CONFIDENTIAL RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND PRESIDENT CHUN OF THE REPUBLIC OF KOREA AT THE PRESIDENTIAL PALACE IN SEOUL ON SATURDAY 3 MAY 1986 AT 1020 HOURS President Chun Prime Minister Ambassador Kim H.M. Ambassador Mr. Charles Powell President Chun welcomed the Prime Minister warmly to Korea and expressed his gratitude for the considerate and thoughtful reception which he had received in London. The Korean people were greatly indebted to the United Kingdom. They owed to Britain the liberty which they regained after the Second World War and the successful defence of that liberty against North Korea in the Korean war. Because of the great distance between Britain and Korea, people were inclined to forget how much Korea owed to Britain. The exchange of visits between himself and the Prime Minister underlined both the historical relationship the depth of Korea's gratitude. It was up to the younger generation to strengthen ties between the two countries. He and his Government wanted to achieve precisely that. The Prime Minister spoke of her pleasure at being in Korea.

The Prime Minister spoke of her pleasure at being in Korea. She wanted to see at first hand what had been achieved in Korea and experience the problem posed by the division of the country at the 38th parallel. She recalled Britain's close involvement with Korea, particularly during the Korean war. Britain was an ally on whom Korea could depend. We continued to play a part right across the world.

United Kingdom/Korean Trade

President Chun said that he had found his visit to the CBI in London particularly useful. On his return he had encouraged Korean Ministers and businessmen to follow up the visit. He understood that a further mission was now planned for September, with the goal of strengthening trade between the

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two countries. He was determined that his visit to the United Kingdom, and the Prime Minister's to Korea, should be more than symbolic.

The Prime Minister said that we were looking forward to the further visit. She would ensure that all the necessary contacts for the mission were made. Britain and Korea lot in common. She was conscious that Korea was an excellent market for high technology and she wanted Britain's performance in the market to improve. She recalled her conversation with President Chun in London about the Marconi/ Ferranti Command and Control System contract. President Chun said that, following his meeting with the Prime Minister, he had passed her a message to the effect that the British bid would be positively considered. He had not spoken in vain. Matters were moving to a successful conclusion. The contract was going Britain's way. The Prime Minister said that she much appreciated this decision which she would like to announce. President Chun said that the Prime Minister was free to tell the press that the contract would be decided in Britain's favour, although the official position remained that the Korean Ministry of Defence were considering the bid in a positive manner. The Prime Minister made a brief reference to the United Kingdom's interest in the sale of Javelin to Korea.

Constitutional Questions

The Prime Minister said that she understood that President Chun was considering a number of constitutional changes.

President Chun said that Korea had been experimenting with democratic government for 30 years or more. The Constitution had been re-written on eight separate occasions. It was unfortunate that constitutional change had become a matter of controversy. His duty was to defend the Constitution which was under attack by a small minority. There was a procedure for lawful amendment. This required a debate in the National Assembly on a concrete proposal which, to succeed, had to have the support of two-thirds of the members of the Assembly and a majority in a referendum. If a proposal went through

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the proper procedure and came to him, he would of course sign it. But he believed the Constitution should give people continuity. He was not going to give in to those who wanted to succumb to an unnecessary constitutional crisis. Following his visit to Europe, he had been impressed with the extent to which democracy and institutions were not a question of documents but of attitudes and experience. People in Korea were confused about democracy because of frequent changes in the Constitution. There had been occasions in the past where the President had arbitrarily changed the Constitution to allow himself to continue in office. The course which he would follow was to let the members of the Assembly debate whether or not to change the Constitution and then see whether they had the necessary popular support. He repeated that if agreement on constitutional change could be reached, he would not stand in the way.

The Prime Minister said that she understood that the President's strategy was to create the stability which Korea had lacked. Stability would come from a Constitution which allowed peaceful succession. The President said that he entirely agreed.

Relations with North Korea

The Prime Minister asked whether there had been any progress in discussions with North Korea. President Chun said that no positive progress had been made, but South Korea would continue to press hard for peaceful discussions.

Economic Summit

President Chun said that he would urge the Prime Minister, at the forthcoming Economic Summit, to work to strengthen the solidarity of Western countries. At the Bonn Economic Summit, the participants had expressed the view that a peaceful solution to the problem of Korea was essential. This had been deeply appreciated. He hoped that it could be confirmed at the Tokyo Summit, as a warning to the Soviet Union which had massively built up its armaments in the Far East and to North Korea.

CONFIDENTIAL - 4 -The Prime Minister said that she would gladly do this. It was vital to have a united front among democracies. this was even more important in the light of reactions in some countries to the United States' action against Libya. nuclear accident in the Soviet Union had exposed once more the closed nature of Soviet society and the true face of Mr. Gorbachev as leader of the Soviet Union. It was useful that people had been reminded of this. Communism never changed its objectives or methods and the democratic countries must be constantly on their guard. The Prime Minister continued that it would aslo be important for the Summit to reiterate the need to find global solutions to problems. This was particularly true in the trade and economic field. She hoped that the Summit would agree on the urgency of a new round of multilateral trade negotiations which would also deal with allied subjects such as copyright law and patent law. The meeting ended at 1050 hours. CHARLES POWELL 3 May 1986

SUBJECT CONFIDENTIAL cc Master 10 DOWNING STREET 3 May 1986 From the Private Secretary Dear Tony PRIME MINISTER'S MEETING WITH THE PRESIDENT OF KOREA AND THE PRIME MINISTER OF KOREA: 3 MAY I enclose records of the Prime Minister's meetings in Seoul with President Chun and Prime Minister Lho. I am copying this letter and enclosure to Rachel Lomax (HM Treasury), John Howe (Ministry of Defence), Michael Gilbertson (Department of Trade and Industry) and Michael Stark (Cabinet Office). Charles Powell A.C. Galsworthy Esq CMG Foreign and Commonwealth Office CONFIDENTIAL



KOREA: RECENT POLITICAL DEVELOPMENTS

- 1. The President had the leaders of the three Parliamentary parties to lunch on Wednesday 30 April. They had a long and reasonably friendly conversation. The President deplored student violence and there was some agreement on this point from the others. He also urged the NKDP to abandon its rallies and signature campaign. He continued to argue that constitutional reform could only be achieved through the Parliament. He said that if the parties could agree an amendments in the National Assembly in accordance with the existing constitution he would not veto them, though he continued to feel himself that the right time to tackle this was after the Olympics and the installation of the new President in 1988. The President offered tete-a-tete meetings with the leaders of the opposition parties and urged the leader of the DJP to meet Kim Young-sam.
- 2. There has been no authoritative comment from the opposition parties so far. Such reaction as there has been is rather negative. In particular Kim Young-sam said that it was wrong that the President should talk only to the President of the NKDP; he and Kim Dae-jung should also be present.
- 3. Student demonstrations continue and tension is fairly high in the campuses. The President did offer to modify the arrangements for compulsory military training and there were reports of some changes in today's papers. It is too soon to work out exactly what they are or whether they are likely to satisfy the students.

COMMENT

4. The President's offer, the second concession he has made in this debate on constitutional change, is seen by many people as being a very fair one and puts him in quite a good position in the general public eye. It also has the advantage from his point of view of exposing the divergences within the opposition camp.

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2 May 1986

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