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Prime Minister

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I suggest that you consider
the possibility of Korea when
the F.C.O. lets us have the
revised draft programme. Agree?

Yes
ml

A-FC-30
J

PRIME MINISTER

I have been giving thought to the trade objectives of your visit to the Far East in September. So far as China is concerned, there is only a remote change of major business coming to a head this summer (save perhaps for a decision on the Guangdong power station). I expect we shall have to be content with the benefits which we can expect in the much longer term from the improved climate created by your visit. Similarly, though against a totally different background, we must not expect new export business to emerge directly as a result of your call in Hong Kong.

Trade issues will of course dominate in Tokyo, and I attach the greatest importance to your discussions there. It is possible that the Japanese will be able to time some concession to us so as to coincide with your visit, but if so it would be much more likely to relate to Japanese exports to this country than to any major piece of business for British industry.

As you know, after visiting Japan myself last month I made a one day call in Seoul and I came away convinced that there are substantial opportunities there for our capital goods exporters. The Koreans are as ready as any to reward political gestures, as we saw in the recent success of GEC, on whose behalf you wrote to President Chun in 1980. We have had indications that a visit of as little as one day in the course of your September tour would yield tangible commercial benefits. If the award of a major contract could be announced while you were in Seoul it would help to give the visit as a whole a much more positive commercial slant. However even if this was not at all possible, I believe that the business which we could expect to pick up later as a direct consequence of your gesture would make the call worthwhile.

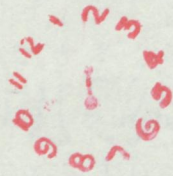
I appreciate that you will be covering a lot of ground in 13 days but a visit to Seoul would not involve you in any real diversion. I understand that the Foreign and Commonwealth Office are about to let your staff have some ideas on the make-up of the programme and that they will be seeing what would be involved in a short visit to Korea.

W J B

W.J.B.



3 MAR 1982



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FM SEOUL 290810Z MAR 82
TO ROUTINE FCO
TELEGRAM NUMBER 51 OF 29 MARCH
INFO DOT, OVERSEAS TRADE DIV 2

GIFFARD'S MINUTE OF 3 MARCH TO ELLIOTT:
PRIME MINISTER'S VISIT TO KOREA.

1. WOLFERS CALLED ON ME TODAY. ACCORDING TO HIM THE QUESTION OF A VISIT BY THE PRIME MINISTER TO KOREA WAS RE-OPENED LAST WEEK AND THE SECRETARY OF STATE FOR TRADE IS SUPPORTING THE PROPOSAL TO THE PRIME MINISTER.
2. THE KOREANS ARE MOST DISAPPOINTED AT THE PRESENT SITUATION. AS THE KOREAN AMBASSADOR SAID (PARAGRAPH 1 OF GIFFARD'S MINUTE) WHAT IRKS THEM MOST IS THE THOUGHT OF MRS THATCHER GOING TO CHINA AND JAPAN WITHOUT INCLUDING KOREA. TO HAVE VISITED EITHER COUNTRY ALONE WOULD NOT HAVE MATTERED SO MUCH. IF IT WERE POSSIBLE EVEN AT THIS STAGE TO PROPOSE A VISIT WE WOULD RETAIN OUR FAVOURED POSITION. IT DOES NOT MATTER HOW BRIEF A VISIT. THE INSIDE OF ONE DAY COULD SUFFICE FOR LOCAL NICETIES.
3. ON PRESENT TIMING THERE IS NO CONTRACT OF SUFFICIENT IMPORTANCE TO WARRANT THE PRIME MINISTER'S INTERVENTION WHICH IS LIKELY TO COME TO FRUITION AT ABOUT THAT TIME. THE TIMETABLE COULD CHANGE BEFORE THEN. HOWEVER, IF A VISIT WERE AGREED WE COULD USE IT AS A POWERFUL LEVER IN THE PROCESS OF OUR NEGOTIATIONS OVER MAJOR NEW PROJECTS IN THE PIPELINE SUCH AS POWER GENERATION (NUCLEAR 11 AND 12) AND THE SECOND STEEL MILL

MORGAN

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*If Pat Jones
this will be
made into news
file*

BK

31 March 1982

The Prime Minister read with interest your Secretary of State's minute of 30 March suggesting that she include Korea in her visit to the Far East in September. She has noted that the Foreign and Commonwealth Office will be providing a draft programme for the visit in the near future and will look at the possibility of including Korea when this is available.

I am copying this letter to John Holmes (Foreign and Commonwealth Office).

A. J. COLES

John Rhodes, Esq.,
Department of Trade.

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