S
3000

PREM 19/1971

PART 1

Confidential Filing

The death of President Park of South Korea.

The election of President Choi Kyu Hah.

Internal Situation.

UK/South Korean Relations.

S. KOREA

October 1979

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
~~22.10.79.~~		~~12.10.82~~		18.3.86.			
~~13.12.79~~		~~5.5.83~~		~~20.3.86~~			
~~14.1.80~~		~~10.10.83~~		~~26.3.86~~			
~~17.1.80~~		~~18.10.83~~		~~5.4.86.~~			
~~26.5.80.~~		~~18.10.83~~		~~9.4.86~~			
~~26.6.80.~~		~~11.12.83.~~		~~10.4.86~~			
~~29.6.80.~~		~~22.2.84.~~		~~30.4.86~~			
~~27.8.80.~~		~~27.2.84~~		~~2.8.86~~			
~~12.9.80~~		~~13.3.84~~		~~11.9.86~~			
~~23.10.80~~		~~13.9.84~~		21.8.86			
~~21.11.80~~		~~17.9.84~~		PT 1			
~~27.2.81~~		~~4.3.85~~		GNDS			
~~13.4.81~~		~~2.8.85~~					
~~5.5.81~~		~~16.8.85~~					
~~14.9.81~~		~~2.9.85~~					
~~21.12.81~~		~~4.10.85~~					
~~6.1.82.~~		~~16.10.85~~					
~~14.1.82~~		~~28.10.85~~					
~~19.5.82~~		~~19.11.85~~					
~~1.8.82~~		~~12.12.85~~					
~~4.10.82~~		~~18.12.85~~					
~~7.10.82~~		~~23.1.86~~					
		~~26.2.86~~					

PREM 19/1971

Briefs for meeting on 9/4/86
in folder attached to rear of file.

PART 1 ends:-

FCO to CDP 21/8/86

PART 2 begins:-

FCO to Seoul Tel No 355 11/9/86

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
CC(80) 20th conclusions, item 2	22/05/1980
CC(86) 12th meeting, item 2	20/03/1986

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate **CAB** (CABINET OFFICE) CLASSES

Signed _____ Date 29/10/2014

PREM Records Team

Foreign and Commonwealth Office document

Reference: DD 1986/326

Description: Republic of Korea: Valedictory

Date: 25 July 1986

The above FCO documents, which were enclosed on this file have been removed and destroyed.

Such documents are the responsibility of the Foreign and Commonwealth Office. When released they are available in the appropriate FCO CLASSES.

Signed _____ Date 29/10/2014

PREM Records Team

010

CCPC

Foreign and Commonwealth Office

London SW1A 2AH

21 August 1986

Prime Minister (2)

MGT 21/8

Dear Mark,

President Chun, Republic of Korea

When Mr Spreckley, who recently left Seoul, paid his farewell call on President Chun Doo Hwan, the President spoke enthusiastically about the exchange of visits in April and May. He asked for his greetings to be conveyed to the Prime Minister.

Yours Sincerely,

Colin Budd

(C R Budd)
Private Secretary

M Addison Esq
PS/10 Downing Street

020

cc PC
MS

Ref. A086/1321

MR POWELL

As you probably know, the Royal Opera is scheduled to visit Korea and Japan later in the year.

2. The arrangements for this visit have been dogged by problems, and not least by the withdrawal of Placido Domingo from the tour. We reached a point where it seemed as if the visit might have to be cancelled, at some considerable cost to the Royal Opera, and that such a cancellation would not have been duly unwelcome in Korea.

3. As you will see, however, from the attached copy of the --- letter which I have received from the Royal Opera House, the visit is to go ahead; and the fact that it is to do so is largely due to the gesture made by Dr Kim Sang Man, the Chairman of the Dong-A Ilbo.

4. I understand that the Prime Minister is likely to meet Dr Kim Sang Man while she is in Korea; and I hope she will be able to take advantage of the opportunity to thank him for the generous gesture being made to the Royal Opera by the Dong-A Ilbo, and also for his long-term commitment to Britain.

MS

for ROBERT ARMSTRONG

30 April 1986

Royal Opera House

Royal Opera House
Covent Garden London WC2E 9DD
Telephone: 01-240 1200
Cables: Amidst London WC2 Telex: 27988 Covgar G

Sir Robert Armstrong, GCB,CVO.,
Secretary to the Cabinet
Cabinet Office
70 Whitehall
London
SW1A 2AS

30th April, 1986

Dear Robert,

Forgive me for approaching you yesterday but in view of the Prime Minister's imminent visit to Korea, I felt it important to give you the background to our visit with the Royal Opera to Korea this Autumn.

Contracts were agreed with both the Koreans and the Japanese two years ago, and all looked fine until Placido Domingo and the Mexican crisis. Two months ago, we were determined to cancel but the Japanese would not let us do so and accepted TURANDOT as the replacement for OTELLO with virtually whatever cast we could assemble. Despite a visit from Caracas to Tokyo, I could not persuade the Japanese otherwise. Given that the Japanese side of the tour would have to go ahead, I believed the Koreans would follow suit, but this was not to be the case and over the last three weeks, we have had four telexes from our sponsors and promoter, the Dong-A Ilbo, to say that the season in Korea could not proceed. While clearly the loss of Domingo was a major problem for them in relation to box office income, the real truth I believe is that they had over-committed themselves and were looking for a way out. We could not proceed with Japan unless Korea happened and consequently, given the penalties we might face in relation to Japan, we had to find a way of rescuing Korea.

I went to Seoul last week to meet with the Chairman of the Dong-A Ilbo, Dr. Kim Sang Man who was made a KBE two years ago, and who has been responsible for all our seasons, that is six earlier visits dating from 1975. The negotiations were successful and the Dong-A Ilbo have agreed to proceed with the loss of only one performance despite the fact that they stand to lose up to £250,000. This is a magnificent gesture on behalf of the Dong-A Ilbo and I would be most grateful if the Prime Minister could be made aware of the commitment so that when she meets with Dr. Kim, as I understand she will do on three occasions she can personally thank him not only for his generous gesture to the Royal Opera but also his commitment to Britain which he has demonstrated ever since he first came here in the 1930s to attend the London School of Economics.

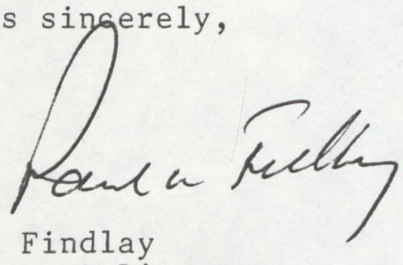
For your information, the repertory is CARMEN on 9 and 13 September, TURANDOT on 11 September and SAMSON AND DALILA on 10 and 12 September.

Royal Opera House Covent Garden Ltd
Registered in London No 480523
Registered Office as shown

cont...

With my best wishes,

Yours sincerely,



Paul Findlay
Assistant Director

SUBJECT cc MASTER OPS

R11/4 (4)

Prime Minister CDP 11/6

EMBASSY OF THE REPUBLIC OF KOREA
4 PALACE GATE
LONDON W8 5NF

PRIME MINISTER'S PERSONAL MESSAGE SERIAL No. T70A/86

KEL/86/P/11

The Embassy of the Republic of Korea presents its compliments to Her Majesty's Foreign and Commonwealth Office and has the honour to request the latter to forward the following message from His Excellency Chun Doo Hwan, President of the Republic of Korea to the Rt. Hon. Prime Minister Margaret Thatcher.

"

10 APRIL 1986

THE RT. HON.
MARGARET THATCHER
PRIME MINISTER OF THE UNITED KINGDOM OF
GREAT BRITAIN AND NORTHERN IRELAND

DEAR PRIME MINISTER,

AS I LEAVE YOUR BEAUTIFUL COUNTRY, I HASTEN TO EXPRESS MY SINCERE APPRECIATIONS FOR ALL THE COURTESY AND WARM HOSPITALITY ACCORDED TO ME AND MY PARTY DURING OUR MOST MEMORABLE VISIT TO YOUR GREAT COUNTRY.

BRIEF AS IT WAS, THE VISIT WAS A VERY SIGNIF-ICANT EXPERIENCE FOR ME IN MANY RESPECTS, AND I WILL LONG CHERISH THE MEMORY AND IMPRESSIONS OF YOUR GREAT COUNTRY ENDOWED WITH SO RICH CULTURAL, HISTORIC HERITAGE AND RESOURCEFUL PEOPLE.

continued/...

ACCEPT, EXCELLENCY, MY BEST WISHES FOR CONTINUED GOOD HEALTH, AND GREATER PROSPERITY AND HAPPINESS OF YOUR PEOPLE. I LOOK FORWARD TO THE PLEASURE OF WELCOMING YOU SOON IN SEOUL.

CHUN DOO HWAN
PRESIDENT OF THE
REPUBLIC OF KOREA "

The Embassy of the Republic of Korea avails itself of this opportunity to express to Her Majesty's Foreign and Commonwealth Office the assurances of its highest consideration.

EMBASSY OF THE REPUBLIC OF KOREA
LONDON

London
10 April 1986

CONFIDENTIAL

DG2AZW

file

be: PC.

10 DOWNING STREET

From the Private Secretary

10 April 1986

VISIT OF THE PRESIDENT OF THE REPUBLIC OF KOREA: DEFENCE SALES

The Korean Ambassador telephoned me yesterday evening about the contract for the Ferranti/Marconi naval command and control system.

The Ambassador recalled that the President had undertaken to let the Prime Minister know the outcome of his enquiries into the state of the negotiations on this contract before he left the United Kingdom. He had learned from the Korean Ministry of Defence that, as the Prime Minister herself had said, there were still a number of problems to be resolved in the negotiations. The President had therefore instructed the Minister of Defence to "proceed for a settlement". The Ambassador added that he was authorised to say that the President was optimistic about the outcome. I undertook to pass this on to the Prime Minister. I thought that she would be gratified.

You will want to ensure that this is promptly and sensibly followed up by the companies.

I am copying this letter to John Howe (Ministry of Defence) and Michael Gilbertson (Department of Trade and Industry).

Charles Powell

Robert Culshaw, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

10 DOWNING STREET

From the Private Secretary

Prime Minister.

The Korean Ambassador telephoned on instructions from President Chun to say that the President had issued formal instructions to the Minister of Defence to "proceed to a settlement"

of the outstanding difficulties on the Ferranti / Marconi contract. He was optimistic about the outcome.

I said that I was sure you would be very grateful to the President.

CDP
9/4
21.30

CONFIDENTIAL

file VC

CCPC

10 DOWNING STREET

From the Private Secretary

9 April 1986

Dear Robert,

PRIME MINISTER'S MEETING WITH THE PRESIDENT OF THE REPUBLIC OF KOREA

I attach a record of the Prime Minister's meeting with President Chun.

I am copying this letter and enclosure to John Howe (Ministry of Defence), Rachel Lomax (HM Treasury), Michael Gilbertson (Department of Trade and Industry) and Michael Stark (Cabinet Office).

Yours sincerely,

(CHARLES POWELL)

R.N. Culshaw, Esq.,
Foreign and Commonwealth Office.

JB

Subject cc master

PRIME MINISTER'S MEETING WITH THE PRESIDENT OF THE REPUBLIC OF KOREA AT 0900 HOURS ON TUESDAY 9 APRIL 1984 AT 10 DOWNING STREET

Present:

Prime Minister	President Chun Doo Huan
Foreign Secretary	Mr Lee Won Kyung
HM Ambassador, Seoul	The Korean Ambassador
Mr C.D. Powell	

Strategic and International Questions

The Prime Minister welcomed President Chun warmly as the first President of the Republic of Korea (ROK) to pay an official visit to the United Kingdom. There was great respect in the United Kingdom for Korea and an understanding for the problems created by the division of the country and the threat from North Korea. She invited the President to give an account of the ROK's viewpoint on the main problems of the region.

President Chun thanked the Prime Minister for her warm welcome. He had been deeply impressed by her speech at the dinner in his honour the previous night. The people of Korea were looking forward to the Prime Minister's forthcoming visit to their country. He would take advantage of the Prime Minister's invitation to give a general analysis of international problems.

President Chun continued that peace, both in Europe and in East Asia, was threatened by Soviet activities. In Europe, thanks to NATO and the existence of a nuclear balance, there seemed no imminent prospect of war. But in East Asia the Soviet Union enjoyed a clear military superiority in both nuclear and conventional weapons. The Korean Peninsular was of great strategic importance. The interests of the Soviet

Union, China, Japan and the United States met there and sometimes collided. 1.5 million regular soldiers faced each other across a narrow strip of demilitarised territory. The Soviet Union wanted to control of the whole peninsular to give it access to the West Pacific, to encircle China, and to make its influence felt in South East Asia. This was not a new phenomenon but had been the ambition shared by Imperial Russia. There was evidence, however, that Mr. Gorbachev was intent on pursuing a very vigorous, indeed aggressive policy towards North East Asia.

It was important to understrand the relative weight of South Korea and North Korea in this strategic scenario. South Korea had a population of 41 million and a GNP of US$86 billion. Between 5 and 6 per cent of GNP went to defence and South Korea maintained 650,000 regular soldiers. North Korea's population was 19 million and its GNP only US$15 billion. But it maintained a standing army of 880,000 and spent 24 per cent of its GNP on defence. Within that figure for defence spending only a very small proportion went on personnel costs and the great bulk could be devoted to equipment. The ROK, in contrast, had to spend 36 per cent of its military budget on personnel costs and had correspondingly less to spare for equipment. The result was that North Korea currently had the military edge. The ROK had only some 60 per cent of North Korea's military power. But if economic growth continued on its present pattern that proportion would increase to some 70 per cent by 1988, including the forces of the United States in the ROK; and to 70 per cent in terms of the ROK's own military strength alone by 1990. It was important to understand the implications of these figures. They meant that, from 1988 onwards, the likelihood of North Korea launching a military attack against the Republic would diminish. Equally, the period before then was a time of temptation for the North with a risk that they would take a desparate gamble while the Republic remained relatively weak. It also meant that there was little prospect of a serious dialogue between North and South Korea until the period 1988/90. Only when North Korea realised that military

aggression was not a feasible option would such a dialogue stand a chance of success. A further danger was that North Korea might not fully appreciate the risks of another conflict. It would not be the same as the last Korean war. The nature of modern weapons and the involvement of outside powers would turn it into a major regional conflict.

President Chun continued that his predominant concern was to prevent another Korean war. This was his Government's priority and he hoped the United Kingdom would support them in the objective. In particular, he hoped that the United Kingdom would use its influence with the Soviet Union to dissuade North Korea from any rash adventures. He was in no doubt of the need to urge such restraint. Since Kim Il-Sung's visit to Moscow in 1984, the Russians had provided North Korea with a great deal of additional military equipment. North Korea also had a substantial stockpile of chemical weapons. The Soviet Union might regard North Korea as its proxy. But there was a risk that the tail would wag the dog. The mixture of North Korea's determination to absorb the South and wider Soviet strategic designs could be explosive. And a war in Korea would have implications for the security of Europe. The threat to peace in Korea was of vital concern to Europe. He therefore appealed to the West to show solidarity with the ROK, a solidarity which the United States had already demonstrated. The ROK felt itself part of the West and recognised that security interests in one part of the world could not be neatly insulated. For instance, when the United States had recently clashed with Libya in the Mediterranean, ROK forces had gone on to special alert.

The Prime Minister thanked President Chun for his broad strategic overview. She agreed generally with it. She had found his description of the problems of his own region very illuminating. She shared President Chun's assessment of Mr. Gorbachev with whom she had had two long talks. He was a total communist and believer in the communist system. His objective was not to change the system but to make it more efficient. He was particularly dangerous because he was more

sophisticated than earlier Soviet leaders and knew how to manipulate public opinion in the West to his advantage. It was necessary to be very wary of his propaganda initiatives, for instance on arms control. He appeared determined to continue to push forward communism internationally. He had increased the number of Soviet troops in Afghanistan as well as the amount and sophistication of weapons supplied to Central America and Southern Africa. On the broad strategic plane it was important to continue to pursue policies which kept China and the Soviet Union divided. Our experience was that the Chinese saw NATO as a bastion against the Soviet Union. At the same time, the Soviet Union faced major internal economic problems which would be accentuated by falling oil prices. This would act as a restraint on new military adventures but would not prevent the Russians from stepping up subversion and trying to extend their influence through that route.

The Prime Minister said that she recognised the risk that North Korea might be tempted into starting a conflict and she agreed with President Chun that the prevention of war in Korea was of the utmost importance. The United Kingdom supported the ROK in the objective of preventing war and of preserving the freedom and independence of South Korea. She had been particularly struck by President Chun's statement about the extent of chemical weapons held by North Korea. We experienced similar problems with the Soviet Union in Europe, where the West had no credible response to the threat posed by chemical weapons. At the same time, the use of such weapons was spreading, for instance in the conflict between Iran and Iraq.

The Prime Minister said that there was only one point which she wanted to pursue further with President Chun and that was how far North Korea's international isolation was a factor in making it more aggressive towards the ROK. In Europe, we had pursued a policy of contacts with the East European governments which had enabled them to act with some small measure of independence from the Soviet Union. She

wondered whether there was a case for similar efforts to break down North Korea's isolation. She was not for a moment suggesting that we should recognise North Korea. But some way had to be found to deal with the problem of its isolation.

President Chun said that he agreed that fear and isolation were dangerous. That was why the ROK had proposed that both North Korea and the ROK should join the United Nations simultaneously and pledge themselves to be bound by the United Nations Charter. Unfortunately North Korea refused to be bound by the Charter or to recognise the ROK's right to become a member of the United Nations. He saw a risk that any attempt to open up contacts with North Korea, at least until the ROK had further strengthened its security, would only embolden the North to pursue its aggressive policies. He had made a proposal that, together with joint accession of the two Koreas to the United Nations, there might be parallel steps in which Japan would recognise North Korea and China would recognise the ROK, with similar parallelism between the United States and the Soviet Union. But any unilateral step to recognise North Korea would, he repeated, only encourage them to pursue an even harder line. The Prime Minister said that she fully accepted that any step in that direction must be balanced by recognition of the ROK by the Soviet Union or China. It was vital to have symmetry.

President Chun urged the Prime Minister to do everything possible to support ROK membership of the United Nations. It was unjust for a country of the ROK's weight and importance in international affairs not to be a member. He recognised that the Soviet Union could exercise a veto and that the Chinese might do likewise, although he hoped that we might press the Chinese to say what advantage they had ever reaped from their diplomatic support for North korea. The Foreign Secretary said that we had consistently supported the ROK's right to membership of the United Nations and he had regularly repeated this in his speeches at the General Assembly. The Prime Minister confirmed the United Kingdom's support for the ROK's objectives.

International Economic Questions

The Prime Minister said that she and the President might deal briefly with international economic questions. We were anxious to see a new round of multilateral trade negotiations and it was vital that these should cover trade in services. She understood that the ROK shared this view. She would also be interested to know whether President Chun had any particular points to make about the forthcoming Economic Summit. The United Kingdom attached particular importance to measures to persuade Japan to open up its market and to increase the value of the yen.

President Chun said he would speak only very generally on this point on which he was not an expert. He judged economic systems and policies by their results. And on this basis there was no doubt that capitalism and free trade were superior. The ROK had benefited from Western assistance, for instance through the GSP and recognised the importance of open markets. He understood the political pressures facing a number of indsutrialised countries for greater protectionism. But his firm conclusion was that protectionism did not work in the long run. As regards oil prices, he would only observe that when the price of oil had touched US$30 a barrel it had been murderous for developing countries such as the ROK. Equally, he recognised the importance of a stable international economic order. The ROK would support efforts to stabilise oil prices. He fully shared the Prime Minister's views on Japan. The value of the yen must rise if international trade was to be fair.

Bilateral Economic Issues

The Prime Minister said that the United Kingdom was anxious to have more substantial commercial relations with the ROK. The United Kingdom's firms had a great deal to offer particularly in the high technology field. We also wished to increase sales in the defence area. In this field we regarded

Ferranti/Marconi's naval fire control system as a very important and significant contract. There appeared to be some problems in the way of concluding it but she hoped that these could be rapidly resolved.

President Chun said that he was not informed of the details of the contract or the precise state of the negotiations. But he could assure the Prime Minister that he would like to give her a gift because she deserved one. He would therefore ensure that we received an answer about this contract, which he hpoed would be favourable, before he left London on 10 April. He would instruct Korean officials to lean over backwards to reach an agreement. He hoped the Prime Minister would issue similar instructions on the British side. The President concluded that it was the first time in his life that he had made a decision of this sort without knowing the details.

President Chun, in conclusion, referred to the 1988 Olympics in Seoul and expressed the hope that the United Kingdom would support the widest possible international participation in them.

The meeting ended at 1050.

CDP

9 April 1986

CONFIDENTIAL

10 DOWNING STREET

9 April 1986

From the Private Secretary

Dear Robert,

VISIT OF THE PRESIDENT OF THE REPUBLIC OF KOREA: DEFENCE SALES

In the course of her talks with President Chun this morning the Prime Minister raised the sale to Korea of the Ferranti/Marconi naval fire control system. She regarded this as a very important and significant contract. There appeared to be some problems in the way of concluding it but she hoped that these could be rapidly resolved.

President Chun said that he was not informed of the details of the contract or the precise state of the negotiations. But he could assure the Prime Minister that he would like to give her a gift because she deserved one. He would therefore ensure that we received an answer about this contract, which he hoped would be favourable, before he left London on 10 April. He would instruct Korean officials to lean over backwards to reach an agreement. He hoped the Prime Minister would issue similar instructions on the British side. The President concluded that it was the first time in his life that he had made a decision of this sort without knowing the details.

You will wish to ensure that this opening is followed up very rapidly indeed with the Korean delegation. I should be grateful if you could discuss with the Minstry of Defence and the Department of Trade and Industry, and with accompanying officials, if necessary, so that a firm conclusion can be reached tomorrow.

I am copying this letter to John Howe (Minsitry of Defence) and Michael Gilbertson (Department of Trade and Industry).

Yours sincerely

C D POWELL

Robert Culshaw, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL

President Chun Doo Hwan's Official Visit
to the United Kingdom of Great Britain
and Northern Ireland

Address at a Dinner Hosted by The Right Honourable Margaret Thatcher, Prime Minister of the United Kingdom of Great Britain and Northern Ireland

London
April 8, 1986

(Translation)

Madam Prime Minister, My Lords,

It is a great honor and privilege for me to be the first Korean head of state to pay an official visit to Britain, a Free World leader, which has evolved the world's oldest democratic institutions. I am deeply grateful to you, Madam Prime Minister for having spoken so warmly and kindly about my country and also for having arranged this sumptuous dinner for my wife and me.

In particular, I consider it a very significant experience for me to be directly exposed to the statesmanship of Prime Minister Thatcher who, with unwavering political convictions and outstanding leadership abilities, has inspired the British people with new self-confidencce and hope and who is also playing a leading role in promoting world peace and prosperity.

In the latter 19th century, when Korea was finally emerging out of its long isolation, Britain became the first European country to conclude a treaty of friendship and commerce with us. Ever since then our two nations have consistently maintained amicable relations with

each other. Following the end of World War II, your country made an invaluable contribution to the founding of the government of the Republic of Korea. Especially when Communist North Korea launched a massive surprise attack on the South in 1950, British troops fought side by side with Republic of Korea soldiers to repel the aggressors and defend justice and freedom.

I am visiting your country with the aim of opening a new chapter in our bilateral relations as our two countries enter the second century of their formal contacts. I am confident that this can be done on the strength of our century-old ties of friendship enhanced by an alliance in war.

Emerging stronger from many decades of incessant sufferings and trials, the Republic of Korea has now grown into a responsible member of the international community. I am confident that on the threshold of the 21st century, our two nations can develop ever closer ties of friendship and cooperation truly based on the principles of reciprocity and equality and become fully reliable partners in building a global village of peace and justice.

In view of the fact that trade between Korea and the United Kingdom increased fivefold over the past 10 years, I believe it will be able to continue to expand rapidly under the principle of free trade. I am hopeful that the businessmen of our two countries will work together increasingly more actively in the future, especially to increase joint investments in various industries in each other's country. It would also be highly desirable to intensify bilateral cooperation in the advanced scientific and technological fields.

Madam Prime Minister,

For over 40 years, a state of deadly military confrontation has persisted on the Korean peninsula, a focal point of East-West contention. Establishing lasting peace on the peninsula will have, I believe, a direct bearing not only on the well-being and reunification of the Korean people but also on the peace of Northeast Asia and the rest of the world including Europe. I hope that our two countries will achieve a common perception of the Korean situation and other international issues of common concern and endeavor together to promote peace and prosperity throughout the world.

In this context, I think it very significant that Seoul,

which was reduced to ashes by the Korean War, should be chosen to host the 1988 Summer Olympics, a festival of global peace and harmony. I expect all freedom-loving nations of the world, including the United Kingdom, to extend support to ensure the success of the Seoul Olympics.

Madam Prime Minister,

I am confident that the exchange of summit visits between Korea and Britain that is now taking place will be a model of friendship and cooperation between the Atlantic and the Pacific—the two most dynamic international political and economic centers. I vow to work closely together with you toward that end.

Distinguished guests,

Please join me in a toast to the good health and well-being of Her Majesty, the Queen and Prime Minister Thatcher and also to the eternal friendship between Korea and Britain.

(1)

PRIME MINISTER

MEETING WITH PRESIDENT CHUN

You will welcome President Chun at a guard of honour ceremony in the Foreign Office courtyard at 0845. You should arrive at 0842. I attach a note of the procedure. You will notice that the General Officer Commanding is now Major General Airy. After the President has reviewed the guard of honour, Mrs. Chun's car will pull up and she will be driven away before you and the President walk across to No.10 Downing Street.

I suggest that the talks themselves take place in the Cabinet Room since by the time interpreters are included we shall number 10 people.

You have already read the briefs but I attach them in case you wish to refresh your memory. There are cards in the inside pocket.

CDP

(C.D. Powell)

8 April 1986

DCABCR

ANNEX III

GUARD OF HONOUR - Procedure

1. A Guard of Honour found by 1st Battalion Irish Guards under the command of Major B W F Holt with the Regimental Colour, the Band of the Grenadier Guards and the Corps of Drums of the Battalion will be formed in the Foreign and Commonwealth Office Quadrangle on Wednesday 9 April at 0845 hours to greet His Excellency President Chun Doo Hwan of the Republic of Korea. Embassy staff and other spectators are requested to arrive not later than 0830 hours.

2. At 0835 hours The Rt Hon Sir Geoffrey Howe MP, Secretary of State for Foreign and Commonwealth Affairs, will arrive in the Quadrangle; he will be met to the left of the dais by Major General Christopher Airy, General Officer Commanding London District, who will be accompanied by Lieutenant Colonel E B L Armitstead, Brigade Major, Household Division. At 0837 hours the members of the Official Suite will arrive at the Foreign and Commonwealth Office Quadrangle by car via King Charles Street. They will alight from their cars just beyond the dais (ie to the east of the latter) where they will be received by The Rt Hon Sir Geoffrey Howe MP. They will remain on the east side of the Main Archway (see diagram attached). The cars will proceed to the east of the King Charles Street Archway and await the arrival of the President and Mrs Chun. As soon as these cars have entered the Quadrangle the cars of the Official Suite should proceed to park in the south west corner of the Quadrangle.

3. At 0842 hours the Prime Minister will arrive at the Foreign and Commonwealth Office Quadrangle through the main Archway; she will be met at the Archway by Major General Christopher Airy. The Major General will then escort the Prime Minister to the right (west) of the dais where she will receive the President and Mrs Chun.

4. At 0845 hours the President and Mrs Chun will arrive at the Foreign and Commonwealth Office via King Charles Street.

5. The Prime Minister will welcome them and present Major General Airy, who will escort the President to his place on the dais. The Prime Minister and Mrs Chun will then take up a position on his right and behind the dais. The Captain of the Guard of Honour will order "Guard of Honour, Royal Salute, Present Arms" and the Band will play the Republic of Korea National Anthem. After the Captain of the Guard of Honour has ordered "Shoulder Arms" and "Order Arms", he will present his Guard of Honour to the President and the Major General will accompany the President and the Guard Commander on the inspection. The President's A.D.C. will not follow them.

VALAAM

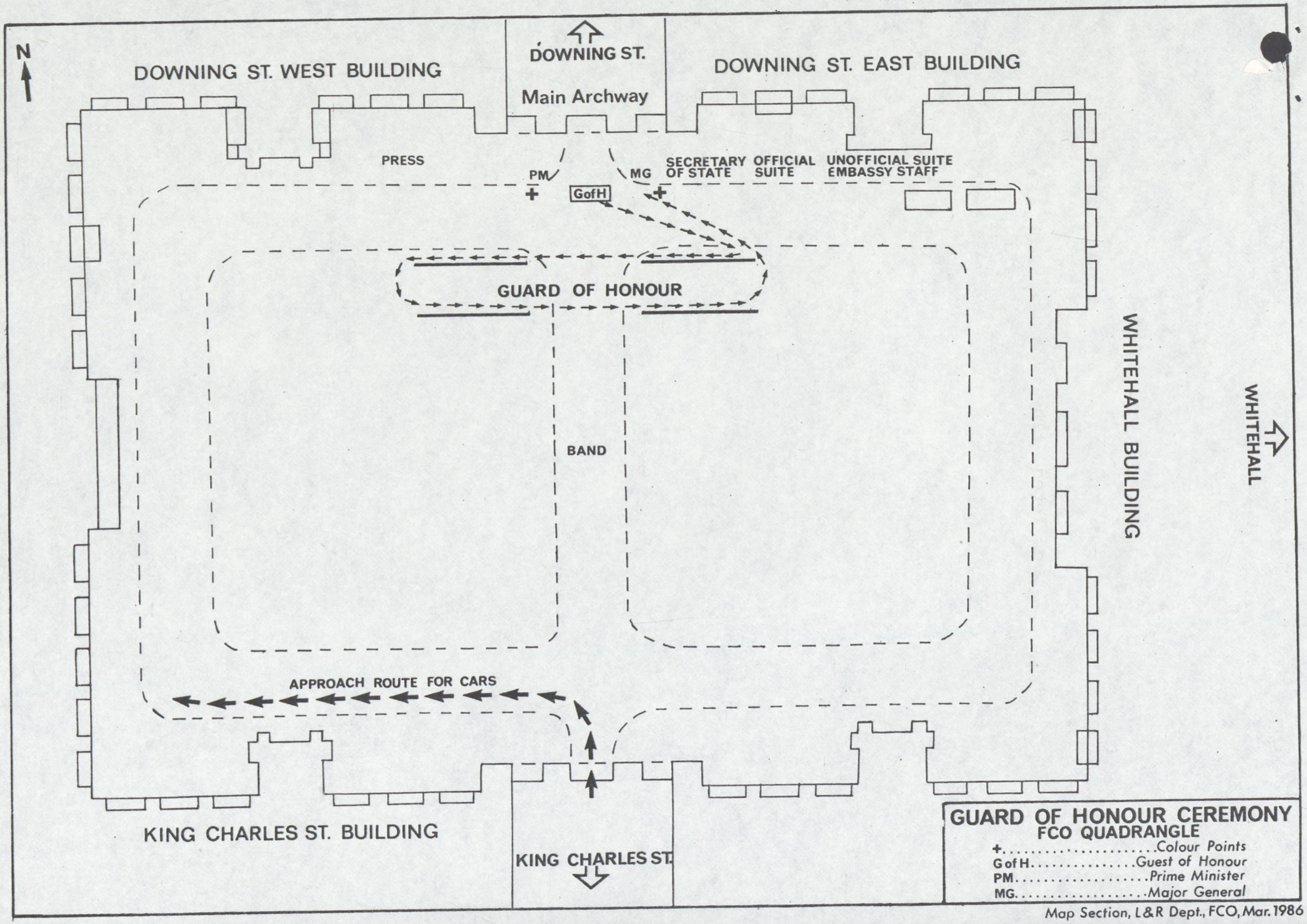
6. The Prime Minister and Mrs Chun should remain in the vicinity of the dais with the Brigade Major until the inspection is completed and the Major General has accompanied the President back to the dais. Mrs Chun will take leave of the President and the Prime Minister at her car, which will draw up in front of the dais immediately the inspection has been completed. The Prime Minister will then escort the President to 10 Downing Street. Those accompanying the President for the talks with the Prime Minister at 10 Downing Street will follow.

7. Meanwhile, the Major General and the Brigade Major will have taken their leave of the President and will authorise the dispersal of the Guard of Honour once Mrs Chun has left the Quadrangle and the President has departed for 10 Downing Street. Other members of the Official Suite will remain in the Quadrangle until the Guard of Honour has dispersed.

Wet Weather Programme

8. In the event of wet weather the Parade will not be cancelled. The programme will continue as scheduled up to the point where the inspection of the Guard of Honour should begin. If there is heavy rain at that point in the programme, and the President does not wish to inspect the Guard of Honour, the Prime Minister should lead him to 10 Downing Street.

VALAAM


N
DOWNING ST. WEST BUILDING
DOWNING ST.
Main Archway
DOWNING ST. EAST BUILDING
PRESS
PM
MG
SECRETARY OF STATE
OFFICIAL SUITE
UNOFFICIAL SUITE EMBASSY STAFF
GofH
GUARD OF HONOUR
BAND
WHITEHALL BUILDING
WHITEHALL
APPROACH ROUTE FOR CARS
KING CHARLES ST. BUILDING
KING CHARLES ST.
GUARD OF HONOUR CEREMONY
FCO QUADRANGLE
+.....Colour Points
GofH.....Guest of Honour
PM.....Prime Minister
MG.....Major General
Map Section, L&R Dept., FCO, Mar. 1986

File

DG2AYQ

bc: MOD
Sir P. Cradock

10 DOWNING STREET

From the Private Secretary

5 April 1986

Dear Frank,

Thank you for your letter of 2 April addressed to Nigel Wicks about the possibility that the President of South Korea may raise the question of the supply by Alvis of Coventry of T300 transmissions to South Korea. It was helpful to have warning of this and I shall ensure that the Prime Minister sees your letter.

yours sincerely,

Charles Powell

Charles Powell

The Rt. Hon. Sir Frank Cooper, G.C.B., C.M.G.

DSG

cc PC
B/OP

Foreign and Commonwealth Office

London SW1A 2AH

4 April 1986

Prime Minister
Some additional points for the talks with the President of Korea.
CDP 5/4.

Dear Charles,

Call on the Prime Minister by the President of the Republic of Korea: 9 April

Robert Culshaw wrote on 26 March enclosing a brief for this call. The purpose of this letter is to bring you up to date.

I am pleased to report that one difficulty referred to in the earlier brief has now been overcome. The Korean authorities have agreed to permit the British Council to restart their self-financing English Language Teaching programme.

Second, we have heard that the Koreans are ready to make concessions to allow the bulk import of Scotch whisky into Korea to continue at present levels. DTI Ministers may explore the detailed implications further with their opposite numbers. But in our view there is no need to raise the matter with the President, who is said by the Koreans to be unbriefed on this subject.

I now enclose an amended set of briefs.

The other major amendments cover:

(a) The continuing concern of the British publishing and recording industries about copyright. Recent Korean legislation will not extend protection to foreign works until 1988. (Lord Blakenham has recently made representatations to the Prime Minister);

/(b)

(b) Further background on Ferranti/Marconi's hopes for a Naval command and control system contract. The contract is not in the bag, and may be slipping away towards the Dutch. Although the contract at present under consideration is only worth £30m, it would be a major breakthrough for UK defence sales, and could lead to follow-on orders.

/ Brief Personality Notes on members of the Presidential suite attending the Prime Minister's dinner on 8 April are / also enclosed, together with a revised Personality Note on President Chun.

/ I also enclose a revised copy of our general information paper on Korea with some colour plates.

Two small points about the President himself: first, our interpreter advises that the proper pronunciation of the President's name is Chun as in gun. Second, he came to the UK privately in 1967, when on a military course in Germany, and remembers visiting Eton.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

04. IV.

c) Defence Sales. The MOD regard the ROK as a major potential defence market, although in recent years sales have only amounted to £10m a year. There may be opportunities for joint ventures and local production as the Koreans diversify away from their dependence on the USA. But the path to success is likely to be through Korean industrial houses. One specific problem is that President in recent weeks, has withheld approval for a Ferranti/Marconi naval fire control system. Explanation may be wish to announce during visit. Although contract for only £30m, regarded as market break-through by UK manufacturers. But present Alvis strike affecting vehicle transmission production has disrupted military vehicle building by Korean customer (Daewoo) which had ordered £9m of transmissions. May prove embarrassing example of UK/ROK industrial collaboration. MOD investigating ways of helping ease situation but backlog unlikely to be redressed until end of year.

[Frank Cooper has written to you about this.].

CONFIDENTIAL

pclaac 9

/d. Science

Mr. Powell for information

PRIME MINISTER

Visit of the President of Korea

I have arranged for flowers from you to be delivered to the Ambassador's residence for the arrival of Mrs Chun Doo Hwan on Monday.

JD

4 April 1986

SUPERVISOR CUSTODY GUARDS
MAIN DOOR
DPG, NO. 10

c Mr Taylor
Duty Clerk ✓

VISIT OF PRESIDENT OF KOREA

In addition to the main party, on the evening of Tuesday 8 April the following will also be visiting No. 10:

a. Mr Kim Pyoung Hoon - Interpreter
b. Mrs Don Young Shim - Interpreter
c. Mr Han Heung Tae - Communications (No. 10 Waiting Room)
d. Mr Son Sam Soo - ADC (Out Mess)
e. Mr Oh Chul Suk - ADC (" ")
f. Mr Kwun Young Youn - Doctor (Out Mess)

For the talks on 9 April accompanying the President, Foreign Minister and Ambassador will be one of the interpreters, HE Ahn Hyun Tae - Director of Presidential Security, plus c. d. and f. above.

Charles Fountain

C. FOUNTAIN

2 April 1986

VC3AKO

(2)

UNITED SCIENTIFIC HOLDINGS PLC

UNITED SCIENTIFIC HOUSE
215 Vauxhall Bridge Road London SW1V 1EN
Telephone: (01) 821 8080 Telex: 265403 / 262748 Telefax: (01) 821 5102

Our ref: FC/EAC/3497/86

2nd April 1986

N.L. Wicks, Esq., CBE
Principal Private Secretary
to the Prime Minister,
No. 10 Downing Street,
London. S.W.1.

Prime Minister
I rather doubt that the President will raise this. But you should be aware of the problem. CDP 5/4.

South Korea

I understand the President of South Korea will be meeting the Prime Minister next week and the question of the supply by Alvis of Coventry of T300 transmissions to South Korea is quite likely to arise.

Briefly, Alvis is supplying T300 transmissions to the South Korean company Daewoo, who are building armoured personnel carriers for the South Korean Government. Daewoo has a penalty clause with that Government which is related to a delivery schedule during 1986.

Alvis has an order for 383 transmissions which is worth about £6 million. So far 114 have been delivered and the rest are due for delivery by February 1987.

Currently Alvis is 37 units behind the delivery schedule. The reason for this is that there is a dispute with the workforce who are not working at the moment. The dispute is about an increase in pay and it is not yet resolved. It is a relic of the attitude of the previous owners of Alvis. It would be wrong for us to give way to the demands for increased pay and we do not intend doing so.

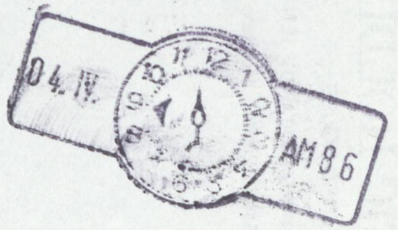
Alvis believe that they can recover the programme by the end of this year by means of speeding up investment in new computer control equipment; introducing three shifts in certain areas; and by selective subcontracting.

Alvis, quite rightly, stand by this decision, but I thought the Prime Minister ought to be aware of the situation before she meets the President of South Korea.

Yours ever
Frank Cooper

Frank Cooper
Chairman

Copy to: Mr. J. Howe, Private Secretary to the Secretary of State for Defence.


04.IV
AM86

010

Foreign and Commonwealth Office

London SW1A 2AH

1 April 1986

EDP.

Dear Mark,

Visit of President Chun Doo Hwan of the Republic of Korea

Charles Powell asked us to cast an eye over his redraft of the Prime Minister's speech for her dinner in honour of President Chun on Tuesday 8 April. He wanted to know if we had any comments.

There is one to which we attach considerable importance: we are sure that the passage in the present draft on democratic values would be taken amiss by the Koreans. We suggest therefore that you delete the passage immediately after "true today" on page 4 down to "democratic values". Instead you could add, after the sentence about the Rangoon bomb: "We know that, since your election as President, you have, in the face of such difficulties, made great efforts to move towards a fully functioning democratic system. We wish you well in this for the future."

On smaller points, it may be helpful to know that the vowel in President Chun's name is pronounced as in "foot". On page 6 the customs organiser was Mr McLeavy Brown. He was an Ulsterman. On page 3, "yours came first" overlooks the defeat of the Armada in 1588 - though that may not matter.

It might be worth replacing the examples in the paragraph about British visitors and the naval base in Korea on page 5 with more specific references to other Britons whose names are rather more familiar to the Koreans. The details are set out in the chapter on Korean/British relations in the Research Department memorandum that we sent you (pp 27-30). You might, for example, prefer to mention Mr W Pritchard Morgan, one of the Welsh mining experts who helped the Koreans mine gold and who was also at one time their Consul General in London. Ernest Bethell, the founder of the Korean Daily News, is also well known. So too are Bishops Corfe and Trollope - there is no problem about mentioning the Protestant church in a Korean context. Or again you could perhaps mention Lord Curzon.

/Finally,

/ Finally, you may like to have the enclosed biographical notes on the President and Mrs Chun, which the Koreans have supplied.

Yours Sincerely,

Colin Budd

(C R Budd)
Private Secretary

M Addison Esq
PS/10 Downing Street

With the compliments of

PROTOCOL DEPARTMENT

Visits Section

FOREIGN AND COMMONWEALTH OFFICE
LONDON, SW1A 2AH

CONFIDENTIAL UNTIL 11 APRIL 1986

Participation of the Official Suite in His Excellency the President's programme

His Excellency Mr Kim, Young Choo, the Ambassador of the Republic of Korea at London, and Mr J N T Spreckley, HM Ambassador at Seoul, will accompany His Excellency the President throughout the official programme.

TUESDAY 8 APRIL

Wreath laying and tour of Westminster Abbey

All members of the Official Suite.

Private luncheon hosted by Her Majesty The Queen at Windsor Castle

The following are also invited:-

Mr Chun, Jae Kook and Mrs Chun
His Excellency Mr Kim, Young Choo and Mrs Kim
Mr J N T Spreckley and Mrs Spreckley.

(His Excellency Mr Ahn, Hyun Tae, Mr Han, Heung Tae, Mr Son, Sam Soo and Dr Kwun, Young Youn will accompany His Excellency the President and Mrs Chun to Windsor Castle but will not attend the luncheon.)

Dinner hosted by the Prime Minister at 10 Downing Street

The following are also invited:-

HE Dr Kim, Mahn Je
HE Mr Lee, Won Kyung
HE Mr Kum, Jin Ho
HE Dr Chon, Hak Ze
HE Mr Kim, Young Choo and Mrs Kim
HE Mr Park, Young Su
HE Mr Ahn, Hyun Tae
HE Mr Lee, Young Il
General Chung, Jin Kwon
Dr Sakong, Il
Mr Chung, Koo Ho

and also:-

Mr Chung, Ju Yung
Mr Chung, Soo Chang
Mr Nam, Duck Woo — Economic Co-operation Mission
Mr Ryu, Ki Jung
Mr Chung, Se Yung

SEPADO

(Mr Han, Heung Tae, Mr Son, Sam Soo, Mr Oh, Chul Suk and Dr Kwun, Young Youn will accompany His Excellency the President and Mrs Chun to 10 Downing Street but will not attend the dinner.)

WEDNESDAY 9 APRIL

Guard of Honour Ceremony

All members of the Official Suite.

Talks with the Prime Minister at 10 Downing Street

The following will also be present:

HE Mr Lee, Won Kyung
HE Mr Kim, Young Choo
Mr Kim, Pyoung Hoon (Interpreter)

(His Excellency Mr Ahn, Hyun Tae, Mr Han, Heung Tae, Mr Son, Sam Soo and Dr Kwun, Young Youn will accompany His Excellency the President to 10 Downing Street but will not attend the talks).

Visit to British Aerospace, Hatfield (1500 hours)

All members of the Official Suite except Dr Han, Yong Chul, Mr Kim, Suk Kyu, Mr Kim, Sung Yik and Mr Chang, Man Soon. 15 members of the Economic Co-operation Mission will also attend. (Mr Son, Sam Soo and Dr Kwun, Young Youn will also accompany His Excellency the President).

Confederation of British Industry reception at Centre Point

All members of the Official Suite.
Members of the Economic Co-operation Mission.
(Mr Son, Sam Soo and Dr Kwun, Young Youn will also accompany His Excellency the President).

MRS CHUN'S PROGRAMME

Throughout her separate programme, Mrs Chun will be accompanied by:

Mrs Kim, Young Choo
Mrs Spreckley
The Hon Diana Makgill

and also:-

Mrs Kim, Dong Yun
Mr Yoon, Yeo Joon
Mr Oh, Chul Suk
Mrs Doh, Young Shin

Mrs Chun will not now visit Hampton Court Palace but will possibly visit the Tower of London from 0905-1015 (approximately) on Wednesday 9 April.

SEPARATE PROGRAMMES FOR OTHER MEMBERS OF THE OFFICIAL SUITE

TUESDAY 8 APRIL

Call by HE Mr Lee, Won Kyung on The Rt Hon Sir Geoffrey Howe MP

The following will also attend:-

Mr Chang, Man Soon
Mr Kwon, Soon Tae
Mr Yoon, Jee Joon
Mr Shin, Bong Kil

Visit of HE Dr Chon, Hak Ze to Marconi

The following will also attend:-

Mr Park, Hung Yil
Mr Lee, Youn Bok

Call by HE Mr Kum, Jin Ho on The Rt Hon Paul Channon MP

The following will also attend:-

Mr Lee, Sang Yull
Mr Cho, Soon Jae

SEPADO

CONFIDENTIAL UNTIL 11 APRIL 1986

Luncheon hosted by The Rt Hon the Viscount Whitelaw

The following are invited:-

HE Dr Kim, Mahn Je
HE Mr Lee, Won Kyung
HE Mr Kum, Jin Ho
HE Dr Chon Hak Ze
HE Mr Park, Young Su
HE Mr Lee, Young Il
General Chung, Jin Kwon
Dr Sakong, Il
Mr Chung, Koo Ho
Dr Han, Yong Chul
Mr Chang, Myung Kwan
Mr Kim, Suk Kyu
Mr Kim, Sung Yik
Mr Chang, Man Soon

and also:-

Mr Chung, Ju Yung
Mr Chung, Soo Chang
Dr Nam, Duck Woo — Economic Co-operation Mission
Mr Ryu, Ki Jung
Mr Chung, Se Yung

and also:-

Mr Kwon, Soon Tae, Counsellor, Korean Embassy

Call by Dr Sakong, Il on Sir Terence Burns

The following will also attend:-

Mr Kim, Kyung Woo
Mr Byun, Hyung

Address and reception at the Midland Bank PLC

The following are invited:-

HE Dr Kim Mahn Je
HE Mr Kum, Jin Ho
HE Dr Chon, Hak Ze
Dr Sakong, Il

SEPADO

WEDNESDAY 9 APRIL

Call by General Chung, Jin Kwon on Air Chief Marshal Sir Patrick Hine

The following will also attend:-

Col Ahn, Kwang Nam
Capt Kim, Dok Hoon

Call by HE Dr Kim, Mahn Je on The Rt Hon Paul Channon MP

The following will also attend:-

Mr Kim, Tae Yon
Mr Kim, Kyung Woo
Mr Kang, Byong Il
Mr Yoon, Jee Joon

Call on HE Mr Kum, Jin Ho by the Hon Alan Clark MP

The following will also attend:-

Mr Lee, Sang Yull
Mr Cho, Soon Jae

Call by HE Dr Chon, Hak Ze on Mr Geoffrey Pattie MP

The following will also attend:-

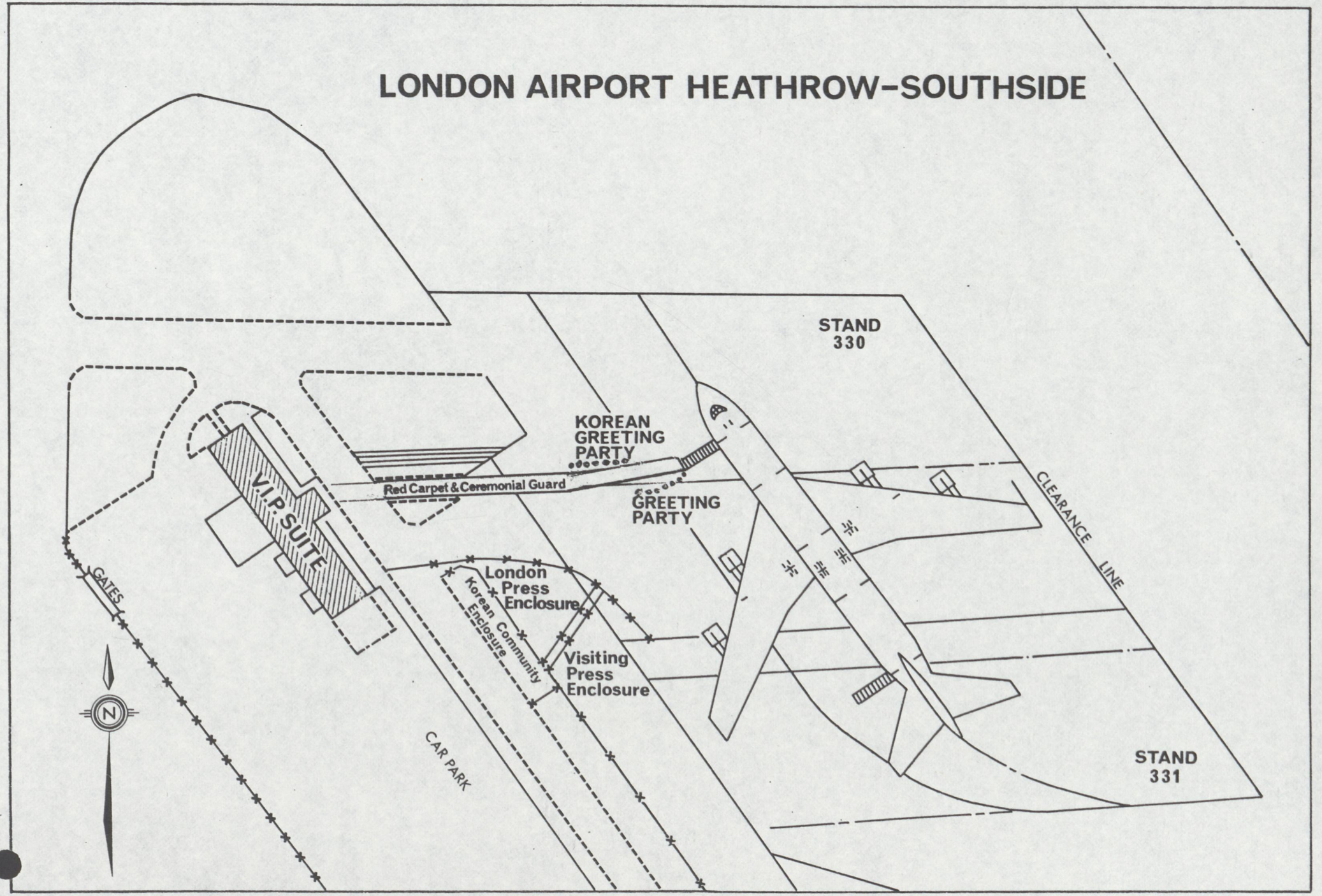
Mr Park, Hung Yil
Mr Lee, Youn Bok

R E Morgan
Protocol Department
Foreign & Commonwealth Office
210 6364

SEPADO

ANNEX I

LONDON AIRPORT HEATHROW-SOUTHSIDE



CAR PLANS

MONDAY 7 APRIL

Heathrow Airport to the Residence

Police Car	2 Korean Security Officers
Car 1	His Excellency the President Mrs Chun, Doo Hwan Special Branch Officer
Police Car	Special Branch Officer Korean Security Officer
Car P (Protocol Car)	Mr Son, Sam Soo Mr Oh, Chul Suk Dr Kwun, Young Youn Group Captain O'Neill The Hon Diana Makgill
Police Car	Special Branch Officer 2 Korean Security Officers
Car 8	His Excellency Mr Kim, Young Choo His Excellency Mr Ahn, Hyun Tae
Car 4	His Excellency Mr Lee, Won Kyung Mr Spreckley Wing Commander Higson
Car 9	His Excellency Mr Park, Young Su Mr Kim, Pyoung Hoon Mr Chung, Koo Ho
Ambassador's Car	Mrs Kim, Young Choo Mrs Spreckley
Car A (Luggage Car)	3 Korean Domestic Staff (names to be announced)

Car B	3 Korean Domestic Staff (names to be announced)
Car C	3 Korean Domestic Staff (names to be announced)

NB On arrival at the Residence Car 2 is available for Mrs Chun Doo Hwan as required.

Heathrow Airport to Claridge's

Car 3	His Excellency Dr Kim, Mahn Je His Excellency Mr Lee, Young Il Wing Commander Cody
Car 5	His Excellency Mr Kum, Jin Ho General Chung, Jin Kwon Colonel Worrall
Car 6	His Excellency Dr Chon, Hak Ze Dr Sakong, Il Air Commodore Moore
Car 7	Dr Han, Yong Chul Mr Chang, Myung Kwan Group Captain Heal
Car 10	Mr Kim, Suk Kyu Mr Kim, Sung Yik Mr Chang, Man Soon

Residence to Claridge's

Car 4	His Excellency Mr Lee, Won Kyung His Excellency Mr Park, Young Su Wing Commander Higson
Car 2	Mr Spreckley Mrs Spreckley The Hon Diana Makgill

Residence to 47 Somerset Road and return to Residence

Car 8	His Excellency Mr Ahn, Hyun Tae
Car 9	Mr Kim, Pyoung Hoon Mr Chung, Koo Ho

Claridge's to Residence/Residence to All England Lawn Tennis & Croquet Club/All England Lawn Tennis & Croquet Club to Claridge's

Car 4	His Excellency Mr Lee, Won Kyung Mr Kim, Suk Kyu Wing Commander Higson

Residence to All England Lawn Tennis & Croquet Club and return to Residence

Ambassador's Car	His Excellency Mr Kim, Young Choo Mrs Kim, Young Choo

Residence to All England Lawn Tennis & Croquet Club and return to Residence

Police Car	2 Korean Security Officers
Car 1	His Excellency the President Mrs Chun Doo Hwan Special Branch Officer
Police Car	Special Branch Officer Korean Security Officer
Car P (Protocol Car)	Mr Son, Sam Soo Mr Oh, Chul Suk Dr Kwun, Young Youn Group Captain O'Neill The Hon Diana Makgill
Police Car	Special Branch Officer 2 Korean Security Officers

Car 8	His Excellency Mr Ahn, Hyun Tae
Car 9	Mr Kim, Pyoung Hoon Mr Chung, Koo Ho

Claridge's to All England Lawn Tennis & Croquet Club and return to Claridge's

Car 3	His Excellency Dr Kim, Mahn Je His Excellency Mr Lee, Young Il Wing Commander Cody
Car 5	His Excellency Mr Kum, Jin Ho General Chung, Jin Kwon Colonel Worrall
Car 6	His Excellency Dr Chon, Hak Ze Dr Sakong, Il Air Commodore Moore
Car 7	His Excellency Mr Park, Young Su Dr Han, Yong Chul Mr Chang, Myung Kwan Group Captain Heal
Car 10	Mr Kim, Sung Yik Mr Chang, Man Soon

TUESDAY 8 APRIL

47 Somerset Road to Residence

Car 8	His Excellency Mr Ahn, Hyun Tae
Car 9	Mr Kim, Pyoung Hoon Mr Chung, Koo Ho

Residence to Westminster Abbey

Police Car	2 Korean Security Officers
Car 1	His Excellency the President Mrs Chun Doo Hwan Special Branch Officer
Police Car	Special Branch Officer Korean Security Officer
Car P (Protocol Car)	Mr Son, Sam Soo Mr Oh, Chul Suk Dr Kwun, Young Youn Group Captain O'Neill The Hon Diana Makgill
Police Car	Special Branch Officer 2 Korean Security Officers
Car 8	His Excellency Mr Ahn, Hyun Tae
Car 9	Mr Kim, Pyoung Hoon Mr Chung, Koo Ho
Ambassador's Car	His Excellency Mr Kim, Young Choo Mrs Kim, Young Choo
Car B	Mrs Kim, Dong Yun

Claridge's to Westminster Abbey

Car 3	His Excellency Dr Kim, Mahn Je His Excellency Mr Lee, Young Il Wing Commander Cody
Car 4	His Excellency Mr Lee, Won Kyung Mr Spreckley Mrs Spreckley Wing Commander Higson

Car 5	His Excellency Mr Kum, Jin Ho General Chung, Jin Kwon Dr Sakong, Il Colonel Worrall
Car 6	His Excellency Dr Chon, Hak Ze Air Commodore Moore
Car 7	His Excellency Mr Park, Young Su Dr Han, Yong Chul Mr Chang, Myung Kwan Group Captain Heal
Car 10	Mr Kim, Suk Kyu Mr Kim, Sung Yik Mr Chang, Man Soon
Car B	Mr Yoon, Yeo Joon Mrs Doh, Young Shim

Westminster Abbey to Residence

Police Car	2 Korean Security Officers
Car 1	His Excellency the President His Excellency Mr Kim, Young Choo Special Branch Officer
Police Car	Special Branch Officer Korean Security Officer
Car P (Protocol Car)	Mr Son, Sam Soo Dr Kwun, Young Youn Group Captain O'Neill
Police Car	Special Branch Officer 2 Korean Security Officers
Car 8	His Excellency Mr Ahn, Hyun Tae

Car 9	Mr Kim, Pyoung Hoon Mr Chung, Koo Ho

Westminster Abbey to Marylands Day Nursery/Marylands Day Nursery to Residence

Car 2	Mrs Chun Doo Hwan Mrs Doh, Young Shim Mrs Spreckley The Hon Diana Makgill
Embassy Security Car	Special Branch Officer 2 Korean Security Officers
Ambassador's Car	Mrs Kim, Young Choo Mrs Kim, Dong Yun
Car B	Mr Yoon, Yeo Joon Mr Oh, Chul Suk

Westminster Abbey to Claridge's

Car 3	His Excellency Dr Kim, Mahn Je His Excellency Mr Lee, Young Il Wing Commander Cody
Car 4	His Excellency Mr Lee, Won Kyung Mr Spreckley Wing Commander Higson
Car 5	His Excellency Mr Kum, Jin Ho General Chung, Jin Kwon Dr Sakong, Il Colonel Worrall
Car 7	His Excellency Mr Park, Young Su Dr Han, Yong Chul Mr Chang, Myung Kwan Group Captain Heal

Car 10	Mr Kim, Suk Kyu Mr Kim, Sung Yik Mr Chang, Man Soon

Westminster Abbey to The Marconi Company/The Marconi Company to Lancaster House/Lancaster House to Claridge's

Car 6	His Excellency Dr Chon, Hak Ze Mr Park, Hung Yil Mr Lee, Youn Bok Air Commodore Moore

Claridge's to Foreign and Commonwealth Office/Foreign and Commonwealth Office to Claridge's

Car 4	His Excellency Mr Lee, Won Kyung Mr Chang, Man Soon Mr Yoon, Jee Joon Mr Shin, Bong Kil Wing Commander Higson

Claridge's to Department of Trade and Industry/Department of Trade and Industry to Claridge's

Car 5	His Excellency Mr Kum, Jin Ho Mr Lee, Sang Yull Mr Cho, Soon Jae Colonel Worrall

Residence to Windsor Castle/Windsor Castle to Residence

Police Car	2 Korean Security Officers
Car 1	His Excellency the President Mrs Chun Doo Hwan Special Branch Officer
Police Car	Special Branch Officer Korean Security Officer
Car P (Protocol Car)	Mr Son, Sam Soo Mr Han, Heung Tae Dr Kwun, Young Youn Group Captain O'Neill
Police Car	Special Branch Officer 2 Korean Security Officers

Car 0	Mr Chun Jae Kook Mrs Chun Jae Kook
Car 8	His Excellency Mr Kim, Young Choo His Excellency Mr Ahn, Hyun Tae Mr Courtney
Car 9	Mr Kim, Pyoung Hoon Mr Spreckley Mrs Doh, Young Shim
Ambassador's Car	Mrs Kim, Young Choo Mrs Spreckley

NB Mr Spreckley will travel from Claridge's to the Residence before luncheon and from the Residence to Claridge's after luncheon by a Foreign and Commonwealth Office car.

Claridge's to Lancaster House/Lancaster House to Claridge's

Car 3	His Excellency Dr Kim, Mahn Je His Excellency Mr Lee, Young Il Wing Commander Cody
Car 4	His Excellency Mr Lee, Won Kyung Dr Sakong, Il Wing Commander Higson
Car 5	His Excellency Mr Kum, Jin Ho General Chung, Jin Kwon Colonel Worrall
Car 7	His Excellency Mr Park, Young Su Dr Han, Yong Chul Mr Chang, Myung Kwan Group Captain Heal
Car 10	Mr Kim, Suk Kyu Mr Kim, Sung Yik Mr Chang, Man Soon

NB i. Mr Chung, Koo Ho will travel from 47 Somerset Road to Lancaster House and return by an Embassy vehicle.

ii. Dr Sakong, Il, accompanied by Group Captain Heal, will travel from Lancaster House to HM Treasury and then to Claridge's in Car 11.

Claridge's to Midland Bank plc/Midland Bank plc to Claridge's

Car 3	His Excellency Dr. Kim, Mahn Je Wing Commander Cody
Car 5	His Excellency Mr Kum, Jin Ho Colonel Worrall
Car 6	His Excellency Dr Chon, Hak Ze Dr Sakong, Il Air Commodore Moore

Residence to 10 Downing Street and return to Residence

Police Car	2 Korean Security Officers
Car 1	His Excellency the President Mrs Chun Doo Hwan Special Branch Officer
Police Car	Special Branch Officer Korean Security Officer
Car P (Protocol Car)	Mr Son, Sam Soo Mr Oh, Chul Suk Dr Kwun, Young Youn Group Captain O'Neill The Hon Diana Makgill
Police Car	Special Branch Officer 2 Korean Security Officers
Car 8	His Excellency Mr Kim, Young Choo His Excellency Mr Ahn, Hyun Tae

Car 9	Mr Kim, Pyoung Hoon Mr Chung, Koo Ho
Ambassador's Car	Mrs Kim, Young Choo Mrs Doh, Young Shim Mr Han, Heung Tae

Claridge's to 10 Downing Street and return to Claridge's

Car 3	His Excellency Dr Kim, Mahn Je His Excellency Mr Lee, Young Il Wing Commander Cody
Car 4	His Excellency Mr Lee, Won Kyung Dr Sakong, Il Mr Spreckley Wing Commander Higson
Car 5	His Excellency Mr Kum, Jin Ho General Chung, Jin Kwon Mrs Spreckley Colonel Worrall
Car 6	His Excellency Dr Chon, Hak Ze His Excellency Mr Park, Young Su Air Commodore Moore

WEDNESDAY 9 APRIL

Residence to Foreign and Commonwealth Office Quadrangle - 1st Convoy

Car 9	Mr Kim, Pyoung Hoon Mr Chung, Koo Ho Group Captain Heal
Ambassador's Car	His Excellency Mr Kim, Young Choo Mrs Kim, Young Choo Mr Han, Heung Tae

Residence to Foreign and Commonwealth Office Quadrangle - Presidential Convoy

Police Car	2 Korean Security Officers
Car 1	His Excellency the President Mrs Chun Doo Hwan Special Branch Officer

Police Car	Special Branch Officer Korean Security Officer
Car P (Protocol Car)	Mr Son, Sam Soo Mr Oh, Chul Suk Dr Kwun, Young Youn Group Captain O'Neill The Hon Diana Makgill
Police Car	Special Branch Officer 2 Korean Security Officers
Car 8	His Excellency Mr Ahn, Hyun Tae

Claridge's to Foreign and Commonwealth Office Quadrangle

Car 3	His Excellency Dr Kim, Mahn Je His Excellency Mr Lee, Young Il Wing Commander Cody
Car 4	His Excellency Mr Lee, Won Kyung Mr Spreckley Wing Commander Higson
Car 5	His Excellency Mr Kum, Jin Ho General Chung, Jin Kwon Mrs Spreckley Colonel Worrall
Car 6	His Excellency Dr Chon, Hak Ze Dr Sakong, Il Air Commodore Moore
Car 7	His Excellency Mr Park, Young Su Dr Han, Yong Chul Mr Chang, Myung Kwan

Car 10	Mr Kim, Suk Kyu Mr Kim, Sung Yik Mr Chang, Man Soon
Car B	Mr Yoon, Yeo Joon Mrs Doh, Young Shim

Foreign and Commonwealth Office Quadrangle to ? the Tower of London/Tower of London to Residence.

Car 2	Mrs Chun Doo Hwan Mrs Doh, Young Shim Mrs Spreckley The Hon Diana Makgill Special Branch Officer
Embassy Security Car	Special Branch Officer 2 Korean Security Officers
Ambassador's Car	Mrs Kim, Young Choo Mrs Kim, Dong Yun
Car B	Mr Yoon, Yeo Joon Mr Oh, Chul Suk

Foreign and Commonwealth Office Quadrangle to Claridge's

Car 3	His Excellency Dr Kim, Mahn Je His Excellency Mr Lee, Young Il Wing Commander Cody
Car 5	His Excellency Mr Kum, Jin Ho Colonel Worrall
Car 6	His Excellency Dr Chon, Hak Ze Dr Sakong, Il Air Commodore Moore
Car 7	His Excellency Mr Park, Young Su Dr Han, Young Chul Mr Chang, Myung Kwan

Car 10	Mr Kim, Suk Kyu Mr Kim, Sung Yik

Foreign and Commonwealth Office Quadrangle to Residence

Car 9	Mr Chung, Koo Ho

Foreign and Commonwealth Office Quadrangle to Ministry of Defence/ Ministry of Defence to Claridge's

Car 11	General Chung, Jin Kwon Colonel Ahn, Kwang Nan Captain Kim, Dok Hoon Group Captain Heal

10 Downing Street to Residence

Police Car	2 Korean Security Officers
Car 1	His Excellency the President His Excellency Mr Kim, Young Choo Special Branch Officer
Police Car	Special Branch Officer Korean Security Officer
Car P (Protocol Car)	Mr Son, Sam Soo Dr Kwun, Young Youn Group Captain O'Neill
Police Car	Special Branch Officer 2 Korean Security Officers
Car 8	His Excellency Mr Ahn, Hyun Tae Mr Han, Heung Tae Mr Kim, Pyoung Hoon

10 Downing Street to Claridge's

Car 4	His Excellency Mr Lee, Won Kyung Mr Chang, Man Soon Mr Spreckley Wing Commander Higson

Claridge's to Department of Trade and Industry (0940 hrs) and return to Claridge's

Car 3	His Excellency Dr Kim, Mahn Je Mr Kang, Byong Il Mr Yoon, Jee Joon Wing Commander Higson

Claridge's to Department of Trade and Industry (1100 hrs) and return to Claridge's

Car 6	His Excellency Dr Chon, Hak Ze Mr Park, Hung Yil Mr Lee, Youn Bok Air Commodore Moore

Residence to British Aerospace/British Aerospace to Residence/ Residence to Confederation of British Industry

Police Car	2 Korean Security Officers
Car 1	His Excellency the President His Excellency Mr Kim, Young Choo Special Branch Officer
Police Car	Special Branch Officer Korean Security Officer
Car P (Protocol Car)	Mr Son, Sam Soo Dr Kwun, Young Yoon Group Captain O'Neill
Police Car	Special Branch Officer 2 Korean Security Officers
Car 8	His Excellency Mr Ahn, Hyun Tae
Car 9	Mr Kim, Pyoung Hoon Mr Chung, Koo Ho

NB At British Aerospace a substitute car will be used for car 1 and His Excellency the President will be joined by Sir Raymond Lygo and Mr Kim, Pyoung Hoon. His Excellency Mr Kim, Young Choo will travel in car 8.

Claridge's to British Aerospace/British Aerospace to Claridge's

Car 3	His Excellency Dr Kim, Mahn Je His Excellency Mr Lee, Young Il Wing Commander Cody
Car 4	His Excellency Mr Lee, Won Kyung Mr Spreckley Wing Commander Higson
Car 5	His Excellency Mr Kum, Jin Ho General Chung, Jin Kwon Colonel Worrall
Car 6	His Excellency Dr Chon, Hak Ze Dr Sakong, Il Air Commodore Moore
Car 7	His Excellency Mr Park, Young Su Dr Chang, Myung Kwan Group Captain Heal
Bus	Economic Co-operation Mission (15 Persons)

Claridge's to Confederation of British Industry

Car 3	His Excellency Dr Kim, Mahn Je His Excellency Mr Lee, Young Il Wing Commonder Cody
Car 4	His Excellency Mr Lee, Won Kyung Mr Spreckley Wing Commander Higson
Car 5	His Excellency Mr Kum, Jin Ho General Chung, Jin Kwon Colonel Worrall
Car 6	His Excellency Dr Chon, Hak Ze Dr Sakong, Il Air Commodore Moore

Car 7	His Excellency Mr Park, Young Su Dr Han, Yong Chul Mr Chang, Myung Kwan Group Captain Heal
Car 10	Mr Kim, Suk Kyu Mr Kim, Sung Yik Mr Chang, Man Soon

Confederation of British Industry to Residence

Police Car	2 Korean Security Officers
Car 1	His Excellency the President His Excellency Mr Kim, Young Choo Special Branch Officer
Police Car	Special Branch Officer Korean Security Officer
Car P (Protocol Car)	Mr Son, Sam Soo Dr Kwun, Young Youn Group Captain O'Neill
Police Car	Special Branch Officer 2 Korean Security Officers
Car 8	His Excellency Mr Ahn, Hyun Tae Mr Kim, Pyoung Hoon Wing Commander Higson
Car 4	His Excellency Mr Lee, Won Kyung His Excellency Mr Park, Young Su Mr Kim, Suk Kyu
Car 9	Mr Chung, Koo Ho Mr Kim, Sung Yik Mr Chang, Man Soon

Confederation of British Industry to Claridge's

Car 3	His Excellency Dr Kim, Mahn Je His Excellency Mr Lee, Young Il Mr Spreckley Wing Commander Cody
Car 5	His Excellency Mr Kum, Jin Ho General Chung, Jin Kwon Colonel Worrall
Car 6	His Excellency Dr Chon, Hak Ze Dr Sakong, Il Air Commodore Moore
Car 7	Dr Han, Yong Chul Mr Chang, Myung Kwan Group Captain Heal

Residence to Claridge's

Car 4	His Excellency Mr Lee, Won Kyung His Excellency Mr Park, Young Su Wing Commander Higson
Car 9	Mr Kim, Suk Kyu Mr Kim, Sung Yik Mr Chang, Man Soon

Residence to 47 Somerset Road

Car 8	His Excellency Mr Ahn, Hyun Tae Mr Kim, Pyoung Hoon Mr Chung, Koo Ho

THURSDAY 10 APRIL

Residence to Heathrow Airport

Police Car	2 Korean Security Officers
Car 1	His Excellency the President Mrs Chun Doo Hwan Special Branch Officer
Police Car	Special Branch Officer Korean Security Officer
Car P (Protocol Car)	Mr Son, Sam Soo Mr Oh, Chul Suk Dr Kwun, Young Youn Group Captain O'Neill The Hon Diana Makgill
Police Car	Special Branch Officer 2 Korean Security Officers
Car 8	His Excellency Mr Kim, Young Choo His Excellency Mr Ahn, Hyun Tae
Car 9	Mr Kim, Pyoung Hoon Mr Chung, Koo Ho
Ambassador's Car	Mrs Kim, Young Choo Mrs Kim, Dong Yun
Car A (Luggage Car)	1 Korean Official (name to be announced)
Car B	3 Domestic Staff (names to be announced)
Car C	3 Domestic Staff (names to be announced)

Claridge's to Heathrow Airport

Car 3	His Excellency Dr Kim, Mahn Je His Excellency Mr Lee, Young Il Wing Commander Cody

Car 4	His Excellency Mr Lee, Won Kyung Mr Spreckley Mrs Spreckley Wing Commander Higson
Car 5	His Excellency Mr Kum, Jin Ho General Chung, Jin Kwon Colonel Worrall
Car 6	His Excellency Dr Chon, Hak Ze Dr Sakong, Il Air Commodore Moore
Car 7	His Excellency Mr Park, Young Su Dr Han, Yong Chul Mr Chang, Myung Kwan Group Captain Heal
Car 10	Mr Kim, Suk Kyu Mr Kim, Sung Yik Mr Chang, Man Soon

DISTRIBUTION

Windsor Castle

Private Secretary (2)
Press Secretary (2)

10 Downing Street

Private Secretary (2)
Press Secretary (2)

Embassy of the Republic of Korea (70)

Lord President of the Council

Private Secretary (2)

Foreign and Commonwealth Office

Private Secretary (2)
PS/MR RENTON (2)
PS/PUS (2)
Sir W Harding
Dr Wilson
Mr Masefield
FED (Mr Currie) (6)
News Dept (3)
Protocol Dept (12)
Col Durrant (3)
Miss L McBride
Resident Clerk
Heads of Mission Section (2)
GHF (50)

Department of Trade and Industry

PS/Secretary of State (2)
PS/Mr Clark (2)
PS/Mr Pattie (2)

HM Treasury

PS/Sir Terence Burns

Ministry of Defence

PS/Air Chief Marshal Sir Patrick Hine

CSMA

Dr Woolhead

SEPADV

Foreign and Commonwealth Office

London SW1A 2AH

26 March 1986

Briefs in folder at rear of file.

Dear Charles,

Call by Mr Chun Doo Hwan, President of the Republic of Korea on the Prime Minister, 9am, 9 April 1986

President Chun's visit as a guest of the Government is the first visit to the United Kingdom by a Head of State of the Republic of Korea (ROK). Likewise, Mrs Thatcher's visit to Korea in May will be the first by a British Prime Minister. Ministerial visits were infrequent until 1983, the year marking the centenary of formal relations between Britain and Korea. Now with the emergence of the ROK as one of the economic successes of the post-war era there is increasing commercial and economic substance to our relations.

Our interest in continuing stability and peace in the Korean peninsula is considerable, both as the prerequisite for the success of Korea's economy and therefore for our commercial relations, but also as a major strategic interest in an area where the principal burden is borne by the United States.

President Chun, who came to power in 1981 after the assassination of his predecessor, has been trying to open up his country economically and politically. His visit to the UK (and on to Germany, France and Belgium) symbolizes the start of a process of diversification away from close dependence on the USA and Japan.

The Koreans will wish to tell the Prime Minister of the continuing threat they face from the North and to seek our continued support, as they match a firm military stance (backed by American ground forces, stationed under UN command) with an attempt to establish a productive dialogue with the North. They look to the UK as their principal

/supporter in

supporter in Europe and have a high regard for the Prime Minister's stand on East/West relations. They would like our help in continuing to develop diplomatic relations, particularly in Africa, but they are also concerned about developments in the Pacific rim, and in Hong Kong after 1997. (It has been agreed that these points can be covered in discussions between Foreign Ministers).

The Koreans have asked that the President should not be embarrassed by a discussion of internal matters. But we see no reason why the Prime Minister, after listening to the President's hopes for the future in the light of the threat from the North, should not ask him how he sees the internal political scene developing in the run-up to the Presidential elections in 1988, shortly before the Olympic Games. Although the Koreans are highly sensitive to criticism of their internal political system, it is legitimate that we should make our views know, albeit considerately. This could be done by linking our support for the President's efforts to establish the ROK's security, integrity and prosperity with Britain's strong beliefs that people should have a right to certain personal and economic freedoms.

The Koreans have largely resisted our attempts to persuade them to include a significant commercial element in the President's visit. But he is to visit British Aerospace, and he will attend a CBI Reception at Centre Point. He is expecting to discuss international trade matters with the Prime Minister, and the Koreans have been warned that the Prime Minister may wish to draw his attention to one or two specific problems (Scotch Whisky and copyright piracy are what we had in mind).

The President is accompanied by the Deputy Prime Minister, three other Ministers, his Chief of Defence Staff and about 30 leading industrialists. Separate programmes have been arranged to make the most of these visitors.

/ I attach a copy of the outline programme for the President (the usual printed version will follow), and of
/ the agenda put forward by the Koreans for the talks (they have been told of the Prime Minister's preference for a more natural, less structured discussion). Lists of those
/ accompanying the President are also attached, as is a
/ Personality Note.

/The Prime Minister

The Prime Minister will see the President for dinner on 8 April, and at the Guard of Honour in the Foreign Office Quadrangle on 9 April shortly before her talks at 9am. Sir Geoffrey Howe and the British Ambassador in Seoul, Mr Spreckley, will attend the talks (President Chun will be accompanied by his Foreign Minister and his Ambassador in London). The President's own man will interpret him into English and a member of our Embassy in Seoul will interpret the Prime Minister into Korean. I attach briefing for the Prime Minister's talks and a draft note for a short speech leading up to the toasts at dinner on 8 April (the Koreans have asked if they might have an advance copy of the text and would of course supply a copy of their President's draft reply).

Finally, I enclose some background material on Korea, prepared by our Research Department principally for Mrs Thatcher's visit to Seoul in May. But you may like to have it now as background reading over the holiday weekend. Please let me know if you would like any structural changes made to it when it is up-dated before the Prime Minister's visit.

I am copying this letter to John Mogg (DTI) and to Richard Mottram (Ministry of Defence).

Yours ever

Robin Culshaw

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/10 Downing Street

PRIME MINISTER

VISIT OF THE PRESIDENT OF KOREA

You may like to look at the briefs for President Chun's visit over the Easter holiday. I also attach some background notes which you will find useful preparation for your visit to Korea at the end of April.

You will see President Chun twice: at dinner here at No. 10 on 8 April and for talks the following morning. The Koreans are sensitive and protocol conscious. They are fearful that President Chun will be embarrassed by attempts to raise human rights and other internal issues. They have proposed a rather detailed agenda for the talks.

You will want to begin by asking about his visit and saying how much you are looking forward to your visit at the end of the month. This exchange of visits marks a major step forward in relations between the two countries. (Remember they heartily dislike the Japanese: you will not want to labour the fact that you are going on to Tokyo).

On the political side you will want to give President Chun an over-view of East/West relations and ask him in return for an account of progress in normalising relations between the two parts of Korea. I suggest that you touch on human rights in this context, in the most delicate possible way, by pointing out the need to drive home the contrast between communist oppression in North Korea and democracy of a sort in South Korea. This is South Korea's strongest card, and the Government should ensure that it can be played to maximum effect.

You could go on to raise a number of international economic questions, paying tribute to South Korea's economic success but pointing out that this brings responsibilities in its wake. You might paint an alarming picture of the dangers of increased protectionism and point to the need to make a

success of the new GATT round, in services as well as trade. We look to the Koreans to accelerate the liberalisation of imports and to start to open up their banking sector.

This would lead on to bilateral economic issues, where the need is to encourage them to buy more from us. You could list the areas where we think we have a great deal to offer, stressing in particular power generation and defence equipment. You should draw attention to the specific problems over Scotch whisky exports (where the Koreans already impose huge tariffs and are now threatening to ban all bulk imports); and over copyright piracy which costs our industry over £10 million a year. You could give the impression that people in this country will not readily understand if his visit here and yours to Korea fail to yield progress on these problems. That might actually be presented as a setback to our relations, the very opposite of the impression which you both want to create.

You may also have to mention a problem which has arisen over the British Council's English language teaching programme. The Koreans' restrictive policy on commercial language schools has hampered the British Council's programme. The Koreans have promised a solution, but it may take you to deliver it.

I also attach a short speech for you to give at the dinner.

C.D.P.

C.D. Powell
26 March 1986

RESTRICTED

Mr. Powell

FCO Protocol have passed me the following information concerning the visit of the President of Korea.

With the official Dinner Party there will be two interpreters. Additionally the following will be either in the Out Mess or in the waiting room:

a. Mr. HAN HEUNGS TAE - Communications
b. Mr. SON SAM SOO - ADC
c. Mr. OH CHUL SUK - ADC (Presidents Wife)
d. Mr. KWUN YOUNG YOUN - Doctor

Attending the talks on the following day will be the President, Foreign Minister, Ambassador and an interpreter. Accompanying the President to No.10 will be H.E. AHN HYUN TAE, Director of Presidential Security plus a. b. and d. above.

C. FOUNTAIN
26 March 1986

RESTRICTED

CONFIDENTIAL

SW2AAU 8W

cc PC
Press

10 DOWNING STREET

From the Private Secretary

18 March 1986

VISIT OF PRESIDENT CHUN DOO HWAN

Thank you for your letter of 17 March about the President of Korea's forthcoming visit.

I agree that a parallel announcement should be made on 25 March on the lines which you propose. I also agree with the way in which you propose that we should handle the agenda for the talks, as well as the arrangements for participation and interpretation. The Prime Minister's readiness to have a communiqué will depend on what there is to put in it.

I am copying this letter to Mike Gilbertson (Department of Trade and Industry).

(C. D. POWELL)

R. N. Culshaw, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

ECL

RESTRICTED

Foreign and Commonwealth Office

London SW1A 2AH

17 March 1986

I have told PCO to approach Treasury. MEA 18/3

Dear Mark,

Visit of the President of the Republic of Korea: 7-10 April

The Korean Embassy have asked us to arrange for the Senior Secretary to the President for Economic Affairs, Mr Sakong Il, to call on the Prime Minister's Economic Adviser at No 10. We see some value in agreeing to this request.

I should be grateful if you would consider whether a member of the No 10 economic team might be available on the afternoon of 8 April. If so, our Far Eastern Department will contact him or her direct about the arrangements.

Yours ever,

R Culshaw

(R N Culshaw)
Private Secretary

Mark Addison Esq
PS/10 Downing Street

RESTRICTED

CONFIDENTIAL

CQHC + Press

Foreign and Commonwealth Office

London SW1A 2AH

17 March 1986

Dear Charles.

Visit of President Chun Doo Hwan: 7-10 April

With about three weeks to go until the visit of the President of the Republic of Korea, you may like to know where we stand on a number of matters concerning the visit.

Announcement

The Koreans have already made a preliminary announcement in general terms about their President's visit to Europe in April. They have now suggested that the precise dates of the visit should be announced on 25 March. We hope that you can agree to a parallel announcement on the following lines:

> "The President of the Republic of Korea, His Excellency Mr Chun Doo Hwan, accompanied by Mrs Chun, will visit the United Kingdom from 7-10 April as a guest of the Prime Minister. This will be the first visit paid to Britain by a Korean Head of State. As already announced, Mrs Thatcher will herself be visiting Korea at President Chun's invitation in May."

Programme

The main features of the programme for the President were recently agreed with a Korean reconnaissance team from Seoul. I attach a copy. Two particular considerations have made the programme rather thinner than we should have liked, (though more substantial than the equivalent programme in France). First, the Koreans have an understandable concern about security, bearing in mind particularly the events in Rangoon in 1983 when four of their Cabinet Ministers were assassinated. Second, the Koreans are excessively protocol conscious. We have however persuaded the President to see something of modern

/British

CONFIDENTIAL

British industry at British Aerospace and to bring a top level team of Ministers and industrialists with him. We and the DTI are trying to ensure that the best possible advantage is made of the opportunities for parallel programmes for the Korean Deputy Prime Minister, other Ministers, Chief of the Defence Staff and the leading businessmen. I attach copies of the full lists of those Ministers and officials accompanying the President and of the Korean businessmen who will be with him.

Dinner on 8 April

We have already sent you a list of suggested names for people to be invited to the Prime Minister's dinner on Tuesday 8 April. We shall send you in good time a draft for a short speech which the Prime Minister might like to make on that occasion. We have also discussed the question of gifts with your colleagues.

The Talks on 9 April

(a) Agenda

The Koreans have suggested a lengthy formal agenda (copy enclosed) for the talks between the Prime Minister and President Chun on Wednesday 9 April. Making allowances for interpretation it seems unlikely that all the topics can be covered. We have in any case warned the Koreans that the Prime Minister would no doubt wish to make the occasion more spontaneous and natural by including some topical subjects, perhaps including matters of political interest in both countries, as well as the more obvious international issues of the day. We have also told the Koreans firmly that the Prime Minister may wish to talk about specific projects or problems in our trading and other bilateral relations. We do not consider that there is any need to propose a counter-agenda for the Koreans.

(b) Participants

The Korean reconnaissance team agreed that the talks should be restricted to a three-a-side plus interpreters. We recommend that the Prime Minister should be supported on our side by Sir G Howe and the British Ambassador to Seoul, Mr Spreckley.

(c) Interpreters

The President will be bringing with him as his interpreter Mr Kim Pyoung Noon, his senior Protocol Secretary. There is no experienced Korean-speaking interpreter in London with adequate security clearance, but we have arranged for a member of the British Embassy in Seoul, Mr Graham Courtney, to be in

/the

the United Kingdom during the visit; he has Higher Standard Korean, and would interpret for the Prime Minister from English into Korean, while Mr Kim interprets the Korean President into Engligh.

(d) Briefing

We shall send you in good time briefing that has been coordinated and cleared with the DTI, MOD, etc.

(e) Communiqué

We believe that the Koreans would like a communiqué to issue after the talks between President Chun and the Prime Minister. There will be no Agreements to be signed at this level, although it may be possible to sign a protocol under the Science and Technology Agreement when the appropriate Ministers meet later during the visit. We shall however send you a draft communique at the same time as the briefing.

Mrs Thatcher's visit to Korea

We shall write to you separately about this visit.

I am copying this letter to John Mogg (Department of Trade and Industry).

Yours ever

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/10 Downing Street

VISIT OF HIS EXCELLENCY THE PRESIDENT OF THE

REPUBLIC OF KOREA AND MRS CHUN DOO HWAN

7-10 APRIL 1986

OUTLINE PROGRAMME - Revised 26 February

MONDAY 7 APRIL

1000	Arrive London Heathrow. Met by Lord in Waiting; Sir G Howe
1730	Reception for Korean Nationals

TUESDAY 8 APRIL

0930-1000	Wreath laying and tour of Westminster Abbey
1300 for 1315	Private luncheon hosted by Her Majesty the Queen at Windsor Castle
pm	Ministerial calls
1945 for 2000	Dinner hosted by the Prime Minister at No 10 Downing St

WEDNESDAY 9 APRIL

0845	Guard of Honour in the FCO Quadrangle
0900-1000	Talks with the Prime Minister at No 10 Downing Street
	Private luncheon at Ambassador's Residence
1500-1600	Visit British Aerospace Hatfield
1745 for 1800	CBI Reception at Centre Point
Evening	Private dinner at Ambassador's Residence

THURSDAY 10 APRIL

0850	Departure for the Federal Republic of Germany

VISIT OF HIS EXCELLENCY THE PRESIDENT OF THE
REPUBLIC OF KOREA AND MRS CHUN DOO HWAN
7-10 APRIL

OFFICIAL SUITE

1. H.E. Kim, Mahn Jeh
Deputy Prime Minister and Minister of
Economic Planning

2. H.E. Lee, Won-Kyung
Minister of Foreign Affairs

3. H.E. Kum, Jin-Ho
Minister of Trade and Indus

4. H.E. Chon, Hak Ze
Minister of Science and Tec

5. H.E. Kim, Young Choo
Ambassador of the Republic of Korea

6. H.E. Park, Young Su
Secretary General to the President

7. H.E. Ahn, Hyun Tae
Director General of Presidential Security
Force

8. H.E. Lee, Young Il
Chief Secretary to the President of the
Democratic Justice Party

9. Gen. Chung, Jin Kwon
Chairman, Joint Chiefs of Staff

10. Mr. Kim, Pyoung Hoon
Senior Protocol Secretary to the President

JANABF

11. Mr. Sakong, Il
Senior Secretary to the President for
Economic Affairs

12. Mr. Chung, Koo Ho
Senior Press Secretary and Spokesman to
the President

13. Dr. Han, Yong Chul
Presidential Physician

14. Mr. Chang, Myung Kwan
Chief of Protocol
Ministry of Foreign Affairs

15. Mr. Kim, Suk Kyu
Secretary to the President for
Political Affairs

16. Mr. Kim Sung Ik
Press Secretary to the President

17. Mr. Chang, Man Soon
Director General, European Affairs
Bureau, Ministry of Foreign Affairs

JANABF

RECEIVED IN
20 FEB 1986
D
IND.

1. POLITICAL

a. International Relations and Situation in North East Asia

- East-West Relations
- Situation in North-East Asia
- Cooperation in the Pacific Area

b. Situation in the Korean Peninsula

- Security question in the Korean Peninsula
- the present status of the South-North (Korean) Dialogue
- Policy of the Republic of Korea concerning the Peaceful Reunification
- Cooperation for the Olympic Games in 1988

c. To renew the invitation to Her Majesty the Queen to visit the Republic of Korea

d. To Welcome the Prime Minister's visit to Korea

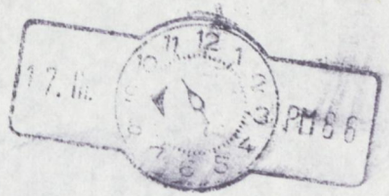
2. ECONOMIC

a. Questions in International Economic Relations

- Protectionist trends, New Round, MFA, Debt of the developing countries

b. Bilateral Economic Relations

- To promote (expand) trade
- to strengthen cooperation in industrial, scientific and technical fields
- Other cooperations (joint investment, Cooperation in the third countries, etc.)


17. III.
PM 6

10 DOWNING STREET

Carolyn.

VDP
OK
26/2.

Korean President

on 9 April is likely

to need more than

an hour, to

allow for translation.

Can we do 1½ hr?

CDR

RESTRICTED

File
(Presidential Visit file)

Foreign and Commonwealth Office
London SW1A 2AH

Telephone 01-

Your reference

Our reference

Date TXV 027/321/1

23 January 1986

Mr Peter Joce
No 10 Downing Street
Whitehall
SW1

Dear Peter PJ 24/1

INWARD VISITORS FROM THE REPUBLIC OF KOREA

I am most grateful to you for agreeing to see the Korean security reconnaissance party on Wednesday 29 January at 10.00 am.

The visiting party will comprise:

Mr H O Sung - Deputy Director of the Presidential Security Office

Mr H J Lee - Chief of Security Planning Division, Presidential Security Office

Mr J W Park - Chief of European Division, Agency for National Security and Planning

Mr T H Yoo - Chief of Protocol Division, Ministry of Foreign Affairs

Mr S W Huh - Counsellor, Korean Embassy

Mr B H Choi - First Secretary, Korean Embassy (Interpreter)

The Party will be accompanied by Detective Inspector K Blackmore, Mr J Watt (GHF) and myself.

I will let you have details of the main Korean reconnaissance party who are scheduled to visit No 10 at 10.00 am on 21 February and will endeavour to restrict the party visiting Downing Street to the absolute minimum.

Yours ever.
Richard

Cars 197 D 193
TUS 255W
IWH 24T.

R E Morgan
Protocol Department

cc Mr Watt, GHF

RESTRICTED

CDP
19/12.

EMBASSY OF THE REPUBLIC OF KOREA
4 PALACE GATE
LONDON W8 5NF

18th December 1985

Mr. Charles David Powell
10 Downing Street
London

Dear Mr. Powell,

I was so pleased to have had an opportunity of meeting you the other day, and thank you for your arrangement for my meeting with The Right Honourable Prime Minister Thatcher. I was unusually honoured to see the Prime Minister who was kind enough to spare her busy time.

It is the most pleasant duty of mine to do anything I can do to make the Prime Minister's visit to Korea in May next year most successful one, believing that her visit and my President's visit to the United Kingdom, which will take place in April, will be a high time for consolidating further the friendship which have been traditionally existing between our two countries.

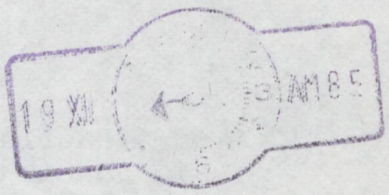
If there is any special wishes by the Prime Minister to be included in her visiting programmes, I shall be pleased to communicate them to Seoul so that my government may prepare best arrangements.

I hope seeing you soon, next time in the form of a lunch and so on, if possible.

Thanking you again for your kindness for helping me in performing my important duty,

Yours sincerely,

Young Choo Kim
(Ambassador)



PRIME MINISTER

KOREAN AMBASSADOR

You agreed to see him very briefly so that he could deliver the official invitation to you to visit Korea next May. It will be the first ever visit by a British Prime Minister.

You will remember that the President of South Korea is coming here on an official visit in April.

C.D.P.

(C.D. Powell)
12 December 1985

Foreign and Commonwealth Office

London SW1A 2AH

12 December 1985

Dear Charles,

Call on Prime Minister by Korean Ambassador

Thank you for your letter of 19 November confirming that the Prime Minister would receive the Korean Ambassador for a brief call at 1030 on 13 December so that he can deliver a formal invitation from President Chun Doo-Hwan to Mrs Thatcher to visit Korea next May. I enclose a short brief and personality note.

We understand that the Prime Minister met the Ambassador very briefly during the Amir of Qatar's State Visit. This will be his first call on her.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

CALL ON PRIME MINISTER BY KOREAN AMBASSADOR, 13 DECEMBER

OBJECTIVE

1. The Ambassador will be delivering a formal letter from the President to confirm the invitation, already accepted, for the Prime Minister to visit Korea en route to the Tokyo Summit.

POINTS TO MAKE

2. Grateful to have received invitation to visit Korea in May. Will be first visit paid to Seoul by a British Prime Minister. Follows success of Centenary Year of formal links between Britain and Korea in 1983.

3. Looking forward also to visit in April by President Chun Doo-Hwan. Mindful also that this will be first visit to Britain by a Korean Head of State.

4. Hope that these visits will provide opportunities to move our relations forward in qualitative sense with substantive and tangible results.

CONFIDENTIAL

KIM, YOUNG CHOO

Ambassador to the United Kingdom and to Ireland.

Born 1923. He joined the newly formed Korean Ministry of Foreign Affairs in 1959, having graduated from the College of Law at Seoul National University in 1947.

Went to Tokyo as Second Secretary in 1955. In 1957 he returned to Seoul to become Director-General of the Political Affairs Bureau of the Ministry of Foreign Affairs. In 1960, he was appointed Counsellor in Paris, and two years later was promoted to Minister in London (when he met The Queen on two occasions). In 1963 he became Minister in Bonn, and in 1964 Minister in Kampala. In 1965 he returned home on appointment as a Vice-Minister of Foreign Affairs, to be followed by a succession of senior Ambassadorial posts; FRG (1967), Canada (1974) and Austria (1977). While in Canada he met HM The Queen at the Montreal Olympics.

In 1980 he was appointed a Research Commissioner at the Institute of Foreign Affairs and National Security in Seoul. Mr Kim was designated "Ambassador-at-large" and was involved in the sensitive area of contacts between North and South Korea. He was appointed Ambassador to the United Kingdom in December 1984 and, in March 1985, was concurrently appointed to serve as Ambassador to Ireland.

Mr Kim is a thin man of medium height with a good command of English. He is reputed by his colleagues to be a disciplinarian and a stickler for regulations. Mr Kim and his wife have four children (one son and three daughters) all resident in the USA. The eldest daughter (32) is a Princeton graduate in genetic engineering now involved in post-graduate studies at the University of Chicago. The son (30) has a Harvard BA in economics. The second daughter (28 is a Harvard BA employed by the World Bank in Washington. The youngest daughter (19) is studying in Boston.

CONFIDENTIAL

J24ABE

File

085

bc: Sir P.C.

10 DOWNING STREET

From the Private Secretary

19 November 1985

CALL BY KOREAN AMBASSADOR

Thank you for your letter of 18 November. The Prime Minister could see the Ambassador for a very brief call at 1030 hours on Friday 13 December.

Charles Powell

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

BM

CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

18 November 1985

Dear Charles,

Call by Korean Ambassador on Prime Minister

As you know, the South Korean President is visiting Britain as a Guest of Government next April. After visiting Britain, he goes on to West Germany, France and Belgium. The visit to Belgium will be a full State Visit.

This will be the first visit paid to this country by the Head of State of a nation of increasing importance as a member of the world trading and financial systems. We are anxious to gain the maximum benefit to British commercial interests from the visit, the more so as European trading rivals for the Korean market will also be visited by President Chun during the same tour. But the Korean peninsula is also important politically as a potential flash-point and as a major concern to the United States as well as to China and the USSR.

The Prime Minister has accepted an invitation from the Koreans to pay a brief visit to Seoul en route to the Tokyo Economic Summit a month after the President's visit. The Korean Ambassador has now received instructions to deliver the formal letter of invitation to the Prime Minister and would greatly appreciate the chance to do so in person. No more than five or ten minutes need be involved and the timing of the call would be entirely at the Prime Minister's convenience within the next few weeks.

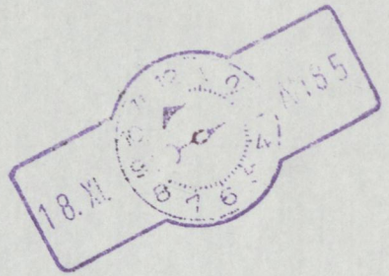
I understand that the Korean Ambassador mentioned the possibility of a call in a short conversation with the Prime Minister at the Banquet for the Emir of Qatar. He believes that Mrs Thatcher indicated that she would be prepared to permit the call. The Ambassador very much hopes to be able to have a very quick word with the Prime Minister at No 10 some time before the President arrives and Mrs Thatcher gives him dinner. Delivering the President's invitation would provide an opportunity for a short call. Sir Geoffrey Howe well appreciates the pressure on the Prime Minister's time, but hopes that she will be able to find time for this.

Yours ever,

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL


18. XI.
1965

CONFIDENTIAL

10 DOWNING STREET

From the Private Secretary

28 October 1985

VISIT OF PRESIDENT CHUN DOO KWAN

Thank you for your letter of 28 October. The Prime Minister can give a dinner for President Chun Doo Kwan on 8 April.

(CHARLES POWELL)

L.V. Appleyard, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

CONFIDENTIAL

10 DOWNING STREET

From the Private Secretary

16 October 1985

Thank you for your letter of 14 October about the forthcoming visit of the President of Korea. The Prime Minister has agreed to give lunch for President Chun preceded by talks on 9 April 1986.

(Timothy Flesher)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

14 October 1985

Dear Charles,

Visit of the President of Korea

The Korean Ambassador has now informed us that President Chun, who will be making a European tour in the spring, proposes to pay a visit to Britain between 8-10 April inclusive. The visit would be in response to the invitation extended by the Prime Minister to the President in 1982 to visit Britain as a Guest of Government.

Would these dates be convenient to the Prime Minister? The Koreans would be grateful for an urgent response as they are also discussing dates with the French, West Germans and Belgians.

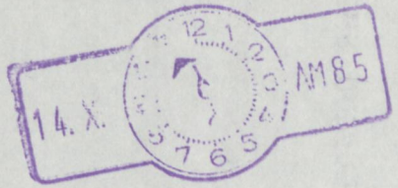
Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL


14. X.
M185

CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

21 August 1985

Dear Tim,

Prime Minister's Visit to Korea

It was helpful to have by telephone the news that the Prime Minister has an engagement on the evening of 1 May. We have looked at the implications of this for the travel arrangements on the VC10. To allow for arrival in Seoul at 1145 on 3 May, departure from Heathrow will need to be at 0800 on 2 May.

This should leave 24 hours in Korea, assuming that the Japanese follow past Summit practice and have the arrivals staged through the afternoon of 4 May. (The Prime Minister arrived at Williamsburg and Bonn at 1530; flying time from Seoul to Tokyo is 2 hours 5 minutes, with no time difference.)

This still looks feasible for a worthwhile visit to Korea, but we thought you might find this extra information helpful before replying to Peter Ricketts' letter of 8 August to you. Although the stopover in Korea will afford some respite from jet-lag for the party, one point we shall have to consider is the disposition of the VC10 and the remainder of the Summit delegation during the visit to Korea.

Yours Sincerely,

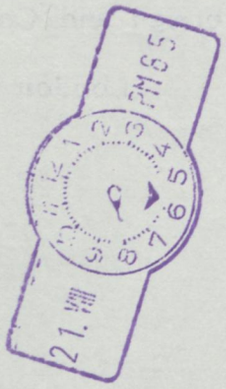
Colin Budd

(C R Budd)
Private Secretary

Timothy Flesher Esq
10 Downing Street

CONFIDENTIAL

Relations : S. Korea Oct 79.



CONFIDENTIAL

CKPR

Foreign and Commonwealth Office

London SW1A 2AH

CDP to see.

9 August 1985

Dear Tim,

Invitation to the Prime Minister to visit Korea

Charles Powell indicated in his letter of 2 August that the Prime Minister had agreed in principle to visiting Seoul at President Chun's invitation at the time of the Tokyo Economic Summit next year.

You letter asked for an illustration of how such a visit might be dove-tailed into the journey before or after the Summit.

Our advice is that a visit before Tokyo would be preferable. As I mentioned in my letter of 29 July to Charles Powell, a visit to Korea by the Prince and Princess of Wales has been under consideration. The timing of the Prince and Princess of Wales' visit has yet to be fixed but is most likely to be on or about 7-9 May. Given that the Summit is now likely to be on 4-6 May it would seem preferable on all counts for the Prime Minister's visit to Seoul to come immediately before the Summit. If this timing is acceptable we will submit suggestions in due course for the programme in Korea.

Yours ever,

Peter Ricketts

(P F Ricketts)

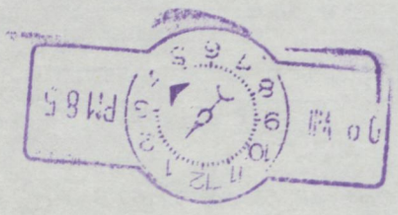
Tim Flesher Esq
10 Downing Street

In response to a request for clarification from FCO, I confirmed that the PM had agreed in principle to a one day visit before the Tokyo Summit. MEA 14/8

PS. I also noted the PM had a dinner engagement on 1/5/86.

CONFIDENTIAL

Relations : S. Korea Oct 79.



CONFIDENTIAL FILE

10 DOWNING STREET

From the Private Secretary

2 August 1985

Dear Peter,

INVITATION TO THE PRIME MINISTER TO VISIT KOREA

Thank you for your letter of 24 July about the invitation to the Prime Minister to visit Korea at the time of the Tokyo Economic Summit.

The Prime Minister would in principle be ready to pay a very brief visit to Seoul at that time. It is most unlikely however that she would be able to manage more than a single day and plans should be made on that assumption. It would be helpful to have, in September, an illustration of how such a visit could best be dovetailed with the journey to or from Tokyo.

Yours sincerely,

Charles Powell

(Charles Powell)

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

NSPR
COP 43

Foreign and Commonwealth Office

London SW1A 2AH

PRIME MINISTER'S
PERSONAL MESSAGE DATED 11.2.85.
SERIAL No. T 40/85

4 March 1985

cc MASTER
OPS

Dear Charles,

Korea

I enclose for your records a copy of a message from the new Korean Prime Minister in reply to the Prime Minister's recent message of congratulations on his appointment.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

4 PALACE GATE
LONDON W8 5NF

KEL/85/P/1

The Embassy of the Republic of Korea presents its compliments to the Foreign and Commonwealth Office of Her Majesty's Government and has the honour to request the latter to forward the following message from the Prime Minister of the Republic of Korea to the Right Honourable Margaret Thatcher, Prime Minister of the United Kingdom.

SEOUL, 27th FEBRUARY 1985

THE RT HON MARGARET THATCHER, MP, PRIME MINISTER OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND.

EXCELLENCY,

MY SINCERE APPRECIATION FOR YOUR KIND MESSAGE OF CONGRATULATIONS ON MY APPOINTMENT AS PRIME MINISTER. I WISH TO WORK CLOSELY WITH YOU TO PROMOTE AND STRENGTHEN FURTHER THE CLOSE TIES OF FRIENDSHIP AND COOPERATION THAT EXIST BETWEEN OUR TWO COUNTRIES.

ACCEPT, YOUR EXCELLENCY, MY BEST WISHES FOR YOUR CONTINUED GOOD HEALTH AND SUCCESS.

SHIN YONG LHO
PRIME MINISTER

REPUBLIC OF KOREA

The Embassy avails itself of this opportunity to renew to the Foreign and Commonwealth Office the assurance of its highest consideration.

27th February 1985
London

EMBASSY OF THE REPUBLIC OF KOREA
LONDON

NBPM ans
AS 17/9

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET
Telephone (Direct dialling) 01-215)
GTN 215)
(Switchboard) 215 7877

From the Minister for Trade

17 September 1984

The Rt Hon Peter Rees QC MP
Chief Secretary
HM Treasury
Parliament Street
LONDON
SW1P 3AQ

External:
Prime Minister
EX Members
Mr Raison
Sir Robert Armstrong

Dear Peter.

ATP: KOREA: POSCO STEELWORKS

I am most grateful to you and Timothy Raison for being so understanding on the extremely awkward POSCO case for Davy and Air Products, which we spoke about last Thursday.

We entirely agree this is a most exceptional case. But for the special circumstances we discussed, I would not have put it forward at all. Given these, however, I felt it right we should look at it collectively. Even under the new arrangements for handling ATP cases worked out by officials I would still expect to put any case as difficult as this to colleagues - though I hope such cases will be very rare.

I accept that we should not regard agreement to this exceptional case as making Korea a regular candidate for initiation. I also warmly welcome your suggestion that we should take advantage of this international shambles to try to stimulate some rather more effective examination in the OECD on introducing real disciplines into the project financing business. Our officials will be in touch to discuss how best we might go about this.

You also said you hoped it would be some while before you saw another 'special case'. If we can now settle on the arrangements agreed at official level, I can assure you yours is a hope I heartily share!

I am sending copies of this to the Prime Minister and members of EX and to Timothy Raison and Sir Robert Armstrong.

Yours, Paul

PAUL CHANNON

JH4AJP

S. KOREA: Relations

Oct 79

a M

NBPM AT 17/9

CHIEF SECRETARY TO THE TREASURY

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Paul Channon MP
Minister for Trade
Department of Trade and Industry
1 Victoria Street
London
SW1H OET

14 September

Dear Minister

ATP:KOREA: POSCO STEELWORKS

You wrote to me on 12 September about this case and this is to confirm our subsequent telephone conversation. with AT

2 We both agreed that the case falls a long way short of the normal criteria for mixed credits. However I am prepared, very reluctantly, to accept your view that we would be seen in a poor light if we were the only country of the five competing for contracts on Stage II of this projects who were not repeating the offer of concessional finance on Stage I and I agree that ATP may be offerred on the blast furnace contract for which Davy McKee are bidding.

3 My agreement is conditional upon your accepting that Korea will not be added to our list of regular recipients of mixed credits and that you will consider how best we can use this case in OECD to demonstrate just how badly some of our competitors are behaving on mixed credits.

4 In the Air Products case I agree that an offer with a grant element of 20.1 per cent should be made as soon as you have firm enough evidence of a French offer for Stage II to enable us to notify it as matching.

5 For the future, if we are to have an agreement between us on arrangements to streamline the administration of ATP - as I hope we can - it really must be understood that cases outside the agreed framework will be very exceptional indeed and that therefore I shall not be faced with another one for a good long time. The Davy initiation will of course count against the limit we agree under the new arrangements.

6 Copies of this letter go to the Prime Minister, members of EX and to Sir Robert Armstrong.

Yours sincerely

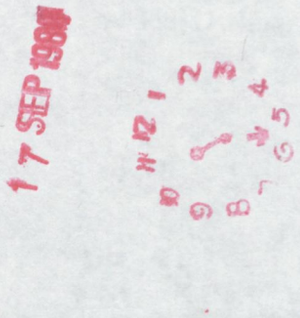
J.S. Grice

J.S. PETER REES

[Approved by the Chief Secretary]

S Korea : Rels

17 SEP 1987



COMMERCIAL IN CONFIDENCE

NBPM
. AT
13/9

OVERSEAS DEVELOPMENT ADMINISTRATION
ELAND HOUSE
STAG PLACE LONDON SW1E 5DH
Telephone 01-213 5409

From the Minister

13 September 1984

The Rt Hon Paul Channon MP
Department of Trade & Industry
1 Victoria Street
LONDON SW1

Dear Paul

ATP: KOREA: POSCO STEELWORKS

I have taken an urgent look at this case, as required in your letter of 12 September to Peter Rees; I have some reservations about it.

Like you, I do not welcome ATP in Korea. Although it does not infringe the ATP guidelines it nevertheless runs contrary to the broad orientation of our ATP operations. The DAC Guidelines also require us to strictly restrain the use of aid in mixed credits to stronger developing countries like Korea. Fortunately our record on this is quite good and I would not wish to oppose this particular case on these grounds.

Our chief difficulty, however, is with the developmental case. We have assessed this as far as we can, but the available evidence is insufficient for me to come to a firm conclusion. In the absence of fuller detail about the project itself and the prospects for marketing its output we cannot progress beyond a presumption that, in principle, investment in steelmaking is likely to benefit the Korean economy in the longer term. I should however point out that on the basis of the information we do have this project will add further to Korea's surplus of steel production over domestic requirements and no doubt they will be seeking to export larger amounts.

If a decision on this case is really required now and Peter Rees agrees I am prepared reluctantly to agree to an offer of ATP of up to £7.638 million being made in support of the Davy McKee contract subject to a favourable appraisal of the project. The offer would need to be conveyed to the Koreans in these terms, together with a request for the information needed to do the appraisal. As regards the Air Products Ltd contract I would also agree to a conditional matching ATP offer of up to £3.819 million on the same basis.

I am sending copies of this to the Prime Minister and EX members and to Sir Robert Armstrong.

Yours ever
Tim

TIMOTHY RAISON

COMMERCIAL IN CONFIDENCE

11 SEP 1984

Note
CST agreed that this offer could be made. No EX required
AT 13/9

10 DOWNING STREET

From the Private Secretary

Prime Minister (1)

DTI and Treasury are in disagreement over an ATP case. If the Chief Secretary does not agree, Mr Tebbit may try to convene EX after Cabinet as it is claimed that the contract will be lost if a decision is not made tomorrow.

You need to ask
(i) is the case really this urgent?
(ii) should we infringe the rules of the game to get this business?
(iii) if our ATP budget is limited shouldn't we spend it elsewhere where we do not have to "initiate"?

AT

If this is certain business 12/9
(and unlike many other cases I look on if it is) then I agree that ATP should be given. MT.

J574

COMMERCIAL-IN-CONFIDENCE

cc NO

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215) 5144
GTN 215)
(Switchboard) 215 7877

From the Minister for Trade

The Rt Hon Peter Rees QC MP
Chief Secretary
HM Treasury
Parliament Street
LONDON
SW1P 3AQ

12 September 1984

Jean Peter.

ATP: KOREA: POSCO STEELWORKS

1 I am writing about a difficult and now very urgent ATP case. Officials discussed in SCAT yesterday and were unable to agree. I understand the Treasury in particular has difficulties. Issues of principle are involved and I think it right to put the case to you and to colleagues.

2 The SCAT paper, attached, sets out the arguments. The essential question is simple: should we make exceptional use of ATP to get Davy a repeat contract (which is theirs if they produce the repeat financial terms required) for a blast furnace for the POSCO steelworks in Korea?

3 If we decide against:

(i) The Japanese, the main competition on Stage I, are bound to offer prices and terms to take the business.

(ii) We shall thus lose otherwise assured business worth £32 million in UK content - mainly among hard-pressed engineering firms in areas of high unemployment.

(iii) The advantages to Davy of gaining the Stage I reference in the latest blast furance technology will be largely negated.

(iv) Our competitors will see their disregard for international disciplines rewarded.

(v) Davy will make a considerable fuss, and publicly.

J575

COMMERCIAL-IN-CONFIDENCE

4 If we decide to support Davy and offer ATP we may come under fire for having "initiated" in a market which, although it is aidworthy and now appears on the list of regular recipients of mixed credit, is nevertheless among those where we have indicated to the DAC that we will restrain the use of concessional financing.

5 The industrial and commercial case for support is strong, but I do not welcome ATP in Korea. However, on Stage I all the successful bidders - including Davy - were able one way or another to offer the required terms of below 7% interest. The French quite blatantly broke the rules, and the Austrians softened their finance as well. We can rebut criticism by pointing to the practices of others. Whether we like it or not, the Koreans will get favourable financing one way or another. The Koreans will build this steelworks whether we support Davy or not. The question is simply whether we get the business or our competitors. Is it therefore sensible for us to put British business at a disadvantage where others have broken the rules by being hypersensitive about the use of such means as we have available to achieve what our competitors do in different ways?

6 Davy and their subcontractors must keep in the forefront of high technology process plant, which will remain in demand for a long time to come. But the work will only go to those who stay at the leading edge. If their POSCO I reference is made to appear as a 'flash in the pan' - as it will if POSCO II goes to the Japanese - Davy's chances of getting forthcoming blast furnace work in Taiwan, the US and Europe, must be greatly diminished.

7 The Davy presence in Korea must also be regarded as a bridgehead in an important market, where major project business is beginning to fall off to be replaced by opportunities for UK exporters across a much broader product spectrum. If we are seen refusing support to Davy, our efforts to get many more UK exporters into the market on commercial terms will be undermined.

8 On balance, therefore, despite the difficult features of the case, I feel we should support Davy. The alternative to initiating (in practice, simply matching the activities of our competitors) is a ludicrous situation, in which the contract goes out to international tender; we can then make a "matching" finance offer; but competitors will be able to undercut Davy's declared price. Davy cannot afford to enter 'Kamikaze' bids since they are taking a loss on the Stage I contract as it is.

9 On the Air Products case for the Stage II oxygen plant, the principles are much the same, though the technical issues slightly different. I believe that case is equally worthy of support.

J576

COMMERCIAL-IN-CONFIDENCE

10 The Davy case however is now most pressing. Davy McKee's Chief Executive is at this moment in final negotiations with POSCO. If he cannot give an indication by the end of this week that equivalent financing terms will be offered, he believes the Koreans will start to look elsewhere.

11 Obviously any offer would have to be subject to developmental appraisal, but I should like to be able to confirm an ATP offer, in principle.

12 I should be grateful therefore if you and Timothy Raison could look at this case very urgently, and let me have your views tomorrow morning if possible. Davy need to know what to say by late tomorrow evening our time. If you feel unable to agree the proposal to get this business for Davy (and Air Products as well) perhaps we could discuss the case urgently in EX.

13 I am sending copies of this to Timothy Raison, and, in view of the shortage of time, to the Prime Minister and EX members and to Sir Robert Armstrong.

PAUL CHANNON

AID AND TRADE PROVISION (ATP) - Case for Aid Finance

SUMMARY

KOREA: DAVY MCKEE and AIR PRODUCTS LTD: STEEL PLANT

Country

Korea

UK Companies

(i) Davy McKee (Stockton) Ltd
(ii) Air Products Ltd.

Overseas Customer

Pohang Iron and Steel Company (POSCO) - owned by the Government of Korea.

Project Description and Location

Blast furnace (Davy McKee) and air separation units (Air Products) forming part of a second integrated steel works to be built alongside the first at Kwangyang bay on the southern coast of Korea.

Contract Values

(i) Davy McKee

Total contract value £38 million, with UK content £32million (£26m goods, £6m services), locals £1million, EC £3 million and third country £2 million. Majority of UK goods and services will be provided from assisted areas and in particular the North East via a number of sub-contractors.

(ii) Air Products

Total contract value £19 million, U.K. content £15 million (engineering and equipment £14.5 million, site supervision £0.5 million), EC £2 million locals £2 million. Majority of goods and services provided from North Wales, West Midlands and Scotland.

Why Is Aid Needed

To match the activities of competitors, and, particularly in the Davy case, to secure business that will not be available without HMG support and otherwise lost to competitors.

How Much Aid

(i)	For Davy	£7·638 million
(ii)	For Air Products	£3·819 "
	Total	£11·457 "

Spread of Aid Expenditure

We expect aid to be drawn down more or less equally over three years, commencing in 1985/86.

Timetable

This case has been held up pending clarification of the intentions of competitors. Davy McKee have now been informed that POSCO has requested firm financing offers by 10th September. Whilst we recognise that it will not be possible to give a firm answer by then we wish to pursue this case with all possible speed. It is for this reason that the Minister for Trade has requested that the case be referred direct to Ministers in the event of no agreement at official level.

PEP2B

KOREA: OPPORTUNITY TO SECURE STEEL PLANT ORDERS REQUIRING SPECIAL OFFICIAL ASSISTANCE

THE OPPORTUNITY

1 Davy McKee have been informed by the Korean steel company Posco that they will be awarded a contract for the supply of a blast furnace without competitive bidding (worth £38 million - UK content £32 million) provided that they are prepared to repeat the price and financial terms offered on a blast furnace contract that they were awarded earlier this year. These terms (6% interest - consensus then 10.7%) were made possible by controversial use of ECGD's rapid matching facility (ECGD matched an Austrian bid). At least two other countries whose companies were awarded contracts for other parts of this steel works have indicated that they are prepared to offer repeat terms. For Davy to make a repeat offer would again require the support of HMG: this has been requested by Davy's Chairman. In the case of Air Products, where the French applied a last minute mixed credit to oust Air Products, there might be a possibility of reversing the process on Stage II. Although this could be given legitimately in both cases it raises difficulties by virtue of the disparate techniques of countries involved in the total project.

SPECIAL CIRCUMSTANCES

(a) STAGE I BIDDING

2 Davy's first contract was one of eight (full list at Annex A) awarded by Posco for different packages of Stage I of their integrated steel plant development. All met Posco's indication that finance offers should be at below 7% interest rates. The Koreans obtained soft credit because some bidding countries concerned either bent or broke the normal procedures for controlling the terms of officially supported credit. The only countries which did not bend the rules were Japan and West Germany whose exporters conceded a cosmetically low interest rate; they made up the difference on the interest rate in their contact price - or so it is alleged. So far as we can judge, it was the Austrians who first broke ranks in offering soft credit for part of the first steel plant. We followed the pattern they had set, with our rapid matching facility for the blast furnace (thus beating the Japanese), and the French went a step further by offering a mixed credit for the air separation plants without proper notification,

thus denying us the opportunity of matching on this piece of business.

(b) STAGE II OFFER FROM POSCO AND COMPETITORS' RESPONSES

3 Having secured such exceptionally good terms for Stage I contracts, Posco has obtained Korean Government consent to advance the implementation of Stage II (a virtual duplication of Stage I) by some 6 to 9 months, if the terms are repeated, and has informed all of the companies awarded contracts for Stage I that they will be offered second contracts if they are prepared to offer the same prices and finance terms. Davy have been informed by the President of Posco that all the companies concerned, with the exception of Davy, have indicated that they are prepared to offer such terms. At the present time only the Austrians and Germans have confirmed officially that they are prepared to support repeat terms. The French and Japanese export credit agencies maintain that they have not been approached for the business. The French having played a sharp mixed-credit card at the last minute are not likely to miss the second opportunity, and nor are the Japanese. If Davy offer identical and equivalent financing terms for Stage II they are assured of business worth £32 million in UK content. If they do not, a contract for the second blast furnace would almost certainly be awarded to the Japanese.

4 With similar support from HMG, Air Products could also have the opportunity to get back into the running for Stage II business, despite the fact that they were unsuccessful bidders for Stage I. Their bid for the Stage I air separation plant was the lowest on price and offered preferred technology. They were knocked out by the French who made an offer of a mixed credit (up to then all bidders had stood firmly by the normal consensus terms on this contract) without proper advance notification at a stage when it was too late for ECGD to match - the French blatantly bent the notification rules to wrest this business. Air Products, who are an established supplier to Posco, had been informed that Posco is having some difficulty in adapting to the French technology. They believe that with competitive finance terms, there is at least a chance of supplanting the French on Stage II and winning an order for Britain worth £19 million (the Stage II plants would be bigger than those for Stage I). Babcock Moxey were beaten on price for the Stage I raw materials handling plant and are unlikely to have an opportunity to bid for Stage II supply.

EFFORTS TO SEEK AGREEMENT NOT TO OFFER CONCESSIONAL FINANCING

5 The German export credit agency Hermes indicated some weeks

ago that it was prepared to explore an agreement with the countries concerned not to repeat Stage I finance terms. We would, of course, be in favour of a water-tight agreement not to make concessional finance available for Stage II, but such an agreement has not materialised, and indeed, the Austrians have already formally offered to repeat Stage I terms. To put Davy on an equal footing with the Japanese in a no aid situation it would be necessary to get the Japanese to agree not to use apparently legitimate techniques to make their interest rates appear even more favourable than they are already - see para 14. There is no evidence to suggest that such an approach would be successful. On the other hand, if we refuse to make special support available to UK contenders for Stage II there is no prospect of further business for the UK from this project and our competitors will find that their disregard for international disciplines is rewarded. As both Davy and Air Products were the lowest bidders for Stage I contracts this would be a clear distortion of the market.

MEANS OF SUPPORT

6 Support could be made available by either offering ATP to the Korean Government (Korea is an aid worthy country by OECD definition) or exceptional provision of ECGD subsidised credits at below consensus rates. The provision of subsidised credits by means of the Rapid Matching Facility would not be possible, on the blast furnace at any rate, as there is no direct matching situation. It would be simpler to apply soft terms by an aid/trade mixture of finance with a grant element of at least 20% as offered by the Austrians and the French. It is envisaged that this intention would be notified internationally in the normal way, and everyone will be placed on an equal footing as far as credit is concerned. The Koreans will then be able to place repeat orders in the knowledge that effectively similar terms would be available from all sources, thus enabling them to buy those products which best met their price and technical needs. This approach would give Davy the prime position to pick up the second blast furnace, but it would also put Air Products in with a chance of the air separation units.

LEVEL OF ATP

7 The grant element of the 6% finance terms made available under the Rapid Matching Facility to enable Davy to match the perceived Austrian interest rate on Stage I was below 20%. To enable Davy to offer financing terms to meet Korean requirements and the Consensus minimum grant element of 20.1% would require ATP of £7.638 million (Grant Element 20.1% - overall HMG subsidy element 27.4% based on repeat ECGD terms (but at the current Consensus rate) and a 3 year draw down). To enable Air Products to match the concessionality of the French offer for Stage I - grant element 20.1% - would require an ATP grant of £3.819 million (Grant Element 20.1% - overall HMG subsidy 29.26% - based on a 3 year draw down).

999-80

8 The above figures are consistent with our OECD obligations and within our own subsidy thresholds.

ECGD

9 ECGD have indicated, without commitment, to both Davy and Air Products that in principle they are prepared to support a loan on this business on current consensus terms.

OBJECTIONS TO OFFICIAL SUPPORT

10 There is an argument that support would be going to help the Koreans to enhance steel capacity, with the latest technology, when there is a world surplus: but the steel produced will be primarily for internal consumption, though for products designed for export markets, eg ships and engineering goods. On the other hand, in the absence of any effective multi-lateral agreement, restraint on our part is simply to the disadvantage of our plant industry, and the Koreans will develop their own industry anyway with orders and technology going to our competitors.

11 Whilst Korea is aid-worthy by OECD definition it is on the borderline and is a rapidly developing country. We have indicated to the DAC that we will restrain the use of concessional financing in such countries. Before Posco, Korea was traditionally a market where strict mixed credits had not been significantly used, though a substantial recipient of Japanese OECF financing, and credit-related support.

CASE FOR OFFERING SUPPORT

12 There is no doubt from the experience of Stage I that the Koreans will only accept offers for Stage II with interest rates of 7% or less. Davy would have to offer a repeat 6%. On Stage I both Davy and Air Products were both technically well regarded and quoted the lowest prices for their respective packages. With timely officially supported finance Davy won; without it Air Products lost.

13 If Davy are able to repeat their Stage I financing offer they will be awarded the contract. If not, the Koreans would either offer the business to the Japanese on a negotiated basis or rebid the contract. In either case the Japanese would almost certainly win the business. They would be able, with official Japanese support, to offer the same finance terms as for other parts of Stage I (6.75%-6.95% interest) and can be expected to quote a price that, with the knowledge that they now have of Davy's Stage I quote, would undercut Davy even at a loss. This expectation is strong, as the Japanese won much less business than they anticipated on Stage I because of the unexpected strength of the competition in a market where they have an entrenched position and hitherto

unrivalled experience in supplying steel plants. They would make every effort to regain their supremacy.

14 This raises two general points: firstly, the Japanese are readily able to quote in low interest rate Yen, which, together with the facilities of their trading house system, gives them an intrinsic advantage. This was enhanced in this case by the insistence of the client that interest rates should be below 7% and that only one-third of bids could be made in a low interest currency such as Yen except when this was the native currency of the bidder when up to 50% of the bid was allowed in, eg, Yen. By absorbing the exchange rate risk in their trading house system the Japanese provided half their finance in Dollars at the same low rate. In circumstances such as these UK companies cannot hope to compete on the basis of cosmetic interest rates. Secondly, we know from experience elsewhere in the world that the Japanese will resort to what may be termed kamikaze pricing tactics to ensure that they secure a high proportion of the limited project business that is available. Unless we enable UK companies to at least compete on finance terms, especially in circumstances where a contract is virtually guaranteed, they will not win business away from the Japanese and gain the consequent benefit of remaining in the technological forefront. This will enable the Japanese to continue to forge ahead at the expense of UK capacity and capability.

15 Some of our main competitors either bent or broke the consensus rules in bidding for Stage I, the French most blatantly, and thereby stealing business that would otherwise on price and technology grounds have been awarded to a UK company. Unless we are prepared to demonstrate that we will retaliate in such circumstances, we place UK companies at a serious disadvantage and encourage our competitors to use soft finance when they are behind on price.

16 Other specific points in favour of providing official support are:

(i) The business gained will provide much needed work for hard pressed UK engineering companies. In Davy's case the two the blast furnace contracts would create around 4,000 man years of work for themselves and numerous UK sub-contractors, many in the assisted areas, including the North East and especially Cleveland county (where Davy are based) which had the highest unemployment rate of any mainland county in the last three years. Air Products' contract would provide around 400 man years of work, mainly in North Wales, West Midlands and Scotland.

(ii) Both Davy and Air Products quoted the lowest prices for their respective packages. We are not seeking to subsidise uncompetitive firms but merely to enable them to compete on equal terms.

(iii) The Posco specification for the blast furnaces requires a number of advanced technical features and innovations. The development of the required technology to supply these by Davy will place them in the forefront of blast furnace design and engineering. By securing contracts for both furnaces Davy will be able to obtain two valuable references (a second reference is an impressive confirmation of a company's ability) and deny any similar advantage to the Japanese. Davy would be able to claim that they had engineered and built the two latest blast furnaces installed in the world.

(iv) BSC have already fully supported Davy in their efforts to secure the first blast furnace and can be expected to do likewise on the second. They will also be closely involved in technical collaboration to develop the required technology (including advanced computer models for furnace control and energy saving techniques) which they will be able to use in their own operations. BSC will also benefit financially by training Posco personnel and providing supervisors for plant commissioning and start up.

(v) By putting themselves in the forefront of blast furnace technology and denying the Japanese a recent reference, Davy place themselves in an excellent position to take advantage of major export opportunities in other parts of the world mostly on commercial terms, ie:

USA	- major programme of renovation and refurbishment likely to extend from 1985-1990
Sweden	- furnace enhancement and technical modernisation
Spain	- blast furnace renovation
Taiwan	- new blast furnace at existing works - order to be placed in 1985.

(vi) By wresting this business from the French, Air Products would consolidate their position as a major supplier to the Korean steel industry and acquire valuable reference.

(vii) The winning of two, and possibly more, Korean steel contracts involving the latest technology will generally enhance the reputation of UK industry and improve the prospects

for other UK companies seeking to win business in this important and rapidly growing market.

CONCLUSION AND RECOMMENDATION

17 There is clear evidence that Posco intend to proceed with the building of Stage II of its integrated steel works at Kwangyang Bay, having called for final proposals by 12 September, and that they will only offer business to companies that are prepared to make the same offers of finance as were made for Stage I. The Austrians and Germans have already officially notified that they are prepared to support repeat terms and there is no doubt that the Japanese and French will follow suit. There are a number of objections to enabling British companies to compete with these terms by means of ATP, essentially because this would technically amount to an initiation in Korea, which has not traditionally been a recipient of substantial declared mixed credits. These can be countered:

(a) This situation reflects the problems that arise from the present inadequate discipline on the financial practices adopted by different countries;

(b) Whilst the UK deplores this as much as anyone, it is not going to deny competitive companies the support that their competitors are receiving from their Governments;

(c) Any provision of ATP would be notified in advance, if practicable citing the unusual features of this case.

18 On this basis, whilst a complex and difficult case, it is accordingly recommended that support in the form of a readiness to offer ATP up to £11.457 million in support of Davy McKee and Air Products to win contracts for Stage II of the POSCO steel development at Kwangyang Bay.

PEP2B

ANNEX A

POSCO STAGE I - CONTRACTS AWARDED

Contract	Contractor	Terms
Hot Strip Mill	Mitsubishi (Japan)	6.95% - Yen/$ - 10 yrs
Continuous Casting	Demag (Germany)	6.5% - 6.9% (DM, Yen, SF, $) - 12 yrs
Steel Making	Voest Alpine (Austria)	6.75% - $ - 12 yrs
Sinter Plant	Voest Alpine (Austria)	6% - 6.75% - $ - 12 yrs
Materials Handling	IHI (Japan)	6.95% - Yen/$ - 10 yrs
Air Separation	Air Liquide (France)	2% - FF - 19 yrs 6.95% - DM - 10 yrs 6.95% - $ - 10 yrs
Blast Furnace)	Davy McKee (UK)	6% - £ - 10 yrs
COKE Ovens	Otto (Germany)	6.95% - DM/Yen - 10 yrs

NBPM AT 14/3

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET
Telephone (Direct dialling) 01-215 5422
GTN 215) .....
(Switchboard) 215 7877

JF5996

Secretary of State for Trade and Industry

13 March 1984

Andrew Turnbull Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1

Dear Andrew,

BABCOCK : POHANG STEEL COMPANY

Following my letter of 27 February, we spoke about the possible alternatives for supporting Babcock Moxey's bid to win a contract for the raw materials handling plant for the Pohang Steel Project in Korea.

2 While we were exploring these further, the company informed us that the contract had been awarded to one of their competitors, IHI of Japan, apparently purely on the basis of price competitiveness. IHI quoted a price of US$48.9m; Babcock's bid did not include the additional cost of bringing the interest rate down below 7 per cent, which was the reason for Lord King's approach to the Prime Minister. It is interesting to note, however, that in addition to an extremely low price, the Japanese company offered an interest rate of 6.95 per cent. We are seeking confirmation from the Japanese authorities that this rate was not officially supported by them, as they had already assured us before the bids were opened. If this is confirmed, the cost of subsidising the interest rate must have been carried by the Japanese company in some way, despite their extremely low price.

US$42m compared with Babcock's bid of

3 The winning price quote by IHI is not untypical of the intensity of price competition we face from Japan for project business throughout the world. In the most recent Project Report (my letter of 24 February to John Coles), I referred to other projects recently lost to Japanese price competition. We are seeking to establish with Babcock how it was that IHI were able to produce such a low price in this case. Babcock

/are ..

are confident that their price was, by any reasonable standards, internationally competitive; they were not the high bidder. We know, for example, that the price quoted by their US competitor, Dravo, was US$62m. We have seen the same pattern in other cases. The suspicion must be that the Japanese companies are deliberately using kamikaze pricing tactics, backed by the strength of their corporate structure, to ensure that a high proportion of the limited amount of project business that is available in the current recession goes to them.

4 We do not think it necessary for the Prime Minister to write to Lord King, unless she particularly wishes to do so. Officials here have maintained close contact with Babcock senior management since the announcement of the award of the contract to IHI. Babcock's accept that the loss of this contract was quite outside the influence of anything that we could have done.

Yours ever,
Ruth

RUTH THOMPSON
Private Secretary

S. KOREA

Int. Site
OA 79.

14 MAR 1984

· Note DTI informed me that Babcock lost this contract on price

AT 9/3

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215) 5144
GTN 215)
(Switchboard) 215 7877

From the Minister for Trade

CONFIDENTIAL

Andrew Turnbull Esq
Private Secretary to the Prime Minister
10 Downing Street
London
SW1

27 February 1984

Dear Andrew,

BABCOCK: POHANG STEEL CO

Thank you for your letter of 22 February.

Both DTI and ECGD have been in close contact with the Company on alternative ways of assisting them to win this important contract, which would provide them with much needed work and place them in a strong position to obtain further business from the later expansion of the steelworks that is planned by POSCO.

The difficulty is that the Koreans have stated explicitly in the bid documents that they expect Export Credit Finance at below 7%, and have provided that no more than a third of it can be in a currency such as Swiss francs where low commercial rates are available. At least half the credit must be in the currency of the bidder, which means that Babcock cannot use low interest currencies such as DM or Yen to get closer to the 7% requirement; their German and Japanese competitors will, of course, be able to do so. This makes it all the more likely that they will be able by one means or another to meet the Korean condition, as explained further below. Babcock's position is all the more difficult in that ECGD supported an offer of 6% finance for Davy for the blast furnace contract of this project, which they won; and POSCO will inevitably have a strong expectation that we will do the same again.

The terms agreed for the earlier Davy bid were justified by the perceived need to match the Austrians who were known to have offered a mixed credit package for earlier parts of the projects and refused to give ECGD assurance that they would not repeat them for the blast furnace. This later led to some international recriminations as the Austrians claimed that they had never intended to bid for the blast furnace. The Japanese were particularly annoyed at what they saw as ECGD's trigger happiness.

Against this background international consultation for the later bids is being conducted with the utmost care. There is no justification that the Austrians are competing this time, and ECGD has very clear assurance from the other authorities involved that they will not give

CONFIDENTIAL

official support to under cut Consensus interest rates (10.7% for sterling and dollars but lower for currencies such as DM and Yen which have lower commercial rates).

The Germans have notified that they are supporting 12 years credit and ECGD is prepared to match this; but to go further would be to take the lead in undermining international discipline on these matters, which we have laid great stress on upholding.

It seems likely that the Germans and Japanese may offer "cosmetic interest rates", ie "the lower apparent rate to the buyer than they are having to pay for their loans". The balance would of course have to be absorbed in some way by the suppliers, probably as an addition to their price. ECGD has offered to consider a similar arrangement to Babcock Moxey but this is not feasible for them, as the higher cost of subsidising sterling down to the Korean required level (at least £4m) would certainly make them uncompetitive.

DTI officials have considered two alternatives to support Babcocks; use of the ATP budget, and the use of the Industry Act. Both face serious objections which would need Ministerial decision, and have not so far been pursued inter-departmentally. We cannot identify any other possibilities.

ATP Grant

Korea is in principle eligible for ATP, but to use it in this case would raise substantial policy objections:

(i) Initiation of an Aid offer in a market where mixed credits have traditionally not been used. This would in particular encourage the Japanese to use their extensive Aid Programme to support their pursuit of various elements of the Pohang project, thus starting a race against a more generously equipped adversary.

(ii) The use of Aid in support of a steel plant contract would risk provoking a serious protest from the US government which is seeking to outlaw the use of concessional finance for steel projects, in view of world steel over capacity.

Section 7 of the Industry Act

We expect that if Babcock win this contract, substantial work will be provided for sub-contractors in regional development areas. This means that support could in principle be given under Section 7 of the Industry Act. This would be a most unusual (though not unprecedented) use of the Act, and would require the authority of

CONFIDENTIAL

Ministers. The principal difficulty is that it would undoubtedly be regarded as a breach of our European Community obligations, and so open to challenge if it were to become known.

Other UK Bids

A further complication, if any of the above courses were to be followed, is that other UK companies are bidding for other contracts which are part of this project, and have yet to be awarded. They would undoubtedly seek similar treatment, and have indeed already been in touch with the Department.

Other Support

Babcock and the other companies that have bid for POSCO contracts have received strong diplomatic support from our Ambassador in Seoul. The Minister for Trade will be in Seoul early in March at a crucial time in the evaluation of these bids when he will lend his support at the political level.

Nevertheless, Babcock's fears that they have no chance of winning the contract unless they can meet the Korean conditions on finance are undoubtedly well founded. But the options open to us to support them all present such serious difficulties as to require clear Ministerial endorsement before they could be pursued.

Yours sincerely

Martin Bond

MARTIN BOND
Assistant Private Secretary to
The Minister for Trade (PAUL CHANNON)

CONFIDENTIAL

S. KOREA Int Svc - Oct 79

CONFIDENTIAL

SUBJECT
cc Master.

BF

JP

10 DOWNING STREET

From the Private Secretary

22 February 1984

BABCOCK: POHANG STEEL CO.

Lord King came to see the Prime Minister today (on another subject) and at the conclusion of the meeting raised the subject of Babcock's efforts to win a contract as part of the Pohang Steel project. He explained that ECGD had provided Davy with a low interest finance package and that Posco were now expecting Babcock to come up with a similar package for their part of the project.

He left behind the attached note which the Prime Minister has asked me to pass to the Minister for Trade. She will be interested to know what assistance ECGD or DTI are able to offer for this contract. Subsequently, Lord King 'phoned me to emphasise the urgency of this deal.

BF

(ANDREW TURNBULL)

Steve Nicklen, Esq.,
Department of Trade and Industry.

GRG/pch/779.1/22.2.84

Dist.: Mr. M. Hoffman
Mr. A. J. Taylor

POHANG STEEL CO. (POSCO)

currently operate a 9 m tonne/annum integrated steel mill at Pohang, South Korea.

POSCO have decided to build a new integrated steel mill at Kwangyang Bay on the south coast of S. Korea. It will be built in few phases up to 10 m.t.p.a. The first phase (2 m t.p.a.) is now in the procurement stage and several major portions are now placed.

B.-Moxey is bidding for the Raw Materials Handling Contract (RMH) (likely value - $ 50 m) in conjunction with Korean Heavy Machinery Co. (KOHEMA).

We believe we are currently competitive in a very tough bid and have been well received in various visits.

POSCO have received excellent finance packages on all contracts currently placed (see table).

The Davy bid (item 4) was achieved by:-

a) an excellent competitive price

b) a superb U.K.-govt.-supported finance package.

ECGD provided the "6% package" to combat their understanding of competitive government-supported packages from Japan, West Germany and Austria. Confusion reigns since, having provided the package to combat Austria's Voest-Alpine on the Blast Furnace, VA did not bid that package.

Suffice to say that Davy presented their facts in such a way as to convince ECGD to act (good for them) and now ECGD feel a little exposed.

ECGD have been berated by all and sundry for "breaking concensus" and having been assured by all other competing countries that no one will break concensus on RMH, ECGD have promised to behave!

This does Babcock no good at all!

a) POSCO is convinced that if Davy can swing special terms from HMG, so will Babcock.

b) The POSCO final bid instructions clearly specify "finance offers below 7%".

ECGD have suggested that Babcock accept our concensus rate (10.7%), then inflate our price to subsidise it. This would mean an increase of approximately $ 7 m - on a price of $ 50 m. I am sure this would render us totally non-competitive.

c) The Korean government has accepted the special U.K. finance package as an indication of U.K. support for Korea - to alter our terms will indicate that we now take an opposite view.

I understand a visit from Tebbit or one of his senior ministers is imminent.

I am currently tackling the problems from every angle:-

Lazards	)	
Korean Merchant Bank	)	our advisers
ECGD (Bob Kemp)	)	
PEP (Benjamin, Neville-Rolfe)		

and Davy have been most helpful with their information.

I feel the large guns must roll out urgently!!

G. R. Govan

GRG/pch/779.3/22.2.84

POSCO KWANGYANG BAY PHASE I

CONTRACTS PLACED

Item	Contract	Supplier	Country	Value $ m	Int. rate %	Term years	Morat-orium years
1	Sinter plant	Voest-Alpine	Austria	77	6.75	18	6
2	Strip Mill	Mitsubishi	Japan	170	6.50	16	6
3	Continuous Casting	Demag	W. Germany	77	6.5 -6.95	18	6
4	Blast Furnace	Davy	U.K.	71	6	10	4
5	Steel making	Voest-Alpine	Austria	70	6.75	20	4

Our current offer from ECGD is 10.7% over 12 years with 4 years moratorium.

Note, it is not possible to state that all these bids are officially supported. We know V.A. are.
No one has claimed the others are not.
Mitsubishi have deemed their package "supplier credit" but have reserved the right to modify it to "buyer credit".

GRG/pch/779.4/22.2.84

BIDDERS ON RMH

Suppliers	Country	Concensus Rate	Indicated rate from local sources
Nippon Conveyors	Japan	8.2%	6.75 - 6.95%
Sumitomo	-"-	-"-	-"-
Mitsubishi	-"-	-"-	-"-
I.H.I.	-"-	-"-	-"-
Dravo	U.S.A.	10.7%	10.7%
P.W.H.	W. Germany	10.7%	6.75 - 6.95%
B.-Moxey	U.K.	10.7%	?

Note Davy kindly gave us the following data:-

Blast furnace - $ 71 m successful bid
$ 77 m Demag
$ 82 m I.H.I.
$ 87 m G.H.H.

Of Davy package, U.K. portion is $ 50 m. This is officially financed at 6%.

The difference between 10.7% and 6% over the term is approx. $ 10.2 m.

Hence, for Davy to "subsidise" the rate in their price, it would have increased their bid to $ 81 m.

84-02-20 05:48
*
43412 BMGLOS G
KOMBANK K28579

TO: BOBCOCK-MOXEY
FROM: KOREA MERCHANT BANKING CORPORATION, SEOUL
FEB. 20/

COPY TO : MR. PETER GODWIN, LAZARD BROS. AND CO., LTD. LONDON

FOR: MR. GEORGE GOVAN

I HAVE HEARD FROM LAZARD THAT IT IS INCREASINGLY LIKELY THAT ECGD WILL APPLY THE CONSENSUS RATE OF INTEREST IN SUPPORT OF YOUR BID FOR THE MECHANICAL HANDLING EQUIPMENT FOR POSCO. I FULLY UNDERSTAND ECGD'S DIFFICULT POSITION AND I CAN IMAGINE THE PRESSURE WHICH IS ON BOB KEMP FROM ALL QUARTERS. THE PURPOSE OF THIS TELEX IS TO GIVE YOU A BALANCED PICTURE AS I SEE IT FROM THIS END IN THE HOPE THAT YOU CAN USE IT TO PERSUADE ECGD TO REPEAT THE OFFER MADE IN SUPPORT OF THE DAVY CONTRACT.

1. THE UK WOULD NEVER HAVE WON THE BLAST FURNACE CONTRACT WITH AN OFFER INCLUDING THE CONSENSUS RATE OF INTEREST. ECGD'S ACTION ON THIS POINT HAS BEEN FULLY VINDICATED AND KEMP'S DECISION WAS A GOOD AND A BRAVE ONE.

2. NO ONE INCLUDING POSCO HAVE ANY EVIDENCE THAT THE COMPETITION FOR THAT CONTRACT WAS OFFERING ANYTHING OTHER THAT OFFICIALLY SUPPORTED INTEREST RATES I.E. IT IS NOT BELIEVED THAT THE SUPPLIER WAS SUBSIDISING THE RATE. WE HAVE SPOKEN TO A KOREAN SUB-CONTRACTOR TO THE FOREIGN BIDDERS BUT AGAIN THERE IS NO EVIDENCE THAT THE LOWER THAN CONSENSUS RATE OFFERED IN THE OTHER FOREIGN BIDS WERE OTHER THAN OFFICIALLY SUPPORTED TERMS.

3. POSCO AGAIN ARE FULLY CONFIDENT THAT YOUR COMPETITION WILL OFFER AN INTEREST RATE OF LESS THAN 7% P.A. THEY MADE EXACTLY THE SAME STATEMENT TO US AT THIS POINT IN TIME ON THE PREVIOUS BIDDING AND WERE PROVED CORRECT. IT WOULD BE A MISTAKE TO DOUBT THEM NOW.

4. IT IS MY OPINION THAT IF YOU HAVE TO QUOTE THE CONSENSUS RATE YOU WILL FAIL TO WIN THE BID. IF YOU CAN QUOTE THE 6% P.A. RATE YOU WILL WIN THE BID.

5. THE DAVY TERMS WERE SEEN HERE AS A MAJOR EFFORT BY THE UK TO ASSIST KOREA IN CORRECTING THE IMBALANCE OF ANGLO/KOREAN TRADE WHICH CURRENTLY FAVOURS KOREA. THIS IS A HOT ISSUE AT THE HIGHEST LEVELS OF GOVERNMENT IN LONDON. THE KOREANS HAD LITTLE OPTION BUT ACCEPT THE UK BID. IT WILL SEEM STRANGE TO THE KOREAN GOVERNMENT IF FOR THE SAME PROJECT AND FOR A SUBSTANTIAL BUT STILL SMALLER CONTRACT THAT MEANS OF ASSISTANCE IS WITHDRAWN.

6. MAKE NO MISTAKE, THE KOREANS SEE YOUR BID AS PART OF THE SAME PROJECT JUST AS THEY SAW THE CONTINUOUS CASTING, ROLLING MILLS, BLAST FURNACE AND COKE OVENS AS PART OF THE ONE PROJECT. I FIND IT DIFFICULT TO UNDERSTAND ANY CONTRARY VIEW ON SOME THING SO OBVIOUS.

7. THE UK INITIATIVE AND DETERMINATION TO WIN THE LAST ROUND HAS HAD A LOT OF FAVOURABLE COMMENT RIGHT THROUGHOUT GOVERNMENT AND INDUSTRY HERE. IT HAS BEEN SEEN AS A FRIENDLY GESTURE TO KOREA AT A TIME WHEN THEY HAVE RECEIVED POLITICAL KNOCKS, SET BACKS IN TRADE AND FINANCE - INCREASING PROTECTIONISM, UNDER PRESSURE TO CORRECT IMBALANCES OF TRADE, ETC.

8. THE MINISTER OF TRADE'S VISIT IN TWO WEEKS TIME IS IMPORTANT FOR ANGLO/KOREAN TRADE. IT WOULD STRENGTHEN HIS HAND CONSIDERABLY TO BE ABLE TO DEMONSTRATE THAT THE UK IS NOT ONLY COMPLAINING ABOUT THE INEQUITY BUT ASSISTING KOREA TO CORRECT ANGLO/KOREAN IMBALANCE AND ALLOWS HIM TO REQUEST A GREATER EFFORT FROM THE KOREANS TO NARROW THE TRADE DIFICIT. I CAN ASSURE YOU THAT THE BRITISH AMBASSADOR AND STAFF WILL GIVE YOU ALL THE SUPPORT THEY CAN ON THIS POINT. ALL THIS WILL BE WEAKENED IF THE UK NOW REVERTS TO CONSENSUS RATES.

9. BEARING IN MIND THE PRESSURE ON ECGD, AND ONLY AS A LAST RESORT, I WANT TO SUGGEST THAT ECGD SHOULD MAKE A FIRM OFFER OF AN INTEREST RATE OF 6% P.A. UNLESS ALL OTHER COMPETING BIDS ARE SUPPORTED BY CONSENSUS RATES OF INTEREST IN WHICH CASE THE UK OFFER MUST ALSO REVERT TO THE CONSENSUS RATE. POSCO WILL NOT ACCEPT AN OFFER TO MATCH BUT MAY SEE THIS IS A FIRM OFFER WITH A CONDITIONAL WITHDRAWAL.

10. IF A LETTER FROM THE MINISTER OF TRADE COULD BE INCLUDED IN YOUR BID REFERRING TO THE ANGLO/KOREAN TRADE ANGLE AND THIS OPPORTUNITY TO ADJUST IT AND BEARING IN MIND THE AWARD OF THE CONTRACT MAY BE MADE WHILST HE IS IN KOREA, NO ONE COULD BE ACCUSED OF NOT TRYING.

REGARDS,
JIM TODD++

CHAIRMAN KOREAN MERCHANT BANK

/ ON loan FROM LAZARDS

Export
Credits
Guarantee
Department

Aldermanbury House
Aldermanbury
London
EC2P 2EL

Telex: 883601

Telephone: 01-382-7011

R. T. Kemp
Under Secretary

Mr George R Govan
Chairman & Managing Director
Babcock-Moxey Ltd
Babcock House
Bristol Road
Gloucester GL1 5RT

20 February 1984

Dear Mr Govan,

SOUTH KOREA: POSCO PROJECT

This is to confirm the ECGD position, which I explained to you when we met last Thursday.

There is at present in force an international agreement, to which we have subscribed with the approval of British Ministers, to the effect that no derogations will be made from the export credit Consensus guidelines. The minimum interest rate at present prescribed by the guidelines for sterling credits of 10 years is 10.7%. The only way that a lower rate could be quoted, without breach of international undertakings, would be by the use of aid funds. If another country used aid to produce a sub-Consensus interest rate for a particular bid, this might produce grounds for us to match.

In terms of the international rules, there is no reason why Britain should not take the initiative in the use of aid to cheapen the interest rate. However, our own policy is normally not to do this and certainly I do not believe this is likely to be agreed for South Korea. However, as you know, responsibility for administering our own Aid Trade Provision does not rest with ECGD but with Projects and Export Policy Division of the Department of Trade & Industry.

As I explained, it seems to us possible that some of your competitors may raise finance at the appropriate Consensus rate but quote a lower apparent rate of interest in their offer to the buyer; if you would find it helpful to consider using the same cosmetic device yourself, we should in the special circumstances of this case be willing to consider this.

I am copying to Miss M Neville-Rolfe of Projects & Export Policy Division.

Yours sincerely,

R T Kemp

cc MASTER OPS

cc FCO LPS

10 DOWNING STREET

PRIME MINISTER'S PERSONAL MESSAGE SERIAL No. T [redacted]/83 216

THE PRIME MINISTER

14 December, 1983.

Dear Mr. President,

Thank you for your kind letter of 24 November. The terrible bombing in Rangoon came as a great shock to me. As you know, the British Government has consistently condemned acts of terrorism. We were glad to give our support to your Government and to the people of Korea during what must have been a time of great stress.

I share your wish to strengthen the very friendly ties between our two countries, especially during the current centenary of UK-Korean relations.

Yours sincerely

Margaret Thatcher

His Excellency Mr. Chun Doo Hwan.

LD

Foreign and Commonwealth Office

London SW1A 2AH

13 December, 1983

Type letter pl.

A.J.C. 13/12.

Dear John,

I enclose a message to the Prime Minister from the President of Korea (which we have just received) expressing thanks for British support in the aftermath of the Rangoon bombing incident in which, amongst others, five South Korean Ministers were killed by North Korean terrorists.

Although an acknowledgement may not strictly be necessary, we see some advantage in confirming to the Koreans at the highest level that our support was the result of a conscious decision by Ministers. I enclose a draft reply from the Prime Minister.

Yours ever,

Peter Ricketts

(P R Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

DSR 11 (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM: Prime Minister

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

PRIVACY MARKING

.....In Confidence

CAVEAT.....

Enclosures—flag(s).....

TO: His Excellency Mr Chun Doo Hwan
President of the Republic of Korea

Your Reference

Copies to:

SUBJECT:

Thank you for your kind letter of 24 November. The terrible bombing in Rangoon came as a great shock to me. As you know, the British Government has consistently condemned acts of terrorism. We were glad to give our support to your Government and to the people of Korea during what must have been a time of great stress.

I share your wish to strengthen the very friendly ties between our two countries, especially during the current centenary of UK-Korean relations.

MT 13/12.

CC MASTER
OPS.

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T196B/83

President of the Republic of Korea

(Translation)

24 November 1983

Excellency,

On behalf of the Government and people of the Republic of Korea and on my own behalf, I wish to express my sincere appreciation for Your Excellency and your Government's sympathy and support rendered to the people of Korea in connection with the tragic bombing incident which occurred in Rangoon on October 9, 1983 during my state visit to that country.

As you are aware, the Burmese Government broke off its diplomatic relations with North Korea and derecognized the latter's regime on November 4, 1983, announcing that the incident was proven by irrefutable evidences to be an act of terrorism perpetrated by the North Korean regime. I believe that the Burmese measures taken against North Korea are most appropriate and fully justified in view of the unprecedentedly serious nature of the incident.

It is deplorable that North Korea has long been involved in international violence and illegal activities not only on the Korean peninsula but throughout the world, causing deep concern among the peace-loving peoples of the world. The Rangoon bombing incident has unveiled once again the true identity of the perpetrator of such violence.

I sincerely hope that all peace-loving nations of the world including the United Kingdom of Great Britain and Northern Ireland will join their efforts in bringing the North Korean regime to fully account for its unforgivable crime and thereby prevent possible recurrence of such an incident in the future.

The Right Honourable
Margaret Hilda Thatcher, M.P.
Prime Minister of the
United Kingdom of Great Britain
and Northern Ireland

It is my earnest desire that the friendly and cooperative relations which exist between our two countries will continue to be strengthened in the years to come.

Accept, Excellency, the renewed assurances of my highest consideration.

/s/ Chun Doo Hwan

대 한 민 국 대 통 령

1983년 11월 24일

각 하,

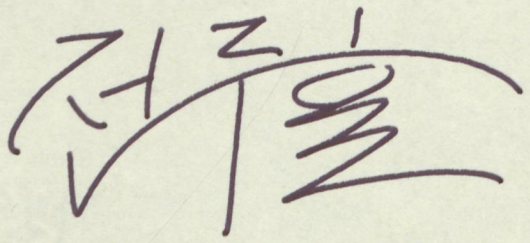
본인은 먼저 지난 1983년 10월 9일 본인의 버마 공식방문중 발생한 랑군 폭발사건과 관련하여 각하 및 귀국정부가 따뜻한 위로와 격려를 보내주신데 대하여 대한민국 정부와 국민을 대신하여 심심한 사의를 표하는 바입니다.

각하께서 아시는 바와 같이 버마정부는 1983년 11월 4일 랑군참사가 북한집단에 의해 자행된 테러행위였다는 사실이 완전한 증거로써 명백히 입증되었다고 발표하고, 북한과의 외교관계를 단절함은 물론 북한집단에 대한 정부승인을 취소하는 조치를 취한 바 있읍니다. 금번 버마정부의 대북한 조치는 동 참사가 예를 찾아볼 수 없는 중대한 국제적 범죄행위였음에 비추어 매우 적절하고 전적으로 정당한 것이라고 믿습니다.

북한집단은 지금까지 한반도는 물론 세계도처에서 각종 국제범죄 및 불법행위를 자행하여 전세계 평화애호국민들로 하여금 깊은 우려를 자아내게 하여 왔는 바, 금번의 랑군 폭발사건은 그러한 북한의 범죄집단으로서의 정체를 다시 한번 만천하에 드러낸 것입니다.

본인은 귀국을 포함한 전세계 평화애호국민들이 다같이 힘을 합하여 금번 용서할 수 없는 범죄행위를 저지른 북한집단을 철저히 책임추궁함으로써 다시는 이러한 행위를 자행하지 못하도록 하여야 할 것으로 믿습니다.

우리 양국간에 현존하는 우호협력관계가 앞으로 계속 강화되기를 희망하며, 각하의 건안을 기원합니다.



전 두 환

영국 수상

마가레트 힐다 대처 각하

25181 - 2

SUBJECT

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T156183

GRS
RESTRICTED
FM FCO 181300Z OCT 83
TO IMMEDIATE SEOUL
TELEGRAM NUMBER 171 OF 18 OCTOBER 1983
NEW KOREAN PRIME MINISTER

1. PLEASE PASS THE FOLLOWING MESSAGE OF CONGRATULATION FROM THE PRIME MINISTER TO CHIN IEE CHONG, THE NEW PRIME MINISTER OF THE REPUBLIC OF KOREA.

2. BEGINS:

MANY CONGRATULATIONS ON YOUR APPOINTMENT. I LOOK FORWARD TO THE CONTINUATION OF THE CLOSE AND FRIENDLY RELATIONS WHICH OUR TWO GOVERNMENTS HAVE DEVELOPED.

ENDS

HOWE
DISTRIBUTION
LIMITED
FED
NEWS D
PS
PS/MR LUCE
PS/PUS
MR GIFFARD
MR DONALD
CABINET OFFICE

10 DOWNING STREET

From the Private Secretary

18 October 1983

NEW KOREAN CABINET

Thank you for your letter of 17 October.

The Prime Minister has approved the message of congratulation to the new Prime Minister. I should be grateful if you would arrange for its delivery.

A.J. COLES

John Holmes Esq.,
Foreign and Commonwealth Office.

Prime Minister

Agree message?

A. J. C. 17.10

Foreign and Commonwealth Office

London SW1A 2AH

17 October, 1983

Dear John,

Following the recent explosion in Rangoon and consequent death of four of his Ministers, President Chun announced a new Korean Cabinet on 14 October.

Chin Iee Chong has been appointed Prime Minister of the Republic of Korea. In view of the circumstances of his appointment, it would be appropriate for the Prime Minister / to send a telegram of congratulation to him. I attach a draft message.

Chin Iee Chong is comparatively unknown. Having been an opposition Assemblyman in the early seventies, he became Minister for Health and Social Affairs in 1979. He re-entered the National Assembly in 1981 as a member of President Chun's ruling Democratic Justice Party. His previous position was Chairman of the party.

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

OUT TELEGRAM

Classification and Caveats	Precedence/Deskby
RESTRICTED	IMMEDIATE

ZC
S
ASS
VEATS
SKBY
FCO
E/ADD
L NO

1 ZCZC
2 GRS
3 RESTRICTED
4
5
6 FM FCO OCTOBER 83
7 TO IMMEDIATE SEOUL
8 TELEGRAM NUMBER
9 NEW KOREAN PRIME MINISTER
10 1. Please pass the following message of congratulation
11 from the Prime Minister to Chin Iee Chong, the new Prime
12 Minister of the Republic of Korea.
13 2. BEGINS:
14 Many congratulations on your appointment. I look forward
15 to the continuation of the close and friendly relations which
16 our two governments have developed.
17 ENDS
18
19 HOWE
20 NNNN
21
/// 22
// 23
/ 24
25

NNNN ends telegram	BLANK	Catchword
File number	Dept: Private Office	Distribution: Ltd, FED, News Dept, PS, PS/Mr Luce, PS/PUS, Mr Giffard, Mr Donald, Cabinet Office
Drafted by (Block capitals): JOHN HOLMES		
Telephone number		
Authorised for despatch		
Comcen reference	Time of despatch	

XY 48

10 DOWNING STREET

John 10/10

The Prime Minister sent the following message to the PM of S. Korea :—

"We have heard the news of the explosion at the Rangoon War memorial with shock.

Please accept my deepest sympathy on the deaths of your cabinet colleagues and other distinguished Koreans.

Our thought are with you at this tragic time."

Steve
10/10/83

PRIME MINISTER FROM DUTY CLERK

REPUBLIC OF KOREA

YOU MAY HAVE HEARD ON THE NEWS THAT A NUMBER OF KOREAN MINISTERS, INCLUDING THE FOREIGN MINISTER AND DEPUTY PRIME MINISTER WERE KILLED IN AN EXPLOSION AT RANGOON WAR MEMORIAL, BURMAH. THE PRESIDENT SHOULD HAVE BEEN THERE BUT WAS LATE.

THE FOREIGN OFFICE HAVE ASKED IF YOU WISH TO SEND THE FOLLOWING MESSAGE:

We have heard the news of the explosion at the Rangoon War Memorial with shock.

"PLEASE ACCEPT MY DEEPEST SYMPATHY ON THE DEATHS OF YOUR CABINET COLLEAGUES AND OTHER DISTINGUISHED KOREANS, ~~WHO LOST THEIR LIVES IN RANGOON.~~ OUR THOUGHTS ARE WITH YOU AT THIS TRAGIC TIME."

AGREE MESSAGE?

THE FOREIGN SECRETARY WILL BE SENDING A MESSAGE TO THE WIDOW OF THE FOREIGN MINISTER AND THEY EXPECT THE QUEEN WILL BE SENDING ONE TO THE PRESIDENT.

9 OCTOBER 1983

FILE

KJ

b/c A. Walters

10 DOWNING STREET

From the Private Secretary

5 May, 1983

VISIT BY ALAN WALTERS TO KOREA

Thank you for your letter of 4 May.

It is the case that Alan Walters has accepted in principle an invitation from the President of the Korean Development Institute to make a lecture visit to Korea. Alan would find it difficult to carry out such a visit in the immediate future and would prefer to plan to do so in October (a date which has already been mentioned to the Koreans). Perhaps you could kindly pass on this message to them and let us know their response.

A. J. COLES

J. Holmes, Esq.,
Foreign and Commonwealth Office

NB

MR. COLES

MY VISIT TO KOREA

The Korean Development Institute has been putting some pressure on me for some time to go to Korea and give a lecture or two. I was not entirely sure that I should go. But the FCO are so agreeably inclined that I am happy to oblige.

I originally thought about a visit in May, but events being what they were I thought I had better stay in London throughout that whole period. I have talked to them subsequently and they say they are very adaptable as far as dates are concerned. I tentatively scheduled it for October. But if the FCO think it desirable, I could of course go in June.

ALAN WALTERS
4 May 1983

010

Dr. Walters

What would you like us to say?

A.J.C. 4/5.

Foreign and Commonwealth Office

London SW1A 2AH

4 May 1983

Dear John,

I understand that Dr Alan Walters has accepted in principle an invitation from the President of the Korean Development Institute, Dr Kim Ki-Hwan, to make a lecture visit to Korea. Dates have yet to be fixed, but the Koreans are pressing, through our Embassy in Seoul, for an early visit.

Thie year is the centenary of Anglo-Korean diplomatic relations. The Koreans are anxious that as much should be made of this centenary as possible; we regard it as an opportunity to thicken bilateral relations generally but especially commercial links. A lecture by Dr Walters could usefully be presented as a part of the centenary programme. This would be well received by the Koreans. Perhaps you could pass this on to Dr Walters and let me know how he would like us to respond to the Koreans.

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

010

S. Korea

(4)

Prime Minister

c/ Rt. Hon. Holmes F/C.O.

A.J.C. 1/11

MINISTRY OF FOREIGN AFFAIRS
SEOUL, KOREA

12 October 1982

Dear Prime Minister,

I wish to express my heartfelt gratitude to you for the warm hospitality extended to me during my recent visit to your great country.

It was a privilege for me to be received by you. I was deeply impressed by your keen insight into the world situation and clear forethought which I perceived during our conversation.

I firmly believe that exchanges of views with you and other leaders of your Government were indeed stimulating and revealing ones, conducive to strengthening the ties of friendship and cooperation between our two countries.

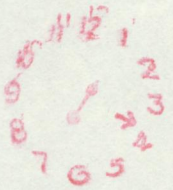
I take this opportunity to convey to you the satisfaction of His Excellency President Chun Doo Hwan with your intention to visit the Republic of Korea at your earliest convenience, which I reported to him just after returning home.

Please accept, Madam, the renewed assurances of my highest consideration.

Bum Suk Lee
Minister

The Right Honourable
Margaret Hilda Thatcher, MP
Prime Minister of the United
Kingdom of Great Britain
and Northern Ireland
London

1 NOV 1982



010

S. Korea (4)

From: THE PRIVATE SECRETARY

Prime Minister

To note.

A.J.C. 7/10

NORTHERN IRELAND OFFICE
GREAT GEORGE STREET,
LONDON SW1P 3AJ

Francis Richards Esq
Private Secretary
Foreign & Commonwealth Office

7 October 1982

Dear Francis

I attach a copy of a letter from the Chairman of Shorts which expresses gratitude for the pressure brought to bear by Ministers over the Skyvan issue.

Mr Prior, too, is grateful to his colleagues for raising this matter with the Korean Foreign Minister.

A copy of this letter goes to John Coles (No 10) and John Rhodes (Department of Trade).

Yours sincerely
Mike Hopkins

M W HOPKINS

KW

SHORTS
Aircraft and Missiles

From the Chairman:

Sir George Leitch, KCB, OBE

RECEIVED BY
4 7 OCT 1982
PRIVATE O

Rt. Hon. James Prior MP
Secretary of State for
Northern Ireland
Northern Ireland Office
Gt. George Street
London SWIP 3AJ

6th October 1982

Dear Jim,

SKYVAN FOR KOREA

I had an opportunity of a chat with the Korean Foreign Minister at the lunch arranged yesterday by the Overseas Trade Board. He had already seen the Prime Minister, the Foreign Secretary and the Secretary for Trade and it was very clear that all three had raised the Skyvan issue with him in a way which left him in no doubt that here was a matter he had to look into on his return to Korea.

Whatever the ultimate outcome, we in Shorts are all most grateful for such wholehearted and comprehensive support. At the same time I should like to take the opportunity to say how much we have appreciated the really solid support we have had over many months from our Ambassador in Seoul and his staff.

Yours ever.

George.

Short Brothers Limited
Berkeley Square House Berkeley Square London W1
Telephone 01-629 9541 Telegrams Broshort London
Registered in Northern Ireland Certificate NI 1062
Registered Office Airport Road Belfast Northern

1973 THE QUEEN'S AWARD FOR EXPORT ACHIEVEMENT AEROSTRUCTURES DIVISION
1975 THE QUEEN'S AWARD FOR EXPORT ACHIEVEMENT AIRCRAFT DIVISION
1976 THE QUEEN'S AWARD FOR TECHNOLOGICAL ACHIEVEMENT MISSILE SYSTEMS DIVISION

S. Korea, Oct '79, Intr Sit,

-7 OCT 1982

SUBJECT

CONFIDENTIAL

file

S. Korea

cc master ops

10 DOWNING STREET

From the Private Secretary

4 October 1982

Dear John,

Call by Korean Foreign Minister

Mr. Lee called on the Prime Minister this morning for a 15 minute talk. He was accompanied by the Korean Ambassador and Mr. Jhung of the Ministry of Foreign Affairs. Sydney Giffard was also present.

The Prime Minister said that she had been sorry not to be able to include Korea in her visit to the Far East. Mr. Lee conveyed to Mrs. Thatcher the best wishes of the Korean President and his gratitude for the invitation to him to visit Britain sometime next year. The President greatly hoped that the Prime Minister would visit Korea. The Prime Minister expressed thanks for this invitation and said that she must try to visit Korea one day.

Mr. Lee then said Korea welcomed the expanding economic co-operation with the United Kingdom. The Prime Minister said that this was also pleasing to us. She was glad that GEC had been successful in its bid for the expansion of the Seoul metro. We were hoping for further similar contracts. She had been profoundly impressed by the success of British firms in constructing the Castle Peak power station in Hong Kong well in advance of schedule. We were also interested in certain items of defence sales business and we had great hopes of selling Skyvan to Korea - it was a marvellous aircraft.

She then invited Mr. Lee to describe the situation in Korea. Mr. Lee replied that political stabilisation had now been achieved. 1980 had been a bad year for the economy with negative growth and 40% inflation, but last year they had achieved 7% growth and had held inflation to 6%. He hoped that growth of 6½% could be achieved in the current year. Korea was spending 7% of its GNP on defence. It had to maintain 600,000 soldiers on active service and to call up reservists twice a month. The Korean Ambassador added that North Korea maintained a standing force of 700,000. Mr. Lee said that all this placed a strain on the budget but it had compensating advantages. The discipline acquired by young Koreans during their military service made them valuable as labour later on. There were now about 180,000 Koreans working abroad, for example in Saudi Arabia.

During his current visit, he particularly wanted to examine the possibilities for co-operation between British technology and Korean manpower in third countries, particularly in the Middle East. For example, on 4 October a joint bid by British and Korean firms for a $3 billion railway contract in Iraq was to be considered. There was considerable scope for co-operation involving the highly sophisticated technology of the United Kingdom and the skilled manpower of Korea. The Prime Minister agreed. Britain had a long history of invention and we were becoming more expert at exploiting our inventions. She brought the conversation to a close by asking the Foreign Minister to convey her warm regards to the President.

I am copying this letter to John Rhodes (Department of Trade) and Jonathan Spencer (Department of Industry), and to Richard Mottram (Ministry of Defence).

Yours ever

John Cole

John Holmes, Esq.,
Foreign and Commonwealth Office.

Foreign and Commonwealth Office

London SW1A 2AH

1 October, 1982

Dear John,

Call on Prime Minister by Korean Foreign Minister, Mr Lee Bum Suk

The Prime Minister has agreed to receive Mr Lee Bum Suk, the Korean Foreign Minister, for fifteen minutes at 10.00 on 4 October. Mr Lee, who will have arrived the previous afternoon, is visiting Britain for two working days on his way back to Seoul from New York.

The Koreans were anxious for a call on the Prime Minister by Mr Lee when the visit was first mooted in July. We told them at the time that the Party Conference made this most unlikely and they did not press the point. They are now extremely pleased that a call can after all be fitted in. They were very disappointed that the Prime Minister was unable to stop even briefly in Seoul during her recent tour of the Far East, and their wish for Mr Lee to see her during this visit was intended to offset this in the eyes of domestic and regional opinion.

Given the brevity of the call, and as the Koreans will have little time to prepare for it, Mr Lee is likely to confine himself to mentioning President Chun's proposed visit to Britain next year and to enquiring generally about the Prime Minister's tour. The attached briefing covers these aspects together with trade issues the Prime Minister may wish to take up.

Mr Lee will be accompanied by the Korean Ambassador, Dr Kang Young Hoon and Mr Jhung Kyung Yil, Director General of the European Affairs Bureau of the Korean Ministry of Foreign Affairs. (In Korean usage surnames come first). Mr Giffard will attend from the FCO, as we agreed.

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

CALL ON PRIME MINISTER BY KOREAN FOREIGN MINISTER, MR LEE BUM SUK, 10 A.M., 4 OCTOBER 1982

POINTS TO MAKE

1. Pleased that Mr Lee's first visit to Western Europe as Minister should be to Britain.

2. Regret unable to include Korea in recent Far East tour.

3. Tour successful. Japanese leaders receptive to explanation of problems of trade imbalance. In China laid basis of talks on future of Hong Kong.

4. Korea's economic progress and steadfastness in face of Communist threat exemplary. Korea has our full support.

5. Hope President Chun can visit Britain next year as centrepiece of centenary celebrations.

6. Very pleased that GEC successful in bidding for extension of Seoul Metro. Hope Korean experience of British expertise in this field will lead to similar success for a British company in Pusan Metro.

7. Understand Korea's wish to diversify from US for defence supplies. Some equipment in which Koreans interested well-proven in Falklands campaign.

8. Strong Government backing for Shorts Skyvan. Hope Koreans can make early decision.

ESSENTIAL FACTS

General

1. In her message at Annex A Prime Minister invited President Chun to visit Britain next year. The Koreans suggested that the Foreign Minister make a preparatory visit and the Foreign and Commonwealth Secretary invited him as a guest of Government. President Chun's reply (Annex B) did not give a clear indication of when he might be able to visit and Mr Lee may have further news. He is also likely to enquire about the Prime Minister's tour of the Far East.

2. During his visit Mr Lee will be calling on Mr Pym, Lord Cockfield, and the Duke of Kent. At the Korean Ambassador's dinner on 4 October he will also meet Mr Nott, Mr Lamont and Lord Belstead.

3. A personality note on Mr Lee is at Annex C.

Political

4. In spite of setbacks President Chun's government is stable and the country's economy has survived the shocks of world recession. Internally his rule remains authoritarian in spite of cosmetic changes. Human rights performance still causes concern among some sectors of British public opinion. Korean foreign policy dominated by threat from North Korea. South Koreans fear both military invasion and diplomatic isolation. We have supported publicly President Chun's proposals for resumption of dialogue with North and help diplomatically where we can. Britain provides an Honour Guard of some 30 men for the UN Command in Korea.

Commercial

5. GEC recently won major share of £185 million contract for extension of Seoul Metro. GEC and Hawker Siddeley separately pursuing contract for Metro for Pusan in south east of country. Other civil projects of interest to British firms are modernising rail link between Seoul and Pusan, steel mill and nuclear power plants.

6. Korea has indicated desire to lessen dependence on United States for defence equipment. Prospects for British suppliers include sale of Blow Pipe, Rapier and other missiles and Hawk aircraft. Korean Army have been considering purchase of Shorts Skyvan transport aircraft and Lord Carrington sent a message in support in March (Annex D): however following President Chun's recent visit to Canada, Canadian Buffalo aircraft now a contender, and Koreans may be postponing decision for one or two years. Failure to win this order could have serious consequences for Shorts.

ANNEX A

(58)

TOP COPY

RESTRICTED

4713 - 1

FEJ 026/1
13 MAY 1982

RR SEOUL
GRS 235
RESTRICTED
FM FCO 111530Z MAY 82
TO ROUTINE SEOUL
TELEGRAM NUMBER 81 OF 11 MAY
MY IPT

1. FOLLOWING IS TEXT OF MESSAGE FROM PRIME MINISTER TO PRESIDENT CHUN.

BEGINS: AS YOU MAY KNOW, I SHALL BE VISITING JAPAN, CHINA AND HONG KONG IN SEPTEMBER. YOUR EMBASSY IN LONDON HAVE CONVEYED YOUR GOVERNMENT'S KIND SUGGESTION THAT I SHOULD AT THE SAME TIME VISIT THE REPUBLIC OF KOREA. I WOULD HAVE VERY MUCH LIKED TO DO SO AND HAVE CONSIDERED CAREFULLY HOW THIS MIGHT BE FITTED IN. BUT I AM AFRAID THAT PRACTICAL DIFFICULTIES SIMPLY PREVENT THE INCLUSION OF A VISIT TO KOREA DURING THE SHORT TIME I HAVE AVAILABLE FOR MY FAR EAST TOUR. I VERY MUCH REGRET THEREFORE THAT I SHALL BE UNABLE ON THIS OCCASION TO VISIT YOUR COUNTRY, WHOSE REMARKABLE ECONOMIC PROGRESS AND STEADFASTNESS IN FACING THE MILITARY THREAT FROM THE NORTH I HAVE SO LONG ADMIRED.

RELATIONS BETWEEN THE REPUBLIC OF KOREA AND THE UNITED KINGDOM ARE WELL-DEVELOPED AND THE CENTENARY OF THEIR ESTABLISHMENT NEXT YEAR WILLBBE A HAPPY OCCASION. I SHOULD BE DELIGHTED THEREFORE IF YOU WERE ABLE TO VISIT BRITAIN DURING 1983 AS A GUEST OF HER MAJESTY'S GOVERNMENT. IF YOU FEEL ABLE TO ACCEPT THIS INVITATION IN PRINCIPLE, I SUGGEST THAT OUR OFFICIALS SHOULD CONSIDER A MUTUALLY CONVENIENT TIME FOR THE VISIT TO TAKE PLACE. I HOPE THAT WE MAY THUS BE ABLE TO MEET AND FURTHER ENHANCE THE SOLID FRIENDSHIP THAT EXISTS BETWEEN OUR TWO COUNTRIES. ENDS.

PYM

DISTRIBUTION
LIMITED
FED
PCD
HKGD
PS
PS/LORD BELSTEAD
PS/PUS
MR GIFFARD
MR DONALD

COPIES TO:
OT2/DOT

RESTRICTED

ANNEX B (1)

17TH MAY 1982

"THE RIGHT HONOURABLE MARGARET THATCHER,
PRIME MINISTER OF THE UNITED KINGDOM OF
GREAT BRITAIN AND NORTHERN IRELAND"

DEAR PRIME MINISTER,

IT WAS WITH GRATITUDE THAT I RECEIVED YOUR MESSAGE OF 13 MAY 1982, IN WHICH YOU WERE KIND ENOUGH TO INVITE ME TO VISIT YOUR GREAT COUNTRY. I SHARE YOUR VIEW THAT THE EXCHANGE OF VISITS BETWEEN THE LEADERS OF THE REPUBLIC OF KOREA AND THE UNITED KINGDOM WILL GREATLY CONTRIBUTE TO FURTHER STRENGTHENING THE FRIENDLY AND COOPERATIVE RELATIONS BETWEEN THE TWO COUNTRIES.

IT IS GRATIFYING THAT, SINCE OUR TWO COUNTRIES ESTABLISHED FORMAL RELATIONS IN 1883, OUR RELATIONS HAVE CONTINUED TO GROW IN SCOPE AND DEPTH. 1983 WILL BE A HISTORIC LANDMARK AS THE CENTENARY OF OUR RELATIONS. I FIRMLY BELIEVE THAT THE LONG-STANDING TRADITIONAL FRIENDSHIP BETWEEN OUR TWO NATIONS WILL FURTHER INCREASE THROUGH OUR UNSPARING EFFORTS.

WITH MY WARM PERSONAL REGARDS AND BEST WISHES, I REMAIN,

SINCERELY,

CHUN DOO HWAN
PRESIDENT OF THE REPUBLIC OF KOREA"

ANNEX C

LEE BUM SUK

Minister of Foreign Affairs (June 1982)

Born 1922 in Pyongyang. Graduate of Posung College, the forerunner of Korea University, (1936) and Maryland (1961) and George Washington (1963) Universities. Served in the Ministry of Foreign Affairs, becoming head of protocol (1966) and Ambassador to Tunisia (1970). Vice President of the Korean National Red Cross and senior delegate to the South-North Red Cross talks (1972-76). Ambassador to India (1976) until his appointment as Minister of National Unification in September 1980. Secretary-General in President's office January-June 1982.

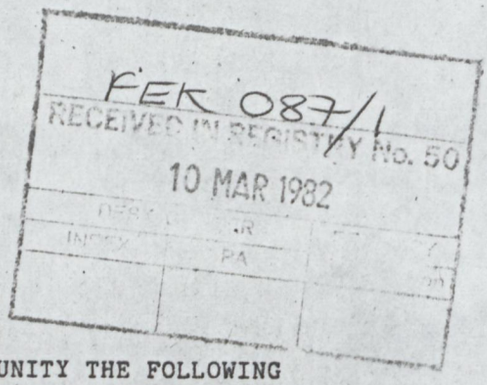
Relaxed and forthcoming with impeccable English.

ANNEX D

TOP COPY

CONFIDENTIAL

27071 - 1



GRS 450
CONFIDENTIAL
FM FCO 091000Z MAR 82
TO IMMEDIATE SEOUL
TELEGRAM NUMBER 44 OF 9 MARCH 1982
INFO MODUK(DEFENCE SALES)

YOUR TELNO 37: SKYVAN IN KOREA

1. PLEASE DELIVER AT THE EARLIEST OPPORTUNITY THE FOLLOWING MESSAGE FROM ME TO THE KOREAN FOREIGN MINISTER. YOU SHOULD ALSO SEND COPIES TO THE MINISTERS FOR NATIONAL DEFENCE AND TO ROH TAE WOO.

2. BEGINS: I WAS SORRY TO MISS YOU WHEN YOU NASSED THROUGH LONDON LAST MONTH. WHEN I MET YOUR COLLEAGUE MR ROH TAE WOO IN LONDON IN NOVEMBER HE EXPLAINED TO ME YOUR COUNTRY'S CONCERN OVER DEFENCE AND I UNDERSTAND THAT HE SUBSEOUENTLY EXPRESSED TO LORD TRENCHARD THE HOPE THAT WE COULD INCREASE OUR ECONOMIC AND MILITARY COOPERATION AND IN PARTICULAR ESTABLISH COLLABORATION ON DEFENCE EQUIPMENT AND THE SUPPORTINO TECHNOLOGY. I SHOULD LIKE IF I MAY TO DRAW YOUR ATTENTION TO A OOSITIVE WAY OF REALISING THAT HOPE.

3. YOU WILL KNOW THAT A BRITISH COMPANY, SHORT BROTHERS LIMITED, IS BIDDING FOR THE SUPPLY OF THEIR TRANSPORT AIRCRAFT, THE SKYVAN, TO THE KOREAN ARMY. THE SKYVAN HAS A OROVEN RECORD FOR RELIABILITY AND USE IN A WIDE RANGE OF ENVIRONMENTS AND I THOUGHT YOU SHOULD KNOW THAT THIS OFFER BY A LEADING BRITISH AIRCRAFT MANUFACTURER HAS THE FULL SUPPORT OF HER MAJESTY'S GOVERNMENT. THE APPROPRIATE AUTHORITIES MAY LIKE TO HAVE THREE PARTICULAR POINTS IN MIND BEFORE COMING TO A DECISION. FIRST THE UNITED KINPDOM HAS BEEN A CONSISTENT SUPPORTER OF THE REPUBLIC OF KOREA SINCE THE KOREAN WAR, PARTICULARLY, AS IN 1980, WHEN YOUR COUNTRY HAS FOUND ITSELF PASSING THROUGH DIFFICULT TIMES. MOST RECENTLY WE HAVE PUBLICLY ANNOUNCED OUR SUPPORT FOR PRESIDENT CHUN'S LATEST PROPOSALS ON RELATIONS WITH NORTH KOREA. SECONDLY,

/THE

CONFIDENTIAL

THE CONTRACT WITH SHORT BROTHERS WOULD BE AN EXCELLENT FIRST CHOICE FOR A MAJOR DEFENCE DEAL WITH THE UNITED KINGDOM AS IT INVOLVES A HIGH LEVEL OF LOCAL MANUFACTURE AND TECHNOLOGY TRANSFER. THIRDLY, SHORT BROTHERS WOULD BE WILLING TO ENTER INTO NEQOTIATIONS FOR A POSSIBLE AGREEMENT TO ENABLE KOREA TO MANUFACTURE SKYVAN FOR SALE TO OTHER COUNTRIES IN THE FAR EAST.

4. OUTLINE PROPOSALS HAVE ALREADY BEEN SUBMITTED TO YOUR MINISTRY OF NATIONAL DEFENCE AND REPRESENTATIVES OF SHORTS ARE CURRENTLY IN SEOUL.

5. FOR THESE REASONS I BELIEVE THAT SHORT BROTHERS' OFFER OF SKYVAN WOULD BE A VERY SOUND CHOICE WHICH WOULD ENHANCE OUR RELATIONS EVEN FURTHER AS WE ENTER THE NERIOD OF THEIR CENTENARY.

6. I AM ASKING OUR AMBASSADOR TO SEND COPIES OF THIS MESSAGE TO YOUR COLLEAGUES, THE MINISTER OF NATIONAL DEFENCE AND THE MINISTER OF STATE FOR NATIONAL SECURITY AND FOREIGN AFFAIRS.

7. MAY I TAKE THIS OPPORTUNITY TO SEND MY BEST WISHES. I HOPE THAT WE SHALL HAVE AN OPPORTUNITY TO MEET BEFORE TOO LONG.

ENDS.

CARRINGTON

LIMITED
FED
DEF. DEPT.
TRED
PS
PS/LPS
PS/PUS
MR GIFFORD

COPIES TO:
CRE 2, D.O.T.

V707

①.

15 mins on Monday before I go to Brighton MT

DEPARTMENT OF TRADE
1 VICTORIA STREET
LONDON SW1H 0ET
TELEPHONE DIRECT LINE 01 215 5146
SWITCHBOARD 01 215 7877

From the Minister for Trade 's office

1000 on Monday
4:- Brief coming today
C.P.

John Coles Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

28 September 1982

Prime Minister

He is having talks with Mr. Pym as well as lunch; talks with Lord Cockfield; tea with the Duke of Kent; also a meeting with Lord Limerick.

2. The F.C.O. think this enough. Do you want to see him in Brighton?

A.J.C. 30/9.

Dear John

I understand that you have had to decline a request made on behalf of the Korean Minister of Foreign Affairs, that he should pay a brief courtesy call on the Prime Minister when he visits this country early next month. Mr Rees has learnt of Mr Lee's disappointment and while fully appreciating the enormous pressures on her that week, wonders whether the Prime Minister might be prepared to receive the Foreign Minister while in Brighton, if as we think might be the case, he is prepared to travel there to meet her. The Prime Minister will recall Mr Biffen's letter of 30 March in which he outlined the considerable commercial advantage that would be derived from paying some attention to the Koreans at a high political level. Mr Rees judges that even a very short meeting with Mr Lee could have a significant impact in terms of possible contracts and would be very grateful if you could give this idea urgent consideration.

Yours sincerely

David Hayes

DAVID HAYES
Assistant Private Secretary to the
Minister for Trade (PETER REES)

South Korea

PM's visit

March 82

CF . S. Korea

Please file

Cf. 10/8.

CAROLINE

Lunch on 13 October for the Prime Minister of Korea could come out of the diary. The FCO tell me he will now be coming on 3 or 4 October.

Sue

9 August 1982

10, Downing Street,
Whitehall.

Korea

10 DOWNING STREET

THE PRIME MINISTER

17 May 1982

Dear Arnold,

Many thanks for your letter of 13 May.

I am delighted to hear that you have now signed the Seoul Metro extension contract; and to hear of your success in gaining the contract for the Recife transportation system in Brazil.

Keep up the good work!

Yours

Margaret

The Lord Weinstock

HL

THE GENERAL ELECTRIC COMPANY LIMITED
1 STANHOPE GATE · LONDON W1A 1EH
01-493 8484

13th May, 1982

Dear Margaret,

You wrote me a nice letter on 13th January, 1982 about the Seoul Metro extension contract, and I replied that as we had then received only the Letter of Intent, I would treat its sentiments as suspended for the time being. You will wish to know that we have now signed the contract with the Koreans, and I will pass on your congratulations to all those in GEC concerned with the project.

It is perhaps opportune to tell you that we have also just signed a contract in connection with the surburban transportation system for the city of Recife in Brazil, in collaboration with Ferrostahl AG of West Germany and local partners. The GEC work is worth just under £40 million.

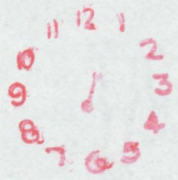
Yours,

Arnold

Lord Weinstock

The Rt. Hon. Mrs. Margaret Thatcher, MP.,
10, Downing Street,
LONDON, S.W.1.

13 MAY 1982



S. Korea 80Y

THE GENERAL ELECTRIC COMPANY LIMITED
1 STANHOPE GATE · LONDON W1A 1EH
01-493 8484

Personal

14th January, 1982

Dear Margaret,

Many thanks for your letter of 13th January, 1982 about the Seoul Metro job. We have still received only a Letter of Intent, so I will hold on to your letter before sending it to Mr. Kline and the others until we have the actual contract.

It would have been nice of you to write anyway, but in the midst of your present personal anxieties it is especially thoughtful. Everyone here in the GEC office prays that your ordeal of the last few days is happily concluded.

Yours,

Arnold

Lord Weinstock

The Rt. Hon. Mrs. Margaret Thatcher, MP.,
10, Downing Street,
LONDON, S.W.1.

VCB

a DOT

10 DOWNING STREET

THE PRIME MINISTER

13 January 1982

Dear Arnold.

I was delighted to hear the marvellous news about the Seoul Metro extension contract.

This is a major achievement for GEC - all the more so since you have succeeded in what has traditionally been a Japanese sphere of influence.

My congratulations go to you, to Mr. Kline of GECTPL (who, I understand, negotiated the contract), and to all the others concerned.

Yours sincerely

Margaret Thatcher

The Lord Weinstock

(3)

10 DOWNING STREET

Prime Minister

Seoul Metro Extension

We have now been told that GEC have received the letter of intent from the Koreans. £185m (UK content £80m) is the value of the contract.

Would you wish to sign the attached letter of congratulation?

MLS 12/1

S. Korea

DEPARTMENT OF TRADE 1 VICTORIA STREET LONDON SW1H 0ET Telephone 01-215 7877

cc AD

From the Secretary of State

M Scholar Esq
Private Secretary
10 Downing Street
London, SW1

6th January 1982

Dear Michael,

Thank you for your letter of 21 December.

I am pleased to say that GEC have now received a letter of intent from the South Koreans for a £185m contract to supply rolling stock, workshop and rail equipment for the Seoul Metro.

The contract was negotiated by GEC Transportation Projects Limited whose Managing Director is Mr Harry Kline. The Prime Minister will however no doubt wish to write to Sir Arnold Weinstock congratulating him, and the Managing Director of GECTPL, on yet another major export success for GEC. This one was particularly notable since it was against strong and entrenched Japanese competition.

Yours Sincerely,

Jonathan Rees

J N REES
Private Secretary

S. Korea

FILE

dis

bc Dugmid
Ingham

10 DOWNING STREET

From the Private Secretary

21 December 1981

Seoul Metro Extension

The Prime Minister was very pleased to receive your Secretary of State's minute of 17 December about GEC's bid for contracts arising from the extension of the Seoul metro.

I would be grateful if you would let us know when the letter of intent has arrived: the Prime Minister wishes to write to congratulate GEC.

M. C. SCHOLAR

John Rhodes, Esq.,
Department of Trade.

(2)

Prime Minister

Splendid news (I was involved at Barclays in a minor capacity).

MLS 17/12

PRIME MINISTER

SEOUL METRO EXTENSION

In view of your involvement with GEC's bid for contracts arising from the extension of the Seoul metro you will be pleased to hear that that GEC are shortly to receive a letter of intent for a £185m contract, United Kingdom content £80m, involving the supply of rolling stock, workshop and rail equipment. They will also undertake the project management role. This is a major success for GEC in what has traditionally been a Japanese sphere of influence, and they are to be congratulated on it.

WJB

Department of Trade
1 Victoria Street
London, SW1H OET

17 December 1981

WJB

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 127/81

T 127/81

file
cc FCO

10 DOWNING STREET

SUBJECT

cc Master Set
cc Ops Set

THE PRIME MINISTER

11 September 1981

Dear Prime Minister,

I am sorry that the shortness of your visit and my own prior commitments mean that we shall be unable to meet during your time in London. May I however warmly welcome you and your wife to this country and express the hope that you will have a relaxing and enjoyable weekend here after what will certainly have been a tiring series of visits to other European capitals. It is good that you know us well enough to come here for the private and informal part of your tour.

If I may say so, this reflects the close links and understanding which have existed for so long between our two countries. I know that you yourself have contributed much to this very happy relationship and it is particularly fitting that you and your wife should be with us again this weekend.

There is one particular matter which I would have mentioned had we been able to meet. As you may know, a British group led by GEC are bidding to supply electrical and mechanical equipment for lines 3 and 4 of the Seoul metro. I was very encouraged to hear that they have been included on the short list for this project. British industry has extensive experience in this field and I am confident that you will find that the GEC offer is technically strong and very competitive as regards price and credit terms.

I understand that Mr. Peter Blaker, the Minister of State for Defence, will be calling on you on Monday 14 September. I have asked him to mention this question to you but I wanted

/you

you to know of my own personal interest. The GEC bid incorporates substantial participation by Korean companies and I believe that their experience in working together on this project could well lead to further collaboration in the future.

I recall that in his letter to me of October 1980 about the Korean nuclear power programme, His Excellency President Chun Doo Hwan said that he had instructed the Korean Ministries concerned to enter into negotiations for the supply of British equipment and materials for other suitable projects. I therefore hope very much that your government will give careful and sympathetic consideration to GEC's proposals.

Yours sincerely

Margaret Thatcher

His Excellency Mr. Nam Duck-Woo

Filed

S. Korea H

cc: FCO

10 DOWNING STREET

THE PRIME MINISTER

11 September 1981

NOT SENT BY FCO SUPERSEDED

Dear Prime Minister,

I am sorry that the shortness of your visit and my own prior commitments mean that we shall be unable to meet during your time in London. May I however warmly welcome you and your wife to this country and express the hope that you will have a relaxing and enjoyable weekend here after what will certainly have been a tiring series of visits to other European capitals. It is good that you know us well enough to come here for the private and informal part of your tour.

If I may say so, this reflects the close links and understanding which have existed for so long between our two countries. I know that you yourself have contributed much to this very happy relationship and it is particularly fitting that you and your wife should be with us again this weekend. I hope that our weather looks kindly on the occasion.

Yours sincerely

Margaret Thatcher

Mr. Nam Duck-Woo

DVS

MODB12 p/a

Foreign and Commonwealth Office

London SW1A 2AH

10 September 1981

Dear Michael,

Private visit of the Korean Prime Minister

The Prime Minister has signed a note of welcome to Mr Nam Duck-Woo, the Prime Minister of the Republic of Korea, who will be visiting this country privately between 12 and 14 September (Willie Rickett's letter of 19 August to Francis Richards refers).

A British group led by GEC are bidding for contracts to supply electrical and mechanical equipment in connection with the extension of the Seoul metro. They have been included on the short list for the project and decisions are expected to be taken by the Koreans very shortly. GEC have a number of points in their favour. Apart from the quality of the British equipment involved, their bid provides for substantial collaboration with Korean firms and they believe that their credit terms, which are supported by ECGD, are comparable to those offered by their competitors. But as Seoul telno 155 (copy enclosed) indicates, the award of the contract may be influenced by political considerations.

The contract would be worth well over $200 million to GEC and their UK subcontractors. The Korean Prime Minister's visit provides an ideal opportunity to influence him in favour of the UK bid. We therefore hope that the Prime Minister will be prepared to sign a revised letter to Mr Nam Duck-Woo on the lines of the attached draft which has been agreed with the DOT. It would, as before, be handed over by the FCO greeter but Mr Blaker would be briefed to follow the matter up when he calls on Mr Nam on 14 September.

The reference in the final paragraph of the draft is to a letter from President Chun enclosed with my letter of 23 October 1980. It was made clear to HM Ambassador in Seoul at the time that the President had in mind contracts for the Seoul metro extension. We and the DOT see some advantage in reminding Mr Nam of this outstanding commitment.

If the Prime Minister agrees, it would be helpful if you could let me have the signed letter by midday on Friday 11 September.

I am copying this letter to the Private Secretaries to the Secretary of State for Trade, the Secretary of State for Industry and Mr Blaker in the Ministry of Defence.

Yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing St

DSR 11 (Revised)

DRAFT: ~~xxxxxx/letter/teleletter/despatch/note~~ **TYPE:** Draft/Final 1+

FROM:
Prime Minister

Reference

DEPARTMENT: **TEL. NO:**

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

PRIVACY MARKING

.....In Confidence

CAVEAT.....

TO:
His Excellency
Mr Nam Duck-Woo
Prime Minister of the Republic of Korea

Your Reference

Copies to:

SUBJECT:

I am sorry that the shortness of your visit and my own prior commitments mean that we shall be unable to meet during your time in London. May I however warmly welcome you and your wife to this country and express the hope that you will have a relaxing and enjoyable weekend here after what will certainly have been a tiring series of visits to other European capitals. It is good that you know us well enough to come here for the private and informal part of your tour.

If I may say so, this reflects the close links and understanding which have existed for so long between our two countries. I know that you yourself have contributed much to this very happy relationship and it is particularly fitting that you and your wife should be with us again this weekend.

There is one particular matter which I would have mentioned had we been able to meet. As you may know, a British group led by GEC are bidding to supply electrical and mechanical equipment for lines 3 and 4 of the Seoul metro. I was very encouraged to hear that they have been included on the short list for this project. British industry has extensive experience in this field and I am confident that you will find that the GEC offer is technically strong and very competitive as regards price and credit terms.

I understand that Mr Peter Blaker, the Minister of State for Defence, will be calling on you on Monday 14 September. I have asked him to mention this question

Enclosures—flag(s).....

to you but I wanted you to know of my own personal interest. The GEC bid incorporates substantial participation by Korean companies and I believe that their experience in working together on this project could well lead to further collaboration in the future.

I recall that in his letter to me of October 1980 about the Korean nuclear power programme, His Excellency President Chun Doo Hwan said that he had instructed the Korean Ministries concerned to enter into negotiations for the supply of British equipment and materials for other suitable projects. I therefore hope very much that your government will give careful and sympathetic consideration to GEC's proposals.

FED
TRED (2x)

GR.S 350
RESTRICTED
DESKBY 080930Z
FM SEOUL 080500Z SEP 81
TO IMMEDIATE FCO
TELEGRAM NUMBER 155 OF 8 SEPTEMBER
INFO IMMEDIATE CREDA AND INDUS

YOUR CREDA 147: SEOUL SUBWAY

1. GEC'S AGENT CONFIRMS THAT GEC'S PRICES AND FINANCIAL TERMS ARE GENERALLY COMPETITIVE. THEIR WEAKEST POINT IS ROLLING STOCK (SECTION 1) WHERE THEY ARE MARGINALLY MORE EXPENSIVE THAN THE JAPANESE. UNFORTUNATELY THIS IS THE LARGEST OFF-SHORE ELEMENT IN THE WHOLE PACKAGE - ALMOST TWO-THIRDS OF A POSSIBLE US DLRS 220 MILLION FOR UK SUPPLY.

2. THE MAIN CONCERN NOW, IS THAT THE CONTRACT MAY BE INFLUENCED BY POLITICAL CONSIDERATIONS. BOTH JAPANESE AND AMERICANS ARE ACTIVE. THE JAPANESE MAY SEEK TO LINK THE AWARD OF MAJOR CONTRACTS IN KOREA TO PROGRESS ON THE KOREAN REQUEST FOR MASSIVE JAPANESE AID. WE SHOULD NOT, THEREFORE, LET THE KOREANS FORGET OUR INTEREST AT THE POLITICAL LEVEL. WE SHOULD ALSO HAVE REGARD FOR KOREAN PRACTICE. THE KOREANS RESPECT THE HARD SELL AND RESPOND TO IT. THEY DO IT THEMSELVES AND EXPECT IT IN RETURN. LACK OF PRESSURE MAY BE TAKEN AS A SIGN OF LACK OF INTEREST.

3. SMG IS STILL AIMING FOR A DECISION BY END SEPTEMBER, ALTHOUGH PREVIOUS EXPERIENCE DOES NOT RULE OUT THE POSSIBILITY OF SLIPPAGE. ON THIS BASIS WE SHOULD MAKE OUR MAJOR EFFORT BY MID-SEPTEMBER. PRIME MINISTER NAM'S VISIT ON 14 SEPTEMBER IS THEREFORE MOST TIMELY. THE MAYOR OF SEOUL REPORTS TO HIM AND HE IS THE KEY FIGURE IN ANY POLITICAL DECISION. A MESSAGE FROM THE PRIME MINISTER TO NAM AT THE TIME OF HIS VISIT WOULD BE MOST HELPFUL. THIS COULD EITHER BE ORALLY BY MR BLAKER OR INCORPORATED IN THE LETTER OF WELCOME. THE IMPORTANT THING IS THAT THE MESSAGE SHOULD BE CLEARLY SEEN AS EMANATING FROM THE PRIME MINISTER.

4. I DO NOT THINK THAT A FURTHER LETTER FROM THE PRIME MINISTER TO THE PRESIDENT WOULD BE ANY MORE EFFECTIVE.

MORGAN

File

DSG

CF

19 August 1981

Michael Arthur wrote to me on 13 August about the private visit to the United Kingdom of Mr. Nam Duck-Woo, the Prime Minister of the Republic of Korea.

The Prime Minister has agreed to send Mr. Nam Duck-Woo a note of welcome. This is attached, dated 11 September. It can be handed over by the FCO greeter, as proposed.

WK

Francis Richards, Esq.,
Foreign and Commonwealth Office.

DSG

10 DOWNING STREET

PRIME MINISTER

The Prime Minister of the Republic of Korea will be paying a private visit next month to this country.

Although the FCO are not proposing that he should call on you, they would like you to send him a note of welcome. If you agree, could you please sign the attached draft.

More details of the visit are set out in the letter below the draft.

MTF

14 August 1981

RESTRICTED

Foreign and Commonwealth Office

London SW1A 2AH

13 August 1981

Dear Willie,

The Prime Minister of the Republic of Korea, Mr Nam Duck-Woo, and his wife will be in Britain on a private visit from 12 to 14 September following an official tour of Sweden, Finland, Denmark and Belgium. They will be accompanied by a party of other Ministers, senior officials and press.

Despite the strictly informal nature of the visit the Lord Privy Seal attaches importance to showing the Korean Prime Minister the appropriate courtesies. We have good relations with Korea and important commercial interests there. Mr Nam, who is an economist, is generally credited with responsibility for Korea's remarkable economic and industrial progress in recent years. He is a good friend of Britain's and has visited London several times in previous ministerial capacities. We believe however that this is the first time a Korean Prime Minister has visited London.

An FCO greeter will be present at his arrival and departure and we propose that an appropriate Minister might call on Mr Nam on the morning of 14 September. We are pursuing this separately. We have explained to the Koreans that the Prime Minister herself is fully committed that morning. It would however be greatly appreciated by them if the Prime Minister were to send him a note of welcome on the lines of the enclosed draft. If the Prime Minister agrees to this, the FCO greeter might hand the message to Mr Nam on his arrival. The letter should therefore be dated 11 September.

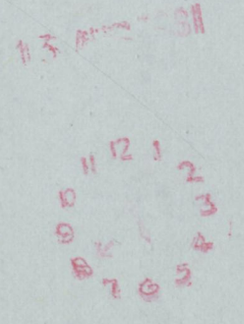
Yours ever

Mutrand Arthur

M A Arthur
Private Secretary to the
Lord Privy Seal

W Rickett Esq
10 Downing Street

RESTRICTED



DSR 11 (Revised)

DRAFT: ~~minute/letter/telegram/despatch/note~~

TYPE: Draft/Final 1+

FROM:

Prime Minister

DEPARTMENT:

TEL. NO:

Reference

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

TO:

Mr Nam Duck-Woo
Prime Minister of the Republic of Korea

Your Reference

Copies to:

PRIVACY MARKING

.....In Confidence

CAVEAT.....

SUBJECT:

I am sorry that the shortness of your visit and my own prior commitments mean that we shall be unable to meet during your time in London. May I however warmly welcome you and your wife to this country and express the hope that you will have a relaxing and enjoyable weekend here after what will certainly have been a tiring series of visits to other European capitals. It is good that you know us well enough to come here for the private and informal part of your tour.

If I may say so, this reflects the close links and understanding which have existed for so long between our two countries. I know that you yourself have contributed much to this very happy relationship and it is particularly fitting that you and your wife should be with us again this weekend. I hope that our weather looks kindly on the occasion.

Enclosures—flag(s).....

vb

5 May 1981

Korea: Message from President Chun Doo Hwan

I am sorry that you have not received an earlier reply to your letter to me of 13 April. I should be grateful if our Ambassador in Seoul could be instructed, as you suggest, to send a brief message of thanks to President Chun on the Prime Minister's behalf for his message and for the gold medallion enclosed with it.

MODBA

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

S. Korea

Foreign and Commonwealth Office

London SW1A 2AH

13 April 1981

Dear Michael,

Korea: Message from President Chun Doo Hwan

I enclose a letter from the President of the Republic of Korea in reply to the Prime Minister's letter of congratulation (copy attached) on the President's inauguration.

President Chun has sent the Prime Minister with his message a gold commemorative medal. We would suggest that our Ambassador in Seoul might be instructed to send a brief message of thanks on behalf of the Prime Minister. Since the President's message is in reply to one from the Prime Minister we see no need for the Prime Minister to acknowledge it personally.

yours ever

Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

13 APR 1981

FE
- 9 APR 1981

EMBASSY OF THE REPUBLIC OF KOREA
4 PALACE GATE
LONDON W8 5NF

8th April 1981

Sir,

I have the honour to enclose a letter addressed to The Rt. Hon. Mrs Margaret Thatcher, MP, Prime Minister, from His Excellency Chun Doo Hwan, President of the Republic of Korea, and also, as a token of His Excellency's appreciation of the Prime Minister's warm friendship, a medal commemorating his inauguration as President.

I have the further honour to request that these enclosures be conveyed to the high destination.

Please accept, Sir, the renewed assurances of my highest consideration.

Young Hoon Kang
Young Hoon Kang
Ambassador

The Rt. Hon. the Lord Carrington PC KCMG MC
Her Majesty's Principal Secretary of State
for Foreign and Commonwealth Affairs

Enclosures: as stated

SUBJECT

cc Master
OPS

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T47B/81
(2)

President of the Republic of Korea

Prime Minister.

(Translation)

No need to reply (it is a reply to you). But the medal is 2 ozs of solid 18 kt gold.

March 7, 1981

Dear Prime Minister,

13/4

I have the honour, on behalf of the Government and people of the Republic of Korea, to express my profound appreciation for your kind message of congratulation sent through the special envoy, His Excellency Peter Allan Renshaw Blaker, on my inauguration as the President of the Republic of Korea. It was indeed gracious of Her Majesty Queen Elizabeth II to send Her Majesty's representative to the inauguration ceremony.

I share your belief that the friendly relations between the two countries, which have been maintained nearly for a century, will continue to be strengthened through our mutual efforts. I hope and trust that these traditional friendly and cooperative relations will be further consolidated and expanded.

As a token of my appreciation for your warm friendship, I am enclosing a medal commemorating my inauguration.

Please accept, Madam, the assurances of my highest consideration.

/s/ Chun Doo Hwan

The Right Honourable
Margaret Hilda Thatcher, M.P.
Prime Minister of the United Kingdom
of Great Britain and Northern Ireland

대한민국 대통령

1981년 3월 7일

수상 각하,

본인은 본인의 대한민국 대통령 취임에 즈음하여 각하께서 피터 알렌 렌쇼 블레이커 특사를 통하여 본인에게 축하 멧시지를 보내 주신데 대하여 대한민국국민과 정부를 대신하여 감사드리오며, 또한 엘리자베스 2세 여왕께서 친절하게도 동 취임식에 경축 특사를 파견하여 주신데 대하여 사의를 표하고저 합니다.

본인은 근 1세기에 걸쳐서 유지되어 온 양국의 친선관계가 우리의 상호 노력과 함께 계속 강화될 것이라는 각하의 확신에 동감하는 바이며, 양국의 협력으로 이러한 전통적 우호관계가 더욱 공고화 되기를 바라는 바입니다.

감사의 뜻으로 이에 조그만 기념품을 동봉하오며, 각하의 건승하심과 맡으신 중책에 성공이 있으시기를 기원합니다.

전 두 환

대영 왕국

마가레트 힐다 대처 수상 각하

VLB

S. Korea.

SUBJECT.

10 DOWNING STREET

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 35/81

THE PRIME MINISTER

27 February 1981

cc Master set
opt.

Your Excellency

On the occasion of your inauguration as 12th President of the Republic of Korea I take this opportunity to extend warm congratulations to you, and the wishes of the British government and people that under your Presidency the people of Korea will enjoy continued prosperity and peace.

I am confident that the friendly relations which have existed between our two countries for nearly a hundred years will be maintained and further strengthened.

Yours sincerely

MT

His Excellency President Chun Doo Hwan

jfh

RESTRICTED

OTD

Foreign and Commonwealth Office

Type for PM's signature

London SW1A 2AH

17 February 1981

Dear Michael,

Presidential elections under a new constitution are to be held in South Korea on 25 February, followed by an inauguration on 3 March. It is a foregone conclusion that President Chun Doo Hwan will be re-elected.

Lord Carrington recommends that the Prime Minister should send a congratulatory message, as she did on 1 September 1980 when President Chun was first elected.

Mr Blaker will be attending the inauguration as the Government's Special Representative. It would be appropriate for him to deliver the Prime Minister's message personally in the form of a signed letter.

I attach a draft. If the Prime Minister is content, the letter should be dated 27 February, by which time the official result of the election will be known. Mr Blaker leaves for Seoul on 28 February.

yours ever

Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
LONDON

RESTRICTED

17 FEB 1981

DSR 11 (Revised)

DRAFT: ~~minute/letter/telegram/despatch/note~~

TYPE: Draft/Final 1+

FROM:

Prime Minister

DEPARTMENT:

TEL. NO:

Reference

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

TO:

His Excellency
President Chun Doo Hwan
President of the Republic of Korea

Your Reference

Copies to:

PRIVACY MARKING

.....In Confidence

CAVEAT.....

SUBJECT:

On the occasion of your inauguration as 12th President of the Republic of Korea I take this opportunity to extend warm congratulations to you, and the wishes of the British government and people that under your Presidency the people of Korea will enjoy continued prosperity and peace.

I am confident that the friendly relations which have existed between our two countries for nearly a hundred years will be maintained and further strengthened.

Enclosures—flag(s).....

S. Korea

File

10 DOWNING STREET

From the Private Secretary

21 November 1980

Korea: Kim Dae Jung

The Prime Minister has seen your letter to me of 20 November about action by the Presidency of the Community in the event that the death sentence on Kim Dae Jung is upheld by the Korean Supreme Court. As I have told you on the telephone, the Prime Minister is content that a demarche should be made in the name of the Heads of State and Government of the Nine.

M. O'D. B. ALEXANDER

Roderic Lyne, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

Prime Minister.

Yes - very much so.

Agree 'A'?

Duty Clerk 20/11/80.

Foreign and Commonwealth Office

London SW1A 2AH

20 November 1980

Dear Michael,

Korea: Kim Dae Jung

The Political Committee of the Nine have been considering what further action might be taken by the Nine over the case of Kim Dae Jung, the Opposition leader who has been sentenced to death in Korea for his alleged part in the Kwangju uprising last May and other activities deemed subversive (he is alleged in particular to have had contacts with North Korea). His appeal against his death sentence will shortly be considered by the Supreme Court. The general consensus is that, if, as is likely, the sentence is upheld by the Supreme Court the Presidency representative should make an immediate appeal for clemency to President Chun, who will take the final decision.

Partly because of Herr Genscher's strong personal interest, the Germans have taken the lead in the discussions among the Nine. They wish the final joint representations to be made in the name of Heads of State and Government and are also pressing for joint sanctions (eg the recall of Ambassadors and the discouragement of high level visits to or from Korea) to be considered should Kim be executed.

Although the timetable is uncertain there is a possibility that the Supreme Court proceedings may be concluded early next month. The matter may therefore be raised again by Genscher at the Ministerial meeting of the Nine on 24 - 25 November. We intend to resist the idea of sanctions which would damage our commercial interests in Korea without achieving any useful purpose. But in view of the strength of German feelings, Lord Carrington feels that it would be wrong to stand out against a demarche in the name of Heads of State and Government if there is general support for it. It would be helpful if you could let me know as soon as possible whether the Prime Minister would be prepared to be associated with such a demarche. The demarche would be made discreetly by the Presidency representative in Seoul, though the fact that it had been made would subsequently be made public. We do not favour a statement by the European Council; conspicuous public pressure is more likely to harden President Chun's attitude than to save Kim's life.

Yes A.

Yours ever

Roderic Lyne

M O'D B Alexander Esq
10 Downing Street

(R M J Lyne)
Private Secretary

CONFIDENTIAL

SUBJECT

China

T 201/80

CONFIDENTIAL

cc Master
OPP

GRS 245

CONFIDENTIAL

FM SEOUL 140045Z OCT

TO ROUTINE FCO

TELNO 305 OF 14.10.80.

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 201/80

MR.

NUCLEAR POWER STATIONS.

1. ON 11 OCTOBER THE FOREIGN MINISTER GAVE SIR EDWARD YOUDE THE PRESIDENT'S REPLY TO THE PRIME MINISTER'S LETTER. THE ORIGINAL FOLLOWS BY BAG. THE TEXT IS AS FOLLOWS:

"DEAR PRIME MINISTER

I THANK YOU MOST SINCERELY FOR YOUR KIND CONGRATULATORY MESSAGE ON MY ASSUMPTION OF PRESIDENCY ON SEPTEMBER 1, 1960. AND I WOULD ALSO LIKE TO RECIPROCATE THE GOOD WISHES OF THE BRITISH GOVERNMENT AND PEOPLE. I AM PLEASED TO SHARE YOUR SENTIMENT THAT OUR TWONATIONS HAVE ALWAYS ENJOYED GOOD RELATIONS AND THAT CONCRETE CO-OPERATION IN MANY WORTHWHILE FIELDS HAVE STEADILY EXPANDED TO OUR MUTUAL SATISFACTION.

I ALSO TAKE PLEASURE IN REFERRING YOUR LETTER OF JUNE 29, 1980, ADDRESSED TO THE THEN PRESIDENT, H.E. CHOI KYU HAH, WHICH HAS BEEN PLACED BEFORE ME FOR RUNECESSARY COURSE OF ACTION.

AS FOR THE QUESTION OF SUPPLYING THE CONVENTIONAL PARTS FOR NEW NUCLEAR POWER STATIONS, I WOULD LIKE TO INFORM YOU THAT THE RECENT INDUSTRIAL REALIGNMENT SCHEME OF MY GOVERNMENT MAKES IT VERY DIFFICULT TO OFF X BRITISH FIRMS ANOTHER OPPORTUNITY TO SUPPLY THEM FOR THE POWER STATIONS.

HOWEVER, IN COGNIZANCE OF YOUR PERSONAL INTEREST IN THE IMPORTANT COMMERCIAL MATTERS BETWEEN OUR TWO COUNTRIES, I HAVE INSTRUCTED MY MINISTRIES CONCERNED TO HAVE BOTH SIDES ENTER INTO NEGOTIATIONS FOR THE SUPPLY OF EQUIPMENTS AND MATERIALS REQUIRED FOR OTHER SUITABLE PROJECT INSTEAD OF THE PARTICULAR ONE REFERRED TO IN YOUR LETTER.

WITH MY BEST PERSONAL REGARDS AND WISHES, I REMAIN

SINCERELY YOURS

CHUN DOO HWAN

MORGAN

LIMITED
FED
ES & SD
PS
PS/LPS
PS/MR HURD
PS/MR BLAKER
PS/PUS
LORD BRIDGES
MR BRAITHWAITE
MR DONALD

[COPIES SENT TO NO 10 DOWNING ST]

S Korea

Foreign and Commonwealth Office

London SW1A 2AH

23 October 1980

K. Thos 24/X

Dear Michael,

Korea: Nuclear Power Stations

You will have seen Seoul telno 305 containing the text of President Chun's reply to the Prime Minister's letter of 29 June (copy enclosed) to former President Choi, seeking favourable consideration for GEC's bid to supply turbines for the next two Korean nuclear power stations.

I enclose the original of President Chun's letter. I understand that the Department of Industry are considering what response if any the Prime Minister should be advised to make.

Copies of this letter go to Stuart Hampson (Department of Trade) and Ian Ellison (Department of Industry).

Not enclosed: requested - Thos

Yours ever

Rodric Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
London SW1

GTS 245

CONFIDENTIAL

FM SEOUL 140045Z OCT

TO ROUTINE FCO

TELNO 305 OF 14.10.80.

NUCLEAR POWER STATIONS.

1. ON 11 OCTOBER THE FOREIGN MINISTER GAVE SIR EDWARD YOUDE THE PRESIDENT'S REPLY TO THE PRIME MINISTER'S LETTER. THE ORIGINAL FOLLOWS BY BAG. THE TEXT IS AS FOLLOWS:

"DEAR PRIME MINISTER

I THANK YOU MOST SINCERELY FOR YOUR KIND CONGRATULATORY MESSAGE ON MY ASSUMPTION OF PRESIDENCY ON SEPTEMBER 1, 1980. AND I WOULD ALSO LIKE TO RECIPROCATE THE GOOD WISHES OF THE BRITISH GOVERNMENT AND PEOPLE. I AM PLEASED TO SHARE YOUR SENTIMENT THAT OUR TWONATIONS HAVE ALWAYS ENJOYED GOOD RELATIONS AND THAT CONCRETE CO-OPERATION IN MANY WORTHWHILE FIELDS HAVE STEADILY EXPANDED TO OUR MUTUAL SATISFACTION.

I ALSO TAKE PLEASURE IN REFERRING YOUR LETTER OF JUNE 29, 1980, ADDRESSED TO THE THEN PRESIDENT, H.E. CHOI KYU HAH, WHICH HAS BEEN PLACED BEFORE ME FOR RUNECESSARY COURSE OF ACTION.

AS FOR THE QUESTION OF SUPPLYING THE CONVENTIONAL PARTS FOR NEW NUCLEAR POWER STATIONS, I WOULD LIKE TO INFORM YOU THAT THE RECENT INDUSTRIAL REALIGNMENT SCHEME OF MY GOVERNMENT MAKES IT VERY DIFFICULT TO OFF X BRITISH FIRMS ANOTHER OPPORTUNITY TO SUPPLY THEM FOR THE POWER STATIONS.

HOWEVER, IN COGNIZANCE OF YOUR PERSONAL INTEREST IN THE IMPORTANT COMMERCIAL MATTERS BETWEEN OUR TWO COUNTRIES, I HAVE INSTRUCTED MY MINISTRIES CONCERNED TO HAVE BOTH SIDES ENTER INTO NEGOTIATIONS FOR THE SUPPLY OF EQUIPMENTS AND MATERIALS REQUIRED FOR OTHER SUITABLE PROJECT INSTEAD OF THE PARTICULAR ONE REFERRED TO IN YOUR LETTER.

WITH MY BEST PERSONAL REGARDS AND WISHES, I REMAIN

SINCERELY YOURS

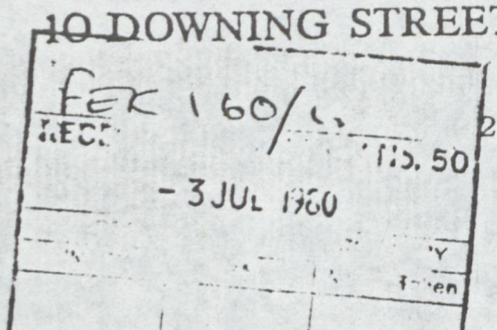
CHUN DOO HWAN

MORGAN

LIMITED
FED
ES & SD
PS
PS/LPS
PS/MR HURD
PS/MR BLAKER
PS/PUS
LORD BRIDGES
MR BRAITHWAITE
MR DONALD

[COPIES SENT TO NO 10 DOWNING ST]

10 DOWNING STREET



THE PRIME MINISTER

29 June 1980

I am taking the opportunity of the visit to the Republic of Korea of Sir Ian Gilmour to address Your Excellency on an important commercial matter.

I understand that a decision will shortly be taken on the placing of contracts by the Korea Electric Company (KECO) for the supply of two new nuclear units. I believe that the contracts for the nuclear islands for these stations may be awarded as a result of bilateral negotiations. If this is so, I hope that it will be possible to offer British engineering companies a similar opportunity to negotiate for the supply of conventional islands for these two units and that your Authorities will give full consideration to the advantages which the major British manufacturer, GEC, could offer. For over ten years it has been successfully involved with your country's power programme and has supplied over half the turbine generators installed in your nuclear power stations. GEC has unrivalled understanding of the requirements of your electricity industry, and KECO's knowledge of GEC equipment is considerable. A further contract with KECO could lead to an extension of the licensing arrangements which GEC already has with Hyundai Heavy Industries, to a further transfer of technology, and to an increased share of manufacture in Korea.

These are technical advantages which speak for themselves. I would moreover regard it as firm evidence of the good relations

/our two

our two countries have always enjoyed if your Authorities were to invite GEC to enter into discussions with a view to the conclusion of a negotiated contract. I very much hope that they will do so.

With best personal wishes,

(Sgd) MARGARET THATCHER

His Excellency Mr. Choi Kyu-hah

23 OCT 1980

SUBJECT

T 199A/80

PRIME MINISTER'S PERSONAL MESSAGE SERIAL NO. T 199A/80

President of the Republic of Korea

(Translation)

October 8, 1980

Dear Prime Minister:

I thank you most sincerely for your kind congratulatory message on my assumption of Presidency on September 1, 1980, and I would also like to reciprocate the good wishes of the British Government and people. I am pleased to share your sentiment that our two nations have always enjoyed good relations and that concrete cooperation in many worthwhile fields have steadily expanded to our mutual satisfaction.

I also take pleasure in referring your letter of June 29, 1980 addressed to the then President, H.E. Choi Kyu Hah, which has been placed before me for a necessary course of action.

As for the question of supplying the conventional parts for new nuclear power stations, I would like to inform you that the recent industrial realignment scheme of my Government makes it very difficult to offer British firms another opportunity to supply them for the power stations.

However, in cognizance of your personal interest in the important commercial matters between our two countries, I have instructed my Ministries concerned to have both sides enter into negotiations for the supply of equipments and materials required for other suitable project instead of the particular one referred to in your letter.

With my best personal regards and wishes, I remain

Sincerely yours

/s/ Chun Doo Hwan

The Right Honourable
Margaret Hilda Thatcher, M.P.
Prime Minister of the United Kingdom
of Great Britain and Northern Ireland

대 한 민 국 대 통 령

1980년 10월 8일

친애하는 대처 수상,

본인은 수상께서 1980년 9월 1일 본인의 대한민국 대통령직 취임에 즈음하여 보내주신 축전에 대하여 진심으로 감사를 드리며, 영국정부와 국민의 축하에 대하여도 답례를 드리는 바입니다.

본인은 우리 양국이 호상 우호적인 관계를 누려 왔으며, 여러분야에서 긴밀한 협조 관계가 만족스럽게 발전되어 왔다는 사실에 대하여 수상과 의견을 같이하고 있음을 기쁘게 생각합니다.

본인은 또한 후속 조치가 필요하여 본인에게 인계된 귀하의 1980. 6. 29.자 최규하 당시 대통령 앞 서한에 대하여 말씀드리게 됨을 기쁘게 생각합니다.

2기의 새로운 발전소 설비 공급문제와 관련, 본인은 수상께 아국정부의 산업 재조정 계획으로 인해 영국 회사에게 동 발전소의 재래식 부품 공급을 위한 고섭 기회를 제공함이 매우 어려워 졌다는 사실을 알려 드립니다.

그러나, 우리 양국간의 중요한 상담문제에 관한 수상의 개인적 관심을 존중하여, 본인은 관계부처로 하여금 이에 대치될 만한 기타 사업에 소요되는 장비 및 기재 공급 등을 위한 쌍방간의

고섭을 개시하도록 지시한 바 있읍니다.

본인의 각별한 안부를 드리며,

전 두 환

대영 왕국

마가레트 힐다 대처 수상 귀하

S Korea

FEK 014/1

Her Majesty's Principal Secretary of State for Foreign and Commonwealth Affairs presents his compliments to His Excellency the Korean Ambassador and has the honour to acknowledge the Ambassador's Note No KEL/80P/45 transmitting the text of His Excellency President Chun Doo-Hwan's message of 5 September to the Prime Minister. The message has been conveyed to the Prime Minister's Office.

The Secretary of State avails himself of this opportunity to express to the Ambassador the assurance of his highest consideration.

FOREIGN AND COMMONWEALTH OFFICE, LONDON

FOREIGN AND COMMONWEALTH OFFICE, SW1

12 September 1980

Reference.....

bcc: Chancery, Seoul (+cc of inward Note)
PCD
Research Dept

FE

T 1702/80

SUBJECT.

KOREAN EMBASSY
4, PALACE GATE,
LONDON, W8 5NF

FOREIGN AND COMMONWEALTH OFFICE
11 SEP 1980
ALLOCATION SECTION

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 1702/80.

KEL/80P/45

cc Master set
ops

The Ambassador of the Republic of Korea presents his compliments to Her Majesty's Principal Secretary of State for Foreign and Commonwealth Affairs and has the honour to enclose the following cable message addressed to The Right Honourable Maragaret Thatcher MP, Prime Minister, from His Excellency Chun Doo-Hwan, President of the Republic of Korea:

"THE RIGHT HONOURABLE
MARGARET HILDA THATCHER MP
PRIME MINISTER
LONDON

SEOUL, SEPTEMBER 5, 1980

EXCELLENCY,
I AM GRATEFUL TO YOU AND YOUR PEOPLE FOR THE WARM CONGRATULATIONS ON MY ELECTION TO THE ELEVENTH PRESIDENCY OF THE REPUBLIC OFKOREA. IT IS MY EARNEST HOPE THAT MY TENURE OF OFFICE WILL WITNESS FURTHER STRENGTHENING OF FRIENDLY RELATIONS BETWEEN OUR TWO COUNTRIES AND WILL SERVE TO ENSURE OUR COMMON PROSPERITY. I AM LOOKING FORWARD WITH PLEASURE TO WORKING WITH YOU ON BEHALF OF OUR MUTUAL INTERESTS.
ACCEPT, YOUR EXCELLENCY, MY BEST WISHES FOR YOUR CONTINUED GOOD HEALTH AND PROSPERITY OF YOUR GREAT NATION.
SINCERELY,
CHUN DOO-HWAN, PRESIDENT OF THE REPUBLIC OF KOREA

The Ambassador of the Republic of Korea has the further honour to request that the said cable message be conveyed to the high destination.

The Ambassador of the Republic of Korea avails himself of this opportunity to renew to Her Majesty's Principal Secretary of State for Foreign and Commonwealth Affairs the assurances of his highest consideration.

London
9th September 1980

Spoken Private Office.
Copy this and our acknowledgement, to them for transmission to No. 10. No need for formal submission.
12.9.80

cc. Chy, Seoul.
PCS/

EMBASSY OF THE REPUBLIC OF KOREA
LONDON

SUBJECT

S. Korea

CONFIDENTIAL

41035 - 1

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 168/80.

GRS 114
CONFIDENTIAL
FM FCO 271130Z AUG 80
TO IMMEDIATE SEOUL
TELEGRAM NUMBER 162 OF 27 AUGUST
INFO WASHINGTON, TOKYO
INFO SAVING EC CAPITALS AND UKREP BRUSSELS
YOUR TELNO 245 : INAUGURATION OF PRESIDENT CHUN

1. PLEASE ARRANGE FOR THE DELIVERY OF THE FOLLOWING MESSAGE FROM THE PRIME MINISTER TO PRESIDENT CHUN DOO HWAN AT THE APPROPRIATE TIME.

QUOTE: I EXTEND TO YOUR EXCELLENCY UPON YOUR INAUGURATION THE WISHES OF THE BRITISH GOVERNMENT AND PEOPLE THAT UNDER YOUR PRESIDENCY THE PEOPLE OF KOREA WILL ENJOY CONTINUED PROSPERITY IN CONDITIONS OF SOCIAL JUSTICE AND PEACE.

I AM CONFIDENT OF THE FURTHER DEVELOPMENT OF THE FRIENDLY RELATIONS SO LONG EXISTING BETWEEN OUR TWO COUNTRIES. UNQUOTE.

CARRINGTON

[COPIES SENT TO NO 10 DOWNING ST.]

LIMITED	PS
FED	PS/LPS
NEWS DEPT	PS/MR BLAKER
PCD	PS/PUS
OID	SIR E YOUDE

vb S. Korea

BF 29.8.80
for T. message

27 August 1980

Thank you for your letter of 26 August, about the Presidential election in Korea.

The Prime Minister has approved the draft message enclosed with your letter.

MAP

Christopher Jebb, Esq.,
Foreign and Commonwealth Office.

Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

Against the background described here content to approve the message at "A"? MAP 26/8 Yes ml

26 August 1980

Dear Mike,

Korea

It is now virtually certain that the current effective ruler of Korea, General Chun Doo Hwan, will resign from the military in the next few days and be elected President shortly thereafter (Seoul telno 245 enclosed).

By engineering the resignation of President Choi on 16 August General Chun has ensured that the forthcoming election will be carried out under the old Constitution which President Choi had pledged himself to liberalise. Proposals for a new Constitution were to have been circularised in September and put to a Referendum in October. Once installed as President, General Chun will be in a position to control what amendments should be put to the people. Had he waited till later his personal unpopularity in the country might have debarred him from assuming power except by extra-Constitutional means.

However distasteful this and General Chun's treatment of political opponents such as Kim Dae Jung (whose trial on sedition charges continues) we are not well-placed to exert influence. The Americans and Japanese with much closer ties have had little success. It is inevitable that the military (with a standing army of 600,000) will continue to be the dominant power group in Korea as they were under President Park. General Chun believes that only they provide the discipline and probity lacking among politicians and necessary for Korea's security, and its economic and social progress. The UK's principal interests are in Korea's security and stability and in its valuable export market; we may deplore the suppression of opposition but we should also recognise that most Koreans appear to accept the need for authoritarian leadership. The interim Presidency of President Choi has not provided this.

In these circumstances we must accept that General Chun is the man we have to deal with. Given our existing good relations with the Korean Government and our commercial interests (including) our hopes of GEC winning a contract for power generating equipment, about which the Prime Minister wrote to President Choi) Lord Carrington recommends that the Prime Minister should send a message of good wishes to Chun for his Inauguration, likely to be on 1 September. This should be correct and need not be

/too

too warm. I enclose a draft. The message should be despatched from here on 28 August by which time we should know for certain that Chun has been elected and the date for his Inauguration.

Yours ever

Chris Fall

MP.

(P Lever)
Private Secretary

M O'D B Alexander Esq
Private Secretary
10 Downing Street
LONDON

CONFIDENTIAL

GRS 200
CONFIDENTIAL
FM SEOUL 190700Z AUG 80
TO PRIORITY FCO
TELEGRAM NUMBER 245 OF 19 AUGUST
INFO WASHINGTON

OUR TELNO. 243: RESIGNATION OF PRESIDENT CHOI

1. AT A REGIONAL MEETING OF OVER 400 SEOUL AND CHEJU ISLAND DELEGATES TO THE NATIONAL CONFERENCE FOR UNIFICATION HELD HERE YESTERDAY, GENERAL CHUN DOO HWAN WAS CHOSEN AS CANDIDATE FOR THE PRESIDENCY. IT SEEMS LIKELY THAT HE WILL RETIRE FROM THE ARMY ON 22 AUGUST AND THAT THE NCU WILL MEET IN FULL SESSION TO ELECT HIM AS PRESIDENT ON 27 OR 28 AUGUST. HIS INAUGURATION IS EXPECTED TO TAKE PLACE ON 1 SEPTEMBER.

2. CHUN'S ELECTION WILL BE IN FULL ACCORD WITH THE PROVISIONS OF THE PRESENT CONSTITUTION. WE ASSUME, THEREFORE THAT THE PRIME MINISTER WILL WISH TO SEND A MESSAGE OF CONGRATULATION ON THE LINES OF THAT SENT TO PRESIDENT CHOI (YOUR TELNO. 221 OF 17 DECEMBER 1979). THE MESSAGE SHOULD PREFERABLY REACH US BY 29 AUGUST IN TIME TO BE DELIVERED ON 1 SEPTEMBER. THE AMERICANS ARE PROPOSING TO SEND A MESSAGE INTO WHICH, IN VIEW OF THE SPECIAL RELATIONSHIP BETWEEN THE TWO COUNTRIES, THEY WILL PROBABLY INSERT REFERENCES TO DEMOCRATIC DEVELOPMENT. THE NETHERLANDS, NEW ZEALAND AND AUSTRALIAN EMBASSIES EXPECT TO SEND THE SAME MESSAGE AS BEFORE.

FIELD
STANDARD
FED
SEAD
NAD
IPD
NEWSD
OID
CABINET OFFICE

COPIES SENT TO
No. 10 DOWNING STREET

THIS TELEGRAM
WAS NOT
ADVANCED

CONFIDENTIAL

D 107991 400,000 7/76 904953

XY 42

File No. .....

Department .....

Drafted by (Block Capitals) .....

Tel. Extn. .....

OUTWARD TELEGRAM

Security Classification: CONFIDENTIAL

Precedence: IMMEDIATE

DESKBY .....Z

FOR COMMS. DEPT. USE

Despatched (Date) ..... (Time) .....Z

POSTBY .....Z

PREAMBLE

(Time of Origin) .....Z (G.M.T.)

(Security Class.) CONFIDENITAL

(Codeword) .....

(Restrictive Prefix) .....

(Caveat/ Privacy marking) .....

(Deskby) .....Z

TO IMMEDIATE (precedence) SEOUL (post) Tel. No. .....of .....

AND TO (precedence/post) .....

.....

.....

AND SAVING TO .....

REPEATED TO (for info) WASHINGTON TOKYO

.....

.....

SAVING TO (for info) .....

Distribution:–
Limited
FED
News D
PCD
OID
IPD
PS
PS/LPS
PS/Mr Blaker
PS/PUS
Sir E Youde

Copies to:–
Number 10

[TEXT]

Your telno 245 : INAUGURATION OF PRESIDENT CHUN

1. Please arrange for the delivery of the following message from the Prime Minister to President Chun Doo Hwan at the appropriate time.

Quote: I extend to Your Excellency upon your inauguration the wishes of the British Government and people that under your Presidency the people of Korea will enjoy continued prosperity in conditions of social justice and peace.

I am confident of the further development of the friendly relations so long existing between our two countries.

Unquote.

CONFIDENTIAL

26 AUG 1980

GRS 450
CONFIDENTIAL
CONFIDENTIAL
FM SEOUL 180700Z AUG 80
TO PRIORITY FCO
TELEGRAM NUMBER 243 OF 18 AUGUST
INFO TOKYO, WASHINGTON, AND MODUK (DI4)

Prime Minister
MS. MPP 21/8.

RESIGNATION OF PRESIDENT CHOI

1. IN OUR RECENT REPORTS WE HAVE NOTED THAT GENERAL CHUN'S PRESIDENTIALL AMBITIONS HAVE BECOME MUCH MORE OBVIOUS. PRESIDENTS CHOI'S RESIGGNATION NOW CLEARS THE WAY FOR CHUN'S ELECTION AS PRESIDENT BY THE NATIONAL CONFERENCE FOR UNIFICATION (NCU). THIS COULD WELL TAKE PLACE BY THE END OF AUGUST. IT SEEMS MOST UNLIKELY THAT ANY OTHER CANDIDATE WILL BE CONSIDERED SERIOUSLY.

2. THE REASON FOR THIS SUDDEN ACCELARATION IN THE QUOTE PROCESS OF CONSTITUTIONAL CHANGE UNQUOTE IS NOT CLEAR. THERE SEEMED TO BE NO REASON TO CHANGE PRESIDENTS BEFORE THE NEW CONSTITUTION IS READY. EVEN THE AMERICANS WERE TAKEN BY SURPRISE. THEY AND THE JAPANESE WERE ONLY INFORMED LATE ON FRIDAY THAT CHOI WOULD RESIGN THE FOLLOWING MORNING. THE OFFICIAL EXPLANATION FOR THE TIMING (PARA. 6 OF MY TUR) IS UNLIKELY TO BEE THE WHOLE STORY. IT SEEMS PROBABLE THAT CHUN DECIDED THAT HE WOULD BE BETTER PLACED TO CONTROL EVENTS, INCLUDING ARRANGEMENTS FOR CONSTITUTIONAL CHANGE, IF HE TOOK OVER THE PRESIDENCY, AND THAT HE CHOSE A PERIOD WHEN ALL WAS CALM INTERNALLY AND WHEN HE HAD GAINED A MEASURE OF POPULAR SUPPORT FROM THE SOCIAL REFORMS INSTIGATED BY THE SPECIAL COMMITTEE FOR NATIONAL SECURITY MEASURES. ALL THE EVIDENCE WE HAVE SUGGESTS THAT CHUN'S DECISION WAS NOT LONG PREMEDITATED. THE ABSENCE OF AMBASSADOR GLEYSTEEN AND GENERAL WICKHAM MAY ALSO HAVE CONTRIBUTED TO IT.

3. BUSINESS CIRCLES ARE LIKELY TO ACCEPT THE ELECTION OF GENERAL CHUN WITH RESIGNED RELIEF AS THEY ARE ANXIOUS TO SEE THE DECISION--TAKING PROCESS IN ACTION AGAIN. POLITICIANS, ACADEMICS AND STUDENTS WILL BE GREATLY DISILLUSIONED, BUT FOR THE MOMENT ARE IN CONSIDERABLE DISARRAY WITH NO OBVIOUS FIGURES OR ASSOCIATIONS AROUND WHICH TO RALLY. THE POLITICAL PARTIES ARE WEAK AND DISORGANISED, WHILE THE STUDENTS ARE STILL AT HOME. IT IS TRUE THAT THE UNIVERSITIES WILL OPEN SOON: SOME FACULTIES ARE ALREADY WORKING. BUT ALL STUDENTS ACTIVELY INVOLVED IN LEADING THE MAY DEMONSTRATIONS HAVE BEEN EXPELLED AND IT IS CLEAR THAT THE MILITARY WILL ACT FIRMLY AGAINST ANY NEW SIGNS OF UNREST. THE PRESS, TOO, IS POWERLESS: IT IS STRICTLY CENSORED AND CARRIES NO NEWS UNFAVOURABLE TO THE GOVERNMENT. CHUN WILL THEREFORE BE ABLE TO ATTAIN THE PRESIDENCY WITHOUT DIFFICULTY BUT HE WILL NOT HAVE THE WHOLEHEARTED SUPPORT OF THE POPULATION.

CONFIDENTIAL

/4. THE ARMED

CONFIDENTIAL

4. THE ARMED FORCES AND HOMELAND RESERVE FORCES WERE PLACED ON SPECIAL ALERT EARLY ON SATURDAY MORNING. THE DEFENCE MINISTER SAID THIS ACTION WAS TO COUNTER QUOTE UNUSUAL NORTH KOREAN MILITARY MOVES UNQUOTE. U.S. FORCES HAVE NOT BEEN ALERTED..
FIELD

STANDARD D
FED
SEAD
NAD
NEWS D
OID
IPD
CABINET OFFICE

[COPIES SENT NO 10 DOWNING ST]

THIS TELEGRAM WAS NOT ADVANCED

S. Korea

RELATIONS BETWEEN NORTH AND SOUTH KOREA AND
THE EVENTS IN THE SOUTH

Summary

North Korea has eschewed military moves in response to the political disruption in the South and has concentrated instead on propaganda and subversion. Neither the Soviet Union nor China would be interested in supporting a military move by North Korea at present.

1. The assassination of President Park and the resulting crumbling of political cohesion in the Republic of Korea (ROK) no doubt suited the North Koreans well but they have moved cautiously in their attempts to capitalise on events. Immediately after the assassination in October 1979, the United States placed American forces in the ROK on alert, reinforced aerial surveillance and positioned a carrier task force near Cheju Island. The State Department issued a statement warning that it would react strongly in accordance with its treaty obligations to any external attempt to exploit the situation in the ROK. Neither of North Korea's two major allies, China and the USSR, gave any hint of willingness to back a forceful North Korean policy in the South. The Chinese were clearly more interested in pursuing their current rapprochement with the US and Japan. Chairman Hua Guofeng, at his press conference in Tokyo on 29 May spoke of his "reliable information" that the North did not intend to intervene in the turmoil in the South. The Russians, whose relations with North Korea are no longer what they once were, had no wish to get involved in a situation which could have led to confrontation with the US.

2. How seriously the military option was considered by the North Koreans is not known. It appears that no military measures were put in hand. Propaganda beamed at the South was however stepped up and the North Koreans tried to exploit events to advance their policy of peaceful reunification. The Party newspaper, Nodong Shinmun, published an editorial on 9 November offering to resume negotiations with President Park's successors, and suggesting the possibility of economic and other cooperation. Then around the turn of the year came three North Korean proposals: a joint Olympic team, resumed contact on the direct Pyongyang-Seoul telephone link and talks between the two sides to prepare the comprehensive conference of all political parties and social organisations which the North Koreans have long hoped to secure. Even when the crisis in the ROK intensified in May 1980, the North Koreans reiterated that they had no intention of using force and on the contrary were seeking a dialogue.

3. The response of the South was cautious: the Prime Minister suggested working-level meetings to prepare for a meeting between the two Prime Ministers. A series of meetings began in February but, after some initial progress, became stuck on the question of

/the

the agenda. The Northern side proposed one vague and comprehensive item; the South insisted on a more concrete list.

4. Meanwhile the political situation in the South continued to deteriorate. In seems likely that the North Koreans will continue to rule out the direct military option at least as long as US forces remain committed to the South and the ROK armed forces remain under discipline and on guard. The likelihood of continued North Korean attempts to infiltrate agents to foment subversion was however demonstrated by an incident on 21 June when a spy ship was sunk by the ROK coastguard. The North Koreans will no doubt continue to encourage further deterioration in political conditions in the South.

5. The North Koreans may also hope that their "peaceful" strategy will promote their influence in the Non-Aligned Movement. They have already presented a report on conditions in the South to a meeting of the Non-Aligned Ambassadors at UN Headquarters on 19 June. They could well have been testing the wind for an attempt to resubmit the Korean Question to the United Nations itself, but would have received little encouragement from that meeting.

File

S. Korea JS

cc D/Ind
FCO (LPS)
D/Trade
Cabinet Office (D. Wright)

SUBJECT

10 DOWNING STREET

THE PRIME MINISTER

29 June 1980

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 135/80

~~cc Master set~~
ops

I am taking the opportunity of the visit to the Republic of Korea of Sir Ian Gilmour to address Your Excellency on an important commercial matter.

I understand that a decision will shortly be taken on the placing of contracts by the Korea Electric Company (KECO) for the supply of two new nuclear units. I believe that the contracts for the nuclear islands for these stations may be awarded as a result of bilateral negotiations. If this is so, I hope that it will be possible to offer British engineering companies a similar opportunity to negotiate for the supply of conventional islands for these two units and that your Authorities will give full consideration to the advantages which the major British manufacturer, GEC, could offer. For over ten years it has been successfully involved with your country's power programme and has supplied over half the turbine generators installed in your nuclear power stations. GEC has unrivalled understanding of the requirements of your electricity industry, and KECO's knowledge of GEC equipment is considerable. A further contract with KECO could lead to an extension of the licensing arrangements which GEC already has with Hyundai Heavy Industries, to a further transfer of technology, and to an increased share of manufacture in Korea.

These are technical advantages which speak for themselves. I would moreover regard it as firm evidence of the good relations

/our two

ds

our two countries have always enjoyed if your Authorities were to invite GEC to enter into discussions with a view to the conclusion of a negotiated contract. I very much hope that they will do so.

With best personal wishes,

(Sgd) MARGARET THATCHER

His Excellency Mr. Choi Kyu-hah

10 DOWNING STREET

Prime Minister

You saw this in draft.

"Your Excellency"

'Yours sincerely'.

[signature]

27.6.80.

[Duty Clerk: This must reach Mr Bomersall in the F.C.O. as early as possible on Monday morning.]

JU

S. Korea

DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
LONDON SW1E 6RB
TELEPHONE DIRECT LINE 01-212 3301
SWITCHBOARD 01-212 7676

Secretary of State for Industry

cc Cab Off. (Dwight)

26 June 1980 (1)

Michael Alexander Esq
Private Secretary to the
Prime Minister
10 Downing Street
SW1

Prime Minister
I know you find these letters distasteful but they do make a difference (so does their absence!). Agree letter?
Yes pls
Nott 26/6

Dear Michael

KOREA - TURBINE GENERATORS

As a result mainly of significant political pressure exerted by the French, the contract for the nuclear island for the next 2 units of the Korean power programme is likely to be awarded on a negotiated basis to Framatone. HMG has been actively lobbying on behalf of GEC to assist them to secure a negotiated contract for the non nuclear island (two turbine generators valued at £100m with the possibility of four similar units later).

The Korea Electric Company (KECO) are understood to wish to put the non nuclear island out to tender but the Korean Government are concerned lest this would offend other potential suppliers, notably the UK.

GEC are, of course, well aware that the contract price will have to be competitive but they also hold the view that unless an Anglo-Korean deal can be negotiated GEC stand little chance against the US which will be offering all embracing and attractive finance tied to US suppliers for all the non nuclear equipment.

The forthcoming visits by the Korean Deputy Prime Minister, where Mr Nott will raise GEC's interest, and Sir Ian Gilmour's visit to Korea from 2-6 July will give excellent opportunities to secure the essential political approval for GEC to be permitted a negotiated contract. However we believe - and the view is supported by the FCO and the Department of Trade - that a Prime Ministerial letter to President Choi will significantly enhance the UK's chance of success.

I would therefore be grateful if the Prime Minister would consider writing to the President of Korea on the lines of enclosed draft.

I am copying this letter and enclosure to George Walden at the FCO, and to Stuart Hampson in the Department of Trade.

Yours sincerely
Catherine Bell
CATHERINE BELL
Private Secretary

JH

DRAFT LETTER FOR THE PRIME MINISTER TO SEND TO

His Excellency President Choi Kyu Hah
President of the Republic of Korea

I am taking the opportunity of the visit to the Republic of Korea of Sir Ian Gilmour to address your Excellency on an important commercial matter.

I understand that a decision will shortly be taken on the placing of contracts by the Korea Electric Company (KECO) for the supply of two new nuclear units. I believe that the contracts for the nuclear islands for these stations may be awarded as a result of bilateral negotiations. If this is so I hope that it will be possible to offer British engineering companies a similar opportunity to negotiate for the supply of conventional islands for these two units and that your Authorities will give full consideration to the advantages which the major British manufacturer, GEC, could offer. For over 10 years it has been successfully involved with your country's power programme and has supplied over half the turbine generators installed in your nuclear power stations. GEC has unrivalled understanding of the requirements of your electricity industry, and KECO's knowledge of GEC equipment is considerable. A further contract with KECO could lead to an extension of the licensing arrangements GEC already has with Hyundai Heavy Industries, to a further transfer of technology and to an increased share of manufacture in Korea.

These are technical advantages which speak for themselves. I would moreover regard it as firm evidence of the good relations our two

/countries ...

countries have always enjoyed if your Authorities were to invite GEC to enter into discussions with a view to the conclusion of a negotiated contract. I very much hope that they will do so.

With best personal wishes.

26 JUN 1980

2 Tels.

S Korea

GRS 350
UNCLASSIFIED
FM SEOUL 260730Z MAY 80
TO IMMEDIATE FCO
TELEGRAM NUMBER 152 OF 26 MAY

MY TELNO. 150: INTERNAL SECURITY SITUATION

1. THE MINISTRY OF FOREIGN AFFAIRS NOTIFIED US LAST NIGHT THAT BECAUSE OF THE SITUATION IN KWANGJU WE SHOULD TELL OUR NATIONALS IN THE KWANGJU AREA TO LEAVE IMMEDIATELY.

2. IT HAS COME TO OUR ATTENTION THIS MORNING THAT THERE ARE IN FACT FOUR BRITISH CITIZENS IN KWANGJU, NONE OF WHOM ARE REGISTERED WITH US AS BEING RESIDENT THERE AND TWO OF WHOM ARE ONLY TEMPORARY VISITORS TO KOREA. THE LATEST INFORMATION THAT WE HAVE FROM KOREANS WHO HAVE MANAGED TO LEAVE KWANGJU IS, THAT AS OF SATURDAY, THEY ARE ALL SAFE AND WELL.

3. THEY ARE WORKING AT THE CHON BANG TEXTILE COMPANY. ONE MR. DVID CARTER WORKS FOR A BELGIAN COMPANY, PICNOL WEAVING. WE HAVE ASKED THE COMPANY'S REPRESENTATIVE IN SEOUL TO INFORM THEIR BELGIAN HEAD OFFICE THAT MR. CARTER IS SAFE. THE OTHER THREE, MR. AND MRS. DONALD CLOUGH AND MR. JACK SHUTTLEWORTH, WORK FOR PLATT-SACO-LOWELL. PLATT'S REPRESNTATIVE IN SEOUL HAVE ALREADY INFORMED THEIR HEAD OFFICE THAT THEY ARE ALSO SAFE. WE HAVE NO REASON TO SUPPOSE THAT THEY ARE IN ANY IMMEDIATE DANGER.

4. THERE HAVE BEEN NO COMMUNICATIONS WITH KWANGJU SINCE THE MIDDLE OF LAST WEEK AND SO IT HAS BEEN IMPOSSIBLE TO GET IN TOUCH WITH THESE FOUR DIRECT AND TELL THEM OF THE GOVERNMENT'S ADVICE. HOWEVER, THE TELEPHONES IN KWANGJU ITSELF ARE WORKING AND THE AMERICANS HAVE ARMY LIAISON OFFICERS IN THE VICINITY WHO ARE ABLE TO CONTACT PEOPLE IN KWANGJU. THEY HAVE KINDLY AGREED TO TRY AND TELEPHONE THE FOUR AND TELL THEM TO LEAVE THE AREA IF THEY JUDGE IT SAFE TO DO SO. IN THE LAST ANALYSIS WE HAVE TO LEAVE IT TO PEOPLE'S INDIVIDUAL JUDGMENT WHETHER OR NOT TO MOVE SINCE WE CAN HAVE NO IDEA WHAT THE SITUATION IS ON THE GROUND AT ANY PARTICULAR TIME.

/ 5. THERE ARE

5. THERE ARE ALSO SOME TEN TO TWELVE IRISH PRIESTS IN KWANGJU, HALF OF WHOM ARE COLUMBANS AND THE OTHERS MEMBERS OF THE ORDER OF ST. JOHN OF GOD, WHICH RUNS A HOSPITAL THERE. THE AMERICANS HAVE ALREADY CONTACTED THEM AND INFORMED THEM THAT OUR ADVICE IS TO LEAVE BUT THE PRIESTS HAVE ELECTED TO STAY PUT IN ORDER TO SUPPORT THEIR PARISHIONERS AND PATIENTS.

6. PLEASE INFORM CONSULAR DEPARTMENT.

BATES

[COPIES SENT TO NO 10 DOWNING STREET]

DEPARTMENTAL DISTRIBUTION

FED
NAD
UND
HK & GD
RID
CONS D
CONS EM UNIT
CABINET OFFICE

RESTRICTED

GR 160
RESTRICTED
FM SEOUL 260600Z MAY 80
TO IMMEDIATE FCO
TELEGRAM NUMBER 150 OF 26 MAY
INFO PRIORITY WASHINGTON, TOKYO, AND MODUK (FOR DI 4)

MY TELNO. 148: INTERNAL SECURITY SITUATION

1. AFTER TWO RELATIVELY QUIET DAYS THE SITUATION IN KWANGJU DETERIORATED YESTERDAY, PROBABLY BECAUSE NEGOTIATIONS BETWEEN THE AUTHORITIES AND THE ACTIVISTS HAD BROKEN DOWN. IT IS VERY DIFFICULT TO OBTAIN ANY DEFINITE INFORMATION FROM KWANGJU BUT IT SEEMS LIKELY THAT A SMALL GROUP, POSSIBLY NUMBERING A FEW HUNDRED, HAVE REFUSED TO COME TO TERMS AND MAY BE IMPOSING THEIR WISHES ON THE REST OF THE INHABITANTS BY FORCE. THERE ARE REPORTS AS YET UNCONFIRMED THAT THE ARMY HAVE TAKEN THE ONLY OPTION NOW OPEN TO THEM AND BEGUN TO MOVE IN TOWARDS THE CITY CENTRE. SO FAR THERE HAS BEEN ONLY SPORADIC FIRING.

2. KIM JAE KYU AND THE FOUR OTHERS SENTENCED TO DEATH FOR THEIR PART IN THE ASSASSINATION OF PRESIDENT PARK WERE HANGED ON 24 MAY. THE EXECUTIONS HAD BEEN FULLY EXPECTED AND WERE ALMOST UNIVERSALLY ACCEPTED AS BEING JUST AND INEVITABLE.
BATES

[COPIES SENT TO NO 10 DOWNING STREET]

DEPARTMENTAL DISTRIBUTION

FED
NAD
UND
HK & GD
CONS D
CONS EM UNIT
CABINET OFFICE

RESTRICTED

South Korea

Foreign and Commonwealth Office

London SW1A 2AH

17 January 1980

Dear Michael, 18/1

I enclose a letter from the Korean Ambassador in London, received in the office this afternoon, to which is attached a letter addressed to the Prime Minister from the President of the Republic of Korea.

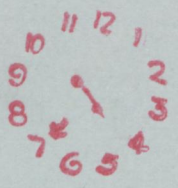
Yours ever

Robert Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

18 JAN 1980



KOREAN EMBASSY
4, PALACE GATE,
LONDON, W8 5NF

KEL/80P/7

17th January, 1980

Sir,

I have the honour to enclose a letter addressed to the Rt. Hon. Mrs. Margaret Thatcher, MP, Prime Minister from His Excellency Choi Kyu Hah, President of the Republic of Korea, and have the further honour to request that the letter be conveyed to the Rt. Hon. The Prime Minister.

Please accept, Sir, the renewed assurances of my highest consideration.

P. W. Han

Pyo-Wook Han
Ambassador

The Rt. Hon.
Lord Carrington, PC, KCMG, MC
Her Majesty's Principal Secretary of State
for Foreign and Commonwealth Affairs

T5A 2/80

SUBJECT

President of the Republic of Korea

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T5A 2/80

(Translation)

January 4, 1980

Excellency:

I am grateful to you and your people for the warm congratulations on my inauguration to the tenth Presidency of the Republic of Korea.

It is my pleasure to work with you to promote our friendship. I earnestly hope that my tenure of office will witness further strengthening of cooperation and understanding between our two countries and will serve to ensure our common prosperity as well.

Please accept my best wishes for your continued good health and prosperity of your people.

Sincerely,

/s/ Choi Kyu Hah

The Right Honourable
Margaret Hilda Thatcher, M.P.
Prime Minister
United Kingdom of Great Britain
and Northern Ireland

대 한 민 국 대 통 령

1980년 1월 4일

각 하,

본인은 각하와 각하의 국민이 본인의 제 10대 대한민국 대통령 취임을 축하하여 주신데 대하여 감사의 뜻을 표하는 바입니다.

본인은 각하와 더불어 양국간 우의 증진에 노력하고자 하며, 본인의 임기중 상호 협력과 이해가 증진되고 번영이 이루어지게 되기를 희망합니다.

각하의 건승하심과 귀 국민의 번영을 충심으로 기원합니다.

최 규 하

최 규 하

영국 수상

마가렛 힐다 대처 각하

S. Korea: file RSB
cc FCO

10 DOWNING STREET

From the Private Secretary

14 January 1980

LETTER TO PRESIDENT CHOI KYU HAH

Further to our recent telephone conversations and your letter of 10 January, I now enclose the signed text of the Prime Minister's message to President Choi.

M. O'D. B. ALEXANDE

R M J Lyne Esq
Foreign and Commonwealth Office

10 DOWNING STREET

Prime Minister -

This message was delivered before Christmas but the Embassy say that the Koreans would like a signed text.

'Your Excellency'

'with best wishes,

Yours sincerely,'

MT

11/1

Foreign and Commonwealth Office

London S.W.1

10 January 1980

Dear Michael,

2 Kyo Hah

Congratulatory Letter from the Prime Minister to President Choi Kyn Nan of South Korea

With my letter of 7 December I sent you a draft letter and draft telegram to Seoul. These were approved, and the telegram despatched to Seoul.

When they were given the text of the Prime Minister's letter the Koreans were told that the signed original would follow. The Korean Ambassador has now sent us the text of a letter of reply which is being sent from President Choi to the Prime Minister (enclosed).

To date we have not yet received the Prime Minister's letter which we should like to send to our Embassy in Seoul, by the diplomatic bag leaving on Friday morning 11 January, for delivery to President Choi. I understand that you do not normally send signed copies of messages of this kind : but as the Koreans are now expecting one and replying in a like manner, it would be helpful if in this case we could have a signed reply, which I suggest should be dated 17 December.

yours ever

Rodric Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

10 JAN 1980

"To Prime Minister M. Thatcher of United Kingdom.

I am grateful to you and your people for the warm congratulations on my inauguration as the tenth President of the Republic of Korea. It is my pleasure to work with you to promote our friendship. I earnestly hope that my tenure of office will witness further strengthening of cooperation and understanding between our two countries and will serve to ensure our common prosperity as well. Please accept my best wishes for your continued good health and prosperity of your people.

Choi Kyu Hah, President of the Republic of Korea. "

Subject.

File JS
cc FCO
Master
ops.

10 DOWNING STREET

THE PRIME MINISTER

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T171A/79T.

17 December 1979

Your Excellency,

On the occasion of Your Excellency's inauguration as President of the Republic of Korea, I send you my congratulations and best wishes for the future.

I wish you well in your determination to pursue constitutional advance for the benefit and well-being of your countrymen, and I look forward with confidence to the continued expansion of the friendly relations between our two countries.

With best wishes.

Yours sincerely

Margaret Thatcher

His Excellency President Choi Kyu Hah

S. Korea

JS

10 DOWNING STREET

From the Private Secretary

13 December 1979

CONGRATULATORY LETTER TO PRESIDENT CHOI KYU HAH OF SOUTH KOREA

The Prime Minister has approved the text of a message from her to the President of South Korea enclosed with your letter to me of 7 December and amended in your letter of 12 December.

I should be grateful if you would arrange for the despatch of the telegram to Seoul.

M. O'D. B. ALEXANDER

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

KRB

RESTRICTED

Mr Cortazzi

KOREA: ATTEMPTED MILITARY COUP?

1. There appears to have been an unsuccessful attempt at a military coup in Korea. In the absence of the Ambassador on tour in the South, the Commercial Counsellor at the Embassy in Seoul telephoned at 1430 (2330 local time) to say that shooting had been heard in the vicinity of the home of the Minister of National Defence. The Defence Attache's information was that there had been an attack on the Minister's home; that the Minister had escaped unharmed; but that the Martial Law Commander, General Chung might have been killed. The rumour was that the Chief Military Prosecutor in the current court martial of President Park's assassins was responsible.

2. Mr Tallboys said that this was the sum total of the information so far available; the Embassy would telegraph further details tomorrow. He stressed that the situation in the city was normal so far as could be seen: traffic was running smoothly. It therefore appeared that the attempted coup - if that was what it had been - had failed.

12 December 1979

R J T McLaren

PS: I have been in touch with the US Embassy who have received a similar but vaguer message.

RESTRICTED

Distribution:

PS
PS/LPS
PS/Mr Blaker
EESD
NAND
News Dept
Mr Alexander, No 10 Downing Street ✓
Mr Walker, Cabinet Office, Assessment Staff
Mr Bushby, DS 11, MOD

12 DEC 1979

Foreign and Commonwealth Office

London S.W.1

12 December 1979

Dear Michael,

President Choi Kyu Hah of South Korea

In late October, the Prime Minister sent a telegram of condolence, following the assassination of President Park, to acting-President Choi.

I attach President Choi's reply, which has been sent to Lord Carrington by the Korean Ambassador. We have acknowledged receipt. There is no need for a formal reply from the Prime Minister.

In my letter of 7 December, we recommended that the Prime Minister should send a message of congratulations to President Choi. HM Ambassador at Seoul has now recommended that he should hold the congratulatory letter from the Prime Minister to President Choi until after the inauguration ceremony (which will take place on 21 December). If you agree, I should be grateful if you could substitute the word "inauguration" for "election" in the first line of the draft letter from the Prime Minister.

yours ever

Robert Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

Foreign and Commonwealth Office

London S.W.1

7 December 1979

(1)

Prime Minister

Dear Michael, Yes mt Agree text?

Mrs 12/XII

Congratulatory Letter from the Prime Minister to President Choi Kyu Hah of South Korea

Mr Choi Kyu Hah, the former Prime Minister, and Acting President since the death of President Park, was elected President of the Republic of Korea on 5 December.

The Foreign and Commonwealth Secretary recommends that the Prime Minister should send a congratulatory letter to the new President on this occasion. Similar messages were sent to the late President Park on his re-election by the Prime Minister of the day in 1963, 1967, 1971, and in 1978. Mr Choi, in his capacity as Acting President, has just sent a personal letter to the Prime Minister (to thank her for her expression of condolences on the death of President Park). The Koreans would obviously appreciate a personal message at a difficult time for them, when they are embarking on a process of liberalisation of their constitution. They and the Americans have sought our understanding and support for what they are trying to do.

// I enclose a draft letter and a draft telegram to Seoul.

Yours ever

Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
No 10 Downing Street

DSP 11 (Revised)

LETTER

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM: The Prime Minister

Reference

DEPARTMENT: TEL. NO:

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

TO: His Excellency
President Choi Kyu Hah
The Blue House
SEOUL
The Republic of Korea

Your Reference

Copies to:

PRIVACY MARKING

.....In Confidence

CAVEAT.....

SUBJECT:

On the occasion of Your Excellency's ~~election~~ inauguration as President of the Republic of Korea, I send you my congratulations and best wishes for the future.

I wish you well in your determination to pursue constitutional advance for the benefit and well-being of your countrymen, and I look forward with confidence to the continued expansion of the friendly relations between our two countries.

Enclosures—flag(s).....

D 107991 400,000 7/76 904953

RESTRICTED

XY 42

File No. .....

Department .....

Drafted by (Block Capitals) FED

Tel. Extn. .....

OUTWARD TELEGRAM

Security Classification
RESTRICTED
Precedence
IMMEDIATE
DESKBY .....Z

FOR COMMS. DEPT. USE

Despatched (Date) .....

(Time) .....Z

POSTBY .....Z

PREAMBLE

(Time of Origin) ..... Z (G.M.T.)

(Security Class.) RESTRICTED

(Codeword) .....

(Restrictive Prefix) .....

(Caveat/ Privacy marking) .....

(Deskby) ..... Z

TO IMMEDIATE (precedence) SEOUL (post) Tel. No. .....of .....

AND TO (precedence/post) .....

.....

.....

AND SAVING TO .....

REPEATED TO (for info) .....

.....

.....

SAVING TO (for info) .....

Distribution:–

FILES
FED
P&CD
MR MURRAY
MR CORTAZZI
PS/MR BLAKER
PS/LPS
PS

Copies to:–

NO 10

[TEXT]

1. Please deliver the following message from the Prime Minister to President Choi Kyu Hah:

Begins:

On the occasion of Your Excellency's ~~election~~ inauguration as President of the Republic of Korea, I send you my congratulations and best wishes for the future.

I wish you well in your determination to pursue constitutional advance for the benefit and well-being of your countrymen, and I look forward with confidence to the continued expansion of the friendly relations between our two countries.

Ends.

2. Signed original follows by bag.

RESTRICTED

OFFICE OF THE ACTING PRESIDENT
REPUBLIC OF KOREA

November 19, 1979

Excellency,

It was with heartfelt gratitude that I received your kind message of condolences upon the tragic passing of His Excellency President Park Chung Hee, and your condolences envoy to the state funeral for the late President.

The sudden demise of the President was indeed shocking to the people of Korea, since their nation building depended so much on his dynamic leadership and guidance. We are deeply grateful to you for your thoughtfulness in sharing our sorrow at this hour of bereavement.

I wish to take this opportunity to assure you that the Government and people of the Republic of Korea will continue to work together with your Government and people to further develop the ties of friendship and cooperation between our two countries.

With my very best wishes for your personal well-being and the lasting prosperity of your nation in the years ahead, I remain

Yours sincerely,

Kyu Hah Choi

Choi Kyu Hah
Acting President

The Right Honourable
Margaret Hilda Thatcher, M. P.
Prime Minister of the United Kingdom
of Great Britain and Northern Ireland

Korea.

Mufaxed to Chequers
27/10

Seen by PM 1915 GR: PM 'O.K.'
1920 Informed Res. Clerk.

PRIME MINISTER

PRESIDENT PARK OF SOUTH KOREA

We have now received, from the Foreign Office, the suggested draft message of condolence for you to send. This is attached (Flag A).

I have also appended the background information we have to date.

At Flag B is Seoul telegram 255, which contains the initial account of the incident and also briefly analyses the resultant internal situation.

At Flag C is Seoul telegram 257, which contains the recommendation that an official message of condolence should be sent from you.

And finally, at Flag D, is Seoul telegram 259 which is our latest information on the killing. It expands upon the earlier situation report and outlines the thinking of the Americans. Incidentally, it also records (paragraph 5) that President Carter has already sent his condolences.

If you agree that draft, or amend it, as soon as the Garden Room Girl so informs me I will instruct the Foreign Office accordingly.

R Carter

Roger Carter
Duty Clerk

27 October 1979

RESTRICTED

Foreign and Commonwealth Office

London SW1A 2AH

27 October 1979

Private Secretary
10 Downing Street

Dear Private Secretary,

DEATH OF PRESIDENT PARK OF SOUTH KOREA

You will already have seen Seoul telegrams Nos 254, 255, 257 and 259, reporting President Park's death and recommending that a message of condolence be sent by the Prime Minister to the Prime Minister and Acting President, Choi Kyu Hah.

The circumstances of the President's death remain somewhat obscure, and in particular the role played in it by the Korean Central Intelligence Agency. But we enjoy good relations with the Government of the Republic of Korea and the transfer of power appears to have been carried out in accordance with the Korean Constitution. Mr Blaker, in the absence of Lord Carrington in Oslo, therefore considers it would be appropriate to send a formal message of sympathy, as in the enclosed draft telegram. The Resident Clerk will arrange to despatch this if the Prime Minister agrees.

Yours ever,

Richard Samuel

R C Samuel
Far Eastern Department

RESTRICTED

D 107991 400,000 7/76 904953

XY 42

File No.

Department FED

Drafted by (Block Capitals) R C SAMUEL

Tel. Extn.

OUTWARD TELEGRAM

Security Classification: RESTRICTED

Precedence: IMMEDIATE

DESKBY ....Z

FOR COMMS. DEPT. USE

Despatched (Date) (Time) ....Z

POSTBY ....Z

PREAMBLE

(Time of Origin) ....Z (G.M.T.)

(Security Class.) RESTRICTED

(Codeword)

(Restrictive Prefix)

(Caveat/ Privacy marking)

(Deskby) ....Z

TO IMMEDIATE (precedence) SEOUL (post) Tel. No. ....of ....

AND TO (precedence/post) IMMEDIATE OSLO

AND SAVING TO

REPEATED TO (for info) WASHINGTON, TOKYO, PEKING

SAVING TO (for info)

Distribution:–

Departmental:
FED
PCD
News Dept
NAD, PUSD,
PS, PS/LPS,
PS/Mr Blaker
PS/PUS
Mr Cortazzi,
Mr Murray
Mr Moberley
Ld N Gordon Lennox
RC

Copies to:–

10 Downing Street
Cabinet Office
(D10)

[TEXT]

T128/79T

Your tel Nos 254-259 (now repeated to Oslo):

President Park's death.

1. Thank you for these helpful telegrams.

2. Though the exact circumstances of President Park's death, and especially the role of the KCIA remain obscure, we agree that a formal message of condolence would be appropriate. Please therefore arrange to deliver a message from the Prime Minister as follows:

"I was shocked to hear of the sudden death of His Excellency President Park Chung-Hee. I should like to extend through you to the Government and people of the Republic of Korea Her Majesty's Government's condolences and our sympathy to the late President's family."

RESTRICTED

PRIME MINISTER

President Park of South Korea

You probably heard on the radio news last night or this morning that President Park of South Korea was killed late last night. It seems that the President was shot by the Director of the KCIA (Kim Choe Kyu) during a quarrel over dinner. Apparently the President's personal bodyguard (Cha Ji Kyu) and the Director were having a heated quarrel and the Director drew a gun and fired at Cha. The President appears to have been killed accidentally in the shooting that followed.

The question of an official message of condolence is being urgently considered by the FCO this morning. I will telex down to you a draft message for your approval as soon as one becomes available.

(Signed R. Carter
Duty Clerk)

27 October 1979

VZCZCFDG CON
SPE
MM
270650Z OCT
FROM COMMCEN HSP
TO MODUK
INFO CBF HONG KONG

(16) D

ADVANCE COPY

IMMEDIATE

(5) Hd FED
Hd N. Am. D.
Hd PUS D(2)
D/O News D
PS
PS/PS
PS/Mr Blaker
PS/PUS
Mr Cortazzi
Mr Murray
Mr P H Moberly
Lord N Gordon-Lennox
RC
No 10 ~~Downing St.~~
D10 Cabinet Office

CONFIDENTIAL UK COMMS ONLY
SIC U2A
GR 700

(FILES)

CONFIDENTIAL
FM SEOUL 270650Z OCT 79
TO IMMEDIATE FCO
TELEGRAM NUMBER 259 OF 27 OCTOBER
INFO IMMEDIATE MODUK (FOR DI 4)
IMMEDIATE WASHINGTON
PRIORITY TOKYO
PRIORITY PEKING
PRIORITY MOSCOW
PRIORITY CBF HONG KONG
PRIORITY HONG KONG (GOVERNOR)

MY TEL NO 255: DEATH OF PRESIDENT PARK.

1. COUNSELLOR CALLED ON POLITICAL COUNSELLOR AT AMERICAN EMBASSY THIS MORNING. CLARK SAID THAT THEY HAD LITTLE TO ADD TO THE PUBLIC ANNOUNCEMENTS ABOUT THE CIRCUMSTANCES OF THE PRESIDENT'S DEATH EXCEPT THAT THERE WERE NOW SIX DEAD INCLUDING THE PRESIDENT, THE HEAD OF HIS BODYGUARD AND AT LEAST THREE MORE OF THE BODYGUARD. THE KEY SURVIVING EYE WITNESS OF THE INCIDENT IS KIM KAE WON, THE SECRETARY-GENERAL TO THE PRESIDENT, WHO TOOK THE PRESIDENT'S BODY TO A NEARBY MILITARY HOSPITAL WHERE IT WAS FOUND THAT HE HAD DIED A FEW MINUTES EARLIER. THE AMERICANS HAVE NO REASON TO ENTERTAIN ANY SUGGESTION THAT THERE WAS POLITICAL MOTIVATION BEHIND THE INCIDENT. IT AROSE FROM A VIOLENT PERSONAL CLASH BETWEEN THE HEAD OF THE KCIA AND THE HEAD OF THE BODYGUARD, PROBABLY ABOUT THE HANDLING OF THE RECENT POLITICAL SITUATION, AND WAS AGGRAVATED BY THE AMBITION AND AGGRESSIVENESS OF CHA JI CHUL. THE PRESIDENT HAD TRIED TO SEPARATE THE TWO AND WAS SHOT ACCIDENTALLY. CLARK ADDED THAT IT WAS QUITE WRONG FOR THE OVERSEAS PRESS TO TALK IN TERMS OF A COUP.

WAS QUITE [illegible]
OVERSEAS PRESS TO TALK IN TERMS OF A COUP.

2. THERE HAS BEEN NOTHING WHATEVER TO INDICATE ANY UNUSUAL ACTIVITY IN THE NORTH SINCE THE EVENT AND NORTH KOREAN REPORTING APPEARS TO BE FACTUAL. GENERAL WICKHAM, COMMANDER IN CHIEF COMBINED FORCES COMMAND, IS AWAY FROM THE COUNTRY BUT WILL RETURN LATER TODAY. GENERAL CHUNG, THE KOREAN ARMY CHIEF OF STAFF, WHO HAS BEEN APPOINTED ADMINISTRATOR OF MARTIAL LAW, WILL REPORT TO THE CIVILIAN CABINET THROUGH THE MINISTRY OF NATIONAL DEFENCE. CLARK SAID THAT THE NEW COMBINED OPERATIONS COMMAND HAD WORKED EFFECTIVELY ON THIS OCCASION WITH IMMEDIATE COMMUNICATION AND CONSULTATION BETWEEN THE UNITED STATES AND KOREAN MILITARY.

3. THE SIGNIFICANCE OF EXEMPTING THE ISLAND PROVINCE OF CHEJU FROM MARTIAL LAW IS THAT THIS ENABLES THE CIVILIAN GOVERNMENT TO REMAIN IN ULTIMATE CONTROL OF THE COUNTRY AS A WHOLE. CLARK SAID THAT THE AMERICANS HAVE BEEN GREATLY ENCOURAGED BY THE APPARENT DETERMINATION OF THE MILITARY TO SHOW THAT THEY WILL NOT INTERFERE IN THE GOVERNMENT. THEY ARE BEING QUITE OPEN WITH THE AMERICANS ABOUT THEIR INTENTION TO SUPPORT THE CONSTITUTIONAL PROCESS. THE CHAIRMAN OF THE JOINTS CHIEFS OF STAFF HAS SPOKEN TO THIS EFFECT ON TV AND RADIO.

4. THE AMERICAN EMBASSY HAVE NO SPECIFIC THOUGHTS YET ABOUT THE SUCCESSOR TO PRESIDENT PARK. CLARK SAID THAT IT WAS DIFFICULT TO SEE HOW THE ELECTORAL COLLEGE, THE NATIONAL CONFERENCE FOR UNIFICATION, WITH A MEMBERSHIP OF 2,580, FEW OF WHOM HAVE ANY SPECIFIC POLITICAL AFFILIATIONS, WOULD BE ABLE TO CHOOSE A SUCCESSOR. UNDER THE PROVISIONS OF THE CONSTITUTION THIS PROCESS HAS TO BE COMPLETED WITHIN 90 DAYS. CLARK SAID THAT THE AMERICANS ARE HOPING THAT THE OPPORTUNITY MAY BE TAKEN TO SOFTEN SOME ASPECTS OF THE YUSHIN CONSTITUTION (SEE PARA 4 OF MY TEL 255).

5. PRESIDENT CARTER HAS ALREADY SENT A MESSAGE OF CONDOLENCE WHICH WAS CONVEYED TO THE ACTING PRESIDENT BY THE AMERICAN AMBASSADOR EARLY THIS MORNING. THIS LENDS POINT TO MY RECOMMENDATION THAT WE SHOULD ALSO SEND A MESSAGE QUICKLY (MY TEL NO 257). I HAVE ALREADY SENT A PERSONAL LETTER TO THE MINISTER OF FOREIGN AFFAIRS. CLARK SAID THAT NO DECISION HAD BEEN TAKEN ABOUT THE LEVEL OF REPRESENTATION AT THE FUNERAL BUT THE VICE-PRESIDENT WOULD PROBABLY ATTEND.

6. THE AMERICANS ARE NOT GIVING ANY SPECIAL ADVICE TO THEIR CIVILIAN COMMUNITY THOUGH THEY WOULD EXPECT THEIR PEOPLE TO TUNE IN TO THE AMERICAN FORCES BROADCASTING SYSTEM AND TO BE GUIDED [illegible] ADDRESSED TO THE MILITARY AND DEFENCE DEPART-

LEVEL OF REPRESENTATION AT THE FUNERAL BUT THE VICE-PRESIDENT WOULD PROBABLY ATTEND.

6. THE AMERICANS ARE NOT GIVING ANY SPECIAL ADVICE TO THEIR CIVILIAN COMMUNITY THOUGH THEY WOULD EXPECT THEIR PEOPLE TO TUNE IN TO THE AMERICAN FORCES BROADCASTING SYSTEM AND TO BE GUIDED BY ANNOUNCEMENTS ADDRESSED TO THE MILITARY AND DEFENCE DEPARTMENT CIVILIANS. WE ALSO EXPECT THAT OUR OWN COMMUNITY WILL BE LISTENING TO AFKN IN ACCORDANCE WITH THE ADVICE WE HAVE GIVEN THEM IN OUR STANDING EMERGENCY INSTRUCTIONS WHICH HAVE BEEN DISTRIBUTED TO ALL WHO HAVE REGISTERED. SO FAR WE HAVE HAD FEW DIRECT ENQUIRIES BUT MEMBERS OF THE EMBASSY HAVE BEEN BRIEFED ON HOW TO REPLY TO ANYONE WHO GETS IN TOUCH OVER THE WEEKEND. WE ARE GIVING OUR PEOPLE THE FACTS OF THE SITUATION ADDING THAT THERE IS NO CAUSE FOR ALARM AND INSTRUCTING THEM TO OBSERVE THE CURFEW METICULOUSLY.

BATES
BT

NNNN

GPS 200
UNCLASSIFIED
FM SEOUL 270332Z OCT 79
TO IMMEDIATE FCO
TELEGRAM NUMBER 258 OF 27 OCTOBER
INFO PRIORITY WASHINGTON
PRIORITY TOKYO
PRIORITY HONG KONG (GOVERNOR)

MY TEL NOS 254 AND 255: DEATH OF PRESIDENT PARK

1. THE DEPUTY PREMIER AND MINISTER OF ECONOMIC PLANNING, SHIN HYUN HWACK, ISSUED A STATEMENT THIS MORNING ON ECONOMIC POLICY. HE MADE THE FOLLOWING POINTS:

A. THERE WILL BE NO CHANGE IN THE GOVERNMENT'S BASIC ECONOMIC POLICIES:

B. THE FREE MARKET ECONOMY WILL BE GUARANTEED: NO DISRUPTION OF PRODUCTION OR DISTRIBUTION WILL BE TOLERATED:

C. ECONOMIC CO-OPERATION WITH OTHER COUNTRIES WILL CONTINUE UNCHANGED: FOREIGNERS' PROPERTY, RIGHTS AND INTERESTI IN THE COUNTRY WILL BE GUARANTEED:

D. MAXIMUM EMPHASIS WILL BE PLACED ON STABILITY IN LIVING CONDITIONS AND MAXIMUM EFFORTS WILL BE MADE TO ENSURE PRICE STABILITY:

E: ALL ACTIVITIES OF ENTERPRISES WILL CONTINUE WITH THE GOVERNMENT'S FINANCIAL AND FISCAL SUPPORT: GOVERNMENT CONSTRUCTION PROJECTS WILL CONTINUE TO BE CARRIED OUT.

2. FCO PLEASE GIVE WIDE ECONOMIC DISTRIBUTION IN WHITEHALL
BAMES

FILES
FED
FRD
ECOND
EESD
NAD
NRGD
PUSD
NEWSD
OID
PS

PS/LPS
PS/MR BLAKER
PS/PUS
SIR J GRAHAM
MR CORMACK
MR MURRAY
MR BULLARD
LORD A G LENNOX
CABINET OFFICE

COPIES SENT TO
No. 10 DOWNING STREET

IMMEDIATE

X-8

ADVANCE COPY

PS.
PS/Mr Blaker
PS/Pus
Mr Gerbasi
Mr. Murray
FED
PCD
News D
RC
PS/No 10 D.S

DMFG 009/27

DX 558/27

LOY 498/27

OO FCO

GR 150
CONFIDENTIAL
FM SEOUL 270300Z OCT 79
TO IMMEDIATE FCO
TELEGRAM NUMBER 257 OF 27 OCTOBER

DEATH OF PRESIDENT PARK.

1. I RECOMMEND THAT AS SOON AS POSSIBLE AN OFFICIAL MESSAGE OF CONDOLENCE SHOULD BE DESPATCHED FROM HMG. IT WOULD SEEM APPROPRIATE THAT THE MESSAGE SHOULD BE ADDRESSED TO HIS EXCELLENCY MR CHOI KYU HAH, ACTING PRESIDENT OF THE REPUBLIC OF KOREA, AND THAT IT SHOULD BE SIGNED BY THE PRIME MINISTER.

2. IN SPITE OF THE TRAGIC AND STILL UNCERTAIN CIRCUMSTANCES OF THE PRESIDENT'S DEATH, IT SEEMS CLEAR THAT THERE WAS NO POLITICAL MOTIVATION.

3. A MESSAGE OF SYMPATHY WOULD BE GREATLY APPRECIATED BY THE KOREAN AUTHORITIES AND PEOPLE. THERE IS ALSO THE PRACTICAL CONSIDERATION THAT MANY OTHER GOVERNMENTS WILL CERTAINLY BE SENDING HIGH LEVEL MESSAGES AND WE CANNOT AFFORD TO APPEAR LESS CONCERNED.

4. WE UNDERSTAND THAT THE FUNERAL WILL TAKE PLACE NEXT SATURDAY 3 NOVEMBER. WITHIN THE NEXT FEW DAYS WE SHALL HAVE TO GIVE THOUGHT TO THE QUESTION OF REPRESENTATION. IT IS NOT POSSIBLE TO OFFER ANY SPECIFIC ADVICE UNTIL WE KNOW MORE ABOUT THE ARRANGEMENTS, BUT MEANWHILE YOU MAY WISH TO MAKE SOME CONTINGENCY PLANS.

3. A MESSAGE OF SYMPATHY WOULD BE GREATLY APPRECIATED BY THE KOREAN AUTHORITIES AND PEOPLE. THERE IS ALSO THE PRACTICAL CONSIDERATION THAT MANY OTHER GOVERNMENTS WILL CERTAINLY BE SENDING HIGH LEVEL MESSAGES AND WE CANNOT AFFORD TO APPEAR LESS CONCERNED.

4. WE UNDERSTAND THAT THE FUNERAL WILL TAKE PLACE NEXT SATURDAY 3 NOVEMBER. WITHIN THE NEXT FEW DAYS WE SHALL HAVE TO GIVE THOUGHT TO THE QUESTION OF REPRESENTATION. IT IS NOT POSSIBLE TO OFFER ANY SPECIFIC ADVICE UNTIL WE KNOW MORE ABOUT THE ARRANGEMENTS, BUT MEANWHILE YOU MAY WISH TO MAKE SOME CONTINGENCY PLANS. AS I SEE IT, OUR REPRESENTATION WOULD HAVE TO BE AT SENIOR MINISTERIAL LEVEL.

BATES

NNNN

CR 450

B

XII

ADVANCE COPY
(FILES)

PS
PS | LPS
PS | MR BLATCHER
PS | PUS
MR CORTAZZI
MR MURRAY
Hd of FED
~~PS~~ No 10 DOWNING ST

R. C

CONFIDENTIAL
FM SEOUL 270130Z OCT
TO FLASH FCO
TELEGRAM NUMBER 255 OF 27 OCTOBER
INFO IMMEDIATE WAMWINGTON
IMMEDIATE TOKYO
IMMEDIATE PEKING
IMMEDIATE MOSCOW
IMMKZEDIATE CBF HONG KONG
IMMW IATE HONG KONG ()19=34,94)
IMMEDIATE MODUK (FOR DI 4)

MY TEL 254: DEATH OF PRESIDENT PARK

1. PRECISE DETAILS OF THE CIRCUMSTANCES OF THE PRESIDENT'S DEATH ARE STILL NOT CLEAR. BUT IT APPEARS THAT HE HAD BEEN INVITED TO A PARTY AT THE SENIOR KCIA MESS. THERE WAS NOTHING PARTICULARLY UNUSUAL ABOUT THIS: THEREFORE THERE DOES NOT APPEAR TO BE ANY REASON TO SUSPECT THAT HE HAD BEEN LURED THERE. A QUARREL SEEMS TO HAVE BROKEN OUT BETWEEN CHA JI CHUL, THE CHIEF OF THE PRESIDENT'S PERSONAL BODYGUARD AND KIM CPBE KYU WHO MAY WELL HAVE BEEN RIVALS. KIM DREW A GUN (HE WOULD ALWAYS HAVE BEEN ARMED) AND FIRED AT CHA. THE PRESIDENT MAY HAVE BEEN KILLED ACCIDENTALLY IN THE SHOOTING THAT FOLLOWED. BUT IT HAS BEEN ANNOUNCED THAT THERE WERE FIVE DEATHS IN ALL SO THERE MUST HAVE BEEN QUITE EXTENSIVE SHOOTING.

2. THE PRESIDENT IS TO BE GIVEN A STATE FUNERAL BUT NO DATE OR ARRANGMENTS HAVE BEEN ANNOUNCED.

3. THE NEXT FEW DAYS WILL BE CRITICAL. IT IS LIKELY THAT THE MILITARY WILL HAVE SITUATION UNDER TIGHT CONTROL, BUT THESE ARE EXACTLY THE CIRCUMSTANCES IN WHICH WE HAD ALWAYS EXPECTED THE DANGER OF INVASION TO BE AT ITS HIGHEST.

4. IT IS USELESS AT THE MOMENT TO SPECULATE ON HOW LONG THE INTEL M CONSTITUTIONAL ARRANGEMENTS WILL CONTINUE AND WHO MAY BE THE NEXT PRESIDENT. IT IS JUST POSSIBLE THAT GOOD MAY COME OF THIS TRAGEDY IN THAT IT COULD PROVIDE AN OPPORTUNITY FOR SOME LOOSENING UP OF THE POLITICAL SITUATION. MEANWHILE WE WOULD EXPECT THE PARTIES TO CLOSE RANKS IN FACE OF THE EXT-ERNAL THREAT

5. IT SEEMS ALMOST CERTAIN THAT THE VISIT OF OUR IPU DELEGATION WHICH IS DUE TO ARRIVE ON 3 NOVEMBER WILL HAVE TO BE CANCELLED BUT BEFORE A DECISION IS TAKEN WE WOULD LIKE AN OPPORTUNITY TO CONSULT THEIR HOSTS HERE.

6. IT IS IMMPOSSIBLE AT THE MOMENT TO GIVE CLEAR ADVICE ON WHAT GUIDANCE SHOULD BE OFFERED TO BUSINESSMEN AND OTHER PROSPECTIVE VISITORS. BUT WE WILL HAVE THIS POINT IN MIND AS WE CONTINUE TO REPORT.

7. WE HAVE JUST LEARNED THAT INTERNATIONAL FLIGHTS INTO AND OUT OF SEOUL HAVE BEEN RESUMED AFTER A SHORT BREAK THIS MORNING. INTERNAL FLIGHTS ARE NOT OPERATING.

8. POSTSCRIPT. THE PRIME MINISTER AS ACTING PRESIDENT HAS JUST MADE A BRIEF BROADCAST CONFIRMING THAT HE HAS ASSUMED THAT OFFICE. HE SAID THAT THE UNITED STATES HAD PROMISED TO CONTINUE TO SUPPORT KOREA. NO EXTERNAL RELATIONSHIPS HAD CHANGED. THE ARMY AND POLICE WILL MAINTAIN SECURITY AND WILL BE ON ALERT TO PREVENT ANY INCURSION FROM THE NORTH.

BATES

FCO PSE PAS COPY OF MY TEL NO 254 TO MODUK DI 4

NNNN

FR Seoul

TO FLASH FCO
TEL NO 254 OF 27 OCTOBER

INFO IMMEDIATE WASHINGTON
IMMEDIATE TOKYO
IMMEDIATE HONG KONG (GOVERNORGM
IMMEDIATE MOSCOW
IMMEDIATE PEKING
IMMEDIATE CBF HONG KONG

ADVANCE COPY (XII)
(FILES)
PS
PS/LPS
PS/MR BLAKER
PS/PUS
MR CORTAZZI
MR MURRAY
Hd of P E D
~~PS~~ No 10 DOWNING ST
R.C

D

EATH OF PRESIDENT PARK

1. THE LATEST REPORTS BEING CARRIED BY THE BBC OVERSEAS SERVICE OF THE DEATH OF THE PRESIDENT APPEAR TO BE SUBSTANTIALLY CORRECT.
PRESIDENT PARK WAS KILLED JUST BEFORE 8 PM LAST NIGHT. AFTER AN EMERGENCY MEETING OF THE CABINET IT WAS ANNOUNCED THAT IN ACCORDANCE WITH PROVISIONS OF THE CONSTITUTION PRIME MINISTER CHOI KYUAYAH HAD BEEN DECLARED ACTING PRESIDENT.

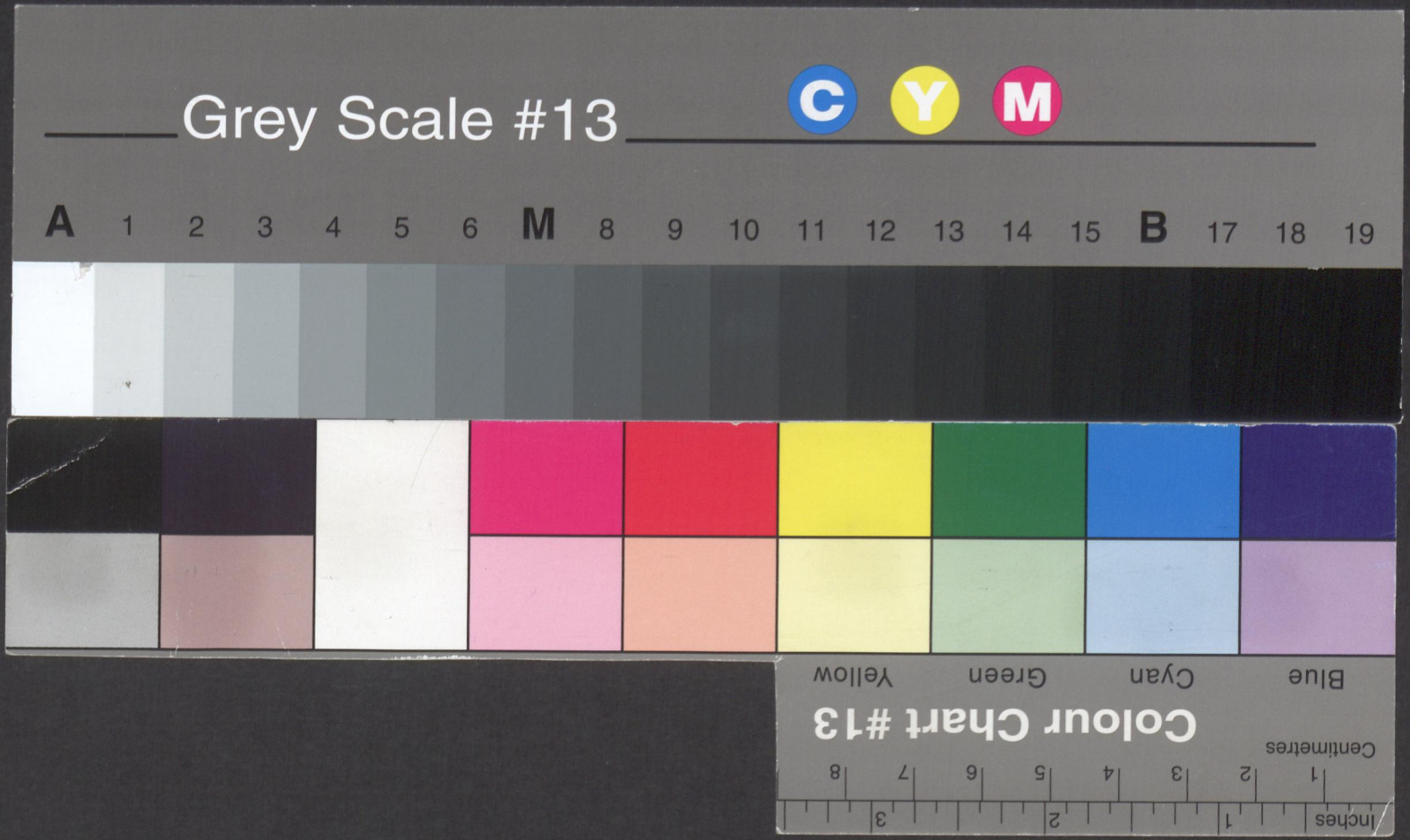
2. SOME DETAILS OF LAST NIGHT'S EVENTS WERE GIVEN IN A BROADCAST BY THE MINISTER OF CULTURE AND INFORMATION THIS MORNING. HE SAID THAT THE PRESIDENT HAD BEEN SHOT BY THE DIRECTOR OF THE KCIA KIM CHOE KYU AFTER A QUARREL. 4 OTHER PEOPLE WERE ALSO KILLED INCLUDING THE PRESIDENT'S CHIEF OF BODYGUARD. KIM WAS ARRESTED BY THE ARMY AND IS UNDER INVESTIGATION.

3. THE GOVERNMENT HAVE DECLARED MARTIAL LAW THROUGHOUT THE REPUBLIC, EXCEPT IN CHEJU ISLAND PROVINCE. THE CURFEW HAS BEEN EXTENDED TO RUN FROM 10PM TO 4AM.

4. THE CHIEF DANGER NOW IS THAT NORTH KOREA MAY BE TEMPTED TO ATTACK IN THE HOPE OF CAPITALISING ON THE UNCERTAINTY OVER THE PRESIDENTIAL SUCCESSION.
THE UNITED STATES GOVERNMENT HAS WARNEDIN NEWS BROADCASTS AGAINST INTERVENTION.

5. TANKS ARE IN POSITION OUTSIDE THE MAIN GOVERNMENT OFFICES AND OTHER VULNERABLE POINTS ARE UNDER MILITARY GUARD. BUT SO FAR AS WE CAN JUDGE AT THE MOMENT THE CITY IS QUIET.

6. FURTHER REPORTS AND COMMENT WILL FOLLOW


Grey Scale #13
C
Y
M
A 1 2 3 4 5 6 M 8 9 10 11 12 13 14 15 B 17 18 19
Colour Chart #13
Blue
Cyan
Green
Yellow
Centimeters
1 2 3 4 5 6 7 8
Inches
1 2 3