



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

Raymond

The Lord Weinstock

HL

THE GENERAL ELECTRIC COMPANY LIMITED

1 STANHOPE GATE · LONDON W1A 1EH

01-498 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 suburban 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.

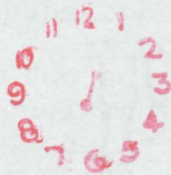
*Yours,*

*Arnold*

Lord Weinstock

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

13 MAY 1982



CONDINGLOI

127 BRIDGE STREET LONDON EC4A 3DF  
THE GENERAL ELECTRIC COMPANY LIMITED

*S. Korea 801*

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.

VLB

ADOT



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

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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?

MCS 12/1



*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



Minister of Trade and Industry

TO THE SECRETARY  
OF THE  
DEPARTMENT OF TRADE AND INDUSTRY

1 JAN 1958  
12 1  
11 2  
10 3  
9 4  
8 5  
7 6

Dear Sir,  
I am pleased to have received your letter of the 27th inst. in relation to the proposed extension of the...  
The proposed extension of the...  
I am sure that you will be satisfied with the...  
Yours faithfully,  
[Signature]

Secretary



S. Korea

FILE

ds

be Ingrid  
Latham



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.

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W. could write who we are interested in. The letter has arrived.

Prime Minister

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

Ms 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 0ET

WJB

17 December 1981

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T 127/81



127/81

file  
ca fro

10 DOWNING STREET

SUBJECT

cc Master Set  
THE PRIME MINISTER  
cc Ops Set

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

MB



10 DOWNING STREET

THE PRIME MINISTER

11 September 1981

Dear Prime Minister,

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Yours sincerely

Ronald D. White

Mr. Nam Duck-Woo

File

S. Korea H

cc: FCO

SENT BY FCO

SUPERSEDED

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MODB/A PK



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

**DRAFT:** ~~memo~~/letter/teletype/dispatch/note

**TYPE:** Draft/Final 1+

**FROM:**  
Prime Minister

Reference

**DEPARTMENT:** **TEL. NO:**

**SECURITY CLASSIFICATION**

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

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

Your Reference

Copies to:

**PRIVACY MARKING**

.....In Confidence

**CAVEAT**.....

**SUBJECT:**

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Enclosures—flag(s).....

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GRS 350

RESTRICTED

DESKBY 080930Z

FM SEOUL 080500Z SEP 81

TO IMMEDIATE FCO

TELEGRAM NUMBER 155 OF 8 SEPTEMBER

INFO IMMEDIATE CRED A AND INDUS

YOUR CRED A 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

FED  
TRD (2x)