

Magyar Országos Levéltár (MOL) – Hungarian National Archive

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6-51 00370/1 Gazdasági témájú anyagok Lázár-Thatcher tárgyaláshoz – Materials of economic topic for Lázár-Thatcher discussion

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LEADER OF THE SECRETARIAT OF THE COUNCIL'S INTERNATIONAL ECONOMIC RELATIONS

[next to it handwritten note: "Cr. Lajos Nagy to file to Szt. [?] to Thatcher materials. Signature of Esztergályos 2/16" next to it filing number: "163/Esz / Angol signature of L Nagy 2/16"]

193/Ba/84.

Comrade Ferenc Esztergályos,
Deputy Foreign Secretary

Budapest

[On the other side handwritten note: "T: Materials of economic topic for Lázár-Thatcher discussion"]

Dear Comrade Esztergályos!

I send you in the attachment the suggestion of topic for comrade György Lázár for the separate *[tête-à-tête]* discussion with the British prime minister. We suggest to attach to the material comrade Péter Veress' report on his discussion held with vice-president Haferkamp on the 17th January /I send it additionally/. *[The mentioned attachment is not in the folder]*

I gave the suggestion of topic for negotiation to comrade Marjai for approval; I will give information on the result as soon as possible.

Budapest, 20th January 1984

With comradely greeting

/Ferenc Bartha/ *[above his signature]*

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TOPIC SUGGESTION FOR NEGOTIATION

for the separate discussion to be held with the British prime minister

Our relationship with the EEC

- It is almost for a year that during high-level discussions we signalled to some influential members of the EEC our determination that we would be ready to change the almost ten-year-long trade political confrontation with the practice of long-standing cooperation, in case we experience political intent to *[do]* this on behalf of the Committee and member states of EEC. We also signalled that in the interest of this we are willing to establish a comprehensive bilateral trade contract with the EEC, if in this way we can considerably improve the conditions of Hungarian products to get on the market. We are need of this also because the EEC constitutes 40 per cent of our whole convertible export, it constitutes 60 per cent of our sales tending to developed capital /OECD/ countries, and due to long-lasting deficit almost half of our convertible debt was accumulated in this region. At the same time the trade political conditions fundamentally influencing the Hungarian export /joint agricultural policy, quantity restrictions, customs/ are the most unfavourable for us in this respect.

- To this our initiative upon deputy-prime minister József Marjai's visit to London in March 1983 the English part reacted in the most positive way. As the result of his discussions held with Peter Rees then Foreign Trade Minister /today Chief Secretary of Treasury/ and Malcolm Rifkind Foreign Under-Secretary, Great Britain undertook that she forwards with support the Hungarian initiative to the Council of Foreign Secretaries. As it is known, the English mediation and support were successful, as after the first Haferkamp-Veress meeting held on the 19th April the non-official discussions of experts of revealing purpose got started. We thank for it also right now that the English government undertook the pioneer role in this question.

- Throughout the discussions of experts and from the discussions of various levels held with member states since that time we arrived at the conclusion that the political interest created by English mediation was not followed by constructive attitude *[original Hungarian 'behaviour']* in *[the]* economic field. The opinion of member states is really divided in this respect, i.e. in which fields in what extent they wish to improve the conditions of Hungarian products to get on the market. In these circumstances the two discussions of experts, during which the Hungarian part described its ideas precisely and in detail, were not followed by further discussions.

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According to our information the English government's standpoint is still positive, but until this time was not able to counterbalance other countries' /first of all Italy's/ rigid attitude *[original Hungarian 'behaviour']*.

- Due to the discussion of experts [*having*] arrived to an impasse, another meeting took place between vice-president Haferkamp and our Minister for Foreign Trade, Veress Péter, on the 17th January in Bonn. During this a consensus was born considering that in the field of agriculture there is an opportunity to draw standpoints nearer, as in connection with the most sensitive product of the Community, beef, the Hungarian part is willing to reduce the claimed quantity, and in the fields outside this [*the Hungarian part is willing*] to have flexible attitude asked for by the Community. [*This last sentence is syntactically so incorrect in the original Hungarian that it is hard to make sense of it*]. In the questions on customs, custom negotiations based on the idea of classical greatest allowance may mean the solution in case of those products in which Hungary is in the position of main exporter amongst custom-paying countries. Considering the abolition of discriminatory quantity restrictions, which on us has a humble effect, but it is more important politically, due to a suggestion of the Common Market an opportunity of solution is shaping. The essence of this is that in the question of ceasing discrimination the member states can take their sides one by one, not depending on each other, and in this way by eliminating rigid, protectionist withdrawing forces, there will not be obstacles in front of moving forward with countries manifesting a positive attitude.

- In this situation we have to ask Great Britain's government to continue her so far constructive, supportive politics in order to settle the relationship of Hungary and the Common Market, and by abolishing in national scope of authority the discriminative quantity restrictions representing today an already unimportant value shall manifest exemplary attitude to [*original Hungarian "in the direction of"*] other member states. It is our conviction that England will not stay alone in this situation and within reasonable time an agreement can be made that in the current situation would be a remarkable achievement of Eastern-Western cooperation and detente.

Budapest, 19th January 1984

Attachment! [*In fact there is no other document in the folder*]