

Hungary's Prime Minister discusses the Future

Dr Antall

May I welcome Madam Prime Minister, Mrs Thatcher, again in Hungary and in advance I would like to note immediately that it has been an extremely useful series of negotiations which we have had which have been very fruitful as well.

Our discussions have not been started just recently. In Helsinki we had the chance to have discussions on similar subjects, too, and in the forthcoming weeks on two other occasions we will have the opportunity to have discussions. Therefore, basic matters of foreign policy and economic policy have been touched upon.

With respect to foreign policy, may I inform you that we have had discussions about the European security system, we have looked through the Hungarian situation within this context and the relationship of Hungary with Great Britain in this respect and the current state of the Warsaw Treaty Organisation was discussed, too. Hungarian political questions related to the Warsaw Treaty issue and the defence policy of the Hungarian Republic were also discussed.

At the same time, we had discussions on the problem area of the Arab Bay and Kuwait. The Hungarian attitude regarding this and our joining the United Nations resolution already in the initial period of the crisis, we were the first country in fact from among the countries of central Eastern Europe to join this resolution of the United Nations. Further on we also referred to our joining the embargo which has a serious impact on Hungary both from the economic and the financial points of view. Nevertheless we wanted to join this agreement.

From a similar aspect we have given humanitarian gestures to express our feeling of solidarity. It is our intention to make gestures like this in a short time to support refugees by delivering assistance and help for refugees.

May I note that it is very important that in order to have Hungary become an associate member of the European Community in the forthcoming negotiations, the British government will support us, we can enjoy the support of the British government in this respect. Madam Thatcher has put an emphasis on her intention to support the Hungarian request in

this sense, including support to be given at a later date when Hungary could possibly become a member with full right of membership.

Naturally we have also registered the fact, which is well known now, that Hungarian citizens travelling to Great Britain do not have to acquire a visa any longer; and the possible installation of a BBC radio station after the removal of the frequency moratorium in Hungary.

Matters such as privatisation were discussed. It was expressed that it is a clear intention of Hungary to continue the process of privatisation and related to this, again, we can have the support and assistance provided by the British government since they have extensive experience in this respect and in the period of transition state companies will have to operate under market conditions and in this respect, too, we will have some help and assistance from them. At the same time, we have requested the support of the British government in the area of banking to help interested parties make investments in Hungary.

And finally, may I note that in order to provide possibilities for the British Council to move into a more convenient building, we have pointed out the inclination, the intention of the Hungarian government to provide some help in this respect and possibilities to provide a most convenient building will be investigated.

British–Hungarian relations, also up to this day has been the basic path of our foreign policy, part of the basic area of our foreign policy, British–Hungarian relations have been excellent up to this day, too, our personal relations as well as the relationship between our two parties have been favourable, considering the past, that we belong to similar European organisations, the IDU and EDU, our parties belong to, and the parties of coalition belong to them too. So in every respect our relations have been close and our relations are close and this is what we would like to have in the future, this is the way we would like to have it in the future too.

In October we will have a meeting in England and then in November in Paris we will have the opportunity to meet again and in the forthcoming period the other members of the government will travel to Britain in order to have meetings there, including the Minister of Defence, to discuss British–Hungarian military cooperation.

Prime Minister

Prime Minister, ladies and gentlemen, may I report briefly, confirming so much of what Dr Antall has said.

First, may I say it is particularly appropriate that this, my second visit to Hungary, should come with Dr Antall's government victorious and firmly in place. Dr Antall came to see us many times before the election, we hold the same philosophy, similar political views on economic matters. And as I said to him today, we in Britain have a habit of spotting winners as far as elections are concerned in other countries, and Hungary is no exception.

So with those similarity of views, of philosophy and economic policy, it is not surprising that the relationship has reached a new high level between Britain and Hungary. Moreover, this government is the only really genuine centre-right government in Eastern Europe and so we feel therefore that the policies which we believe in are likely to go ahead much faster in Hungary than elsewhere, particularly the policy of privatisation, in which perhaps we can help because we have been through the experience of privatising many big companies and nationalised industries in Britain.

It is very different this time from when I came before. That is not surprising, the change from a fully communist government to a fully democratic government believing in free enterprise. And I think the easiest way is to say that one can sense a change in atmosphere, a very different atmosphere prevails now from that in 1984.

Moreover, we visited the Stock Exchange, and not quite yet a Stock Exchange like ours, but a Stock Exchange which has started business in exactly a similar way to that which Stock Exchanges in the West began many years ago.

And also, we have had a talk with entrepreneurs about their hopes and about how they see the problems and the new opportunities developing with far more free enterprise. I did say to them that it will take quite a time to get big industries privatised, it took us a time because you have to be quite certain that they are not monopolies and you have your competition laws right, and also you have to get rid of many many regulations. But that when they have done that, and we can perhaps give advice, that it really does work. And they were all very keen entrepreneurs indeed.

I confirm what Dr Antall has said about foreign affairs and Hungary's approach to Europe. It is some time ago since I suggested to my European Community colleagues that we start to sort out Association Agreements with the newly free countries of Eastern Europe, each one tailored to the needs of the particular country. But I believe that the one with Hungary should right at the outset make it clear that Hungary can join the European Community when her economy is ready to do so and if she wishes to do so, so that people know that they will be coming to join a group of nations devoted to democracy and a free economy and therefore they will have something to work for and a new hope which is so important when you are going through a major change.

As Dr Antall has said, we also spoke about the problems in the Gulf, and as he pointed out, we are as one in insisting that the full measure of United Nations resolutions should be upheld. That is to say, Saddam Hussein must leave Kuwait and the rightful government must be restored. An aggressor can and never must gain from his aggression.

As you know, we are doing a good deal, and Dr Antall has been fully behind everything that is being done and you heard his own extremely constructive attitude towards these matters.

We have discussed other possibilities with regard to defence policy. At the moment, and it will continue, our defence policy rests staunchly upon NATO. NATO is also acquiring a political role. We notice that the last meeting of the Warsaw Pact, it was very much more a political communique than a military one and of course we shall be meeting at the CSCE occasion in Paris when the CFE Agreement is ready to be signed. And you know the proposals that I have made: that the Helsinki Accords group of nations should meet regularly because that is the one that embraces nations right from the United States across Europe and the Soviet Union.

I am grateful to Dr Antall for mentioning that visas will no longer be necessary for Hungarians to travel to Britain after 1 October. I am grateful to him for indicating that he will give attention to the request of BBC not only to have their English-speaking frequencies, but to have some local frequencies so that they may broadcast in Hungarian.

And I am very grateful to him for indicating that our British Council, which operates from the ground floor of our Embassy building, operates

very well, but in the new atmosphere in Hungary needs to be much more active and needs new buildings, that he will look favourably upon that.

So just to sum up. Yes, it is a new level of closeness between Britain and Hungary because of the government in Hungary, its beliefs and the speed at which we believe it can operate, and we shall hope to be as constructive as possible in meeting requests which the Hungarian government may make to us.

Thank you very much, a very very successful and happy visit.

Question

... and rising unemployment, I wonder are you determined to go on taking the medicine and if so why are you prepared to stick with that course?

Dr Antall

We are firm in our decision that we are going to take the necessary steps and the possible steps against inflation. It is true that the inflation which is between 25—30 per cent for this year, we have to face that. We may decrease that, we hope, by the first half of next year, 1991. Evidently, it is related to some questions of decreasing the budget and state subsidies to enterprises and also it is related to improving the conditions of competition. But of course there are external circumstances which have negative effects and they are beyond our control. Among them I could mention the crisis in the Gulf and also the increase of the price of oil which causes a loss to us and also the decrease in trade with the Soviet Union and the decrease of the energy imported from there.

In addition, we had a drought this year which had a grievous effect on the Hungarian economy. It is quite clear, as in the field of privatisation, we are ready to continue with our work.

Question

Mrs Thatcher, your previous visit was a symbol of a new opening up, a new hope in a rather tense European situation and period. What is the symbolic message of your current visit?

Prime Minister

In 1984, when I came, we had decided that we would try to have more contact with East European states, in particular Hungary, because although they were part of the socialist system, we felt that they might like to have more contacts with the democratic countries and possibly more trade because we felt that many of them might foresee a time when communism would not suit them and then their contacts with the West would come in very useful indeed.

At the time when I came, I was aware that Hungary was very much a member of this Soviet group and naturally did not make any embarrassing comments that would have harmed its chances or have given it a tougher time with the Soviet Union.

Now the position which we foresaw has come about. It has partly come about because President Gorbachev saw in his own country really the collapse and crumbling of communism and was, I think, the first with his courage and vision to see that it offered nothing for the future. Indeed, I was thinking how I should answer the last question, had you asked me, and may say that the answer I had prepared is just as appropriate for the answer to this question. Whereas communism offered only despair, democracy and a free society offers hope. Whereas communism offered only a very low standard of living, a free society offers prosperity. Whereas communism thought only of the powers of the state, a free society with liberty and justice thinks of the fundamental rights and human rights and liberties of the individual.

This is an enormous difference and that difference is now the road upon which Hungary has embarked and they can see that it works because they can see the difference between the rights of the individual in the West and previously the absence of the rights of the individual under the communist regime. And whatever the difficulties, they are prepared to embark upon them. And the difficulties are as little compared with the oppression which has been the hallmark of the communist regimes.

Question (Today's Paper)

Mrs Thatcher, in the international press the economic policy which is often referred to as Thatcherism could be a useful method for curing the illness of the Hungarian economy, in other words, do you think the newly-elected Hungarian government can undertake the tensions and challenges? This afternoon, you met the representative of the Free

Democrats, in what way do you draw a dividing line between a conservative politician and a liberal?

Prime Minister

Thatcherism is far older than Thatcher—that makes it very old indeed, indeed it really goes back centuries because it is a whole political philosophy of the limitation of the powers of government and the maximisation of the powers and rights of the individual. Also its economic policy is founded of course on free enterprise within a certain framework of law so that industries and commerce should be run by those who know how to run them and not manipulated by the state for other purposes.

It has in Britain led to the highest standard of living we have ever known, it has led to more jobs than we have ever known, and I think it has led to a very much better way of life and also to increasing the reputation with the economic performance of Britain, her reputation abroad.

It is not for me to say how the Free Democrats differ from the present government, but I had very much the view that they also believe in similar things, in similar principles, and the differences between the parties here in Parliament are very much less than the differences between either of them and the communism which they have both rejected.

Question (Hungarian Newsletter)

Mrs Thatcher, do you think that Britain is less interested in Hungary than we would like them to be, and do you think that the Hungarian economy could be restored by using something like a Marshall Plan?

Prime Minister

No, I think that there is a heightened interest of Britain in Hungary because Hungary now has the really only true centre-right government, manifestly centre-right, the only true one of all the East European nations for the time being. And therefore it is a heightened interest and a closer relationship.

You speak of a Marshall Plan. I do not think that that is the right way to go about it. There are Know-How Funds because the important thing is to try to do all we can to teach people the responsibilities of democracy and

economically the essence of good management. It seems to me the fundamental difference between the communist state, which is the diktat of the state, and a democratic freedom state, is that with the freedom come responsibilities and democracy is about the participation of the individual, it is not just about ordering him about, as in communism.

Therefore you will need considerable training on management, particularly of the larger enterprises, and that is one thing that the Know-How Fund is about.

There will also be a European Bank for Reconstruction. It is, as you know, being set up in London, it goes beyond the membership of the European Community in that it includes the membership of the United States and Canada and Japan and also some of the East European countries. That is set up specifically to help with the reconstruction of particularly the East European countries and I think that that will be a much more practical way forward than the one which you have indicated.

Question

I would like to ask Premier Antall the following question:

It is clear that the free-market countries—the countries in the world which enjoy political freedom and democracy—include among them some of the wealthiest countries in the world but at the same time they also include some of the poorest countries in the world. What are the indications that Hungary, in its move towards a market economy, political freedom and democracy, is going to join the wealthier countries of the world rather than the poorer countries of the world?

Dr Antall

I believe that as far as market economy is concerned, Hungary has good chances to proceed towards the direction of the wealthier countries. However, it requires long years.

The presumption that one part of the countries following market-oriented economies are rich and others are poor is true in general but in our case market economy is operating well for the aim and not the countries of the Third World that represent the poor countries.

I believe that Hungary takes a special place among the former Communist countries because there were no historical examples to see that a Communist country should be transformed into a market economy following a dictatorship. We have the role of vanguards in this field and a pioneering role and we undertake this role.

As far as the question is concerned as to where Hungary belongs, I should say that we are on the medium level in terms of being rich or poor. If you compare our living standards, way of life and lifestyle, if you visit the country, you will not believe that you are in a rich country but you cannot believe either that you are visiting one of the poorest regions of the world.

I think we have a good chance to achieve a transformation and in the market economy we may strive for the position of the wealthier countries. We do not have illusions. We are realists. We know the condition of Hungary and we know that we cannot compare ourselves with the most developed industrialised countries of the world, even big, small or medium ones.

Question (Press Association, London)

Prime Minister, since you discussed the Gulf crisis with Dr. Antall this morning, are you in a position to comment on the validity of a report that the five permanent members of the Security Council are agreed on an air embargo against Iraq?

Prime Minister

That is my understanding. That is what we have been working for. We know that there is need to have an air embargo and need to have it enforceable. We have been working to get agreement on the Five. I believe that that has been reached. It will now have to go to the Security Council for voting, which I expect will not come before about Friday.

Question (Daily Paper)

Madam Thatcher, what is the interrelationship in your opinion between the pace of integration of the European countries and the admission of new members into the Community?

Prime Minister

New members to the Community would obviously have to be fully democratic and have their economies well up to that of a market economy. You may say there is an exception in East Germany; that is because East Germany becomes a part of West Germany and therefore is treated differently.

Whenever we have a new member, there is a considerable transition period negotiated—it may be as much as seven years—to take into account the changes which will come about in the tariff and other arrangements and changes with the Common Agricultural Policy. That is automatically done—it was quite a long time in our own case and long transition periods for Spain, Portugal and Greece.

I think it is important, if we are to enlarge our numbers—and that cannot come about until after the Single Market has been reached in 1992, we have enough to do before then—that we do not have too much bureaucracy, that we cut down the number of regulations and that we make it quite clear that we are a European Community with each nation as sovereign states, willingly cooperating one with another to form a Community and do certain things together but each retaining our sovereignty.

The Common Agricultural Policy is an example of doing things together, so is negotiating on trade. Those are both done through the Community. Most other things are done and enforced through sovereign nations and all, of course, have to be ratified by their own parliaments.

Question (TV News)

Tonight, we will show for the first time the BBC News on Hungarian television. What is your opinion about that?

Another question: Last night, you mentioned in the Gundel Restaurant that Hungary is going to find its place in Europe. What, in your opinion, is the place that rightfully belongs to Hungary?

Prime Minister

I am very pleased that BBC News will be shown on Hungarian television. I think British broadcasting has a very good reputation and many people have listened to the Overseas Service for many years, knowing that they

would receive the facts from it. Now, they are going a stage further in Hungary and I understand the BBC News is to be shown on Hungarian television.

The second point was what is Hungary's place?

Hungary is a very important country—it goes right down the heart of Europe—and now that the East European countries have come out from under the Communist yoke, each of them with their own particular character, talents and abilities can in fact demonstrate them much more than ever before. Hungary, as I have said for so many years, is a very able country, fantastic in design, has its own culture, has its own splendid history—which is one of the differences between this and some of the other democracies which have no such history which were referred to earlier—and so we expect it to take a much more foremost part than it has been able to do when it was just part of the Soviet empire.

Question (Neue Zurich Zeitung)

A question to the British Prime Minister, joining on that of my colleague about a Marshall Plan.

Prime Minister, are you satisfied with the present extent of Western help to Hungary, Poland and Czechoslovakia, especially if you compare it with the help the GDR is about to receive from the Federal Republic?

Prime Minister

I think it is entirely different when a country is unifying and where there are colossal differences between the two parts of that country because one has been living in a free world and the other in a Communist world. They are all German. What is the difference? It is the difference between a free society and the dead hand of Communism. You could not see it better demonstrated anywhere: the same people, the same talents, the same abilities, two different political systems—the best advertisement for democracy and a free economy and the best example of what happens when countries come under Communism.

Of course, you would expect the Federal Republic of Germany to give far more help to the East Germans than any of us can give to any other individual country. I am amazed that you should even think it necessary to ask the question. We are giving help with the Know-How Fund, we will

give help through the European Bank of Reconstruction, we will give help with advice on privatising and give as much help as we possibly can to Hungary, Czechoslovakia and Poland. We all joined together with special help for Poland—with food aid—because her people were hungry during the winter and we gave, through the Ten as a matter of fact, considerable help to that.

Fortunately, in Hungary that has not been the case but I think that the two situations which you pose are so very obviously different that they do not need any greater reply than the one which I have given.

Question

Are you disturbed that the IRA has devised a policy of committing atrocities on the mainland of the UK when you are out of the country?

Prime Minister

I do not think they wholly restrict them to when I am outside Britain. I am deeply disturbed about the atrocities committed, wherever they are committed, whether it be in Northern Ireland, whether it be on mainland Britain or whether it be on the mainland Continent of Europe.

I hope it will be an object lesson to anyone who has hitherto given money to the Republican cause to stop giving money, knowing that they in fact are trying to bring down everything about democracy, that they are enemies of democracy and that they are in fact perpetrating the most appalling terrorism against innocent people. [Sir Peter Terry] Sir Peter and Lady Terry: we are keeping in close touch and enquiring about how they are getting on. I spoke last night to Sergeant Cox who is in the hospital which serves my constituency and he was fighting the problems which arose from the shooting in a very courageous way, but we are deeply concerned and I hope it will not only be condemned everywhere, this terrorism, but that every country will give us every help in tracking down those who travel about the countries armed either to shoot or to bomb.

Question (BBC World Service, Hungarian Section)

Madam Prime Minister, one of the major problems of Hungary is the problem of Hungarian national minorities living in Romania, Czechoslovakia and Yugoslavia. What kind of assistance and help could

you give us to have the rights of Hungarian national minorities living in other countries?

Prime Minister

You will know that under the Helsinki Accords, which thirty-five nations signed, there should be no change of border by violence—indeed, there should be no change of border whatsoever without the agreement of the signatories to those Accords—and that I think we must stick to.

Margaret Thatcher and Jozef Antall, interview with Hungarian Journalists, September 19, 1990, Margaret Thatcher Foundation, Archive, <http://margaretthatcher.org> (accessed May 15, 2008).