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Record of a Meeting of the Prime Minister with Mr. Losonczi, President of the Presidential Council, at the Parliament Building, Budapest, at 1130 hours on 3 February, 1984

Prime Minister  
Mr. Unwin  
Mr. Turnbull

Mr. Losonczi  
Mr. Esztergalyos  
Interpreter

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Mr. Losonczi welcomed the Prime Minister on behalf of the Presidential Council. The fact that the visit was taking place was testimony to the fact that there were no unresolved problems between the two countries. He was confident that the visit would contribute to the expansion of bilateral relations. He regretted that the visit was so short.

The Prime Minister said she was delighted to come to Hungary as the first British Prime Minister, and was sorry that such a visit had not been made earlier. She too regretted that the visit could not be longer as she liked to go out to meet the people on such visits. Her duties in Parliament made it very difficult to get away for very long.

Mr. Losonczi said that the two countries had a common interest in seeing an improvement in the international situation. Neither country wanted war, and the time was approaching when the build-up of arms must be stopped. It was essential to achieve security at a lower balance of weapons. The international situation had deteriorated to the point where the tension was no longer tolerable, and an effort must be made through talks to reduce it.

He therefore attached great importance to the Prime Minister's visit. He recognised that the super powers had a determining influence on international relations, but the smaller countries had an influence and a responsibility to use it. Although this was a goodwill visit, it had a wider purpose. It should be seen as part of a continuing process, not as a once-off event.

/Turning

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Turning to economic matters, Mr. Losonczi said that the world economy had not yet recovered fully from the crisis which began around 10 years ago. There were now encouraging signs, but there had been earlier occasions when the situation appeared to be improving. Progress could be made on the economic front only when there were closer political relations. He felt that Hungary could cope with its internal problems provided external factors did not worsen.

The Prime Minister agreed that these smaller countries could have a useful influence on the super powers. She explained that relations with the United States were very good. There were frequent meetings at which views were expressed frankly. She noted that while contacts within the two alliances were regular, there was not enough contact between the alliances. Her fear was that one day a fatal error could be made through misunderstanding. While recognising each country's different political systems, there was much to be gained from talking to one another.

Mr. Losonczi said he was very pleased to have met the Prime Minister in person. A different picture emerged from that gained from a distance. He concluded with a personal request. He had received the Duke of Edinburgh here in 1973 and again in 1978 when the latter had come to Hungary. He asked the Prime Minister to convey his best wishes to The Queen and to the Duke of Edinburgh.

The meeting concluded at 1200.

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3 February, 1984