

May 27, 1955
Letter, Harold Lady to Syngman Rhee

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Summary:

Harold Lady reports on the status of negotiations with Kosco and the United States Foreign Operations Administration (FOA) for a petroleum contract.

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李承晚研究院
The Syngman Rhee Institute

MEMO NO. 61

May 27, 1955

Drie

Dear President Rhee:

Subject: Kosco Contract - 1955

Pursuant to your instructions I have maintained close contact with the Minister of Commerce and with the representatives of FOA and the U.S. Army during the negotiation of the Kosco contract.

The Minister of Commerce has been successful in obtaining the agreement of Kosco and the FOA to all of the changes I have recommended in the contract drafts. Consequently, the final draft, with its attachment, represents, in my opinion, a completely satisfactory contract from the standpoint of the best interests of Korea.

Under the contract, Kosco is reduced to the status of an employee of the Korean Government operating a public utility. In the beginning Kosco will also direct the distribution of petroleum products in Korea, but will be divested of this responsibility as soon as other companies are ready and licensed by the Government to enter into the business.

Kosco will have nothing to do with the purchasing of petroleum products. The contract will give neither Kosco nor its parent companies any advantages that could lead to a monopoly. There is nothing in the contract in its present form that will prevent Korean companies from entering into the petroleum business if they wish.

The contract can be canceled by the Korean Government at any time provided Kosco is paid an amount estimated to be equal to the loss it will suffer from the cancelation.

This contract has no resemblance to the one signed with Kosco in 1949, and I am quite pleased with it. I recommend that the Minister of Commerce be authorized to sign it without further alteration.

Harold
Harold Wendell Lady

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