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BUCHAREST, MOSCOW, UKDEL NATO, WASHINGTON

HUNGARIAN REACTION TO FALKLANDS CRISIS

1. Hungarian media coverage of the Falklands crisis has until now been factual and balanced though with some brief additional comment from Soviet sources. However there was a change of tone in an article on 4 May in Magyar Nemzet. The article, entitled "Escalation" was by the paper's Moscow correspondent, Szaszi, and relayed Soviet comment.
2. Szászi wrote that "the developments of the past two or three days are considered in the Soviet capital a dangerous escalation". At the beginning of the conflict, Moscow had endeavoured to avoid supporting either of the two parties concerned, but recent events had led to a "resolute condemnation" by the Soviet Union of "Washington's attitude .. and the British".
3. According to Szászi, the USSR believed that "the so-called Haig Mission was only aimed at playing for time". The Reagan administration had now openly joined forces with Britain to continue a policy "of blatant pressure against the countries of the Third World". The Falklands were part of the general problem of the elimination of colonialism and Britain had ignored the past calls of the UN. While Moscow endeavoured to avoid taking sides it noted the "warlike chauvenistic mood ... of British political circles and the Conservative Party in particular". The crisis clearly provided a good opportunity for diverting British public opinion "from internal problems and difficulties".

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4. Pravda and Izvestia, in dealing with alleged outbursts of anti-Sovietism and "British claims that Moscow interferes in the crisis"^{had} pointed out that the Argentine army was not equipped from the Soviet Union but from NATO and that the "population of Latin-America could now judge for themselves that it is not the Socialist countries but NATO which endangers their peace and security". With the support of the US, Britain was even less willing to reach a negotiated settlement and wanted to bring Argentine to its knees. It was disquieting to the Soviet capital that the Tory Government was ready to risk a "great war" for a tiny part of the colonial empire. And alarming that gunboat diplomacy had been revived "which might upset international calm on a much larger scale and bigger area than the sparsely populated South Atlantic".

Cartledge

FCO

S AM D

EESD

CABINET OFFICE

ADDITIONAL DISTN.

FALKLAND ISLANDS

COPIES TO:

PS/CHANCELLOR

SIR K COUZEN

MR LITTLER

MR HAWTIN

MR PERETZ

MR ILETT

SIR M PALLISER CABINET OFFICE

MISS DICKSON EIP DIV D /ENERGY

MR ANTHONY WILLIAMS DSW 60

} TREASURY

[NOT ADVANCED]