

# Activists fight U.S. corporations' role in Korea

By Stefan Ostrach

Eugene, Ore. In the wake of continuing revelations of improper activities by South Korean agents in the U.S. and calls for the withdrawal of American troops in South Korea, a variety of activist groups are mounting campaigns against American aid and assistance to the repressive regime of Korean dictator Park Chung Hee.

South Korea is a major focus of a Clergy and Laity Concerned program on American Power and Political Repression.

The American Friends Service Committee's Peace Education Division is developing a new program emphasizing the underlying economic causes of international conflict, also with a focus on Korea.

And the Washington, D.C.-based Coalition for a New Foreign and Military Policy is planning a nationwide petition campaign to demand withdrawal of U.S. troops and nuclear weapons from South Korea as well as an end to military and economic aid.

These groups believe public support for the ending of aid is particularly important to prevent efforts to "Koreanize" the situation by providing South Korea with sophisticated weapons and money to replace the American troops so as not to jeopardize extensive U.S. corporate investments there.

## ►Pacific Northwest important.

The new campaigns have a particular importance for activists in the Pacific Northwest. The November issue of *Northwest Bulletin*, published by the Pacific Northwest Research Center, points out that South Korea is now the region's third most important trading partner, trailing Canada and Japan.

Fully 80 percent of American wheat exported to South Korea passes through Northwest ports. Exports also include logs, animal hides, and scrap metal, while imports include steel, electronics, and forest products.

The AFSC Peace Team in Portland, concerned about agribusiness and the world food crisis, is focusing on Cargill Inc., which has major facilities in Portland through which it exports wheat to

South Korea. The Minneapolis-based Cargill, the world's largest grain exporter, reaped profits of \$194 million in 1975.

Unlike other agribusiness giants like Del Monte or General Foods, you won't find Cargill's name on supermarket shelves. The corporation is very secretive about its operations and shuns publicity.

A Cargill trade journal advertisement explains the company's approach: "Cargill doesn't just sell grain. Cargill markets grain. That means finding markets, or creating them. It means developing markets. And expanding them..."

## ►A multinational that builds dependency.

AFSC's Maud Easter says they chose Cargill as an example of "a multinational corporation that channels food to those who can best pay for it rather than those who are most hungry."

They chose the day before Thanksgiving to begin their attack on Cargill's role in fostering food dependency in South Korea, and particularly focusing on the role of U.S. Public Law 480—the Food for Peace Act.

Like many other U.S. aid programs, the main beneficiaries of PL480 have been corporations like Cargill and foreign dictators like Park.

PL480, for instance, financed 95 percent of the cost of establishing Cargill's South Korean subsidiary, and PL480 funds provided to Korea created the market for Cargill's grain. One consequence of the food program has been that South Korea's dependence on imports has increased from 6 percent in 1962 to 35 percent in 1975.

Park has used the imported grain to undercut the price of local grain, forcing farmers off the land. The resulting pool of cheap labor has in turn been an incentive for investment by other corporations.

Most of the Food for Peace aid money has not even gone for food; 85 percent of Park's Food for Peace revenues have gone for military expenditures.

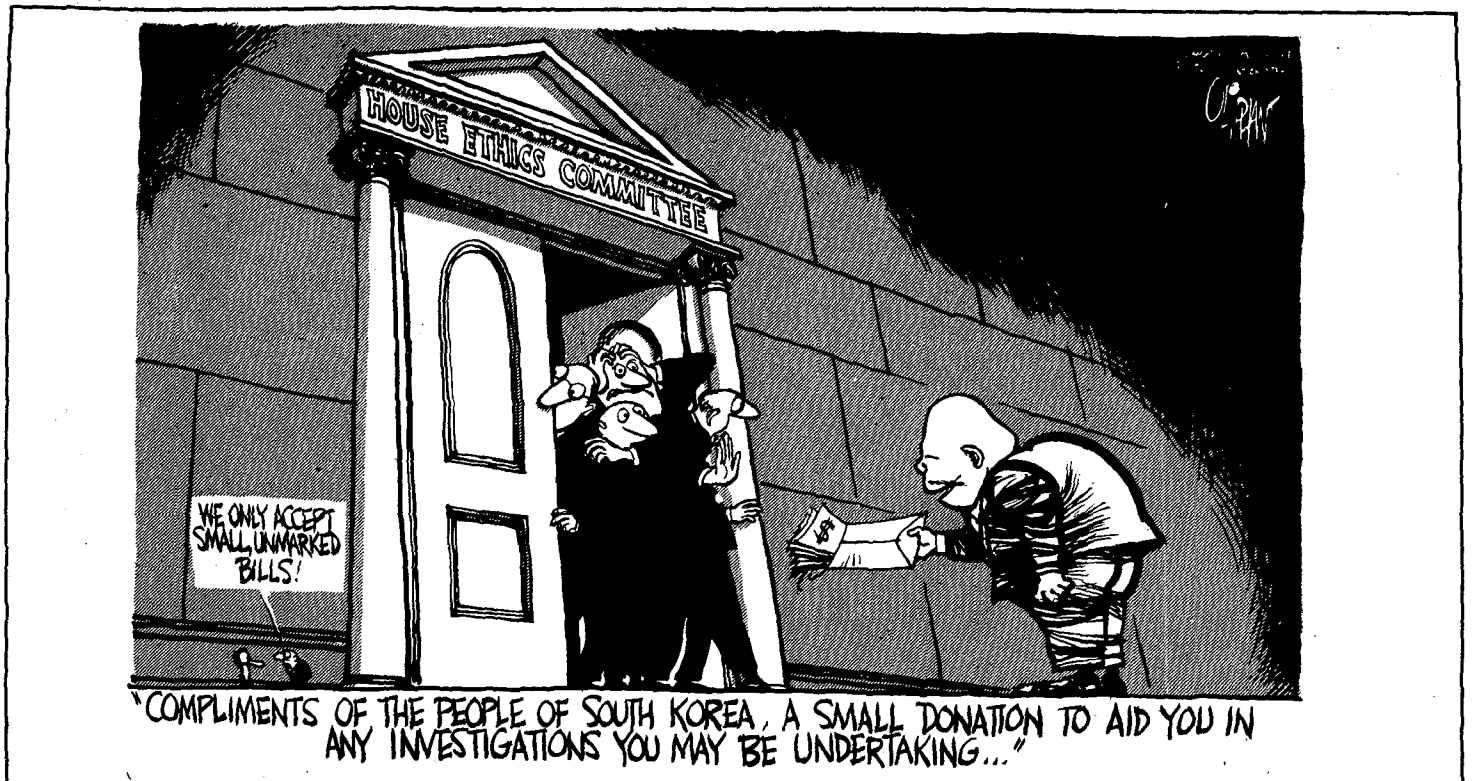
South Korea's wage earners are desperately poor—87 percent live below the poverty line at a bare subsistence level. More than one-fourth of the labor force

is either unemployed, underemployed in part-time jobs, or reduced to peddling, begging, or prostitution. Unions are controlled by the government, and strikes are outlawed.

Korea's "good business climate" has attracted many U.S. corporations. Tandy, for example, pays South Korean workers from \$1.50 to just over \$2 per day to manufacture Realistic brand stereo equipment, sold in the U.S. through its nationwide chain of Radio Shack stores. The Bank of Korea estimates, meanwhile, that the absolute minimum necessary to sustain an urban family of four is \$3 per day.

AFSC's Portland actions are only the beginning of a long campaign, but supporters believe that a change in U.S. policy toward South Korea is bound to come. Whether it will be merely a superficial facelift or of more substance, they feel, depends on how much public pressure for an end to aid to corporations and dictators can be mounted.

Stefan Ostrach is a writer/activist in the Pacific Northwest.



## Random Samples

### Housewife: endangered specie

Are "housewives" going out of style? This may be the case, says a new survey that indicates that only 3 percent of girls in the U.S. 17 years of age want to become housewives.

Conducted by the National Assessment for Education Progress, the survey also shows that 37 percent of the girls polled fully expected to work outside the home most of their lives, whether they married or became mothers.

Only three in 100 said they would settle for the traditional housewife roles of settling down, having children and taking care of husbands.

### Korean bribe well spent

The *New York Times* reported Dec. 6 that lobbying efforts by South Korea—both legal and illegal—paid off in a crucial House of Representatives vote last spring with the passage of a military assistance bill with passages unfavorable to South Korea deleted.

The unfavorable portions of the bill would have reduced the number of American soldiers in South Korea, cut military aid and limited economic aid. Of the 241 representatives who voted to sup-

port the Korean position, at least 60 are known to have received one favor or another from Korean lobbyists, the *Times* reported.

### Demand investigation of American mercenaries

The International Commission of inquiry on Mercenarism and the National Conference of Black Lawyers are calling for a federal investigation of American citizens who operate as hired guns throughout the world.

Last June, 13 admitted mercenaries, including three American citizens, were tried by a military tribunal in Angola for their participation in fighting against the government of Angola. The three Americans in that trial testified that they were contacted by the FBI before they left for Angola, but that there was no attempt to prevent them from fighting as mercenaries, despite the fact that it is a violation of U.S. law.

A California crop duster and self-described soldier of fortune, David Bufkin, has also admitted that he had hired mercenaries to fight in Angola and says the money came from the CIA.

The two groups charge that there has been no effort to investigate widespread mercenary recruitment in the U.S.

### Death row population rises

The Law Enforcement Assistance Administration reported Nov. 28 that a total of 285 persons were sentenced to death by local and state courts in 1975, bringing the Death Row population to 479 at the end of 1975.

Thirty states had at least one person on death row at the end of 1975, led by North Carolina with 103, Florida with 62 and California with 39. Eight were women. Fifty-three percent were black.

### So do layoffs

The U.S. Labor department reported Nov. 30 that the layoff rate of the nation's factories increased in October for the third straight month. The department said that manufacturers laid off 1.7 workers per 100 employees in October. This rate compared with 1.5 per 100 in September and 1.3 in August.

The increased layoffs were reflected in November's 8.1 percent unemployment rate, which rose from October's 7.9 percent.

### But not AT&T's taxes

AT&T, the world's largest corporation, has escaped paying at least \$2.94 billion in taxes over the last 10 years, says a former Internal Revenue Service official, Lawrence Sloan.

Sloan charged that AT&T used a vari-

ety of repair and depreciation loopholes to avoid the taxes.

Sloan, who was the principal valuation engineer and acting chief engineer on the Manhattan District of the IRS for 9 years, said that other companies are benefiting from IRS's failure to conduct thorough audits.

### American agriculture and processing wasteful

The only way to feed the world's hungry, a Cornell scientist reports, is to abandon the agricultural farming and processing methods used today by American agriculture.

Dr. David Pimentel, reporting at a food conference in Philadelphia, said that if the entire world were to adopt American farming and processing methods, the world's known petroleum energy reserves would be exhausted in 13 years.

The heavy reliance on meat production is one of the largest energy-consuming factors in the American style of eating. Another high energy-using factor is transportation, particularly the use of the automobile to transport food from the store to the private home. In terms of energy consumption related to an ordinary can of corn, the energy used to transport the can to the home from the store ranks second after the energy used to process the corn for packaging.





## Vance: diplomatic ambiguity

Vance emerges as a perfect amalgam of Carter-era virtues.

By Tim Frasca  
Washington Bureau

Washington. The nation is looking hard at President-elect Carter's first cabinet appointment for a Democratic alternative, but in Cyrus Vance, secretary of state-to-be, the "bright new direction" may amount to little beyond some shifts in the superficialities of style and technique.

Another signal that business-as-usual will be in command come January, came from the lame-duck secretary himself, Henry A. Kissinger, who seemed tickled pink at the choice. Kissinger termed Vance an "outstanding choice," called him immediately on learning of the appointment and set up an early consultation.

### ►A diplomat and negotiator.

Vance is portrayed as a diplomat par excellence, a "skilled and realistic negotiator," as the *New York Times* titled its profile, and "a figure of solidity and stature, widely respected in this country and abroad."

Potentially controversial questions about Vance's role in the Vietnam war are being turned to his advantage. The *Times* described his six and a half years in the Pentagon, eventually as deputy defense secretary, as one of "a supporter but not an advocate" of the war, a description that is itself a tribute to Vance's mastery of diplomatic ambiguities.

In the foreign policy establishment Vietnam split in the late 1960s, Vance sided with the Clark Clifford wing that cautioned President Johnson in March 1968

against another major war expansion. But Vance followed the pack even then. According to the *Pentagon Papers*, just the previous autumn Vance had approved Johnson's escalation of the air war, while the more maverick George Ball and Arthur Goldberg, then at the U.N., disagreed.

After the Tet offensive, which rendered a massive psychological setback to the U.S., the "wise men" advisers, including Vance, urged Johnson to slow down the escalation. The Pentagon got only 10,000 of 200,000 additional troops requested and Johnson gave his swan song six days later.

In this episode, Vance broke with the presidential tendency on Vietnam policy, but he did so as a safe "team player" in the company of a squadron of national security heavies. As veteran diplomat W. Averell Harriman said of him, "He gives loyalty, and therefore he gets it."

### ►New York law firm and Gulf & Western.

Between Vance's stints on the Washington "team," he practices law with the New York firm of Simpson and Thacher. One of its biggest clients is Gulf and Western Corp.—an interesting connection excluded from the major press accounts of Vance's nomination. Edwin Weisel Sr., another Simpson and Thacher partner, is on Gulf and Western's board of directors.

Vance's close ties to Gulf and Western through his law firm cast new light on his "troubleshooting mission" to the Dominican Republic in 1965. He was dispatched in the aftermath of the landing

## Transition to Carter starts to sour slightly

The President-elect's transition process—in its third week—is beginning to sour slightly. Important political events in the last few days have found Carter's pre-inaugural administration in limbo, unable to respond seriously to events that could profoundly affect the Carter term.

Big steel manufacturers were quick to take advantage of the ambiguity of executive power by raising prices 6 to 7 percent in what was almost universally seen as an unjustified and inflationary move. The price hikes come at a period of flat or even falling demand.

William E. Lilley, acting chief of the Ford administration's Council on Wage and Price Stability, stopped short of "jaw-boning" the steel industry—that is, directly urging the increases be rescinded.

The industry seemed most eager, however, to swoop down on Plains, Ga., for meetings with Carter that would generate sure headlines whatever the outcome.

Steel producers had nothing to lose. Carter would either find himself sanctioning the increases, or he could call for a rollback, which most observers thought would be promptly ignored. Carter turned down the offer.

On Dec. 4 Carter announced he would not seek authorization from Congress to impose wage and price controls. Said Carter, "The constant threat of wage and price controls is sometimes a stimulation for unwarranted increases in wages and prices." The statement was designed to reassure other industries and prevent further increases in basic commodities.

### ►Gloomy economic news.

Inflationary worries were accompanied by other gloomy economic news: a serious unemployment rate increase and a steady upward pressure on wholesale prices. The job picture prompted instant speculation that a tax cut of up to \$15 billion was a foregone conclusion. Carter insisted, however, the decision would not be made until January.

Carter resistance to the steel price increases may reflect some crystallization of the Democratic establishment's economic thinking for the Carter administration. The *New York Times*, tradition-

ally close to the Democrats, editorialized that lasting higher profits would not come through "quick-fix" price boosts. The administration should "get the national economy back on the track," the *Times* said, by stimulating more jobs to reactivate idle plant capacity. Greater volume of production and sales, rather than higher prices, would then improve the corporate profit picture.

Such an approach would fit the new administration's needs to move the economy ahead quickly and satisfy elements of the Democratic coalition with job expansion. Various types of tax breaks for industry, the *Times* editorial continued, should be used to create new jobs.

### ►Other developments.

In other transition developments:

•Victor Gotbaum, head of New York city's largest city workers union, said only a "federal solution" to alleviate the city's fiscal crisis, including the help Carter promised New York during the campaign, would get his union's support. Union pension funds have been a major purchaser of city emergency bonds that were floated to keep the city from outright bankruptcy.

•One form of federal aid to New York and other cities could be a partial takeover of welfare costs by Washington, according to Rep. Elliott L. Levitas (D-Ga.). Close to the Carter camp, Levitas said the administration would propose a uniform benefit program to ease the burden on cities and states.

•A one-time Carter crony, Georgia entrepreneur Erwin D. Rabhan is under investigation by two federal grand juries, the FBI, IRS and the organized crime section of the Justice department. Investigators are examining, according to the *Times*, whether Rabhan filed false tax returns, whether organized crime funds were used in his businesses and various other allegations. The probes could be embarrassing to the new president, whose relationship to Rabhan was so close, according to Rabhan, that "we used to sleep in the same bed."

—Tim Frasca

of American troops to squelch a perceived threat to American "interests" there. Richard J. Barnet of the Institute for Policy Studies has described the American invasion as "undoubtedly the crudest example of the use of a political/military intervention to produce an economic model which was directly beneficial to U.S. corporations."

Gulf and Western is the largest foreign investor, largest landholder, largest taxpayer and largest exporter in the Dominican Republic outside of the Dominican government itself.

The *Washington Post* coyly mentioned the Dominican "1965 civil war" in a passing reference to Vance's mission. The *Times* didn't even mention Vance's much-heralded role in the Dominican events. (Vance, by the way, also sits on the board of the *Times*.)

A New York corporate researcher suggested the "intimate relationship" between Vance's law firm and Gulf and Western "could be influential in how he orients himself toward the Caribbean."

Carter's transition office had no comment on the conflict-of-interest question.

Vance also sits on the board of IBM, a major investor all over the world which is drawing criticism for its sizable holdings in South Africa. He is also a director of Pan American World Airways.

### ►A few new directions.

Depending on the amount of influence he wields in the incoming administration, Vance may move American foreign policy in a few new directions—well within the context of "continuity" and "bipartisan

consensus" that characterize today's policy, however.

He is known to favor arms reductions—both Vance and Carter promised "aggressive" attention to SALT, perhaps eyeing defense budget savings—and restraint on U.S. arms sales abroad.

Vance emerges as a perfect amalgam of Carter-era virtues: solidly Eastern establishment, yet not through birthright; flexibly liberal, but not ideological; no rubber-stamp for special military/industrial interests, while closely tied to major corporations; and connected through his law firm to the new "sunshine belt" industries of the South and Southwest, the fastest-growing segment of U.S. capitalism.

Vance is "a superb technocrat" who can move from war planner to peace negotiator "without even gaining a clearcut reputation as either a hawk or a dove," mused the *Times* on the appointment. Yet who is neutral in war? In the *Pentagon Papers*, Vance's role is camouflaged, yet unmistakably present: "Each operation [bombing attack]...had to be approved in advance by Deputy Secretary of Defense Cyrus Vance for Secretary McNamara" reads one section.

Daniel Ellsberg, another "superb technocrat" with "high moral sensibilities" who the *Times* said later lost his "broad acceptability within the foreign policy establishment," commented on the bureaucrat's moral role at the end of his book *Papers on the War*. He quoted Third Reich architect Albert Speer: "My moral failure is not a matter of this item and that; it resides in my active association with the whole course of events." ■