

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 Ministry 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 (Ministry of Defence) and Michael Gilbertson (Department of Trade and Industry).

Yours sincerely
C D Powell

C D POWELL

Robert Culshaw, Esq.,
Foreign and Commonwealth Office

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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.

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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.

EDP
21:30 9/4