

March 22, 1955

Letter, Harold Lady to Syngman Rhee

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Summary:

Harold Lady explains his associations with the American World Trade Corporation.

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MEMO NO. 32

March 22, 1955

Dear President Rhee:

Subject: Ambassador Yang's Report Concerning Remarks of Mr. Bradford

First, it should be stated that the Ambassador is misinformed on an important legal point. It was not illegal, in this instance, to issue stock for which no money was paid.

My knowledge concerning the origin of American World Trade Corporation is limited. At the time it was formed in 1945, I was with the U.S. Air Force in Dayton, Ohio, and knew nothing of it. About a year later, when I was engaged in the export-import business in New York, and an officer in several companies, I was invited to invest in American World Trade. At that time it held a \$4,000,000.00 contract with the Chinese Government. It had a number of Koreans on its Board of Directors and expected to be able to do business in Korea as well as China when Korea was opened to foreign trade. I paid cash for my stock just as Mr. Bradford did.

I took no ~~active~~ part in the company's operations and attended only one Board of Directors meeting until 1947 when I learned for the first time that, in the mind of Mr. Stagers and a majority of the stockholders, the company had a dual purpose: (1) to make money, and (2) to reward persons who had worked for the independence of Korea, and that the method used to reward them was to issue them stock in return for past and future services without payment in cash. I was not a beneficiary of this plan because, at that time, I had done nothing for Korea except make small contributions to the Christian Friends of Korea and the Korean-American Council.

In late 1947, when the company was in financial difficulties, ~~and~~ I took over active management for a short time, without compensation. The rather substantial profits I made for the company were devoted to paying old company debts. Because of dissention among the stockholders, I decided the venture was unsound and disassociated myself from the company in July 1948, whereupon it dissolved.

At no time did I have any connection with the transaction which is the subject of the law suit Mr. Bradford mentioned, although I assume that, as a one-time stockholder, I shall be forced to pay part of the award if the suit is lost. I know nothing about the depositions, if any, made by Mr. Stagers or how the ^{past} law suit was handled. Mr. Stagers has not discussed the matter with me other than to say that he was confident that the suit will not be ^{on appeal} lost, and that I need have no worry about being required to pay an assessment.

47



I am slightly acquainted with Mr. Bradford. He is an intelligent young man and, I believe, an honorable one. However, I feel that he has, to some extent, misrepresented the whole matter. The company was dissolved before Dr. Rhee became President Rhee. The company represented itself as having strong Korean connections, as evidenced by the Koreans on its Board of Directors, and, undoubtedly, some of its officers and employees mentioned that some of the Board members were close friends of Dr. Rhee, the great Korean leader. However, it should be remembered that, at that time, the American press was consistently repeating the report of the American Military Government in Korea that Dr. Rhee could never be elected President. Hence, the company could not have represented itself as having any official connection with the Korean-Government-to-be.

I have no idea what Mr. Stagers intends to do or say in the court proceedings that Ambassador Yang reports will commence about six weeks hence. If you wish, I shall write to Mr. Stagers asking any questions or conveying any messages you desire. However, I would much prefer to have nothing to do with the matter. I am not Mr. Stagers' confidant so far as American World Trade Corporation is concerned, and never have been. He knows that I am unhappy about the financial loss I suffered (which I believe is somewhat more than Mr. Bradford's loss), and it is something we do not discuss. I am sure you understand my position.

In conclusion, I should like to reaffirm my complete faith in Mr. Stagers' integrity and good intentions. I recommend that the problem Mr. Bradford says exists be turned over to Ambassador Yang for investigation and proper handling. In instructing the Ambassador it might be helpful to suggest that consideration be given to the fact that the financial failure of American World Trade Corporation may have resulted from the repeated attacks it suffered from the enemies of Dr. Rhee and Korean independence and that, at various times in the past 10 years, Mr. Stagers' personal fortunes have suffered because his name was connected with Korea, which caused many U.S. Government doors to be closed to him during the Truman Administration.

Harold

Harold Wendell Lady

112