

S Korea



Foreign and Commonwealth Office

London SW1A 2AH

23 October 1980

*K.S. Hunt 24/10*

*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).

*mb  
enclosed:  
requested -  
Hunt*

*yours ever*

*Roderic Lyne*

(R M J Lyne)  
Private Secretary

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

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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, 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 TWO NATIONS 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, 1960, ADDRESSED TO THE THEN PRESIDENT, H.E. CHOI KYU HAN, WHICH HAS BEEN PLACED BEFORE ME FOR UNNECESSARY 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.

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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]

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At the Ministry  
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10 DOWNING STREET

FEX 160/L		115.50
REC'D		
- 3 JUL 1980		

29 June 1980

THE PRIME MINISTER

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 KECCO's knowledge of GEC equipment is considerable. A further contract with KECCO 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

