

May 27, 1955
Letter, J. W. Staggers to Syngman Rhee

Citation:

"Letter, J. W. Staggers to Syngman Rhee", May 27, 1955, Wilson Center Digital Archive, B-016-032, Official Correspondences, President Rhee's Correspondences, Syngman Rhee Institute, Yonsei University.

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Summary:

Staggers explains his activities related to the Grafe-Callahan Company "tungsten deal."

Credits:

This document was made possible with support from Syngman Rhee Institute, Yonsei University

Original Language:

English

Contents:

Original Scan



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May 27, 1955

The Honorable, Dr. Syngman Rhee
President, Republic of Korea
Seoul, Korea

Dear Dr. Rhee:

In your letter of September 1st, 1954, and I QUOTE:

"If you could manage to work in harmony with our Embassy in Washington it would be different. But somehow you cannot and I cannot force my Ambassador to go against his convictions." UNQUOTE.

This statement was a great surprise to me for as far as I know, up to that time there was only one thing that developed that would justify the statement. That was because of my informing you of the transactions of the "tungsten deal"

When I was in Korea in '49, you were greatly concerned about the tardiness of getting the natural resources of Korea in production. You asked me to locate a group of reputable working engineers. By this statement you did not want blueprint engineers to sit in an office. You wanted someone who would go down into the mines and do the necessary mining to bring about production or increase the production that may have been there. After twelve to fifteen months, I finally located a firm of engineers nationally well known. The firm was the Grafe-Callahan Company who had done millions of dollars of contracting work for the United States Government. That was not enough. I obtained reports on this firm and found they had established credit of Seventeen and a Half Million dollars with a statement to the effect that this could be increased on any job or undertaking which they were interested. This information was sent to Korea. Copies of the reports were delivered to the Ambassador in Washington. This all transpired while the first Ambassador was the Korean representative in Washington. After he was replaced by the present Ambassador, the offer to bid on the project by the Grafe Callahan Company was renewed. I was interviewed by Mr. William Ball of the firm Grafe-Callahan Company. The firm, at their own expense, sent Mr. Ball to Korea to investigate the project and to determine whether they would be interested. As a result of that trip they became deeply interested and their interest continued up to the time of the letting of the contract.

The Grafe-Callahan Company wrote a letter to the Ambassador and one to the Korean Government stating they would use Korean labor and Korean skilled men as far as it could be supplied, if they received the contract in Korea. That if profits were made from the operation, each dollar of the profit would be invested in Korea.

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Dr. Syngman Rhee

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high school book

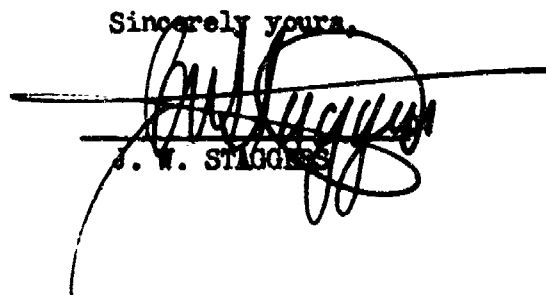
A week or ten days before the contract was let, I received a call from Mr. Hugh Fullerton, who I am told was a representative of the Pillsbury Law firm of California. The Pillsbury Law Firm represented the Utah Construction Company. Mr. Fullerton is a friend of Mr. Han's as I am informed, and, met him at the Harvard University. The Ambassador informed me that he had employed Mr Fullerton to represent the Embassy in this transaction. And, he was present at the time of the bidding.

When I received the call from Mr. Fullerton, he informed me that if my clients wished to bid on the tungsten deal they must have the bids in by a certain date. My answer to him was that the Grafe-Callahan Company had never paid me a penny as a retainer and had never been a client of mine. I advised him that what I was doing was for and in behalf of the Korean Government.

At the same time of the call, he informed me that if I wished an appointment with the Ambassador, he would arrange it for me. I informed him that if I wished an appointment with the Ambassador, I was capable of handling it myself. What followed this point is a matter of record in the Korean Government.

However, I informed Mr. Philip Han and the Ambassador at the time, that I had furnished this information to you. I felt it my duty, as a long and trusted friend of yours, to give you this information which I did. I have no regrets for having done so.

Sincerely yours,


J. W. STAGGERS

JWS:dgo

Letter No. 111

Via Air Mail