou, Jr. Miss - R.	Phone: 225-3871, 637-2295 Room: 1315 (L) Residence: 301 9 St. S.W. 20024	Oscar Juarez Marcia K. Dietsbach	해사(海商)위	8/17/69 invitation to Korea 8/12/70 in connection with F.I.	
Mr. Calitzakis, Nick N.C. - D.	Phone: 225-2515 Room: 513 (C) Residence: 1400 S. Joyce St., Arlington Va 22202	Allan W. Markham Margaret J. Sings	재경위	12/15/69 in connection with military aid 8/14/70 in connection with F.I. 6/3/69 Maneuvered to support the amendment of the Constitution	
Mr. Gallagher, Cornelius E. N.J. - D.	Phone: 225-5701 Room: 235 Residence: 235 Cannon Bldg	Mrs. Elizabeth May	외부위 Foreign	12/11/69 in connection with military aid and delivered a personal letter and gift from S.G. 2/28 invitatic to Korea 6/4/69 maneuvered to support the amendment of the Constitution	
Mr. Halpern, Seymour NY - R	Phone: 225-2536 Room: 2231 Residence: 1570 N. St. S.W.	Jeffrey Hodas Carolyn M. Andrade	재경위 Finance	12/12/69 behind-the-scenes maneuver in connection with military aid. 8/15/70 in connection with F.I.	033056

명
V Hill Hamilton, Lee H.

Ind. - D.

V Hill Harbo, Richard T
Calif. - D.

V Hill Hastings, James H.
N.Y. - R.

V Hill Hogan, Lawrence
Mid. - R.

V Hill Kartin, Joseph E.
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V Hill Kleppe, Thomas S.
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H.L. Teague

Mrs Clare L. Bradley

James C. Threettle

Robert E. Hess

Janice Sullivan

Rollis Nelson

Ruth S Edick

석 분 위 특 가 사 항

외교위
Foreign

외교부 초청
2/28 invitation to Korea
2/14 in connection with F.I.

재정위
Finance

1969. 12/10, 12/11, 12/15 behind-the-scenes maneuver in connection with military aid 1/2 maneuvered the invitation of a US Congressional delegation and delivered gifts from P.M. eye the director. (guffing and segment) 8/15/70 in connection with F.I. 6/2/69, 6/3/69, 6/4/69 maneuvered to support the amendment of the Constitution.

상공위
Commerce

8/11/69 invitation to Korea
8/12/70 in connection with F.I.

교통위
Transportation and Communication (sic)

8/17/69 invitation to Korea
7/14/70 in connection with F.I.

해양위
Merchant Marine and Fisheries

2/15/69 problems of military aid, the invitation of Dr. Shin and delivered S.G.'s personal letter and gift 2/28 invitation to Korea 6/2 maneuvered to support the amendment of the Constitution 8/15/70 in connection with F.I.

농림위
Agriculture and

12/10/69 in connection with military aid and delivered S.G. personal letter and gift. 2/28 invitation

16 명
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총무

국방위
Armed Services

외무위
Foreign

제신위
Communications (sic)

의사
Speaker

예산위
Budget

법사위
Judiciary

사무장

1980. 11. 26. 12/10, 12/11, 12/12/69 in connection with
military aid and rice
8/14/70 in connection with F.I.

1980. 11. 26. 12/12/69 delivered S.G.'s personal letter and gift
(cuffring)
2/28 invitation to Korea
8/15/70 in connection with F.I.

1980. 11. 26. 12/10, 12/15/69 in connection with
military aid and maneuvered to accuse
the KAL hijacking in-
cident 2/20 in connec-
tion with the world anti-
communist youth league accusing
the KAL hijacking incident and
North Puppet KIM IL-Sung's celeb-
ed works 6/2 maneuvered to support the amendment of
the Constituion 2/25/70 arranged a courtesy call
Secretary General KOII

1980. 11. 26. 12/10, 12/15, 12/18/69 in connection with military aid
and rice
7/12/70 in connection with F.I. and delivered
cufflinks (P.M.)

1980. 11. 26. 8/17/69 invitation to Korea
8/15/70(?) in connection with F.I.

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... John H. Kansas - D
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... Thomas P. Mass - D
 Phone: 225-5111
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... Edward J. Ohio - R
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... 예산
 Budget
 12/29/69 delivered director's gift and behind-the-scenes maneuver to get special Military aid 8/15/70 in connection with F.I. and invitation Korea

... 재경위
 Finance
 2/28 in connection with invitation to Korea 6/15/70 in connection with F.I.

... 상공위
 Commerce
 8/14/70 in connection with F.I.

... 윤영위
 Rules and Administration (?)
 12/12/69 in connection with military aid and S.G.'s personal letter and gift. 7/28 invitation Korea. 6/2 maneuvered to support the Constitu 7/14/70 in connection with F.I.

... 예산
 Budget
 12/19/69 delivered director's gift (garment)

... 예산
 Budget
 12/11/69 behind-the-scenes maneuver in connection with military aid and delivered director's gift

명

라

보좌관

석분위

등

HOW RAGE, W. R.

Phone: 225-6105, 544-2514
Room: 2107 (R)
Residence: 228 2nd St. SE.
20003

Fowler C. West

농림위 위원장

1978 농림부 장관
12/12/69 in connection with military aid and rice. 2/28 invitation to Korea and delivered S.G.'s personal letter and gift (cuffing) 3/27 in connection with P.L. 480 8/15/70 in connection with

Tex. - D.

HILL FREYER, Richardson

Phone: 225-3665
Room: 1832 (L)
Residence: 2700 Virginia Ave.
20031

Ruth D. Latr

상공위

12/12/69 in connection with military aid and delivered S.G.'s personal letter and gift 2/28 invitation to Korea

N.C. - D.

PRICE, Melvin

Phone: 225-5661, 256-1922
Room: 2463
Residence: 6772 LaKewiew Dr.
Paris Church, Va. 22041

Tom W. Lambeth

Bernice Pruitt

군사위

12/29/69 behind-the-scenes maneuver for special military aid and delivered director's gift. 2/28 invitation to Korea. 6/2 maneuvered to support the amendment of Constitution. 8/12/70 in connection with P.L.

Til - D.

HEN. PRYOR, David H.

Phone: 225-3172, 531-2192
Room: 307 (C)
Residence: 3521 N. 6th Dr.
Arlington, Va. 22204

Wayne Perryman

예결위

12/10/69 in connection with military aid and delivered S.G.'s personal letter and gift. 2/28 invitation to Korea 6/4 maneuvered to support the amendment of the Constitution

Ark. - D.

QUITE, Albert H.

Phone: 225-2271, 513-2344
Room: 2334 (R)
Residence: 1710 Burnt Hills
Ave., Silver Spring, Md. 20901

John H. Henry

Vern C. Loen

보사위

2/28/69 invitation to Korea and 8/13/70 in connection with F.I.

Minn - R.

RIVERS, L. Mendel

Phone: 225-3176
Room: 2205 (R)
Residence: 1341 Pine Tree Road

Ruth Eddy

Mrs. John C. Ball

Transportation

군사위 위원장

12/29/69 delivered P.M.'s gift 6/2 Maneuvered to support the amendment

K.C. - D.

✓ HON. Sick, B. H.
Calif. - D.

연락처
Phone: 225-1131, 546-9717
Room: 2242 (R)
Residence: 129 6th Street, N.E.

보좌관/비서
Gordon E. Nelson

소득분위
농림위
Agriculture

특기사항
7/6/79 F.I. 附符.
8/14/70 in connection with F.I.

HON. Stanton, J. William
Ohio - R.

Phone: 225-5366, 333-0628
Room: 132 (C)
Residence: 2260 48th St.
20007

Shirley Ewers McQueen

재정위
Finance

1978 7월 28일 1978년 7월 28일 1978년 7월 28일
5/2/69 (?) maneuvered to support the amendment of the Constitution and delivered the S.G.'s personal letter and gift (cuffring) 2/28/ invitation to Korea

HON. Spangston, J. W.
Mo. - D.

Phone: 225-2581, 362-5219
Room: 1533 (L)
Residence: 3019 49th St.
20616

Stephen E. South

과학기술위
Science and Technology (sic)

Mrs. Miriam M. Santos

✓ Hon. Byrd, Harry R., Jr
Va. - R. I

Phone: 225-4024
Room: 417 (O)
Residence: 420 Cathedral
Ave. 20016

Forest I. Rettgers
Mrs. Audrey A. Jones.

비정위
Budget
12/20/69 visited. The purpose was to discuss
Military aid and delivered director's gift
(garment)

✓ Hon. Dodd, Thomas J.
Conn. - D.

Phone: 225-4041
Room: 203 (O)
Residence: 1409 31st Pl.
20015

David, Martin
Mrs. Dorothy W. Richworth

외교위
Foreign
12/19/69 visited in connection with military aid (cuff)
and arranged a visit to Korea S.G.
6/2/69 maneuvered to support the amendment of the
Constitution.

✓ Hon. Dole, Bob
Kans. - R.

Phone: 225-6521, 98-1167
Room: 3229 (N)
Residence: 6135 Beachway
Dr., Falls church, Va 22041

William A. Katz
Judith L. Harbaugh

농림위
Agriculture
8/14/70 in connection with F.I.
8/16/70 (?) in connection with F.I.

✓ Hon. Ellender Allen J.
La. - D.

Phone: 225-5724, 96-374
Room: 244 (O)
Residence: 3900 Connecticut
Ave, 20008

James E. Givard, Jr

농림위 위원장
비정위
Agriculture
(Chairman)
Budget
8/21/70 in connection with F.I.

✓ Hon. Fulbright, J.W.
Ark. - D.

Phone: 225-4743, 234-7303
Room: 1215 (N)
Residence: 2527 Belmont
Rd. 20008

Lee Williams
James B. Cash, Jr.

외교위 위원장
Foreign
(Chairman)
12/20/69 visited his home, and discussed ARK
rice and other matters.

✓ Hon. Goldwater Barry
Ariz. - R.

Phone: 225-2235, 337-7900
Room: 2407 (O)
Residence: 240 S. O. B.

D. Delos Ellsworth
Judy Rooney

군사위
Armed Services
8/21/70 in connection with F.I.

<p>✓ Mark, Venice Ind. - D.</p>	<p>Phone: 225-4344 Room: 491 (0) Residence</p>	<p>보좌관을 배 Jacques H. LeRoy Rosemary Rorick</p>	<p>소속분위 상공위 Commerce 8/14/70 in connection with F.I.</p>
<p>✓ Jordan, B. Everett N.C. - D</p>	<p>Phone: 225-4342, 332-2133 Room: 6225(11) Residence: 2601 Woodley Pl. 20008</p>	<p>William M. Coshrance Wesley F. Hayden</p>	<p>운임위, 위원장 Steering Committee (sic) (Chairman) 11/6/69 (?) visited Korea 8/21/70 in connection with F.I.</p>
<p>✓ McQuinn, Eugene J. Miss. - D</p>	<p>Phone: 225-3294, 362-4255 Room: 411 (0) Residence: 3925 Woodley Rd. 20016</p>	<p>Jerome N. Elley Jean Stack</p>	<p>재정위 Finance</p>
<p>✓ McGe, Eric W. N.Y. - D</p>	<p>Phone: 225-6441 Room: 3944 (0) Residence: 2225 Marbury Rd. 20624</p>	<p>K. Richard Cook Elizabeth Strammigan</p>	<p>교통위 위원장 Transportation and Communication (sic) 8/28/70 in connection with F.I.</p>
<p>✓ McQuern, George S. Va. - D</p>	<p>Phone: 225-2321 Room: 362 (0) Residence: 3214 Coquelicot Ter. Cherry Chase, Md. 20015</p>	<p>Owen J. Donley Patricia J. Donovan</p>	<p>농림위 Agriculture 8/21/70 in connection with F.I.</p>
<p>✓ Mansfield, Mike</p>	<p>Phone: 225-2644, 338-1124 Room: 113 (0) Residence: 4120 Dryter St.</p>	<p>Mrs. Margaret Deuschelle Mrs. Mary Jane DePalzo</p>	<p>예산위 Budget</p>

✓ Miller, Jack
 IDIA - R.
 Phone: 225-3254, 156-5792
 Room: 2321 (N)
 Residence: 5419 Kirkwood Dr, 20016

✓ Montoya, Joseph M.
 N. Mex - D.
 Phone: 225-5221, 634-8581
 Room: 2106 (N)
 Residence: 5403 Surrey St., Chevy Chase, Md. 20015

✓ Mandt, Karl E.
 S. Dak - R.
 Phone: 225-5742, 544-6664
 Room: 5241 (N)
 Residence: 122 Scott St. N.E., 20002

✓ Muskie, Edmund S.
 Maine - D.
 Phone: 225-5744, 652-0738
 Room: 221 (O)
 Residence: 5467 Allvia Rd., 20016

✓ Wiesel, Richard B.
 D.
 Phone: 225-3321
 Room: 205 (O)
 Residence:

✓ Scott, Hugh
 D.
 Phone: 225-1324
 Room: 260 (O)
 Residence: 344 Woodland Dr.

Stanley R. Browne
 Barbara S. Bengton
 Paul T. Demos
 Robert McCaughy
 Robert Van Beek
 Donald E. Nicol
 M. Gayle Lory
 Charles E. Campbell
 Barbara G. Raetz
 Eugene S. Conden
 Edith V. Skimney

군사위
 Armed Services
 '69년 12월 10일 12/10/69 visited and discussed military aid and delivered S.G.'s personal letter and gift (cuffing) '6/2/69 maneuvered to support the amendment of the Constitution (speech praising President Park leadership) 8/21/70 connection with F.I.
 8/21/69 expressed government's position on "Okinawa" 7/20/70 in connection with F.I.

예산위
 Budget
 '69년 8월 22일 8/22/69 case of the support of Okinawa
 8/25/70 in connection with F.I.

재정위
 Finance
 '69년 8월 21일 8/21/69 Okinawa case
 예산위 위원장
 Finance (Chairman)

공화당 원내총무
 Republican Majority Leader

✓ W. Span Roman, John

Ma - D.

✓ Stennis, John

Miss - D

W. H. H. Stewart

Ho - D

Taney, John G.

Tex - R.

W. Young, Milton R.

W. Cook - R.

Name: 225-4124
Room: 3703 (N)
Residence: 4775 Indian Lane
20016

Phone 225-1233, 966-4427
Room 209 (O)
Residence: 3159 Cumberland St.,
20008

Phone 225-3134
Room 229 (O)
Residence: 3713 N. St.,
20007

Phone: 225-2934
Room: 172 (O)
Residence: 5103 Maryland Lane
Bethesda, Md.

Phone: 225-2143, 213-3342
Room: 5203 (N)
Residence: 2200 Quebec St.,
20008

Ellis C. Stewart

Oeta R. Watson

William E. Cresswell

Mildred Ward

Stanley R. Filke

Mrs. Virginia Latyd

R. Kenneth Towery

Mrs. Linda L. Epstein

C. U. Sylvester

Patricia M. Dwyer

재정위원장
Finance (Chairman)

11/9/69 visited Korea
8/22/70 in connection with F.I.

군사 위원장
Armed Services

군사위. 해외
Armed Services
Foreign

12/19/69 delivered director's gift (garment)
and engaged in behind-the-scenes maneuver for special
Military aid

군사위
Armed Services

12/12/69 visited: the purpose was to engage in a
behind-the-scenes maneuver for special military aid

Delivered director's gift (garment) and support the
Okinawa military base, to Japan
3/22 returned

예산위
Budget Agricultural

letter and gift 8/14/70 in connection with F.I.
6/2/69 maneuvered to support the amendment of the
Constitution

8/17 case concerning the U.S. defense of
Fareast

Jack Anderson

✓ ✓ Mrs. Dixon

ADY-8889

12/1
(individual)

✓ Joseph M. Farrel

296-1977
5607 Wilson Lane.
Bethesda Md. 20014

✓ Raymond H. Lipton

337-0664
2500 Va. Ave NW 20037

EDWIN W. EDWARDS
7th DISTRICT, LOUISIANA

CHIEF CLERK
JUDICIARY COMMITTEE
SUBCOMMITTEE No. 4
SPECIAL SUBCOMMITTEE ON
SUITED LANDS

OFFICE OF INTERNAL SECURITY

Congress of the United States

HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

December 22, 1969

EDWIN W. EDWARDS
465 CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
PHONE: 202-225-2000

EDWIN W. EDWARDS
SUITE 2504
FARM DRIVE, 1415 14th Street, N.W.
WASHINGTON, D.C. 20004
452-4122

125 7th Street, N.W.
WASHINGTON, D.C. 20540
726-2200

111 4th Street, N.W.
WASHINGTON, D.C. 20004
847-0251

Mr. Tongsun Park, President
Pacific Development, Inc.
Suite 302
711 14th Street, N. W.
Washington, D. C.

**COMMITTEE HEARING
EXHIBIT NO. M 3**

Dear Tongsun:

I wish to express my sincere appreciation to you for your cooperation and help during the past several weeks relating to matters of interest to Korea and my own Country. I am particularly grateful to you for the time you have given me and for information you have supplied in connection with a matter of great importance to me and that is, the disposition of rice to other nations, including Korea.

As you know, the entire Louisiana Congressional Delegation, especially Senator Ellender and Congressman Passman, because of their position on appropriations committees in Congress, has strong, close ties with and for Korea. Your presence here has done much to make us aware of your problems and Korea's loyalty to our Nation.

It is a real pleasure working with you and I hope you will let me know anytime our Delegation can be of assistance to you or your Country. As usual, our personal friendship makes it easy to candidly discuss issues and problems and your sincerity and reliability, coupled with your intense desire to be helpful to your native Country of Korea, have made it possible for us to work together as friends to get the job done.

Kindest personal regards.

003607

Cordially yours,

EDWIN W. EDWARDS

EWE:ad

*Ag. Rice*COMMITTEE HEARING
EXHIBIT NO. M4

December 24, 1969

Mr. Tongsun Park
 President
 Pacific Development, Inc.
 Suite 302
 711 14th Street, N.W.
 Washington, D.C.

Dear Mr. Park:

Before you return to Seoul, I wanted you to know how much I have appreciated the help and assistance you have provided me and other Members of the California Congressional Delegation in matters involving South Korea and the United States.

You have been very candid and helpful in providing information which has proved invaluable in efforts of the Delegation to make a large supply of California rice available to the people of South Korea.

Our Delegation--headed by the Honorable Chet Holifield--has been united in efforts to obtain a commitment of Public Law 430 funds to help finance the purchase of rice by your Government. We are encouraged by the measure of success achieved thus far in furthering this effort and greatly appreciate the friendship and great energy you have displayed in furthering the interests of South Korea while at the same time making us fully aware of the close ties between our respective countries.

As a member of the Foreign Operations Subcommittee of the House Appropriations Committee, I have been close to the problems facing South Korea and have particularly enjoyed the opportunity to become better acquainted with you.

I will look forward to continued contact with you in the days ahead with respect to matters involving South Korea. Please do not hesitate to contact me directly or through our mutual friends in California whenever the occasion arises.

Sincerely yours,

John J. McFall
Member of Congress

JJMCF/r/rmr

professor J. McFall

COMMITTEE HEARING
EXHIBIT NO. M 5

December 22, 1970

547-9785

Mr. Tongsun Park, President
Pacific Development, Inc.
711 14th Street, N.W., Suite 302
Washington, D.C.

Sub
is no longer
Korean Politics
As
Sub
is no longer
Korean Politics
As

Dear Mr. Park:

I was very glad to learn that preliminary arrangements have been made for a large purchase of U.S. rice by the Government of South Korea, utilizing the Public Law 480 program and proceeds from a development loan. These arrangements undoubtedly will be mutually beneficial to the people of South Korea and the producers of rice in the United States.

The rice growers in my State are particularly anxious that the program be initiated at the earliest date in order to prevent long-term storage of this year's crop. I would hope that it will be possible for the actual movement of rice to begin under the 480 procurement in the near future, with the purchase under the loan to follow shortly thereafter.

Through my membership on the Foreign Operations Subcommittee of the House Appropriations Committee, as you know, I have had the opportunity to learn more about the progressive efforts being made for development of South Korea and to assist in advancing some of the Presidential recommendations regarding aid for the country.

I look forward to seeing you again in the near future.

Sincerely yours,

John J. McFall
Member of Congress

JJMcF/R/CW

COMMITTEE HEARING
EXHIBIT NO. M6

ag - Rice

RB

AIR MAIL

June 18, 1971

His Excellency
Honorable Chung Hee Park
President
Republic of Korea
Seoul, Korea

Dear Mr. President:

Please accept my congratulations upon your re-election. It is the assessment here that your additional four-year term will greatly assist in providing the stability, confidence and progress so important to Korea.

As a senior Member of the California Delegation to Congress, and representing as I do many of the rice producing interests of our State, I speak for myself and other Colleagues in expressing appreciation for and satisfaction in the rice sales completed in the last four years. During arrangements and negotiations attending these transactions, we have been assisted greatly by the personal efforts of your fellow countryman, Mr. Tongsun Park. We would like to express to you our high respect for his capabilities and confidence in his representations regarding Korea, especially in rice.

It is our hope and expectation to retain and expand the friendships of our two countries through good working relationships which we have already established through Mr. Tongsun Park. The future should provide growing opportunities for further trade and greater mutual efforts on behalf of our shared goals for Free Asia.

Through my previous membership on the Foreign Operations Subcommittee of the House Appropriations Committee and present membership on the Defense Subcommittee, I have had the opportunity to learn more about the progressive efforts being made for development of Korea and to assist in advancing some of the Presidential and Congressional recommenda-

tions regarding aid for your country. In my new capacity in the House of Representatives Leadership team as Majority Floor Whip, I look forward to being able to work even more effectively on matters of mutual interest and concern to Korea and the United States.

Please let us know whenever there may be any problems for which you believe I may be of assistance in helping to achieve solutions.

Sincerely yours,

John J. McFall
Member of Congress

JJMCF/r/sln



Chong Wa Dao
Seoul

(Translation)

June 26, 1971

Dear Mr. McFall:

I would like to express my deep thanks to you for your letter of June 18, and for the warm good wishes conveyed to me on my reelection.

I want you to know that I was particularly moved and heartened by the knowledge of the friendly assistance which you are ready to offer for the further promotion of friendship and partnership between our two Governments and peoples.

Please accept my warmest good wishes to you for greater success in your endeavors.

Sincerely,

/s/ Park Chung Hee

The Honorable John J. McFall
House of Representatives
Congress of the United States
Washington, D. C. 20515
U. S. A.



칭 와 대

1971. 6. 26.

친애하는 맥폴 의원,

귀하께서 6월 18일자로 보내주신 서한을 통해서 본인의 재선을 축하해 주신데 깊은 사의를 포함합니다.

본인은 특히 우리 두 나라 정부와 국민간의 우의와 공동 협력을 보다 굳건히 하는데 이바지 하겠다는 귀하의 말씀을 마음 든든히 여기고 있습니다.

귀하의 보다 큰 성공을 기원합니다.

박

김희
정 희

미국 하원

존 제이. 맥폴 의원 귀하

Polites

September 9, 1971

Mr. George B. Blair
 211 Pioneer Building
 Lake Charles, Louisiana

Dear Mr. Blair:

I wish to express my personal thanks for your generous contribution toward making our Congressional dinner earlier this summer a successful affair.

Your response on this occasion was indeed helpful, and I am sure my colleagues in the House and Senate, who participated, share my sense of appreciation at this time.

Sincerely yours,

John J. McFall
 Member of Congress

JJMcF/jfc

Also sent to:

Mr. Tonsun Park
 c/o P. Kim
 Pacific Development, Inc.

Mr. B. Regnar Paulsen
 President
 Rice Growers Assn.

Mr. Hedley O. Wands
 Mr. George W. Brewer

Mr. Max Ullom
 Manager, Public Affairs
 TRW

COMMITTEE HEARING
 EXHIBIT NO. 17

November 10

Nationalism is an infantile disease. It is the measles of mankind. —Albert Einstein

✓ COMMITTEE HEARING
EXHIBIT NO. M 8

John Barry w/ Steve
John Rooney w/ Steve

Interview by Dan O'Neil

Saturday
November 11

We look at the present through a rear-view mirror. —Marshall McLuhan

Chair (box seat) brought for Bl. dinner

Lunch w/ Jack

New York met Walf at lounge
— PR — Why Marshall necessary

Dinner w/ Steve, George & Markin
Nippin + Sam Cooke
returned to DC 1:10

Sunday
November 12

Of all afflictions the worst is self-contempt. —Berthold Auerbach

8:30 A.M.
9:00
9:30
10:00
10:30
11:00
11:30
12:00
12:30

1:00 P.M.
1:30
2:00
2:30
3:00
3:30
4:00
4:30
5:00

EVENING

Party at Middlebury — Barbara

Monday
November 13

Little minds are too much hurt by little things; great minds are quite conscious of them, and despise them. —La Rochefoucauld

8:30 A.M.

9:00
9:30
10:00
10:30
11:00
11:30
12:00
12:30

Mary arrived (H.K.) — 8:45, or

Steve "5"

1:00 P.M.

1:30
2:00
2:30
3:00
3:30
4:00
4:30
5:00

Anna
Adelmas
Madell
Munich
Hanna

Steve

EVENING

Dinner for Steve at D.T. from
Sullivan, Hennis, Erich, Helen

018682

COMMITTEE HEARING
EXHIBIT NO. M 9

ag - Rice -

February 23, 1973

Monorable E.H. Chung Hee Park
President
Republic of Korea
Seoul, Korea

Dear Mr. President:

On behalf of the rice growers of our State, and as a senior member of the California Delegation in Congress, I wish to express our great appreciation for the purchase by Korea of the entire exportable California rice crop for 1972.

It is regretted that an acute shortage of the world's rice supply has placed additional pressure on price scheduling. Even under these adverse circumstances, however, we believe that the Korean government still has received the best of available terms. In this regard, I would like to join with many of my friends in California in commending the contributions and assistance of Tongsun Park in meeting and resolving the problems arising from those private purchases and the policies of the U.S. Department of Agriculture. His participation was invaluable in reaching a successful conclusion of the transaction.

As the 93rd Congress examines the strengths and position of the Free World and security issues affecting the interests of both the United States and Korea, I am hopeful that my new position as the Majority Whip in the House of Representatives will allow me to give more meaningful assistance in those areas where the interests of your country and mine converge.

We have observed with great interest the constructive overtures your government has initiated with North Korea and the recent political reforms you have just successfully concluded. We commend both your vision and your courage in these undertakings. As I mentioned to my friend, Tongsun, these long negotiations with North Korea will require patience and persistence to achieve the goal of peaceful and favorable unification of your separated nation; but that end, if achieved, certainly will justify your recent efforts and rightfully gain for yourself a most important place in the long and admirable history of Korea. Ultimately, I feel, these efforts will prove beneficial in achieving a lasting peace in Asia.

I hope that you will be blessed with continued good health and that your spirits will remain high. We will continue to look to Tongsun Park for cooperation in all areas of our mutual interest.

Sincerely yours,

John J. McFall
Member of Congress

JJMCF/r/as

E. H. CHUNG-HEE PARK
 PRESIDENT
 REPUBLIC of Korea -

Dear Mr. President,

Copy to Sec. of State
 FBI (Rec. 10-2) to [unclear]
 [unclear] [unclear]
 11-10-72

On behalf of the Rice Growers of our state, and as the Senior member of the

California delegation, I wish to express our great satisfaction for Korea purchasing the entire exportable California rice crop for 1972. Some of us regret that an acute shortage of the world's rice supply has placed additional pressure on price scheduling, however, even under these adverse circumstances, we believe, that the Korean government has still received the best of available terms. In this regard I would like to share ~~with~~ ^{for} with many of my friends in California, the contributions and assistance of TongSun Park in meeting and resolving the problems rising from those private purchases and the policies of the U.S. Department of Agriculture, were not just helpful but were part of the indispensable ingredients in reaching a successful culmination of the transaction.

As the 93rd Congress examines the strengths and position of the Free World, and security issues affecting the interests of both the U.S. and Korea, I am hopeful, my new position of leadership as the Majority Whip will allow me to be of particular assistance ^{not} in those areas where the interests of your country and mine converge. ^{give more meaningful assistance}

We have watched and listened with great interest to the constructive overtures your government has initiated with North Korea and the recent political reforms you have just successfully concluded. We commend both your vision and your courage in these undertakings. As I told my good friend, TongSun, these long negotiations will require patience and persistence to achieve the goal of peaceful and favorable unification of your separated nation, but that end, if achieved, will certainly justify your recent efforts and justly gain for yourself a most important place in the long and admirable history of Korea, and will ultimately contribute to the lasting peace in Asia.

I trust that you will be blessed with strong good health and that your spirits will remain high. We will continue to look to TongSun Park for cooperation and understanding in all areas of our mutual interest.

E. H. CHUNGHEE PARK
 PRESIDENT
 REPUBLIC of Korea

Dear Mr. President,

On behalf of the Rice Growers of our state, and as the Senior member of the California delegation, I wish to express our great satisfaction for Korea's purchasing the entire exportable California rice crop for 1972. Some of us regret that an acute shortage of the world's rice supply has placed additional pressure on price scheduling, however, even under these adverse circumstances, we believe, that the Korean government has still received the best of available terms. In this regard I would like to ~~share~~ ^{share} ~~comment~~ ^{share} with many of my friends in California the contributions and assistance of TongSun Park in meeting and resolving the problems arising from those private purchases and the policies of the U. S. Department of Agriculture, were not just helpful but were part of the indispensable ingredients in reaching a successful ^{Conclusion} culmination of the transaction.

As the 93rd Congress examines the strengths and position of the Free World, and security issues affecting the interests of both the U. S. and Korea, I am hopeful, ^{that} my new position of leadership as the Majority Whip will allow me to be of particular assistance ^{give more meaningful assistance} in those areas where the interests of your country and mine converge.

We have watched and listened with great interest to the constructive overtures your government has initiated with North Korea and the recent political reforms you have just successfully concluded. We commend both your vision and your courage in these undertakings. As I told my good friend, TongSun, these long negotiations will require patience and persistence to achieve the goal of peaceful and favorable unification of your separated nation, but that end, if achieved, will certainly justify your recent efforts and justly gain for yourself a most important place in the long and admirable history of Korea, and will ultimately contribute to the lasting peace in Asia.

I trust that you will be blessed with strong good health and that your spirits will remain high. We will continue to look to TongSun Park for cooperation and understanding in all areas of our mutual interest.

Wine - Rice

X

X

COMMITTEE HEARING
 EXHIBIT NO. M 10

OCT 22 1974

MEMOOLINC
 SEOUL, KOREA

ATTENTION: TONGSUN PARK

DELIGHTED TO LEARN NEW INCHEON BULK UNLOADING TERMINAL
 JOINTLY FINANCED BY KOREAN-U.S. INTERESTS OPENING SOON.
 THIS IMPORTANT PROJECT PROMISES GREAT BENEFITS TO PEOPLE OF
 BOTH NATIONS. SUPPORT STRONG AMONG RICE, GRAIN INDUSTRIES
 AND CALIFORNIA CONGRESSIONAL DELEGATION. HOPE PRESIDENT PARK
 WILL ATTEND OPENING CEREMONY AND WILL INVITE PRESIDENT FORD
 TO BE PRESENT DURING FORTHCOMING KOREAN VISIT.

John J. McFall
 House Majority Whip

John J. McFall

GWA-084576

COMMITTEE HEARING
EXHIBIT NO. M1112-10-69Palmerby
111X3111

Rocca.

Korean situation coming
to a head quickly.Feel imperative U.S.
have negotiators there
besides A.I.D.

Regrett being contacted

want Jim Hutchins there

Colif Industry feel imperative
for Hutchins to go there
immediately &also spent day or two in
O. Minnow -Rocca discussed w/ Pulvermacher
who seems to be reluctant.12-10-69
12-7-69 T. L. H. & P. L. H. H. H. H.
only major. P. L. H. H. H. H.
even for 2 days

COMMITTEE HEARING
EXHIBIT NO. M-42

12-16-69.

Rocca

Freeland been talking
to Park. re

\$50 M approx for Korea.

If receives favorable consideration
will buy 400,000 tons of rice

667-5111 (Chang)
333-3108 office

Pulovitcher told
Rocca mix + times

of getting Congress
to sell + waste
his time

Doesn't want Hutchins to go
Pulovitcher - thinks AID people
can do it but
industry says can't
Point out Hutchins
worked out excellent
deal, saving 4.5 billion.

May want to call
Palumbo.

seems ^{recommended} \$325 M)
for military assistance.

all totals knocked out
\$50. in per Korea.
\$45 in China
\$25 M more

12-22-69.

Park

COMMITTEE HEARING
EXHIBIT NO. M. 13

D of A has

270,000 loan PC 480

80,000 CCC credit

3-year deferred paymentRecommended that ag
start at 400,000 -

(would like letter
to show how
col. help helped.)

Hanna very close to
S O. Korea president

wanted to ask Hanna
could go to Korea
on behalf of delegation

Ries Graves Assoc.
Hutchins Assoc.
Hutchins

COMMITTEE HEARING
EXHIBIT NO. M 14

Il Hwon Chung

Prime Minister of the Republic of Korea

December 30, 1969

Honorable Il Iwon Chung
Prime Minister of the
Republic of Korea
Seoul, Korea

Dear Mr. Prime Minister:

I was delighted to receive the lovely gift which was conveyed by our mutual friend, Mr. Tongsun Park.

The beautiful set of amethyst cuff links and tie tack will be treasured, I can assure you.

As you know, there is a warm spot in the halls of Congress for the Republic of South Korea and I, for one, want to be part of the effort to retain and strengthen this friendship.

Sincerely yours,

John J. McFall
Member of Congress

JJMCF/r/as

RECEIPTS - ^{CONG. EMP. FED.}
CREDIT UNION.DATEAMOUNTSOURCECOMMITTEE HEARING
EXHIBIT NO. M 15

RECEIPTS - NAT. BANK OF WASH.		SOURCE
DATE	AMOUNT	
5-15-72	\$5,045.89	check from Credit Union closing account
7-31-72	\$ 300.00	Jim Rainte
.. ..	1,007.02	close savings acct
8-21-72	500.00	Loan payment 7-15-72 Lee Walker
11-14-72	1,000.00	Tongum Park
11-30-72	5.09	same as above (copy for filing previously)
11-30-72	490.00	Elaine Wilber - repay loan
1-29-73	100.00	Plum blossom ticket for P. Stewart
		Cash - diverted to coffee-cake fund
4-12-73	921.00	\$200 from bank (\$221.00)
4-27-73		100.00 - LES BARNES
		100.00 - DICK TRIBBE
		100.00 - JEAN RANE
		100.00 - MAX CHAR. BOYFORD
		10.00 - BILL MALEY
		46.50 - C. F. CO. (reimbursement for lunch)
		47.75 - REP. BARNES (reimbursement for lunch)
		depos. 500.00
5-25-73	-100.00	100.00 from One Edward
10-18-72	\$200.00	(cash) TO Mc Fall - from J.D. Williams - Jeff Phipps
Nov. 1972	\$1000.00	cash to Mc Fall from J.D. Williams - \$711 deposited 4-12-73 - \$289 ticket for Joe Nov. 72

WITHDRAWALS - CR. UNION		PURPOSE
DATE	AMOUNT	
4-18-72	\$500.00	loan to Mc Fall (for withdrawal)
5-16-72	\$5045.89	CLOSED ACCOUNT
WITHDRAWALS - BANK OF WASH.		
DATE	AMOUNT	PURPOSE
5-15-72	\$ 1100.00	Mary Albertson - Loan to Mc Fall (Paper loan from Political Fund)
5-21-72	16.35	Home restaurant - constant lunch
5-24-72	1000.00	National Bank of Washington - Open savings account
6-1-72	500.00	Mary Albertson - open office account
6-1-72	50.00	Rosetta Ruffin - coffee fund
6-1-72	12.50	Commonwealth Club of City - Mc Fall dues
6-7-72	7.50	Robert Bates - lunch for Mrs Bryant
6-8-72	5.00	Holly app. - from Mc Fall
6-18-72	6.35	constant lunch - Mc Fall
6-30-72	600.00	John F. Mc Fall
7-7-72	500.00	Lee Walker - membership
7-10-72	120.00	Alvin Stevens - \$100 coffee fund \$20 petty cash
7-12-72	7.20	Sam M. Perry - petty cash
7-24-72	39.10	Amos Restaurant - Mc Fall & lunch
8-7-72	15.60	Prin. - dinner stop - adms. Bender flowers

(3)

WITHDRAWALS -

DATE	AMOUNT	PAYEE - PURPOSE
8-4-72	27.33	Xerox Cop - 00995746804
8-14-72	26.55	House Restaurant - constant lunches
8-14-72	12.48	also lunches - weekly wedding gift
8-30-72	500.00	House Restaurant - elect.
9-5-72		
9-7-72	73.30	Rotunda - stiff lunch (Frank Young)
9-5-72	6.00	Public Printer - copies
9-6-72	15.00	broken window ambulance am. (Hofffield)
9-12-72	5.60	House Restaurant - const. lunch
9-12-72	25.00	Majority Room - bus for
9-21-72	5.45	Majority Room - bus for
9-26-72	100.00	also at home - coffee
10-7-72	490.00	Planetarium - loan
10-18-72	22.55	House Restaurant - constant lunches
10-26-72	53.82	Observatory of Lincoln - copy of (full report) - 10/26/72
10-27-72	15.24	Sam & Loretta
11-17-72	95.35	majority room - constant lunches
11-17-72	12.80	House Restaurant - const. lunch
11-22-72	275.00	House Restaurant - const. lunch
11-24-72	2.45	part of 350 withdrawal
11-24-72	10.19	Bill Miller's Photographic - copy for album
12-5-72	100.00	also at home - coffee
12-14-72	500.00	loan - wedding
12-20-72	22.73	Handel's -
1-8-73	10.00	copy of E. S. S. report for

(4)

DATE	AMT.	PAYEE - PURPOSE
11-9-73	\$100.00	inaugural parade (2 tickets for Don Stewart)
11-15-73	\$1000.00	Admission 7 Barnes
11-16-73	51.00	Handel's - liquor for
2-11-73	30.00	House Restaurant - loan
2-27-73	64.38	Planetarium - loan
1-4-73		meeting, 18.90; 1-5-73 Barnes
1-31-73		11/1/73 vote, office
8.93;		11/7/73, 11/17/73, 11/23/73, 11/23/73, 11/23/73
2/5/73	100.00	American Friends of the National Legislature
2/8/73	6.00	National Capital Plant Club - 1st quarterly dues
2/13/73	111.80	House Restaurant - constant + weekly lunches (see for invoice)
4/20/73	20.64	Planetarium - loan
2/27/73	300.00	Planetarium - loan
3/7/73	13.13	Planetarium - Bill Cochran
3/29/73	100.00	also at home - coffee fund
4/11/73	65.71	Planetarium - loan
4/12/73	164.85	House Restaurant - 2nd quarterly dues
4/17/73	43.75	E. S. S. report - photos for wire
4/27/73	5.00	at home - coffee - party fund
5/3/73	18.15	Planetarium - loan
5/17/73	98.31	next Democratic Club - 0 House
5/21/73	71.11	birthday lunch (copy) 4-16-73
5/27/73	81.22	Handel's - party for
6/4	31.28	Planetarium - loan
6/15	5.00	Planetarium - loan
6/27	100.00	also at home - coffee + wine
6/29	184.80	Planetarium - loan
7/16	20.00	Planetarium - loan

DATE	DATE	AMOUNT	SOURCE
8-14	6-25-73	\$ 600.00	John McNeil - on loan
8-14			\$500.00 vs \$100.00 checks David Ecklund - balance on loan
8-30	8-8-73	200.00	
8-7	8-17-73	152.33	Lucretia Lockman c.o.c. Reimbursement for laundry for P.W. dinner
9-6	10-1-73	270.00	John McNeil C from ST of Calif
9-12	10-73	258.00	Lyle Wilbur (on loan)
9-12	11-5-73	250.00	Lyle Wilbur (on loan)
9-2	11-3-73	400.00	Lyle Wilbur (on loan)
9-2	11-5-73	50.00	Raymond (reception advances)
10-7	12-10-73	100.00	Lyle Wilbur - balance on loan
10-12	1-7-74	200.00	Repay loan #1-22-74 with 200.00
10-21	1-2-74	1274.42	McNeil cession museum (loan)
10-24	11-74	105.00	reimbursement from Mary for reception flowers
	8-5-74	140.00	reimbursement from Sutton c.c. for party
11-10	2-74	44.39	John McNeil - reimbursement for Philadelphia Travel Agency Raymond - reimbursement
11-1	10-24-74	58.30	part on for G.K.C.
11-2	1-17-75	500.00	Kate Linden
11-22	18-75	500.00	(Park)
11-23	7-75	404.75	\$500.00 from 43 Oct 15 reimbursement of McNeil's paper
12-3	3-1-75	558.50	loan from \$500.00 + 58.50 reimbursement
12-1			meat for K.C. air fare (12-5-74)
12-5	5-24-75	520.00	(Park)
1-9	1-75	531.46	(\$400 Park) 3346 McNeil air fare to NY return

DATE	AMT.	PAID - PURPOSE
7/24/73	15.30	John Wood - photo supplies - account payment
7/20	208.71	majority room - edition supplies, Newsletter
7/16	38.55	majority room - ink for newsletter
7/16	77.06	Truman Wood Printing Co - reprint works on newsletter house according binder - check for newspaper
7/16	6.00	check for newspaper
8/9	334.14	McNeil cession for 195-30 reimbursement of 195-30 color photos of Christmas
8/10	71.50	
8/15	52.68	Thomas J. Landford, Jr. Litho on maps (newsletter)
8/20	30.00	United Air Lines - send film to printer
8/28	100.00	Alan Stevens Coffee for office
10/12	500.00	United Air Lines from Cover McNeil withdrawal A. Lyle Wilbur - loan
10/23	50.00	Raymond - loan - advance for July trip
12/11	12.60	underfoot donations (McNeil)
12/19	42.54	Donald A. Lipov (Whip)
12/20	16.19	Donald A. Lipov presents
12/21	13.52	Donald A. (Kornas presents)
8-74	50.00	Alan Stevens - coffee fund
12-74	200.00	A. Lyle Wilbur - loan (cash)
1-5-74	22.30	Thomas J. Landford maps (Maps for District)
1-5-74	50.00	Alan Stevens - coffee & coke fund
1-1-74	105.00	S.S. Penner & Co. - flowers for reception
11-74	26.25	flowers for Alan Stevens
1-74	140.60	water reaction (Burr & Marriott Corp. - lumber for sculpture)
1-74	49.11	

RECEIPTS

DATE	AMOUNT	SOURCE
5-21-75	\$200.00	advance team equipment (see 7-24-75)
9-8-75	\$998.01	" " "
1-6-76	\$262.37	Travel report - report on travel of 12-12-75
1-21-76	4549.95	MCF check - report on travel of 12-11-75
3-4-76	6508.74	Report on travel of 1-10-76
5-15-76	84.00	Business card - copy for 4-16
6-1-76	89.00	Mail business - copy of program exhibit equipment by Franklyn for 5-25
7-14-76	\$16.00	Equipment for MCF for air part of 6-17-76
7-26-76	1905.00	cost of postage

8

DATE	AMT.	PAYEE - PURPOSE
5-13-75	8.75	Nat. Dem. Club - space for member letter party
5-13	29.40	Plum & Flower Shop
5-13	5.83	Stations membership
5-24	25.00	book a horse of phone
6-3	9.10	Nat. Stenographers Union (Mary)
6-3	84.04	Bookette coffee - coffee
7-16	50.00	4-10-75
8-26	15.75	Bookette air freight - party
9-18	24.61	return of envelope
9-18	19.75	Transmittal Book Party & minutes for winter party
12-5	58.50	address letters - coffee - office
1-12-75	304.74	Phone phone 3 exp. - invoice
3-3-75	8.42	fund for winter - MCF
3-25-75	14.01	national address party - office
3-25	27.50	MCF Philadelphia Party
4-3-75	49.00	A MTRAC
4-21-75	587.28	MCF. Air travel from Philadelphia
4-26-75	13.67	Campania of Boston
4-30-75	7.00	air travel to K.C. Denver
5-7-75	1,147.75	MCF. Trip to show exhibit
5-8-75	133.46	copy of newsletter - photo
5-13-75	16.80	for newsletter
5-30-75	76.13	copy of newsletter - photo
5-11-75	98.70	for letter reference - report
6-16-75	12.00	for letter reference - report

WITHDRAWALS

DATE	AMT.	PAYEE - PURPOSE
7-1-75	22.55	Rosette Coffee - dinner & flowers - Albi's retirement party (Motel for dinner - car) - loan -
7-24-75	1505.05	Hankerson Hotel - Mt. Fall reservation
8-15-75	79.60	Cherie Schwartz & son -
8-18-75	25.20	Debbie's wedding gift - captured & Barbara's sewing
9-3-75	9.03	for cost box purchased
7-25-75	11.92	cash - report Reg for cost
11-3-75	267.50	Amelia (from William etc.) Motel Mt. Fall - Crowned Kathleen's Birthday Cantrell/Carter's Birthday, plates & reg - inv. # 000437
11-17-75	12.60	Home furnishings and cost
11-24-75	200.00	deposit for supplies - covered building PCH's Office -
12-11-75	544.84	Mt. Fall car for City & return
12-12-75	252.37	Trans. travel return
12-24-75	107.93	Mt. Fall travel to Calif. Kathleen - James' trip to
1-5-75	475.00	comm. for the engineering & etc. for #1208 - Capt. you selling equipment Cherise - airfare - receipt of phone
1-19-76	28.32	Shipping of the comm. (Motel) - David's return - art supplies
1-26-76	135.30	for newsletter for the Editor - art supplies
2-6-76	3.72	for newsletter for mailing return ticket office
2-10-76	508.74	Mt. Fall air fare to West David's return - art supplies -
2-14-76	7.45	for newsletter
2-26-76	51.00	Cherise's expense insurance - mobility for Jackson office
3-1-76	18.74	Rosette's Coffee - coffee
3-15-76	41.10	1032 Plastics - soap for water party & repair work
3-15-76	61.70	"
3-18-76	64.22	contributions for water party - Cantrell/Carter's Birthday plates - from job
3-26-76	31.18	for
3-24-76	78.00	Matthew's Life - Mt. Fall party # 381783 IAH
4-1-76	23.85	expenses for water party paid for

11

12

WITHDRAWALS

DATE	AMT.	PAYEE - PURCHASE
4-2-76	25.95	Rosetta Kiffin - coffee
4-16-76	20 00	Rosetta Kiffin - coffee
4-16-76	03.00	airline ticket
5-4-76	20.00	M.F. May S.L. a. shodensky
	68 00	
5-4-76	20 00	Rosetta Kiffin - coffee
5-11-76	16 00	CPS 1976 - Chicago ticket for all business
5-12-76	15 00	Donald M. Foxcar Fund - contribution
5-18-76	65 40	Rosetta Kiffin - coffee
5-25-76	5.10	van to Front - garage
6-17-76	316 00	CATS - McFarland flight to Boston & return
6-23-76	34 88	Rosetta - coffee & muffins
7-15-76	6.92	Rosetta - cream & sugar
7-30-76	72.00	air fare & return to sister for Denver convention
7-30-76	128.00	a.c. & w. ticket expenses at Denver convention
7-30-76	35.42	Rosetta - coffee & fillers
9-7-76	44 90	Rosetta - coffee, fruit, cream & sugar
10-1-76	115.00	cust - McFarland's Denver conf. luncheon
10-2-76	584.00	for speaker - to Top O'North Mt. Park air fare
10-6-76	1905.00	United Air Lines Postmaster - stamps

408

73-7-75 Check \$300.00 of Park out-
- W. Hig City Cash.

6.50
125.30
3.00
1.50

Proposed Expenses
Bills
Expenses
Junk (10/15)
Diary
Materials
Paper Pencil
Columbia Conv. Co.

MINIATURE
PERSONAL ACCOUNT BOOKS
for home and office

★
NO. 2044 OPEN STOCK
in following rulings
JOURNAL • CASH • S. E LEDGER
RECORD • D E LEDGER

★
NO. 2044-A ASSORTMENT
consisting of
3-JOURNAL 3-CASH 2-S. E. LEDGER
2-RECORD 2-D. E. LEDGER



Made in U.S.A.

7.95
 4.00
 1.25
 32
 8.14
 1501.00
 3145.89
 100.00
 1800.00

 5546.89
 500

 5046.89

13

DEPOSIT RECORD

McFALL OFFICE ACCT
PRINT NAME

2346 RAYBURN HOB
PRINT ADDRESS

A/C NO **3536335**

NOTICE: CHECKS AND OTHER DEBITS RECEIVED FOR DEPOSIT SUBJECT TO THE TERMS AND CONDITIONS OF THIS BANK.

003352

✓	7	31	72	11307	02
✓	8	21	72	500	00
✓	11	14	72	1000	00
✓	11	30	72	495	09
✓	12	2	73	1000	00
✓	14	12	73	921	00
✓	15	29	73	100	00
✓	16	25	73	600	00
✓	18	4	73	200	00
✓	18	17	73	152	33
✓	10	27	73	50	00
✓	11	5	73	700	00
✓	12	10	73	100	01
✓	2	4	74	200	00
✓	4	3	74	1274	42
✓	4	10	74	105	00
✓	5	5	74	140	60
✓	10	2	74	4439	
✓	1	17	75	500	00
✓	2	18	75	500	00
✓	3	7	75	804	75
✓	3	31	75	558	50
✓	5	28	75	500	00
✓	6	3	75	533	46
✓	4	21	75	200	00

COMMITTEE HEARING
 EXHIBIT NO. M16

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

gross check 750.00

CHECK NO	DATE	CHECKS DRAWN OR D.P.C.S. MADE	DEDUCT CHECK - ADD DEPOSIT +	BALANCE	CHECK NO. (IF ANY)
✓ 4	6-17-72	10 Commencement tickets & slip Mc Fall dues	DEDUCT CHECK - ADD DEPOSIT +	2379.54 12.50 2367.04	X
✓ 5	6/17/72	10 Robert Liles (Bryant lunch)	DEDUCT CHECK - ADD DEPOSIT +	7.50 2359.54	X
✓ 6	6/18/72	10 House approp com 7.60 in 2nd	DEDUCT CHECK - ADD DEPOSIT +	5.18 2354.36	X
✓ 7	6/14/72	10 House of Reps. Rest. Mc Fall lunch	DEDUCT CHECK - ADD DEPOSIT +	6.35 2348.01	X
✓ 8	7/30	10 Signi J. McFall LEON \$600.00	DEDUCT CHECK - ADD DEPOSIT +	600.00 2348.01	X
✓ 9	7/7	10 Lee Walker Midway convention	DEDUCT CHECK - ADD DEPOSIT +	500.00 1748.01	X
✓ 10	7/10	10 Alice Stevens coffee & petty cash	DEDUCT CHECK - ADD DEPOSIT +	120.00 1628.01	X
✓ 11	7/12	10 Samuel McCall photo slides of Mc Fall	DEDUCT CHECK - ADD DEPOSIT +	7.20 1620.81	X
✓ 12	7/24	10 House Restaurant June 20 McF. const. lunch	DEDUCT CHECK - ADD DEPOSIT +	39.10 1581.71	X
-	1/31	10 Deposit 1007.02 (incl. savings) cash 300	DEDUCT CHECK - ADD DEPOSIT +	1307.02 2888.73	X
		10 more 500.00	DEDUCT CHECK - ADD DEPOSIT +	200.00 2688.73	X
			LESS TOTAL DEDUCTIONS (IF ANY)		
			BALANCE	2388.91	

NOTATION

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

CHECK NO	DATE	CHECKS DRAWN OR DEPOSITS MADE	DEBIT	CREDIT	BALANCE	OTHER DEDUCT (SEE PAGE 1)
13	8/17	Penon Flower shop Adrian Bender flowers	DEDUCT CHECK - ADD DEPOSIT +	15.60		X
			BALANCE	2373.31		
14	8/18	Xerox Corp - copy overruns # 009957468 & 011948307	DEDUCT CHECK - ADD DEPOSIT +			X
			BALANCE	27.33		
15	8/14	House Restaurant constituent lunchea	DEDUCT CHECK - ADD DEPOSIT +	3345.96		X
			BALANCE	2379.13		
16	8/14	to Alice Stevens w/ Alice's wedding gift	DEDUCT CHECK - ADD DEPOSIT +	12.48		X
			BALANCE	2306.95		
-	8/14	Deposit - \$500.00 - Repayment of loan to L. E. Miller 4-8-72	DEDUCT CHECK - ADD DEPOSIT +	500.00		X
			BALANCE	2806.95		
17	8/30	House Stationery Room (copy no 7 withdrawn)	DEDUCT CHECK - ADD DEPOSIT +	500.00		X
			BALANCE	2306.00		

18	8/31	Rotunda Staff Lunchea	DEDUCT CHECK - ADD DEPOSIT +	73.30		X
			BALANCE	2226.70		
19	9/5	Public Printer envelopes	DEDUCT CHECK - ADD DEPOSIT +	6.00		X
			BALANCE	2220.70		
20	9/6	Golden Wedding Anniversary Com. suite 603 - N. 1000s Edin 572	DEDUCT CHECK - ADD DEPOSIT +	15.00		X
			BALANCE	2205.70		
21	9/12	House Restaurant const. lunchea	DEDUCT CHECK - ADD DEPOSIT +	5.60		X
			BALANCE	2200.10		
22	9/12	Majority Room lunchea for newsletters	DEDUCT CHECK - ADD DEPOSIT +	25.80		X
			BALANCE	2175.10		
23	9/21	Majority Room outgoing address plate	DEDUCT CHECK - ADD DEPOSIT +	5.95		X
			BALANCE	2169.15		
NOTATIONS: error in credit 8.30 .93 error in debit 8.31 6.00 T. 6.93			LESS TOTAL DISTRIBUTION (SEE PAGE 1)	6195		X
			BALANCE	2170.60		

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

CHECK NO	DATE	CHECKS DRAWN OR DEPOSITS MADE	DEBIT	CREDIT	OTHER DEDUCT (IF ANY)
			2176.60		
24	9/26	to Albee Stevens coffee fund & petty cash	DEDUCT CHECK - ADD DEPOSIT +	100.00	X
			BALANCE	2076.60	
25	10/1	to Albee Stevens (house)	DEDUCT CHECK - ADD DEPOSIT +	490.00	X
			BALANCE	1586.60	
26	10/18	to House Restaurant constant lunch	DEDUCT CHECK - ADD DEPOSIT +	22.55	X
			BALANCE	1564.05	
27	10/24	to Olinstead Automobile Mc Fall auto repair	DEDUCT CHECK - ADD DEPOSIT +	53.82	X
			BALANCE	1510.23	
28	10/27	to Truman Ward Printing Co. 500 cards	DEDUCT CHECK - ADD DEPOSIT +	15.24	X
			BALANCE	1494.99	
29		to Wood Metallic repairment	DEDUCT CHECK - ADD DEPOSIT +	1500.00	
			BALANCE	2494.99	

30	11/17	to Admiral Tars Co. Taxes - 2000	DEDUCT CHECK - ADD DEPOSIT +	95.35	X
			BALANCE	2399.64	
31	11/17	to House of Rep. Restaurant constant lunch	DEDUCT CHECK - ADD DEPOSIT +	12.80	X
			BALANCE	2386.84	
32	11/22	to House Stationery Room cover metal cabinet	DEDUCT CHECK - ADD DEPOSIT +	275.00	X
			BALANCE	2111.84	
33	11/28	to T.O. Rich Processing slides	DEDUCT CHECK - ADD DEPOSIT +	2.45	X
			BALANCE	2109.39	
34	11/29	to Bailey's Photograph Center Processing slides	DEDUCT CHECK - ADD DEPOSIT +	10.19	X
			BALANCE	2099.20	
35	12/1	to Penn Flower Shop Plant for Mrs. Lipson	DEDUCT CHECK - ADD DEPOSIT +	10.50	X
			BALANCE	2088.70	
		NOTATIONS	LESS TOTAL DEDUCTIONS (IF ANY)		
			BALANCE		

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

CHECK NO.	DATE	CHECKS DRAWN OR DEPOSITS MADE	BALANCE FORWARD	BALANCE FORWARD	OTHER DEDUCT. IF ANY
				2089.70	
36	12/5	TO Alice Stevens coffee fund & jelly chkn	DEDUCT CHECK -	100.00	X
			BALANCE	1989.70	
37	12/14	TO Elaine Wilber cream - wedding	DEDUCT CHECK -	500.00	X
			BALANCE	1489.70	
	11/30		DEDUCT CHECK -	485.09	✓
			BALANCE	1004.61	
38	11/20	TO Sandel's Xmas party	DEDUCT CHECK -	22.73	X
			BALANCE	981.88	
39	11/17	TO Xerox Corp. supplies for telecopier	DEDUCT CHECK -	10.00	X
			BALANCE	971.88	
40	11/17	TO Encouraged Parody 2 tickets for Ben Stewart	DEDUCT CHECK -	100.00	X
			BALANCE	871.88	
41	1/15	TO Raymond A. Korman loan	DEDUCT CHECK -	1000.00	X
			BALANCE	-828.12	
42	1/16	TO Sandel's expense for whisky	DEDUCT CHECK -	57.00	X
			BALANCE	-885.12	
43	2/1	TO Anne Thompson 1972-73 dues	DEDUCT CHECK -	30.00	X
			BALANCE	-915.12	
44	2/2	TO Penn & Louis plans	ADD DEPOSIT +	2100.00	
			BALANCE	1184.88	
45	4/5	TO Antares & friends of the Hebrew An Wynan contribution	DEDUCT CHECK -	64.38	X
			BALANCE	1120.50	
46	2/8	TO National Capital Democratic Club dues	DEDUCT CHECK -	100.00	X
			BALANCE	1020.50	
			(LESS TOTAL DEDUCTIONS (IF ANY))	6.00	✓
			BALANCE	1014.50	

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

CHECK NO.	DATE	CHECKS DRAWN OR DEPOSITS MADE	BALANCE FORWARD	OTHER DEDUCT (IF ANY)
			1599.62	
✓ 47	2/13	TO Horse Restaurant credit for up lunch	DEDUCT CHECK - 711.88	X
			BALANCE \square 1487.74	
✓ 48	2/20	TO Patricia Fleming - travel debit for wages & office	DEDUCT CHECK - 206.51	X
			BALANCE \square 1467.23	
✓ 49	2/27	TO David Edlund loan	DEDUCT CHECK - 300.00	X
			ADD DEPOSIT + 22.83	
			BALANCE \square 1167.18	
50	3/7	TO Penn. Farmers Shop debit - Bill Cochran	ADD DEPOSIT + .02	
			BALANCE \square 1167.20	
			DEDUCT CHECK - 13.13	X
			BALANCE \square 1154.07	
✓ 51	3/29	TO Alice Stevens coffee fund	DEDUCT CHECK - 100.00	X
			BALANCE \square 1054.07	
✓ 52	4/11	TO Nat. Capital Demo Club credit for March statement	DEDUCT CHECK - 65.71	X
			BALANCE \square 988.40	
	4-22	TO Deposits	ADD DEPOSIT + 921.00	X
			BALANCE \square 1909.40	
✓ 53	4/12	TO Horse Restaurant credit for lunch	DEDUCT CHECK - 164.85	X
			ADD DEPOSIT + 1744.55	
✓ 54	4/17	TO E. S. UTPHILL flowers for anniversary	DEDUCT CHECK - 43.75	X
			BALANCE \square 1700.80	
✓ 55	4/26	TO Clerk US Court san ticket at Dallas 4-22-73	DEDUCT CHECK - 5.00	X
			BALANCE \square 1695.80	
—	4/27	TO Deposit	ADD DEPOSIT + 500.05	X
			BALANCE \square 2195.85	
		NOTATIONS	LESS TOTAL DEDUCTIONS (IF ANY)	
			BALANCE \square 2195.85	

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

CHECK NO.	DATE	CHECKS DRAWN OR DEPOSITS MADE	DEBIT CHECK - FORWARD	ADD DEPOSIT +	BALANCE	OTHER DEDUCTIONS (IF ANY)
52	5/3	TO Penn Flower Shop second payment	DEDUCT CHECK - ADD DEPOSIT +		2195.85	
			DEDUCT CHECK - ADD DEPOSIT +	18.15	2177.70	X
57	5/17	TO National Capital Dem Club O'Brien building (staff) 416	DEDUCT CHECK - ADD DEPOSIT +			
			DEDUCT CHECK - ADD DEPOSIT +			
58	5/21	TO House of Wives wine for party	DEDUCT CHECK - ADD DEPOSIT +	98.31	2079.39	X
59	5/21	TO Donaldson brandy	DEDUCT CHECK - ADD DEPOSIT +	71.11	2008.28	X
			DEDUCT CHECK - ADD DEPOSIT +	81.22	1927.06	X
60	5/29	TO Dale - \$100 on loan	DEDUCT CHECK - ADD DEPOSIT +	100.00	2027.06	
			DEDUCT CHECK - ADD DEPOSIT +		2027.06	

60	4/4	TO Penn Flower Shop flowers for Bing G.D. Nelson funeral	DEDUCT CHECK - ADD DEPOSIT +	31.28	1995.78	X
61	6/15	TO Public Printer envelopes	DEDUCT CHECK - ADD DEPOSIT +	8.00	1987.78	X
		X	DEDUCT CHECK - ADD DEPOSIT +	8.00		
			DEDUCT CHECK - ADD DEPOSIT +			
62	6/27	TO Alice Stevens coffee + coffee fund	DEDUCT CHECK - ADD DEPOSIT +	600.00	2587.78	X
63	6/28	TO Tree Photographs Inc meteric board +	DEDUCT CHECK - ADD DEPOSIT +	247.51	2340.27	X
64	7/12	TO House of Rep. Restaurant (baloved on P.W. date dinner)	DEDUCT CHECK - ADD DEPOSIT +	200.00	2140.27	X
			DEDUCT CHECK - ADD DEPOSIT +		2140.27	
			LESS TOTAL DEDUCTIONS (IF ANY)			
			BALANCE			

NOTATIONS

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

CHECK NO	DATE	CHECKS DRAWN OR DEPOSITS MADE	DEDUCT CHECK - ADD DEPOSIT +	7462.98	OTHER DEDUCT (IF ANY)
✓ 62	6/27	¹⁰ Alice Stevens Coffee + corker fund	DEDUCT CHECK - BALANCE ⊖	100.00 2362.98	X
✓ 65	7/20	¹⁰ Nat. Capital Demo. Club 2 checks for Newsletter + D2 Park	DEDUCT CHECK - BALANCE ⊖	38.22 2324.76	X
✓ 66	7/24	¹⁰ John Wood photo supplies - reimbursement	DEDUCT CHECK - BALANCE ⊖	15.30 2309.46	X
✓ 67	7/26	¹⁰ Minority Room (4 1294) Labels on news. (newsletter)	DEDUCT CHECK - BALANCE ⊖	208.71 2100.75	X
✓ 68	7/26	¹⁰ Project Loren Dues for newsletters (4 402)	DEDUCT CHECK - BALANCE ⊖	38.55 2062.20	X
✓ 69	7/26	¹⁰ Trimmer Ward Printing Co. photo, negatives (4 405)	DEDUCT CHECK - BALANCE ⊖	77.06 1985.14	X
70	7/26	¹⁰ House Recording Studio (check from screening)	DEDUCT CHECK - BALANCE ⊖	6.00 1979.14	X
-	8/4	Deposit \$200 check from David Edlund	ADD DEPOSIT + BALANCE ⊖	200.00 2179.14	X
? 71	8/7	¹⁰ United Air Lines rec 7 all airfare ticket	DEDUCT CHECK - BALANCE ⊖	336.14 1842.99	X
✓ 72	8/10	¹⁰ Colorfast photos on china tray	DEDUCT CHECK - BALANCE ⊖	71.50 1771.49	X
✓ 73	8/15	¹⁰ Minority Person Transport labels on signs for newsletter	DEDUCT CHECK - BALANCE ⊖	152.33 1619.16	X
74	8/16	Labels on signs for newsletter Labels on signs for newsletter	DEDUCT CHECK - BALANCE ⊖	52.68 1566.48	X
		LESS TOTAL DEDUCTIONS (IF ANY)			
		BALANCE ⊖			

NOTATIONS

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

CHECK NO.	DATE	CHECKS DRAWN OR DEPOSITS MADE	BALANCE - FORWARD	DEDUCT CHECK - ADD DEPOSIT	BALANCE	OTHER DEDUCT (IF ANY)
			1871.15			
✓ 74	8/20	United air line sending film to Mantua		30.00		X
✓ 75	8/24	alice stevens copper + coins		100.00		X
	10/3			520.00		10/3
					2261.15	
? 76	10/12	House Stationery Room cover m. card withdrawal		500.00		X
✓ 77	10/15	A. L. E. Walker room for trip		500.00		X
✓ 78	10/20	P. F. Barber advance for cost of Trip		50.00		X
					1211.15	
-	11/5	Deposit		700.00		X
					1911.15	X
79	11/11	Consign. hats to Alice 12- photos (Walker check)		100.00		
✓ 79	12/11	color of Laboratory photos		12.60		X
✓ 80	12/19	Handel's Liquors (w/ trip)		42.54		X
✓ 81	12/20	Handel's mas gift		16.19		X
✓ 82	12/21	Handel's mas gift		13.32		X
					1926.50	
		NOTATIONS	LESS TOTAL DEDUCTIONS (IF ANY)			
			BALANCE			

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

CHECK NO.	DATE	CHECKS DRAWN OR DEPOSITS MADE	DEDUCT CHECK - ADD DEPOSIT +	BALANCE	OTHER DED. CT. (IF ANY)
				1926.50	
83	1/22	to Robert Alice Stevens	DEDUCT CHECK -	50.00	X
		coffee fund	ADD DEPOSIT +	1876.50	
84	1/22	to Alice Stevens	DEDUCT CHECK -	200.00	
		loan (VOID)	ADD DEPOSIT +	1676.50	
85	1/22	to Cash	DEDUCT CHECK -	200.00	
		loan from Lee Wilber	ADD DEPOSIT +	1476.50	
85	1/22	to Cash	DEDUCT CHECK -	200.00	Y
		loan to Lee Wilber	ADD DEPOSIT +	1276.50	
-	2/4	deposit	DEDUCT CHECK -	200.00	
			ADD DEPOSIT +	1076.50	
86	2/15	to Thomas Brothers Maps	DEDUCT CHECK -	22.38	X
		maps	ADD DEPOSIT +	1054.12	
			BALANCE	1854.20	
87	3/13	to Alice Stevens	DEDUCT CHECK -	50.00	X
		coffee + coke fund	ADD DEPOSIT +	1804.20	
88	4/1	to S.S. Pennock Co.	DEDUCT CHECK -	105.00	X
		flowers for reception	ADD DEPOSIT +	1699.20	
-	4/3	to m. Fabel deposit	DEDUCT CHECK -	1274.42	
			ADD DEPOSIT +	2973.62	
-		to Deposit from Mary	DEDUCT CHECK -	105.00	X
		reimburse for receipts	ADD DEPOSIT +	3078.62	
89	4/11	to Penn Flower Shop	DEDUCT CHECK -	26.25	X
		Flowers for Alice Stevens	ADD DEPOSIT +	3052.37	
90	5/1	to F. J. Stevens	DEDUCT CHECK -	132.75	
		loan for water reception	ADD DEPOSIT +	2920.02	
			LESS TOTAL DEDUCTIONS (IF ANY)	-	Y
			BALANCE	2920.02	

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

CHECK NO	DATE	CHECKS DRAWN OR DEPOSITS MADE	DEBIT	CREDIT	OTHER DEDUCT (IF ANY)
91	5/1	10 cost reception (Dental)	DEDUCT CHECK - ADP DEPOSIT	70.00	X
			BALANCE	2911.77	
92	5/1	10 Marriott Corp. office luncheon (Nat. S. Day week)	DEDUCT CHECK - ADP DEPOSIT	44.11	X
			BALANCE	2867.66	
93	5/13	10 National Democratic Club flowers for water party	DEDUCT CHECK - ADP DEPOSIT	8.75	X
			BALANCE	2858.91	
94	5/13	10 Plan Flower Shop flowers for Mother's week	DEDUCT CHECK - ADP DEPOSIT	29.40	X
			BALANCE	2829.51	
95	5/13	10 Knott's Home of Flowers flowers for Mother's week (Mary)	DEDUCT CHECK - ADP DEPOSIT	5.83	X
			BALANCE	2823.68	
96	5/24	10 Rosella Puffin coffee, sugar & supplies	DEDUCT CHECK - ADP DEPOSIT	25.00	X
			BALANCE	2798.68	
97	6/3	10 Instinet Air Freight return of matches	DEDUCT CHECK - ADP DEPOSIT	9.10	X
			BALANCE	2789.58	
98	6/3	10 Truman Ward Printing Co. water party invitations	DEDUCT CHECK - ADP DEPOSIT	84.04	X
			BALANCE	2705.54	
99	7/12	10 Alice Stevens coffee, water sugar etc	DEDUCT CHECK - ADP DEPOSIT	50.00	X
			BALANCE	2655.54	
100	8/22	10 Plan Flower Shop syringe flowers	DEDUCT CHECK - ADP DEPOSIT	15.75	X
			BALANCE	2639.79	
101	9/14	10 Combined Airline Ticket office Phila flight	ADD DEPOSIT	140.60	X
			BALANCE	2780.39	
			DEDUCT CHECK - ADP DEPOSIT	24.64	X
			BALANCE	2755.75	
NOTATIONS			LESS TOTAL DEDUCTIONS (IF ANY)		
			BALANCE		

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

CHECK NO	DATE	CHECKS DRAWN OR DEPOSITS MADE	BALANCE FORWARD	OTHER DEDUCT (IF ANY)
			2750.75	
162	9/15	AMTRAC Melbourne from photo & C.C.	DEDUCT CHECK - ADD DEPOSIT +	19.75 X
			BALANCE	2731.00
-	10/2	(travel reimbursement)	DEDUCT CHECK - ADD DEPOSIT +	44.39 X
			BALANCE	2775.39
163	12/5	Request to Bank (withdrawal) reimbursement for M.C. air fare to K.C.	DEDUCT CHECK - ADD DEPOSIT +	58.50 X
			BALANCE	2716.89
-	Jan 27 1967		DEDUCT CHECK - ADD DEPOSIT +	500.00
			BALANCE	3216.89
7204	1/12	CATC M.C. 7 air fare to San Antonio	DEDUCT CHECK - ADD DEPOSIT +	304.74 X
			BALANCE	2912.15
165	3/5	color for Newspaper photo	DEDUCT CHECK - ADD DEPOSIT +	9.82 X
			BALANCE	2903.33

	5-7		ADD DEPOSIT +	804.75 X
			BALANCE	3708.08
106	3-25	Mary's savings (same) (reimbursement for travel reimbursement)	DEDUCT CHECK - ADD DEPOSIT +	16.64 X
	2-18		DEDUCT CHECK - ADD DEPOSIT +	580.00 X
			BALANCE	4770.44
107	3-25	Eagle L. Rogers airfare reimbursement	DEDUCT CHECK - ADD DEPOSIT +	27.50 X
			BALANCE	4163.94
108	3-26	Eagle L. Rogers airfare reimbursement	DEDUCT CHECK - ADD DEPOSIT +	42.55 X
			BALANCE	4121.39
-	7-31	Reimbursement \$58.50 M.C. 7 air fare to K.C. \$50.00 same	DEDUCT CHECK - ADD DEPOSIT +	558.50 X
			BALANCE	4679.89
NOTATIONS			LESS TOTAL DEDUCTIONS (IF ANY)	
			BALANCE	

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

CHECK NO	DATE	CHECKS DRAWN OR DEPOSITS MADE	DEDUCT CHECK - ADD DEPOSIT +	46791.84	OTHER DEDUCT (IF ANY)
109	4/30	Calaveras Agency out office liability insurance	DEDUCT CHECK - ADD DEPOSIT +	49.02	X
			BALANCE	46302.82	
110	4/24	Trumanland Printing Co. Inc Feb 26 Newsletter	DEDUCT CHECK - ADD DEPOSIT +	587.28	X
			BALANCE	4043.52	
111	4/25	Rosetta Puffin Plastic bags for water party	DEDUCT CHECK - ADD DEPOSIT +	22.50	X
			BALANCE	4021.02	
112	4/28	Wine & Cheese of Top Inc. based for P.W. printer	DEDUCT CHECK - ADD DEPOSIT +	13.67	X
			BALANCE	4007.35	
113	4/30	Streetmap Company set of lithographs	DEDUCT CHECK - ADD DEPOSIT +	9.00	X
			BALANCE	3998.35	
114	5/7	Trumanland Printing Co. Apr. 7 newsletter	DEDUCT CHECK - ADD DEPOSIT +	117.75	X
			BALANCE	2880.60	

115	5/8	C.A.T.O. McTalla's car for NY & back	DEDUCT CHECK - ADD DEPOSIT +	133.46	X
			BALANCE	2717.14	
116	5/13	Dolores Kellie Anniversary wedding gift	DEDUCT CHECK - ADD DEPOSIT +	16.80	X
			BALANCE	2800.34	
	5/24	deposit	DEDUCT CHECK - ADD DEPOSIT +	500.00	
			BALANCE	3200.34	
		error not 4.3	DEDUCT CHECK - ADD DEPOSIT +	.09	X
			BALANCE	3200.43	
117	5/30	Centrell/Cutter Co. Fair Newsletter	DEDUCT CHECK - ADD DEPOSIT +	76.13	X
			BALANCE	3124.30	
-	6/3	deposit \$400 new, \$131.46 original	DEDUCT CHECK - ADD DEPOSIT +	533.46	
			BALANCE	3657.76	
			LESS TOTAL DEDUCTIONS (IF ANY)		
			BALANCE		

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

CHECK NO.	DATE	CHECKS DRAWN OR DEPOSITS MADE	BALANCE FORWARD	OTHER Deduct (if any)
118	4/11	to Harris Jewellery Alice's gift	3657.76	
		DEDUCT CHECK -	98.70	X
		ADD DEPOSIT +		
		BALANCE	3559.06	
119	6/16	to Rosetta Ruffin film for children's party		
		DEDUCT CHECK -	12.00	X
		ADD DEPOSIT +		
		BALANCE	3547.06	
120	7/11	to Rosetta Ruffin dinner + flowers - return tickets		
		DEDUCT CHECK -		
		ADD DEPOSIT +		
		BALANCE		
		DEDUCT CHECK -	22.55	X
		ADD DEPOSIT +		
		BALANCE	3524.51	
121	7/24	to Cash (John F. Wedge)		
		DEDUCT CHECK -	1505.05	X
		ADD DEPOSIT +		
		BALANCE	2019.46	
122	8/13	to Himmegen Hotel C.M.C. & all reservations		
		DEDUCT CHECK -	79.60	X
		ADD DEPOSIT +		
		BALANCE	1939.86	

123	8/14	to Charles Schwartz & Sons Dinner wedding gift		
		DEDUCT CHECK -	25.20	X
		ADD DEPOSIT +		
		BALANCE	1914.66	
-	8/20	to Deposit Alice Mc Zell (loan)		
		DEDUCT CHECK -	200.00	X
		ADD DEPOSIT +		
		BALANCE	2114.66	
-	9/4	to Deposit Alice Mc Zell (loan)		
		DEDUCT CHECK -	995.00	X
		ADD DEPOSIT +		
		BALANCE	3109.66	
124	9/14	to Raymond F. Barner money for credit book		
		DEDUCT CHECK -	9.03	X
		ADD DEPOSIT +		
		BALANCE	3100.63	
125	9/23	to Raymond F. Barner Cash money for credit book		
		DEDUCT CHECK -	11.92	X
		ADD DEPOSIT +		
		BALANCE	3088.71	
126	11/3	to Hospitality Loan, House of Plays. Consumer Bulletin printing		
		DEDUCT CHECK -	267.50	X
		ADD DEPOSIT +		
		BALANCE	2821.21	
NOTATIONS			LESS TOTAL DEDUCTIONS (IF ANY)	
			BALANCE	

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

CHECK NO.	DATE	CHECKS DRAWN OR DEPOSITS MADE	BALANCE FORWARD	DEDUCT CHECK - ADD DEPOSIT +	BALANCE	OTHER DEDUCT (IF ANY)
			2821.21			
129	11/15	TO Central Printing Inc. Printing plates + receipts		DEDUCT CHECK - 12.60		X
				BALANCE	2808.61	
128	11/11	TO Home Savings Savings		DEDUCT CHECK - ADD DEPOSIT +		
				BALANCE		
128	11/24	TO Home Savings acct deposit		DEDUCT CHECK - ADD DEPOSIT +	200.00	X
				BALANCE	2608.61	
129	12/11	TO Combined Airline Ticket Office airfare to Calif.		DEDUCT CHECK - ADD DEPOSIT +	549.84	X
				BALANCE	2058.77	
130	12/12	TO Trans-World Airways McAuliffe air fare		DEDUCT CHECK - ADD DEPOSIT +	252.37	X
				BALANCE	1806.40	
131	12/22	TO Harrel's Xmas gifts for staff		DEDUCT CHECK - ADD DEPOSIT +	107.93	X
				BALANCE	1698.47	
132	1/5/76	TO Communications Engineering Co., Inc equipment rental + modification		DEDUCT CHECK - ADD DEPOSIT +	478.08	X
				BALANCE	1220.39	
-	1/16	TO deposit repay air ticket 12-12		DEDUCT CHECK - ADD DEPOSIT +	252.37	
				BALANCE	1478.02	
133	1/19	TO American Airline Freight System Shipping of telephone communications		DEDUCT CHECK - ADD DEPOSIT +	281.32	X
				BALANCE	1447.52	
-	1-26	TO Deposit - repay air ticket 12-11-75		DEDUCT CHECK - ADD DEPOSIT +	549.84	
				BALANCE	1997.37	
134	1-26	TO David Edmond air supplies for newsletter		DEDUCT CHECK - ADD DEPOSIT +	35.30	X
				BALANCE	1962.07	
135	2/6	TO David Edmond air supplies for newsletter		DEDUCT CHECK - ADD DEPOSIT +	3.72	
				BALANCE	1962.07	
				LESS TOTAL DEDUCTIONS (IF ANY)		
				BALANCE		

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

CHECK NO	DATE	CHECKS DRAWN OR DEPOSITS MADE	BALANCE BEFORE CHARGE	196207	OTHER DEDUCT (IF ANY)
✓ 136	2/10	¹⁰ Combined Airlines Ticket Office Mc7 Trip to S.F. - Post -	DEDUCT CHECK - ADD DEPOSIT +	508 74	X
			BALANCE	1453 33	
✓ 137	2/10	¹⁰ David Edmund art supplies purchased	DEDUCT CHECK - ADD DEPOSIT +	7 45	X
			BALANCE	1445 88	
✓ 138	2/22	¹⁰ Calaveras Agency Insurance monthly for full year office	DEDUCT CHECK - ADD DEPOSIT +	51 00	X
			BALANCE	1394 88	
✓ 139	3/1	¹⁰ Roach's Kupper coffee pot	DEDUCT CHECK - ADD DEPOSIT +	8 74	X
			BALANCE	1386 14	
-	3/4	¹⁰ Report - re pay air fare 2/10	DEDUCT CHECK - ADD DEPOSIT +	504 74	
			BALANCE	1890 88	
✓ 140	3/5	¹⁰ ABAK Plastics bags for hotel party, beach party	DEDUCT CHECK - ADD DEPOSIT +	91 10	
			BALANCE	1803 74	

✓ 141	3/15	¹⁰ ABAK Plastics bags for water party	DEDUCT CHECK - ADD DEPOSIT +	61 70	X
			BALANCE	1742 04	
✓ 142	3/18	¹⁰ Central Catering water party invitations	DEDUCT CHECK - ADD DEPOSIT +	64 22	X
			BALANCE	1677 82	
✓ 143	3/26	¹⁰ Best Co. fare for office	DEDUCT CHECK - ADD DEPOSIT +	31 15	X
			BALANCE	1646 67	
✓ 144	3/29	¹⁰ Metropolitan Life Ins. Co policy # 3817831 AH	DEDUCT CHECK - ADD DEPOSIT +	78 00	X
			BALANCE	1568 67	
✓ 145	4/11	¹⁰ Georgetown Wine & Cheese brand - for party	DEDUCT CHECK - ADD DEPOSIT +	23 85	X
			BALANCE	1544 82	
✓ 146	4/12	¹⁰ Roach's Kupper coffee	DEDUCT CHECK - ADD DEPOSIT +	25 95	X
			BALANCE	1518 87	
		NOTATIONS	LESS TOTAL DEDUCTIONS (IF ANY)		
			BALANCE		

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

CHECK NO	DATE	CHECKS DRAWN OR DEPOSITS MADE	BALANCE FORWARD		OTHER DEDUCT (IF ANY)
✓147	4-16	TO Rosetta Ruffin coffee	1610 01	DEDUCT CHECK - ADD DEPOSIT +	
				BALANCE ⊖	
✓148	4/11	TO Frank Lee Lanes me 3 ring box St Louis to St. Louis		DEDUCT CHECK - ADD DEPOSIT +	
				BALANCE ⊖	
✓149	5/4	TO Rosetta Ruffin coffee		DEDUCT CHECK - ADD DEPOSIT +	
				BALANCE ⊖	
✓150	5/11	TO Cash 1974 Ralphie tickets - Bill Spent		DEDUCT CHECK - ADD DEPOSIT +	
				BALANCE ⊖	
✓151	5/12	TO Donald M. Fraser Fund contribution - (ADP)		DEDUCT CHECK - ADD DEPOSIT +	
				BALANCE ⊖	
✓152	5/15	TO Rosetta Ruffin coffee		DEDUCT CHECK - ADD DEPOSIT +	
				BALANCE ⊖	

✓153	5/25	TO Ivan & Fred Young		DEDUCT CHECK - ADD DEPOSIT +	
				BALANCE ⊖	
-	5/25	Deposit (Curlin Cafe building)		DEDUCT CHECK - ADD DEPOSIT +	
				BALANCE ⊖	
-	6/4	Deposit - Frank Young report		DEDUCT CHECK - ADD DEPOSIT +	
				BALANCE ⊖	
✓154	6/17	TO CATO 247211 for to St. Louis		DEDUCT CHECK - ADD DEPOSIT +	
				BALANCE ⊖	
✓155	6/23	TO Rosetta Ruffin coffee + supplies		DEDUCT CHECK - ADD DEPOSIT +	
				BALANCE ⊖	
-	7/17	Deposit - McCallum 7-4 of 6-17		DEDUCT CHECK - ADD DEPOSIT +	
				BALANCE ⊖	
				LESS TOTAL DEDUCTIONS (IF ANY)	
				BALANCE ⊖	

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

CHECK NO	DATE	CHECKS DRAWN OR DEPOSITS MADE	DEBIT CHECK FORWARD	149513	OTHER DEDUCT (IF ANY)
✓ 156	7-15	10 Rosetta Ruffin cream & sugar	DEDUCT CHECK - ADD DEPOSIT +	6 92	X
-	7-20	10 Deposit	DEDUCT CHECK - ADD DEPOSIT +	1905 00	X
✓ 157	7-30	10 A. Lee Walter air fare to N.Y. & return - connection	DEDUCT CHECK - ADD DEPOSIT +	3321 21	X
✓ 158	7-30	10 A. Lee Walter expense of connection	DEDUCT CHECK - ADD DEPOSIT +	128 00	X
✓ 159	7-30	10 Rosetta Ruffin coffee & filters	DEDUCT CHECK - ADD DEPOSIT +	35 42	X
			BALANCE	3157 79	

✓ 160	9/7	10 Rosetta Ruffin coffee, filters cream & sugar	DEDUCT CHECK - ADD DEPOSIT +	44 90	
✓ 161	9/29	10 Cash Office Petty Cash	DEDUCT CHECK - ADD DEPOSIT +	3112 59	
✓ 162	10/1	10 Cash McTigue's share of payroll fund for	DEDUCT CHECK - ADD DEPOSIT +	75 00	
✓ 163	10/5	10 United Airlines McT. air fare to Calif	DEDUCT CHECK - ADD DEPOSIT +	3037 89	
✓ 164	10/5	10 United Airlines McT. air fare to Calif	DEDUCT CHECK - ADD DEPOSIT +	118 00	
✓ 165	10/16	10 Postmaster A. Lee Walter	DEDUCT CHECK - ADD DEPOSIT +	2919 89	
			DEDUCT CHECK - ADD DEPOSIT +	2554 00	
			DEDUCT CHECK - ADD DEPOSIT +	2335 89	
			DEDUCT CHECK - ADD DEPOSIT +	2500 90	
			BALANCE	430 89	
			LESS TOTAL REDUCTIONS (IF ANY)	1116 39	
				318 50	
				0 820 59	

12/11

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT AFFECT YOUR ACCOUNT

CHECK NO	DATE	CHECKS DRAWN OR DEPOSITS MADE	DEDUCT CHECK ADD DEPOSIT	BALANCE	OTHER DEDUCT (IF ANY)
165	12/13	Cash - Grand Union Receipt #1122 Whip Office for bill	DEDUCT CHECK - ADD DEPOSIT +	1 58 50	
			BALANCE	1884 61	
		Whip Office Village	DEDUCT CHECK - ADD DEPOSIT +	400 00	
		Whip Office (Chk # 0806, 0807)	BALANCE	2284 61	
166	2/21	Gandela - Xmas gifts for Whip Congressional Staff	DEDUCT CHECK - ADD DEPOSIT +	112 51	
			BALANCE	2176 10	
167	2/29	Smoked and Assorted Pops of Grand 72-75 St. Paid tax for same	DEDUCT CHECK - ADD DEPOSIT +	500 00	
			BALANCE	1676 10	
168	12/129	Cash - Remittance Stamp Fifty Cash. Maurice	DEDUCT CHECK - ADD DEPOSIT +	8 05	
			BALANCE	1668 05	
169	12/19	John Monahan Remittance for Whip Office Jewell Artance	DEDUCT CHECK - ADD DEPOSIT +	19 60	out
			BALANCE	1648 45	

170	12/129	Kosta Kuffner Remittance for Christmas Refreshments	DEDUCT CHECK - ADD DEPOSIT +	4 86	
			BALANCE	1643 59	146319
Books Closed Jan 1976					
171	1/11	Finance Committee Pereira, Galatians, Edmund Garimendi	DEDUCT CHECK - ADD DEPOSIT +	200 00	
			BALANCE	1443 59	146319
172	1/11	Finance Committee 2 paid 1 Garimendi	DEDUCT CHECK - ADD DEPOSIT +	75 00	
			BALANCE	1368 59	136819
173	1/18	Ruffner Finance Refresh. for reimbursement	DEDUCT CHECK - ADD DEPOSIT +	58 00	
			BALANCE	1310 59	132019
		Whip Office	DEDUCT CHECK - ADD DEPOSIT +	298 00	
			BALANCE	1012 59	102019
		\$165.00 Cash for Ken Eutin for Dinner at Demo Club	LESS TOTAL DEDUCTIONS (IF ANY)		
			BALANCE	1808 59	

NOTATION 5

COMMITTEE HEARING
EXHIBIT NO. M 17

February 12, 1974

Mr. J. Kenneth Wing
146 North Grant Street.
Manteca, California 95336

Dear Ken:

With respect to the letter you received from Mr. Maurice J. Crawford dated December 8, 1973, concerning the legality of certain political contributions which may have been made by Mexican Nationals while residing in the United States, our research indicates as follows:

Section 613 of Chapter 29, Title 18 of the U.S. Code, prohibits solicitation, acceptance or receipt of any contribution in connection with an election to any political ~~office or in connection with an election to any political~~ office or in connection with any primary election, convention, or caucus held to select candidates for any political office from an agent of a foreign principal, directly or through any other person, either for or on behalf of such foreign principal or otherwise in his capacity as agent of such foreign principal (underscoring provided).

As defined, the term "foreign principal" includes--

1. a government of a foreign country and a foreign political party;
2. a person outside of the United States, unless it is established that such person is an individual of and domiciled within the United States, or that such person is

not an individual and is organized under or created by the laws of the United States or of any State or other place subject to the jurisdiction of the United States and has its principal place of business within the United States; and

3. a partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country.

Under the circumstances described in Mr. Crawford's letter, where those Mexican Nationals apparently are persons who are legal residents of the United States or who are in the country on work permits, it would appear to be very difficult to identify contributors as being either agents of foreign principals or having acted on behalf of such foreign principals.

Those persons with whom we have discussed this matter who are knowledgeable of Federal election laws and U.S. immigration laws unanimously agree, however, that candidates should not encourage contributions from non-citizens for fear of violation of this section of the U.S. Code.

To recapitulate, the only prohibition against acceptance of political contributions in this instance would involve those from "foreign principals," either directly or indirectly.

Sincerely,

Ray Barnes
Administrative Assistant to
Representative John J. McFall

RB/mf

10/5/76

6/17/77
 Not recorded
 John Raymond
 J. Barnes

R.B.

10 FOR THE RECORD

Scott Armstrong of the Washington Post called about 5 p.m.

Asked if I recalled Tongsun Park visiting our office or seeing him in December, 1975.

Told him I may have seen him at a brandy party at the Georgetown Club about that time, which was the last time I saw him that I can recall.

He then asked me if Mr. McFall may have received any money from Park about that time. Told him I was not aware of any.

He then asked me if I had received any cash from an aide of Park about that time and I said I had not.

Then I asked him if Park had said he had given Mr. McFall any cash and he said he had not but that an aide had said he had given it to me.

Later he said he was mistaken, that the aide said he had given the cash to me in ~~late~~ late 1974 or early 1975. I did not comment on that.

Armstrong then asked where books for campaign are kept and I told him that John Olhasso is Chairman. Then I told him that Mr. McFall is treasurer of the committee--one of several Congressmen who are their own treasurers.

He asked if Mary Albertsen assisted in keeping the books and I said yes.

John Olhasso called about that time and I told him that ~~Scott~~ Armstrong would be calling and informed him of his interest.

John called back shortly afterward and he said he talked with Armstrong and advised him he knew nothing ~~of~~ of Mr. Park or any contribution, but he would have Mary check the records.

003365

COMMITTEE HEARINGS
 EXHIBIT NO. M18

Committee Hearing Exhibit 24.—Chronology

- December 10, 1969—Call from C. Rocca to R. Barnes, Assume request made for meeting with Tongsun Park.
 December 11, 1969—Meeting with Tongsun Park.
 December 24, 1969—Letter to Tongsun Park.
 December 22, 1970—Letter to Tongsun Park.

1971

- Thursday, June 17—Tongsun Park, RHOB.
 Friday, June 18—Letter to President Park.
 Wednesday, June 23—Dinner—Park—Georgetown Club—Contact Mr. Kim (347-9785). (J. J. McFall cannot recall whether or not he attended.)

1972

- Monday, November 13—Mr. Park and Steve Kim, RHOB—Made “campaign donation” of \$1,000 cash.
 Tuesday, November 14—Bank deposit to office account, \$1,000 from Tongsun Park.

1973

- January 1973—Congratulatory telegram from Park on McFall selection as Whip.
 Friday February 9—Mr. Park (H-107).
 February 23—Letter to President Park (draft furnished by Tongsun Park).
 Monday, April 16—Mr. Park, Reps. Hanna, Minshall/Dinner for McFall, Georgetown Club (gift of tea set).
 Monday, December 10—Dinner for O’Neill by Park, Reps. Hanna, Minshall—Georgetown Club.

1974

- October 18—Contribution of \$3,000 cash, delivered to R. Barnes by Park assistant.
 October 22—Telegram sent to Tongsun Park, Re: Korean-U.S. Bulk Loading Terminal.
 Monday, December 16—Madison/Park’s Dinner for Tip O’Neill.
 Wednesday, December 18—Mr. Park (H-107).

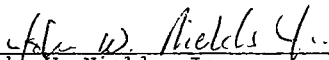
1973 or 1974

- December—Received gift of cufflinks, nominal value, from Tongsun Park.

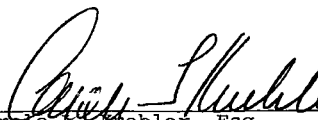
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

In the Matter of	}
CONGRESSMAN JOHN J. MCFALL	

It is hereby stipulated and agreed by and between John W. Nields, Jr., Chief Counsel, Special Staff, House Committee on Standards of Official Conduct, and Carole Kuebler, Esq., Counsel for respondent John J. McFall, that the document originally marked Exhibit 25 consisting of copies of campaign reports filed with the Secretary of State of California may be remarked Exhibit 26; and it is further stipulated that the attached copy of a newspaper article is from the Washington Post dated June 30, 1971, and may be included as part of Exhibit No. 25 which consists of tickets and other documents relating to the Democratic Congressional Campaign Dinner in 1971.



 John W. Nields, Jr.
 Chief Counsel
 House Committee on Standards
 of Official Conduct



 Carole E. Kuebler, Esq.
 Counsel for John J. McFall,
 Respondent

Wednesday, June 20, 1972 Washington Post

Democrats Select Miami Beach

By Tim O'Brien

Washington Post Staff Writer

Miami Beach was selected yesterday as the site of the 1972 Democratic National Convention, which will start the week of July 9.

Lawrence O'Brien, chairman of the Democratic National Committee, said Louisville, Kentucky, had been a close second but lacked sufficient housing. Both Miami Beach and Louisville offered the Democrats \$1 million in cash, goods and services as incentive for being designated.

At the same time, a convention reform commission headed by Rep. James G. O'Hara (D-Mich.) voted to recommend that candidates for Vice President must submit petitions signed by 50 delegates to be eligible for nomination. The new rule, designed to open convention procedures, would supplement the tradition of the presidential nominee exercising virtual autonomy over the selection of

his running mate. The recommendation itself must be voted on when the delegates meet next July.

It was Miami Beach where Richard M. Nixon won the Republican nomination in 1968.

The Republicans meet on July 23 in Denver to choose a site for their 1972 national convention. The GOP assembly will convene at the end of July or in August next year, with San Diego and Miami Beach considered the front runners as likely sites.

For the Democrats 1972 will be the first time in 44 years for a national convention to be held in the South. In 1928 Al Smith was nominated in Houston.

Florida State Chairman John Moyle, without referring directly to the disorders at the 1968 convention in Chicago, said the site selection committee believed that Miami Beach offered "satisfactory" security arrangements.

Miami Beach is separated

from the Florida mainland by five bridges and the convention center itself is surrounded by a protective fence.

The Democrats go into 1972 carrying a debt of \$9.3 million, partly a result of the 1968 presidential campaign, party treasurer Robert Strauss said. The party held a \$500-a-plate fund raising dinner last night at the Washington Hilton Hotel which was expected to gross \$1 million for congressional and senatorial campaigns in 1972.

The site selection committee voted 7-2 for Miami Beach, with Mrs. Liv Bjorlie of North Dakota and Larry Byck of Kentucky voting for Louisville. Party chairman O'Brien held a proxy which he did not use.

O'Brien said the convention was expected to attract 50,000 persons. Louisville, he said, plans to improve its facilities; he urged the city to make a bid for the 1976 convention.

O'Brien said he expected the television and radio networks

would try to persuade the GOP to meet in Miami Beach as well — something that would save the broadcasters money.

The convention rules commission recommended the adoption of its petition requirement for the nomination of vice presidential candidates in response to the urging of commission member Joseph F. Crangle.

Crangle described the traditional method of selecting a nominee for vice president as "a farce." He argued that one man — the presidential nominee — should not have absolute power "to control the nomination of a man who may be only a heart beat away from the presidency."

EXHIBIT NO. 25



The Democratic Senatorial Campaign Committee

Ernest F. Hollings, Chairman

Daniel K. Inouye, Chairman

and

The Democratic Congressional Campaign Committee

Ed Edmondson, Chairman

Thomas P. O'Neill, Jr., Chairman

cordially invite you
to participate in

The 1971 Democratic Congressional Dinner

honoring

The Honorable

Mike Mansfield

Majority Leader, U.S. Senate

The Honorable

Carl Albert

Speaker, U.S. House of Representatives

and

Chairmen of the Standing Committees of the Congress

on Tuesday evening, June twenty-ninth

One Thousand nine hundred and seventy-one

at six o'clock p.m.

The Washington Hilton

Washington, D.C.

R.F.V.P.

Card Enclosed

Reserved Tables

Seat Ten Guests

Drass Optional

THE 1971 DEMOCRATIC CONGRESSIONAL DINNER

"This will be our Eighth Annual Congressional Dinner. Proceeds from the \$500.00 a plate dinner will be distributed exclusively to the House and Senate Campaign Committees for the purpose of helping those seeking election and for maintaining our Democratic control of Congress."

Senator Daniel K. Inouye
HAWAII

DEMOCRATIC CONGRESSIONAL DINNER COMMITTEE

Office: Mayflower Hotel, Washington, D. C. 20036 • Phone (202) 737-8121

ONE SPONSOR'S CERTIFICATE AND ONE DINNER
TICKET ISSUED FOR EACH \$500 CONTRIBUTION

Name _____
please print

Address _____

City & State _____ Phone _____

Please reserve _____ places for me. Each table seats ten.

(Make check payable to Democratic Congressional Dinner Committee.)

I cannot attend Dinner but enclose \$ _____ as a contribution.

Please credit contribution to: _____
Name State

(Dinner: Washington Hilton Hotel, Tuesday, June 29, 1971 - Dress Optional)



Democratic Congressional Dinner Committee

INFORMATION SHEET

The Eighth Annual Democratic Congressional and Senatorial Dinner will be held in Washington on Tuesday; June 29, 1971, at the Washington Hilton Hotel. Funds raised at the Dinner will be divided between the Senate and House Campaign Committees in preparation for the very important 1972 campaigns.

The Dinner is sponsored by the Democratic Congressional Campaign Committee, of which Congressmen Ed Edmondson of Oklahoma, and Thomas P. O'Neill, Jr. of Massachusetts are Co-chairmen, and the Democratic Senatorial Campaign Committee, headed by Senator Daniel K. Inouye of Hawaii and Senator Ernest F. Hollings of South Carolina.

This year's banquet will be in honor of Carl Albert, new Speaker of the U. S. House of Representatives; Mike Mansfield, Majority Leader of the U. S. Senate; and the Chairmen of the Standing Committees of Congress.

DINNER ARRANGEMENTS

DATE: Tuesday, June 29, 1971

PLACE: Washington Hilton Hotel

TIME: Reception 6:00 p.m. Dinner 7:00 p.m.

TICKETS: One ticket issued for each \$500 contribution

CAPACITY: 300 tables seating 10 persons each

DRESS: Optional

All contributions should be made payable to the Democratic Congressional Dinner Committee. For additional information, contact the Dinner Committee offices, Suite 381, Mayflower Hotel, Washington, D. C. 20036. (202) 737-8121.

Democratic Congressional Dinner

DEMOCRATIC SENATORIAL
CAMPAIGN COMMITTEE

DEMOCRATIC CONGRESSIONAL
CAMPAIGN COMMITTEE

Ernest F. Hollings
Chairman

Daniel K. Inouye
Chairman

Ed Edmondson
Chairman

Thomas P. O'Neill, Jr.
Chairman

Tuesday, June 29, 1971, Washington Hilton Hotel, Washington, D.C.

DRESS OPTIONAL • RECEPTION 6:00 P.M. TERRACE LEVEL
DINNER 7:00 P.M. INTERNATIONAL BALLROOM

TABLE NUMBER 120



DEMOCRATIC
CONGRESSIONAL
DINNER



KOM	RIT
CEW	JF
DIER	LW
EAD	RMB
DDE	AKS

October-17, 1974

JJO	MCA
JKW	

The Honorable John J. McFall
 Congressman, House of Representatives
 2346 Rayburn Avenue
 House Office Building
 Washington, D. C. 20515

IHS	RF
RH	RF

INTERN

OCT 19 1974

Dear John:

I appreciated the opportunity of talking to you at home last evening about Korea Silo Co., Ltd., and as per your request I will outline below my ideas and a resume of the specifics.

Pacific International Foods Co. of San Francisco, the parent company of Pacific International Rice Mills, Inc., and Pacific International Grain Co., a number of years ago joined with Daehan Flour Mills Co., Ltd., of Seoul, Korea, the largest Korean flour milling complex, to form the Korea Silo Co. The purpose of this 50/50 joint venture of Korean and American corporations was to design and construct a modern bulk unloading terminal for the Republic of Korea at the new Port of Incheon.

Korea has been plagued with the necessity of unloading all of its bulk cargos, essentially grains and rice, by the primitive hand method. This process has been extremely costly, both to Korea and to the United States, in excessive freight rates, vessel delays and losses, through the method of handling and the inadequate storage.

This terminal facility is a "first" for Korea, and the American partner has brought technology and know-how to the operation. The complex is quite impressive, with storage for 150,000 tons of bulk grains, connected to a new, modern pier, with the most sophisticated unloading equipment available in the world today. The vessels will be able to unload at approximately 800 tons per hour in comparison to the present capacity of approximately 1,000 to 1,200 tons per day. There will also be the advantage of being able to unload the vessels in almost any type of weather, while now a great deal of time is lost because of rain and other weather problems. The difference in ocean freight rates, due to the rapid turn around alone on modern bulk carriers, can run as high as \$5.00 or \$6.00 per ton of cargo shipped, meaning a tremendous savings to the Koreans and better prices for the American

R-1



The Honorable John J. McFall
 Congressman, House of Representatives
 October 17, 1974
 Page 2

farmers.

This joint effort embodies all of the cooperation shown between the two countries, and has been made possible through the collaboration of the American and Korean partners, and also by the U. S. Department of Agriculture under the Private Trade Entity Program, which has assisted with part of the financing through a 12-year loan. The Korean government has made available the new harbor, which makes the whole plan feasible. The project exemplifies a joint cooperation between both countries and the free enterprise segments within the countries.

We are planning to have an Opening Ceremony, upon completion of the construction of the silos, piers and unloading towers, for the dedication of the facilities in late November of this year, and we were delighted when we heard that President Ford was going to be in Seoul on November 22. With food one of the main areas of concern in the world today, we think that it would be most fitting if President Ford were to take this opportunity to participate in the dedication, showing his interest in America's concern over the food situation in the developing countries and an example of American assistance in solving this critical problem. The President's recognition and participation in this coalition of American/Korean progress would be extremely beneficial to both President Park and President Ford and to the countries involved.

The ceremony itself could be quite short, and both Presidents could cover the distance from the Blue House in Seoul to Incheon by helicopter in a few minutes. By automobile the time required for travel is about 45 minutes.

I am enclosing a picture of the site, taken during construction, and an artist's conception of the pier, to give you some idea of the scope of the project, the cost of which is \$11,000,000.

Your assistance, John, on the above would be very much appreciated, and I am confident would be an exemplary action for the President to perform.

Cordially yours,

PACIFIC INTERNATIONAL FOODS CO.

C. M. Rocca, Executive Vice President

cc: Manteca office

File

November 13, 1974

Mr. C. M. Rocca
Executive Vice President
Pacific International Foods Co.
Suite 740
100 California Street
San Francisco, California 94111

Dear Curt:

We have now received a further reply from the White House concerning an invitation to President Ford to attend the dedication ceremony of the new bulk unloading terminal at the Port of Incheon.

Unfortunately, it confirms the information that Ray Barnes gave to you by telephone during your recent conversation with him.

As you will note from the enclosed letter from the President's Appointment Secretary, Warren S. Rustand, the President's tight schedule will not permit adding an additional engagement. It is our understanding that the President will be in Korea for only one day, on November 20.

Sorry that we could not work this out, but apparently conditions were such that it could not be done. I hope we will have better luck next time.

Best wishes,

John J. McFall
Member of Congress

JJMCF/r/as
Encl.

R-2

THE WHITE HOUSE

WASHINGTON

November 6, 1974

Dear Mr. Barnes:

Max Friedersdorf forwarded, along with his own personal endorsement, your letter and the attached correspondence to Congressman McFall from Mr. C. M. Rocca inviting the President to attend opening ceremonies of the new bulk terminal at the Port of Inchon when he visits Korea.

The President is most appreciative of the kindness of Congressman McFall in bringing Mr. Rocca's letter to his attention and is grateful for the invitation to attend this opening at Inchon. While he would like to have the opportunity to do this, he will be on such a tight schedule during the brief time he is in Korea it will not be possible to add this engagement to his itinerary.

With the President's very best wishes.

Sincerely,

Warren S. Rustand
Appointments Secretary
to the President

Mr. Ray Barnes
Administrative Assistant to
the Majority Whip
House of Representatives
Washington, D. C. 20515

○