PRIME MINISTER

VISIT OF YUGOSLAV PRIME MINISTER

We have a small problem about the lunch. Mrs. Planinc wants to deliver a prepared speech - and I expect it will turn out to be rather formal.

The FCO have suggested that, to avoid the need for interpretation, the texts of the two speeches should be translated in advance and copies of the speeches given to

I am most reluctant that speech-making at lunches of this kind in No. 10 should become more formal than usual - it would not improve the occasion. But in this instance, given the language difficulty, would you agree to handing out texts

all the participants at the lunch.

And, if so, are you content with the attached text?

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of the speeches?

It gives me great pleasure today to welcome you to Britain. I vividly remember my own three visits to your country, as leader of the Opposition in 1977 and then twice as Prime Minister in 1980. In May of,1980 I attended the moving ceremony of farewell to that great Yugoslav statesman, President Tito; and in September I was privileged to pay the first official visit to Yugoslavia by a British Prime Minister in office. So I am glad that you are now here in London to return my earlier visits to your country and to maintain our excellent bilateral contacts, especially so since we both belong to that small but distinguished band of women Prime Ministers.

Madam Prime Minister. Our talks today covered a wide range of world problems. Our discussions helped us better both to understand each other's views and also, more importantly, to strengthen, our mutual resolve to continue working for a more peaceful, prosperous and just world.

As European nations, we share responsibility to pursue the search for solutions to such great international problems as the Middle East, Southern Africa and above all disarmament. We may not be able to act alone, but, with our respective partners, we can use our influence to persuade others of the need to live in peace, without recourse to aggression. You have played over the years a notable part in the Non-Aligned Movement, not only as one of its founder members but as one of its most eloquent exponents and defender of its founding principles. We may not always agree with the stands taken by the Non-Aligned Movement as a whole, but we recognise that the great influence of President Tito and his successors has been a powerful force working to ensure that the Non-Aligned Movement remains truly non-aligned.

The fact that there are so many areas where we can agree shows that interests and objectives can be shared by countries of greatly differing political systems and traditions. And it is precisely because our views do not

coincide on all issues that exchanges and discussions between our two countries are so valuable. Nowhere is this more evident than in the complicated field of economics and finance. In recent years all of us in Europe have had to face up to some harsh economic realities in the worst world recession since the War. I should like, Madam Prime Minister, to pay tribute to the determined steps that you and your Government have been taking in the economic field since you came to office. In present circumstances, when loud calls come from some quarters for protectionist solutions, Yugoslavia has chosen a path to economic stability based on more trading, more openness to the outside, but also on internal efficiency, self-reliance and the prompt settlement of international obligations. This is a strategy that Britain has welcomed and supported. We have played an active part with Yugoslavia's friends in providing measures of financial help and relief to back up your stabilisation programme. We hope that our contribution gives tangible evidence of the importance we attach to the independence and future prosperity of non-aligned Yugoslavia.

Trade is also a significant element in our bilateral relations. Through a higher level of trade in both directions, we can create mutual economic benefits and promote personal contacts. We accept that Yugoslavia has been concerned about the imbalance in our visible bilateral trade. We therefore welcomed the visit paid by your Foreign Trade Minister, Dr Bojanic (pron. Boyaneech), to the United Kingdom last year, and the useful opportunity for further discussions which my colleague Paul Channon had during the UNCTAD meeting in Belgrade last summer.

Madam Prime Minister. It is heartening that our close relationship is being maintained during a period of uncertainty on the international scene. Your visit is a significant contribution to that relationship. I am therefore delighted to welcome you and your party to the United Kingdom. I raise my glass to you, Madam Prime Minister, to the Yugoslav people and to continued friendship and cooperation between Britain and Yugoslavia.

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