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TO IMMEDIATE BUDAPEST
TELEGRAM NUMBER 56 OF 5 FEBRUARY
AND TO IMMEDIATE UKDEL NATO
INFO PRIORITY NATO POSTS, EC POSTS, MOSCOW, WARSAW, EAST BERLIN,
PRAGUE, BUCHAREST, SOFIA, TOKYO, STOCKHOLM, UKDEL VIENNA, VIENNA,
HELSINKI

A.d.C. $\frac{6}{2}$
h.a.

MIPT: PRIME MINISTER'S VISIT TO HUNGARY, 2-4 FEBRUARY
FOLLOWING ARE BRIEFING NOTES:-

1. (BACKGROUND.) HUNGARIAN INVITATION TO PRIME MINISTER OUT-
STANDING FOR SOME YEARS AND WAS PRESSINGLY RENEWED BY MARJAI IN
LONDON IN MARCH 1983. PRIME MINISTER DECIDED IN AUTUMN 1983 THAT
IT WAS TIME TO TAKE THIS UP. A FACTOR IN HER THINKING AT THAT
TIME WAS HER BELIEF THAT THE EAST/WEST DIALOGUE NEEDED TO BE
RE-ANIMATED: SEE HER SPEECHES IN WASHINGTON AND AT THE
CONSERVATIVE PARTY CONFERENCE (BOTH IN SEPTEMBER) AND AT THE
GUILDHALL IN LONDON (NOVEMBER).
2. (DISTRIBUTE COPIES OF PRIME MINISTER'S SPEECH AT LAZAR'S
DINNER ON 3 FEBRUARY AND OPENING STATEMENT TO HER PRESS
CONFERENCE ON 4 FEBRUARY.)
3. PROGRAMME INCLUDED 45 MINUTES ALONE WITH LAZAR, A PLENARY
SESSION ALSO WITH LAZAR AND MORE THAN TWO HOURS ALONE WITH KADAR,
AS WELL AS A CALL ON THE PRESIDENT AND SOME OTHER VISITS IN
BUDAPEST AND IN THE SURROUNDING COUNTRY.
4. HUNGARIANS, ESPECIALLY MARJAI, SPOKE EMPHATICALLY ABOUT THE
NEED TO CONCLUDE AN AGREEMENT BETWEEN HUNGARY AND THE EC. BUT
THEY SEEMED TO RECOGNISE THAT CONSIDERABLE PROGRESS HAD BEEN
MADE AT THE LAST MEETING BETWEEN VERESS AND HAFERKAMP AND THAT
THE PROSPECTS FOR AN AGREEMENT WERE BETTER NOW THAN HAD SEEMED
POSSIBLE AT ONE TIME.
5. SOME DISCUSSION OF ANGLO/HUNGARIAN BILATERAL RELATIONS,
COVERING THE WHOLE FIELD OF OUR CONTACTS AND THE PROSPECTS FOR

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THEIR DEVELOPMENT. VARIOUS EVENTS ENVISAGED FOR LATER THIS YEAR, INCLUDING 'HUNGARIAN DAYS' IN BRITAIN IN APRIL.

6. MAIN EMPHASIS HOWEVER WAS ON INTERNATIONAL QUESTIONS AND ESPECIALLY EAST/WEST RELATIONS. PRIME MINISTER'S CHIEF OBJECTIVE WAS TO CONVINC HUNGARIANS OF SINCERITY OF THE UNITED STATES AND THE WEST AS A WHOLE IN THEIR APPROACH TO RELATIONS WITH THE SOVIET UNION AND THE COUNTRIES OF EASTERN EUROPE, AND ON ARMS CONTROL. IN THIS CONTEXT SHE WAS ABLE TO DRAW ON HER PERSONAL FRIENDSHIP WITH PRESIDENT REAGAN AND ON HER OWN EXPERIENCE AS PRIME MINISTER. SHE EMPHASISED THE SIGNIFICANCE OF REAGAN'S SPEECH OF 16 JANUARY AND OF THE PROPOSALS Tabled BY THE 16 NATO DELEGATIONS AT STOCKHOLM ON 24 JANUARY. AS REGARDS START AND INF, HER LINE WAS SUMMED UP IN HER COMMENT IN HER SPEECH AT LAZAR'S DINNER THAT 'THIS IS NOT TIME FOR EMPTY CHAIRS IN GENEVA' SHE SUGGESTED THAT THE PROSPECTS FOR PROGRESS IN THE VARIOUS ARMS CONTROL TALKS WOULD BE IMPROVED IF THE GENERAL RELATIONSHIP BETWEEN THE EAST AND THE WEST COULD BE CHANGED FOR THE BETTER. SHE SPOKE OF THE NEED FOR PEACE TO BE MORE THAN PASSIVE. ANY AGREEMENTS COULD ONLY BE ON THE BASIS OF MUTUAL RESPECT.

7. THE BASIC POSITION ON THE HUNGARIAN SIDE WAS THAT HUNGARY IS A LOYAL MEMBER OF A CERTAIN SOCIAL SYSTEM, ECONOMIC GROUPING AND ALLIANCE: BUT THAT ON THIS BASIS SHE HAS AND WILL CONTINUE TO HAVE AN INDEPENDENT STANCE IN WORLD AFFAIRS. THEY STRESSED THAT HUNGARY SPEAKS WITH THE SAME VOICE TO ITS FRIENDS, TO 'PARTNERS IN DISCUSSION' AND TO ITS OWN PEOPLE. IN THE TALKS, THEY DEFENDED THE WARSAW PACT THESIS THAT IT WAS THE INTRODUCTION OF PERSHING 2 AND CRUISE MISSILES INTO WESTERN EUROPE BY THE UNITED STATES WHICH CAUSED THE BREAKDOWN OF THE NEGOTIATIONS IN GENEVA. BUT THEY DID NOT DISSENT FROM THE PRIME MINISTER'S ARGUMENT THAT THE ESSENTIAL THING WAS TO GET NEGOTIATIONS RE-STARTED. THEY BELIEVED THAT IT WAS POSSIBLE FOR THE WEST TO DO SERIOUS BUSINESS WITH THE SOVIET UNION, NOTWITHSTANDING PRESENT DIFFICULTIES.

8. SOME OF THE QUESTIONS AT THE PRESS CONFERENCE INDICATED EXAGGERATED EXPECTATIONS AS TO WHAT MIGHT COME OUT OF THIS VISIT AS THE PRIME MINISTER SAID ON THAT OCCASION, THE BRITISH VIEW

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IS THAT 'THE ONLY APPROACH IS HARD-HEADED REALISM AND PERSEVERANCE'.

9. AT INTERVALS DURING THE VISIT THERE WAS SOME DISCUSSION OF THE ECONOMIC SITUATIONS AND POLICIES OF THE TWO COUNTRIES, THE SIMILARITIES BEING NOTED NO LESS THAN THE DIFFERENCES.

10. IN GENERAL, WE WERE GIVEN TO UNDERSTAND THAT THE HUNGARIAN SIDE APPRECIATED THIS FIRST VISIT BY A BRITISH PRIME MINISTER TO HUNGARY SINCE THE ESTABLISHMENT OF THE REPUBLIC IN 1918, AND THAT THEY SHARED OUR OWN VIEW THAT IT WAS WELL TIMED.

11. (IF ASKED FOR FURTHER DETAILS.) I WAS NOT PRESENT AT THE PRIVATE TALK WITH KADAR, NOR AT THE ONE WITH LAZAR. I UNDERSTAND THAT THERE WAS SOME FRANK TALKING BY BOTH SIDES, BUT ON THE STRICT UNDERSTANDING THAT EACH WOULD RESPECT THE OTHER'S CONFIDENCE.

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