

The original documents are located in Box 48, folder “3/19-20/75 - State Visit - His Excellency Džmāl Bijedić (Yugoslavia)” of the Betty Ford White House Papers, 1973-1977 at the Gerald R. Ford Presidential Library.

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THE WHITE HOUSE

WASHINGTON

March 14, 1975

Dear Mrs. Ford,

RE: Proposed Menu - Yugoslav Luncheon, March 19, 1975

Attached for the President's review and approval is the proposed menu for the Yugoslav Luncheon on Wednesday, March 19, 1975.

approved _____

disapproved _____

Thank you.

Nancy R.



LUNCHEON

Oxtail Soup with Port Wine

Freemark Abbey
Johannisberg Riesling
1970

Filet of Sole with Mustard Sauce
Timbale of Spinach
Tiny New Potatoes

Watercress and Endive Salad with Mushrooms

Schramsberg
Blanc de Blancs
1972

Macedoine of Fresh Fruit
Petits Fours

Demitasse

The White House
March 19, 1975



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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
DOC.	MOTORCADE ROUTE	3/19-21/75	B.

FILE LOCATION

BETTY FORD PAPERS, STATE DINNERS. FOLDER TITLE: 3/19-21/75 - STATE VISIT OF DZMAL BIJEDIC (YUGOSLAVIA).

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
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982
3/4/16

DEPARTMENT OF STATE
Washington, D.C.

THE VISIT TO WASHINGTON OF
HIS EXCELLENCY DZEMAL BIJEDIC
PRESIDENT OF THE FEDERAL EXECUTIVE COUNCIL
OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA
AND MRS. BIJEDIC

MISCELLANEOUS INFORMATION FOR USE BY HOST ORGANIZATION

NAME AND TITLE: His Excellency Dzemal Bijedic
President of the Federal Executive
Council of the Socialist Federal
Republic of Yugoslavia

Mrs. Razija Bijedic

FORM OF ADDRESS IN CONVERSATION: Your Excellency, Mr. Prime
Minister, Mr. Minister

Mrs. Bijedic

CORRESPONDENCE SALUTATION: Your Excellency:
Dear Mr. Prime Minister:

CORRESPONDENCE COMPLIMENTARY CLOSE: Respectfully yours,

ENVELOPE ADDRESS: His Excellency
Dzemal Bijedic
President of the Federal Executive
Council of the Socialist Federal
Republic of Yugoslavia
Belgrade

IN HONOR OF LINES ON INVITATIONS: In Honor of His Excellency
Dzemal Bijedic, President of the
Federal Executive Council of the
Socialist Federal Republic of Yugoslavia

In Honor of His Excellency the President
of the Federal Executive Council of the
Socialist Federal Republic of Yugoslavia
and Mrs. Bijedic



PLACE CARDS: The President of the Federal Executive Council

His Excellency Dzemal Bijedic

Mrs. Bijedic

PRONUNCIATION: Bee-YED-itch

NAME OF COUNTRY: Socialist Federal Republic of Yugoslavia

LANGUAGE: Serbo-Croatian
(The Prime Minister and Mrs. Bijedic speak no English.)

RELIGION: Eastern Orthodox, Catholic, Muslim; however, no official religion; all religions tolerated.

DIET: There are no diet restrictions but pork should be avoided for Prime Minister and Mrs. Bijedic.

BEVERAGES: Alcoholic beverages may be served.

TOASTS: The First Toast should be made by the host to: THE PRESIDENT OF YUGOSLAVIA.

The Response Toast should be made to: THE PRESIDENT OF THE UNITED STATES.

Subsequent toasts, if any, may be made in declining order of precedence.

NATIONAL ANTHEMS: It is not recommended that the National Anthems of the United States and the visitor be played unless the sponsoring organization is confident that the orchestra is able to play them very well. It is not necessary to play the Anthems at strictly social functions or at formal luncheons

and dinners, as awkward situations and inconveniences may result. It is not the custom in Washington, D.C. to play National Anthems at State Dinners or Luncheons. When the Anthems are played at events, it is customary to play the Anthem of the visitor's country first, then the National Anthem of the United States.

FLAGS:

When the flags of the United States and the visitor's country are used, consider the area where the flags are to be placed as a stage or focal point, then place the flag of the United States on the left as viewed from the audience, and the visitor's flag on the right.



DEPARTMENT OF STATE
Washington, D.C.

THE VISIT TO WASHINGTON OF
HIS EXCELLENCY DZEMAL BIJEDIC
PRESIDENT OF THE FEDERAL EXECUTIVE COUNCIL
OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA
AND MRS. BIJEDIC

PRONUNCIATION, FORM OF ADDRESS AND PLACE CARD INFORMATION

HIS EXCELLENCY DZEMAL BIJEDIC

The President of the Federal Executive Council,
Socialist Federal Republic of Yugoslavia

Pronunciation:	Bee-YED-itch
Form of Address:	Your Excellency, Mr. Prime Minister Mr. Minister
Place Card:	The President of the Federal Executive Council

MRS. RAZLJA BIJEDIC

Wife of the President of the Federal Executive Council

Pronunciation:	Bee-YED-itch
Form of Address:	Mrs. Bijedic
Place Card:	Mrs. Bijedic

HIS EXCELLENCY TOMA GRANFIL

Ambassador of Socialist Federal Republic of Yugoslavia

Pronunciation:	GRAHN-fill
Form of Address:	Your Excellency, Mr. Ambassador
Place Card:	The Ambassador of the Socialist Federal Republic of Yugoslavia

MRS. ANICA GRANFIL

Wife of Ambassador Granfil

Pronunciation:	GRAHN-fill
Form of Address:	Mrs. Granfil
Place Card:	Mrs. Granfil



HIS EXCELLENCY JANKO SMOLE

Member of the Federal Executive Council

Pronunciation: SMOL-lay
Form of Address: Your Excellency, Sir
Place Card: His Excellency Janko Smole

HIS EXCELLENCY LAZAR MOJSOV

Deputy Federal Secretary for Foreign Affairs

Pronunciation: MOY-sov
Form of Address: Your Excellency, Sir, Mr. Ambassador
Place Card: His Excellency Lazar Mojsov

MR. KADIR ALIJAGIC

Chief of Cabinet of Federal Executive Council

Pronunciation: Al-ee-YAH-gitch
Form of Address: Mr. Alijagic
Place Card: Mr. Alijagic

MR. MIODRAG STOJILJKOVIC

Assistant Federal Secretary for Finance

Pronunciation: Stoy-YIL-ko-vitch
Form of Address: Mr. Stojiljkovic
Place Card: Mr. Stojiljkovic

MR. SVETOZAR STARCEVIC

Director of the Office for North America,
Federal Secretariat for Foreign Affairs

Pronunciation: STAR-che-vitch
Form of Address: Mr. Starcevic
Place Card: Mr. Starcevic

MR. NIKOLA CICANOVIC

Foreign Affairs Adviser to President of the
Federal Executive Council

Pronunciation: Chi-CHAN-o-vitch
Form of Address: Mr. Cicanovic
Place Card: Mr. Cicanovic

MR. BERISLAV BLAZEVIC

Economic Adviser to President of the Federal
Executive Council

Pronunciation:	BLAZH-eh-vitch
Form of Address:	Mr. Blazevic
Place Card:	Mr. Blazevic

MR. BLAGOJE TEREK

Director of Department for North America,
Federal Secretariat for Foreign Trade

Pronunciation:	TAIR-eck
Form of Address:	Mr. Terek
Place Card:	Mr. Terek



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DOC.	GOVERNMENT REPORT	3/19-21/75	A

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

March 7, 1975

MEMORANDUM FOR: MRS. FORD

FROM: BRENT SCOWCROFT 

SUBJECT: Social Events for Mrs. Bijedic
and Queen Alia

We understand you have agreed to host a luncheon for Mrs. Bijedic, wife of the Yugoslav Prime Minister, on March 19, while the Prime Minister is lunching with the President. While the nature of the Prime Minister's visit does not in any way require such a gesture, it will be greatly appreciated by the Yugoslavs. It is, however, possible that your hosting this luncheon could raise expectations in the Washington diplomatic community that you would respond similarly to other requests of this type.

A possible alternative to a luncheon for Mrs. Bijedic would be for you to receive her for tea in connection with a special White House tour on the afternoon of March 19.

We understand also that you have offered to host a dinner for Queen Alia of Jordan during the visit of King Hussein on April 29. At the present time, it does not appear that Queen Alia will accompany the King on his visit to Washington. We will keep your office informed of her plans.



background NOTES

Yugoslavia

department of state * april 1974

OFFICIAL NAME: Socialist Federal Republic of Yugoslavia

GEOGRAPHY

Yugoslavia, located in southeastern Europe, is bordered by Italy and the Adriatic Sea on the west; Austria,

Hungary, and Romania on the north; Bulgaria on the east; and Greece and Albania on the south.

The country can be divided into two topographical sections: (1) hills

and plains and (2) mountainous areas.

Lowland hills and plains comprise about one-third of the area and form a rough oval that extends from Zagreb in the northwest to Nis in the east. A few minor mountain ranges interrupt these lowlands, which contain the major part of Yugoslavia's commercial agricultural land. Mineral, metal, and timber exploitation, as well as sheep raising, are important activities in the mountainous areas of the lowlands.

The remaining two-thirds of the country is mountainous, except in the northeast. The chief mountain chain, the Dinaric Alps, runs parallel to the Adriatic coast.

An extensive transportation network connects the lowland region with the northwest and southeast by mountain passages. Yugoslavia therefore controls the most important land routes from central and western Europe to the Aegean Sea and Turkish Straits. The Danube River—the most important water route from central and western Europe to the Black Sea—flows through most of eastern Yugoslavia.

Along the Adriatic coast the climate is hot in summer and mild and rainy in winter. In the interior the climate is moderate with seasonal variations, comparable to the U.S. east coast between Virginia and Rhode Island.

PROFILE

Geography

AREA: 99,000 sq. mi. (about two-thirds the size of California). CAPITAL: Belgrade (pop. 845,000). OTHER CITIES: Zagreb (602,000), Skopje (389,000), Sarajevo (292,000), Ljubljana (258,000).

People

POPULATION: 20.5 million. ANNUAL GROWTH RATE: 1.1%. DENSITY: 207 per sq. mi. ETHNIC GROUPS: Serbs, Croats, Macedonians, Montenegrins, Albanians, Hungarians, and Muslims (regarded as a separate ethnic group). LANGUAGES: Serbo-Croatian, Slovene, Macedonian, Albanian, and Hungarian. LITERACY: 85%. RELIGIONS: Eastern Orthodox (Serbian and Macedonian), Roman Catholic, and Islam. LIFE EXPECTANCY: 66.

Government

TYPE: Federal Republic. INDEPENDENCE: December 1, 1918. CONSTITUTION: New constitution to be promulgated in 1974. BRANCHES: Executive—Chief of State-President of the Republic (elected to a 5-year term); Head of Government: Premier (President of the Federal Executive Council); Cabinet (Federal Executive Council) and the Federal administration. Legislative—Federal Assembly (bicameral). Judicial—Constitutional Court.

POLITICAL PARTIES: League of Communists of Yugoslavia. SUFFRAGE: Universal over age 18.

FLAG: Blue, white, red (horizontal) with a 5-pointed red star edged in yellow at the center.

Economy

GNP: \$20.5 billion (1972). ANNUAL GROWTH RATE: 6%. PER CAPITA INCOME: \$1,000 (est.). PER CAPITA GROWTH RATE: 5%.

AGRICULTURE: 58% of land, of which two-thirds is cultivatable. Products—corn, wheat, tobacco, sugar beets. Labor 48%.

INDUSTRIES: Wood and food processing. Products—nonferrous metals, machinery, textiles. Labor 52%.

NATURAL RESOURCES: Bauxite, timber, antimony, chromium, lead, and zinc.

TRADE: Total exports—\$2.2 billion (1972): timber, nonferrous metals, machinery and metal products, textiles, iron, and steel. Partners—U.S.S.R., Italy, F.R.G., U.S. Total imports—\$3.2 billion (1972): machinery and metal products, chemicals, textiles, iron, and steel. Partners—F.R.G., Italy, U.S.S.R., U.S.

OFFICIAL EXCHANGE RATE: Fluctuates between 15 and 17 dinars to the dollar.

MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS: U.N. and its specialized agencies, GATT, IBRD, IMF, IAEA, CEMA (observer status), EEC, and OECD.

ECONOMIC AID RECEIVED: Total—\$5 billion. U.S. only—\$2.9 billion, including \$700 million in grant military assistance. U.S. economic aid was stopped on January 1, 1967.

PEOPLE

Yugoslavia's population has the greatest ethnic and religious diversity in Eastern Europe, an area noted for



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such diversity. The country came into existence on December 1, 1918, after the dissolution of the Austro-Hungarian Empire. Borders of the new nation—then called the Kingdom of the Serbs, Croats, and Slovenes—enclosed five principal South Slav groups and an additional 17 minorities, which are still distinguishable today. The population came from the former empire and the independent Kingdoms of Serbia and Montenegro.

The 1971 census gives the primary nationality groups as: Serbs 40 percent, Croats 22 percent, Slovenes and Bosnian Muslims 8 percent, Macedonians and Albanians 6 percent each, Montenegrins and Hungarians 2 percent, and Turks 1 percent.

Religious groups largely follow ethnic lines. The 7 million members of the Orthodox Church include most

Serbs and virtually all Montenegrins and Macedonians. There are more than 5 million Roman Catholics, including the great majority of Croats, Slovenes, and Hungarians. A considerable portion of the population in Bosnia-Herzegovina, the Turkish minority, and most Albanians combine to total more than 2 million Muslims.

The main language is Serbo-Croatian. The draft of the new constitution states that the languages of the peoples and nationalities of Yugoslavia (i.e., Slovene, Macedonian, Albanian, and Hungarian) are in official use.

HISTORY

The internal history of Yugoslavia between the wars was largely a story of antagonism between the Serbs, who with their political allies, the Slovenes

and Bosnian Muslims, dominated the highly centralized government at Belgrade, and the Croats, who pressed for a federated Yugoslavia. Ethnic and religious tensions, which climaxed in internecine strife and reprisals during World War II, have survived under Communist rule despite attempts to moderate them.

Between the two world wars Yugoslav internal politics were dominated by these nationalistic conflicts. Adoption of the Vidovdan constitution of June 28, 1921, had placed all parts of the country under a centralistic system based on the French system. A political struggle ensued between Serbs and Croats, who wanted a federal structure granting a certain amount of regional and ethnic autonomy. The struggle erupted violently in 1928 when a Montenegrin Serb stood up in Parlia-

ment and shot the Croatian leader, Stjepan Radic, for insulting the Serbs. The Croats withdrew from Parliament in protest, and King Alexander established a royal dictatorship whose policies downplayed regionalism and nationalism and espoused "Yugoslavism." The continuing internal struggles finally resulted in 1939, on the eve of World War II, in the "agreement" or Sporazum, granting to Croatia a considerable degree of autonomy.

The pro-French foreign policy of King Alexander, assassinated by extremists at Marseille in 1934, was abandoned by his successor, Prince Paul, the Regent, for one which resulted on March 25, 1941, in Yugoslavia's adherence to the German-Italian-Japanese tripartite pact. Pro-Allied Serb military elements, aware of wide public opposition to this move, staged a successful coup d'état, and replaced Prince Paul with the 17-year-old King Peter. Beginning April 6, 1941, the armed forces of Germany, Italy, Hungary, and Bulgaria invaded Yugoslavia and forced the royal family and the government into exile.

During the war, resistance forces in Yugoslavia were split into the "Yugoslav Army in the Fatherland" (popularly known as Chetniks), which had close ties to the exile government, and the National Liberation Army (Partisans) led by Josip Broz Tito and the Communist Party. This led to a complicated internal situation which resulted in tragic strife among various groups. The Partisans developed the broader and more active resistance to the invaders and established their own government in the areas they controlled in late 1943. The Allies recognized the Partisans' effectiveness by sending military missions to Tito's headquarters in mid-1943 and by gradually allocating to his forces rather than to those of Mihajlovic's Chetniks the bulk of supplies and equipment available for the resistance effort. The Partisans' increase in power was facilitated in part by the fact that they acquired control of considerable territory and arms at the time the Italian forces surrendered to the Allies.

Allied pressure induced formation of a coalition government in 1945, but Communist-controlled elections produced a Provisional Assembly which

proclaimed the Federal People's Republic of Yugoslavia on November 29. On January 31, 1946, a Soviet-type constitution was adopted, and Yugoslavia officially became a "people's republic."

The Communist rise to power was followed by a foreign policy which voluntarily tied Yugoslavia to the Soviet alliance system until June 1948, when the U.S.S.R. made public its strong disapproval of policies and practices in Yugoslavia. The issue was whether Yugoslavia could remain in the Soviet bloc while pursuing policies decided upon by its own leaders instead of by Moscow. Stalin decided this degree of independence was unacceptable, and the Yugoslav Party was expelled from the Soviet-dominated Cominform. This expulsion was followed by an active but unsuccessful Cominform campaign to subvert the Tito government and replace it with a regime subservient to Moscow.

Since 1948 Yugoslavia's effort to maintain its independence has led to a foreign policy characterized by three motifs. First, isolated and under the pressure of Soviet bloc hostility in the first years after the break, Yugoslavia developed ties with the United States and other Western countries based on trade, aid, and discussions on its defense in the event of aggression by the Soviet bloc. Second, its search for an independent base produced efforts in the mid-1950's to identify itself as a leader of nonaligned nations, avoiding proximity to either the Soviet or the Western military bloc. Its role in organizing the 1961, 1964, 1970, and 1973 nonaligned conferences, the Cairo Conference on Economic Development of 1962, and the 1964 U.N. Conference on Trade and Development (UNCTAD), underlined this latter course. Third, following the strengthening of other ties, Yugoslavia has displayed interest in approaches made by the Soviet Union, provided they have been on Yugoslav terms.

Yugoslavia has found it easier to get along with the Soviet Union since the latter's repudiation of many of Stalin's policies, but relations between the two countries have followed an irregular course, alternately improving and deteriorating. The Yugoslavs have made clear, however, their disapproval of the

Soviet doctrine of "limited sovereignty" within the Socialist "commonwealth" and have emphasized that Soviet-Yugoslav relations must be based on the principle that "questions of internal organizations, of different social systems, and of different forms of social development are solely the concern of the individual countries."

Economic and military assistance contributed by the United States and its Western allies after the break in 1948 helped Tito to maintain Yugoslav independence despite Cominform pressure. The rigid Cominform economic blockade in 1949-53 led to a reorientation of Yugoslav foreign trade toward the West, and during the same period Yugoslavia broadened its contacts with the free world in political and cultural fields as well. Its economic ties with the West have resulted in varying degrees of involvement with world economic organizations.

GOVERNMENT

The Socialist Federal Republic of Yugoslavia (SFRY) is composed of six republics—Serbia, Croatia, Slovenia, Bosnia and Herzegovina, Macedonia, and Montenegro—and two autonomous provinces within Serbia, Vojvodina and Kosovo. Each republic has a government modeled on that of the Federal Republic, with a constitution, parliament, executive council (cabinet), judiciary, and administrative agencies.

In June 1973 the draft text of a new constitution, designed to codify accumulated changes and provide guidelines for the further development of the Yugoslav Communist system, was published. The new constitution, scheduled to be adopted in 1974, delegates more powers and functions to local communities and especially to the working class, whose influence is alleged to have been stunted by technocratic-managerial forces.

According to the draft the supreme executive and policymaking body in the government is the collective SFRY Presidency, headed by President Tito (Chief of State). The collective Presidency includes a representative of each republic and province and the President of the League of Communists of Yugoslavia (LCY). Their term of office is 5 years. The election and composition

of the Presidency is promulgated formally by the SFRY Assembly in joint session. In addition to representing the federation in the country and abroad, the SFRY Presidency is supposed to harmonize the common interests of the republic and provinces, adopt positions on foreign policy, and protect the constitutional system. The draft also provides that Tito, as President of the Republic, is also President of the SFRY Presidency. It suggests that the SFRY Assembly elect him President of the Republic, and places no restrictions on his reelection.

The Yugoslav Parliament is the SFRY Assembly, which is bicameral, composed of a Federal Council and a Council of the Republics and Provinces. The Federal Council is a corporate chamber of 220 delegates, 30 from each republic and 20 from each province. The delegates are elected by secret ballot from factories and institutions (including the government and armed services). Individual peasants and artisans also have the right to elect their delegates. The Council of the Republics and Provinces is composed of 58 delegates: 8 delegates from the parliaments of each republic and 5 delegates from the parliaments of each province. The bicameral SFRY Assembly thus has a total of 278 delegates, none of whom can be elected twice in succession.

Through this system of delegated democracy, in contrast to the former representative democracy, the direct producers, i.e., the workers, are supposed to become the actual rulers of their states. A chief aim of the new system—in addition to strengthening the voice of the working class at the expense of the managerial class and other middle strata—is to strengthen the role of the LCY in Yugoslav life and society.

The Federal Executive Council (Cabinet) is the executive and administrative arm of the Assembly. It is presided over by a President (Head of Government), who is proposed by the SFRY Presidency and is elected by the two chambers of the Assembly. The members of the Federal Executive Council are elected "in accordance with the principle of equal representation of the republics and correspond-

ing representation of the autonomous provinces." Members are elected for 4-year terms; if they are delegates in the Assembly, they must give up their seats.

The Constitutional Court, created in 1963 and unique among Communist political systems, consists of a president and 13 judges. They are nominated by the SFRY Presidency and duly elected by the Assembly for a term of 8 years. One of the Court's duties is to rule on disputes between the Federal Government and a republic, or between republics.

POLITICAL CONDITIONS

Until 1948 the Communist Party of Yugoslavia outwardly appeared to be solidly committed to the Soviet system of alliances and the Moscow-dominated Cominform. In 1948, however, mounting differences between Yugoslav and Soviet leaders over the preservation of Yugoslavia's independence and sovereignty culminated in the expulsion of the Yugoslavs from the Cominform. Tito's resistance produced the first fissure in the seemingly monolithic Soviet bloc. The success of the Communist Party of Yugoslavia in escaping an unequal relationship with the Communist Party of the Soviet Union has had far-reaching implications for Yugoslavia's internal and external policies.

Since the early 1950's Yugoslav leadership has pursued a pragmatic policy that has produced a relatively open and liberalized society. It has, in many important respects, moderated the harsher features of a Communist dictatorship while extensively developing its own interpretation of the Marxist-Leninist philosophy. Although it refuses to tolerate organized opposition, the regime has decreased the power of the police, abandoned forced collectivization (85 percent of arable land is privately owned), stopped compulsory deliveries in agriculture, and lifted onerous restrictions on religious freedom. It has decentralized the oversized Federal Government, giving more power and prerogatives to the republics, provinces, and local communities. A notable Yugoslav innovation has been the introduction of self-management, i.e., workers' councils in factories and other institutions. Of

great importance too has been the freedom of Yugoslav citizens to travel and have contact with foreigners. This policy has resulted in the employment of as many as a million Yugoslavs in the West and has promoted the influx of tourists into Yugoslavia.

The reforms gathered increasing momentum in the early 1960's, especially in the years following Tito's dramatic ouster in 1966 of his heir-presumptive, Vice President Aleksandar Rankovic, a conservative from Serbia. In a landmark speech in September 1970, Tito endorsed constitutional reform, intended to produce a genuine federalism that would satisfy all the republics and nationalities so that none could be accused of exploiting its fellows. However, decentralization and liberalization led to the reassertion of regional nationalism. This, in turn, led to political differences and exacerbated regional economic disputes. The rise of nationalist feeling was particularly evident in the Socialist Republic of Croatia, where it sometimes contained overtones of separatism.

The absence of consensus among the republics stalemated the decision-making process on a number of important issues. At the same time, the decentralized League of Communists of Yugoslavia Party (LCY) also found it difficult to act decisively. Meanwhile, the country was faced with spiraling inflation, lack of coordination in development planning, large trade deficits, and a growing tendency toward regional autarky.

Toward the end of 1971 President Tito intervened taking actions which resulted in the expulsion of nationalist Croat Party leaders and liberal Serb Party leaders for persisting in their deviations from his concepts of unity and democratic centralism. Tito's policy was embodied in his Action Program, which called for restoration of LCY authority. The program also revived Marxist teaching, stressed the role of the workers, and called for their increased enrollment in the Party, and demanded the elimination of embezzlers and those of the new middle class—the so-called dinar billionaires—who had enriched themselves illegally. In mid-1973 Tito described the internal situation in Yugoslavia as good; he informed the population that he

would devote more time to foreign affairs, especially to the nonaligned movement—an indication that he considered the domestic crisis to be over.

The LCY has had some important organizational changes. The Executive Bureau, created at the Ninth Party Congress in March 1969 and elected by the 52-man Party Presidency (Central Committee), was reduced from 15 to 9 members (1 representative from each of the 6 republics and 2 provinces), including Tito. This body has become the authoritative reconstituted center of political decisionmaking. It meets often and provides guidelines for Party policy. Tito had created the post of Secretary of the Executive Bureau, which was to have rotated among its members. However, Stane Dolanc was reelected to this post in May 1973, suggesting that Tito has found a colleague to whom he can confidently delegate some of his Party functions.

The 52-man Presidency (which superseded the old Central Committee at the Ninth Party Congress) has continued intact. It is composed of Tito, 6 members from each republic (36), 3 from each autonomous province (6), 3 from the armed forces, and the Presidents of the 6 republic central committees.

LCY membership is approximately 1 million, or about 5 percent of the population. The principal mass organization, comprising most salaried employees, is the Socialist Alliance of Working People of Yugoslavia. This organization is a faithful instrument of the Party, despite the fact that it shows more independence than similar front organizations in other Communist states.

Principal Government Officials

President of the Republic; President of the LCY—Josip Broz Tito
Vice President, State Presidency—Mitja Ribicic (until July 1974)
President, Federal Executive Council—Dzermal Bijedic
Vice President, Federal Executive Council—Jakov Sirotkovic
Vice President, Federal Executive Council—Anton Vratasa
President, Constitutional Court—Blazo Jovanovic
President, Federal Assembly—Mijalko Todorovic

Ambassador to the U.S.—Toma Granfil
Ambassador to the U.N.—Lazar Mojsov

Senior Federal Secretaries

Foreign Affairs—Milos Minic
Defense—Lt. Gen. Nikola Ljubicic
Economy—Bosko Dimitrijevic
Foreign Trade—Emil Ludviger
Finance—Janko Smole
Labor and Social Policy—Vuko Dragasevic
Agriculture—Ivo Kustrak
Internal Affairs—Luka Banovic
Transportation and Communications—Blagoje Popov

ECONOMY

Although it is endowed with considerable natural resources—agricultural land, nonferrous metals, timber, hydroelectric power potential, natural gas, and oil—and is relatively underpopulated by European standards, Yugoslavia has been held back in its economic development by wars and conquest. After World War II, aided by large grants from the United Nations Relief and Rehabilitation Administration (UNRRA), the war-devastated economy began reconstruction under a Soviet-type regime. But after Yugoslavia's expulsion from the Cominform, the country scaled down its grandiose investment program, which had received large quantities of aid from the Soviet Union and other Communist countries, and dismantled its economic planning and administrative structure. The United States, the United Kingdom, and France cooperated in an assistance program aimed at keeping Yugoslavia from yielding to bloc economic pressure and at advancing the country's economic development.

In 1950 Yugoslavia began a far-reaching program of experimentation with workers' self-management, decentralization of investment decisions, and freer markets, but retained social ownership of capital goods. Forced collectivization in agriculture was abandoned when it became apparent that much of the mountainous country was not suited to extensive cultivation. Today much of the prime agricultural land remains in the hands of agricultural enterprises, which are the successors to state farms.

During the 1950's and early 1960's Yugoslavia had a high rate of economic

growth, and industrialization of the country proceeded. Neither process, however, solved a nagging balance-of-payments problem or leveled out sharp regional contrasts, as, for instance, between highly developed Slovenia and Croatia and less developed Macedonia, Montenegro, and Kosovo. Indeed, many of the investments in the underdeveloped regions were economically dubious. Nor was the economy ever as free of central direction and Communist Party control in fact as it was in theory.

Agriculture and Industry

Efforts were made in the late 1950's to strengthen Yugoslavia's agriculture and to make it less vulnerable to the severe droughts which have struck the country on the average of once every 4 years over the past 100 years. These efforts included increasing the availability of fertilizer, introducing more productive and drought-resistant grain varieties, and improving livestock bloodlines and agricultural land. These measures met with success. Today Yugoslavia, though it has a greatly expanded urban population that consumes a large volume of food products, is largely self-sufficient in agricultural products. It is able to export substantial quantities of high-grade fresh and canned meats as well as perishable market crops. While Yugoslavia's grain production remains vulnerable to drought, improved production methods and greater storage facilities have enabled some stockpiling of reserves against the lean years.

Attention has also turned to tourism, today one of Yugoslavia's principal sources of hard-currency earnings. Each year millions of visitors come from Western Europe and other areas of the world. The picturesque Adriatic coast, which has many islands and a Mediterranean climate, is the prime area for tourism.

In 1965 Yugoslavia began to convert an essentially command-type, centrally controlled economy into a decentralized market-oriented economy. The dinar was devalued to 1,250 to US\$1. A new dinar was established which converted at the rate of 12.5 to 1 which was subsequently changed again in early 1971 to the rate of 15 to 1. (The dinar-dollar exchange rate fluctuated between 15 and 17 to 1 during 1973.)

National policy shifted toward increasing consumption at expense of investment and toward concentration of resources on enterprises which could prove their viability in competition with foreign producers. Tariffs were lowered and export subsidies were abolished; central control of investments was replaced by granting greater authority to local banks; and governmental levies on enterprises were reduced. Individual Yugoslav enterprises were able to deal directly with foreign concerns without the approval of central authorities.

The reform, which raised questions about the nature and scope of the Communist Party and about government control over the operation of the economy, met with considerable opposition. Tito, however, has supported the reform resolutely and has defended it against attacks from the Soviet Union. These attacks reflected Soviet displeasure with Yugoslavia's condemnation of the Soviet invasion of Czechoslovakia as well as Yugoslavia's support of the liberalizing economic reforms begun in Czechoslovakia in January 1968. The Soviets described the Yugoslav economic reform as out of step with socialism and therefore doomed to failure.

Western countries, together with the IMF, have given Yugoslavia considerable support. Assistance has sometimes taken the form of extension-of-payment periods for Yugoslav debts; at other times additional credits have been made available.

The effect of the reform internally has been a steep rise in prices and unemployment. The latter phenomenon, which has plagued the country in proportion to the amount of freedom given enterprises to lay off surplus labor, has been mitigated by the movement of nearly 1 million Yugoslav workers to Western Europe, notably the Federal Republic of Germany, for temporary employment. Externally, the country in 1965 balanced its accounts for the first time since 1946. The reason, however, was a surplus in trade with the East European Communist countries.

Trade

Although earnings from tourism and remittances from Yugoslav workers

in Western Europe have helped compensate for negative trade balances in hard-currency areas, balance-of-payments deficits in these areas have been a recurrent problem.

In 1971 the Yugoslavs instituted a stabilization program designed to correct balance-of-payments difficulties and combat inflation. These measures included wage and price controls, import taxes and other fiscal measures, a 17 percent dinar devaluation, and a tightening of bank credit and money supply. By the end of 1972 this program had succeeded in bringing Yugoslavia's balance of payments out of the red.

From 1970 to 1972 the increase in imports averaged only 5 percent per year, reaching a total of \$3.2 billion for 1972. In this same period exports increased by 30 percent, amounting to \$2.2 billion. More than \$1 billion from tourism and remittances from Yugoslavs abroad enabled Yugoslavia to achieve a balance-of-payments surplus of about \$300 million in 1972.

Yugoslavia's chief trading partners are the Federal Republic of Germany, the U.S.S.R., Italy, the United States, the United Kingdom, and Czechoslovakia.

Since 1970 Yugoslavia's trade with convertible countries has been about 75 percent of its total trade. Trade with the CEMA countries (U.S.S.R., Eastern Europe, Mongolia, and Cuba) has been about 22 percent.

Yugoslavia's trade with the United States grew from about \$186 million in 1969 (\$93 million in imports and \$93 million in exports) to about \$403 million in 1973 (\$166.8 million in imports and \$235.7 million in exports). Principal U.S. exports include industrial goods and agricultural machinery. Imports include nonferrous metals, wood products, wine, tobacco, and canned meats.

The transition is not easy from underdeveloped to developed status, and the process in Yugoslavia has been additionally handicapped by natural disasters, ranging from recurrent droughts to the earthquakes which devastated Skopje in 1963 and Banja Luka in 1969.

Yugoslavia has moved far from the Soviet model of a command economy. After a period of centralized direction

of the economy in the immediate post-war years, Yugoslavia adopted the concept of workers' self-management in the early 1950's and from that time has gradually modified its system of economic organization toward an economy guided mainly by market forces (a "Socialist market economy"). In this process, the responsibility for determining output, investment, prices, and incomes has been increasingly shifted from political bodies to enterprises.

Yugoslavia has enjoyed a considerably higher standard of consumer welfare than other Communist states, as well as a noticeably higher degree of personal freedom. Per capita GNP in 1972 was estimated at approximately \$1,000 in current prices but varies widely among the different regions of the country. GNP in 1972 was estimated at \$20.5 billion.

FOREIGN RELATIONS

For most of the two decades beginning in 1948 the Yugoslavs have had to cope with external pressures and hostility, stemming from vigorous pursuit of Tito's ambition, voiced back in May 1945, that "everyone shall be master of his own house." Since 1971, Yugoslavia has largely succeeded in achieving one of its main foreign policy objectives: friendly relations with all states irrespective of social systems—including the member countries of NATO and the Warsaw Treaty Organization.

In the mid-1950's, following a reconciliation with the major Western powers and the post-Stalin Soviet bloc, Yugoslavia began a foreign policy of nonalignment, which involved cultivating ties with the newly independent countries of the "third world." These efforts resulted in Tito's close and long association with other nonaligned leaders, including Nasser, Nehru, Haile Selassie, and Sukarno.

Tito's identification with the non-aligned world was made clear in June 1967 when he strongly supported Nasser at the time of the Arab-Israeli hostilities. Yugoslavia broke diplomatic relations with Israel. Tito flew to Moscow to urge Soviet and other Communist leaders to support the Arabs.

In the Arab-Israeli conflict of October 1973 Yugoslavia gave both diplomatic and material support to the Arabs and granted overflight rights to Soviet cargo aircraft which helped resupply the armed forces of Egypt and Syria.

On the diplomatic front, Yugoslavia, as a nonpermanent member of the U.N. Security Council, played an important role in the formulation and passage of the resolution creating the U.N. Emergency Force.

Changes in Soviet policies after Stalin's death in 1953 led to friendlier relations between Yugoslavia and the U.S.S.R. In June 1956 Tito visited Moscow, where Soviet leaders acknowledged the Yugoslav doctrine of "many roads to socialism" and expanded bloc credits. Yugoslavia's attitude toward the Polish and Hungarian outbreaks in 1956, however, cut short the rapprochement and led to a postponement of Soviet credits. Efforts during 1957 to patch up the relationship were only partially successful, and a new series of mutual remonstrances finally led to cancellation of Soviet credits. Although Tito had recognized East Germany in October 1957 following resumption of Soviet credits, Yugoslav representatives refused to sign the Moscow Declaration of Communist Parties later that year. In April 1958 the Seventh Congress of the League of Communists of Yugoslavia (LCY) adopted a new program reaffirming Yugoslavia's nonalignment policy.

In 1962 the Soviet Union again took initiatives to improve relations with a visit by Chief of State Leonid I. Brezhnev and Foreign Minister Andrei A. Gromyko. In return Tito went to the Soviet Union. Thereafter, bloc criticism of Yugoslav "errors" subsided. The second rapprochement was symbolized by a series of top-level visits between Yugoslavia and all the bloc countries, highlighted by Khrushchev's August 1963 trip to Yugoslavia, and the Khrushchev-Tito meeting at Lenin-grad of June 1964. The severity of attacks on Tito by the Chinese and their supporters in Albania served to bring Yugoslavia closer to the Soviets in the Sino-Soviet conflict.

Yugoslavia sought to maintain leverage with each of the members of the Soviet bloc during the evolution of looser relationships between Moscow

and East European governments. In September 1964 Yugoslavia accepted limited association with the Communist bloc's Council on mutual Economic Assistance (CEMA) and inaugurated a Danube River Iron Gate hydroelectric and navigation project, in collaboration with Romania, which was put into operation in May 1972.

Some speculation arose at the time of the 1967 Arab-Israeli hostilities that Yugoslavia might be changing its course of nonalignment and moving toward closer association with the Soviet world. However, Yugoslavia's subsequent opposition to the Soviet-promoted World Communist Conference and its disagreement with Moscow over Soviet actions in Czechoslovakia reemphasized Yugoslavia's traditional posture as an independent, nonaligned state.

The 1968 Czechoslovak invasion had a strong impact on Yugoslav foreign relations. Above all, it completed Yugoslavia's reconciliation with Western Europe. President Tito established friendly personal contacts with important West European governments. The Yugoslav economy became more strongly oriented toward the West. The Common Market's share of Yugoslav foreign trade reached record peaks, and a new 5-year trade agreement went into operation in September 1973. Yugoslavia continued to receive financial aid from many of its Western trading partners for its development and stabilization program. In 1969 the People's Republic of China and its ally, Albania, ceased their hostility toward Yugoslavia and the Yugoslav and Chinese Governments were reconciled.

Soviet leader Brezhnev's visit in 1971 produced the third Yugoslav-Soviet reconciliation. Meeting with him in Belgrade in September 1971 and in Moscow in June 1972, Tito appeared satisfied that Soviet leadership had recognized that socialist Yugoslavia is free to forge its own policies. The Soviets and Yugoslavs signed an agreement for a \$540 million Soviet developmental credit (which has been only minimally drawn against). An additional credit for \$450 million, to have been contracted in spring 1973, has been delayed. CEMA's share of Yugoslavia's total foreign trade is just under 30 percent. A Tito-Brezhnev

meeting in November 1973, shortly after the renewed armed conflict between the Arabs and Israelis ended in a ceasefire, produced a communique warmer in tone than any others in recent times.

Yugoslavia's flourishing relations with Western countries was temporarily marred by Yugoslav attacks against certain governments for allegedly failing to curb emigré terrorist activity directed against Yugoslavia. Austria and Italy were charged with discrimination against Yugoslav minorities. Belgrade also showed considerable sensitivity to Western press reports alleging that Yugoslavia was retreating to Stalinism and veering toward the Warsaw Pact.

U.S.—YUGOSLAV RELATIONS

The United States has sought to offer Yugoslavia alternatives to dependence on the Soviet Union and the East European Communist States and to assist Yugoslavia in establishing its independence firmly and irrevocably. Grant military assistance of about \$700 million was provided from 1951 to 1959, and economic assistance (including grants, loans, and concessional sales) of about \$2 billion was supplied between 1950 and 1967. Economic aid to Yugoslavia came to an end on January 1, 1967, when U.S. legislative action precluded further concessional sales of surplus agricultural commodities.

The United States actively seeks to promote economic relations with Yugoslavia, which is accorded most-favored-nation treatment under U.S. tariff schedules. Since 1968 foreign firms have been permitted to invest up to

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49 percent in a joint equity venture with a Yugoslav partner. As of late 1973, nine American firms had invested over \$8.8 million in such joint ventures.

In 1972 President Nixon signed a national interest determination permitting the Overseas Private Investment Corporation's (OPIC) to operate insurance and other facilities in Yugoslavia. The OPIC standard operating agreement has been approved by Yugoslavia's constituent republics, and a number of American corporations have submitted applications for OPIC facilities. In 1971 the U.S. Export-Import Bank began to broaden its investments in Yugoslavia, which by mid-1973 were over \$335 million.

At present, Commodity Credit Corporation (CCC) programs have replaced concessional sales of agricultural products previously made to Yugoslavia under PL-480. Over \$250 million worth of U.S. agricultural products have been sold to Yugoslavia under CCC programs in the 1971-73 period. On two occasions, in 1948 and 1964, Yugoslavia concluded agreements on financial claims of U.S. citizens for their nationalized property. It has also reached agreement with the New York-based representatives of holders of pre-war Yugoslav bonds denominated in dollars.

In 1961 Yugoslavia and the U.S. concluded an agreement providing for the establishment, maintenance, and operation of American reading rooms. In 1970 this was followed by an agreement setting up a U.S. Information Center in Ljubljana. A second center was opened in Skopje in July 1973 and a third is scheduled to be opened in Sarajevo in 1974.

In 1964 the United States and Yugoslavia signed a Fulbright Agreement for educational exchange, the only such agreement with a Communist country. In 1973, 29 Yugoslav students and 15 research scholars studied in the United States with whole or partial U.S. Government sponsorship. Several hundred more attended U.S. universities under private auspices. About a dozen American professors lecture annually at Yugoslav universities, and a number of American scholars are doing research in Yugoslavia.

Soviet invasion of Czechoslovakia and the U.S.S.R.'s subsequent reassertion of its right of intervention and "limited sovereignty" within the social-

ist commonwealth have put new emphasis on U.S.-Yugoslav relations.

On September 30, 1970 President Nixon became the first U.S. President to visit Yugoslavia. At the conclusion of his talks with President Tito, a joint communique was issued which stated, in part, that the two Presidents noted with satisfaction the growth of good and friendly relations between their two countries.

President Tito paid a state visit to the United States in October 1971. Presidents Nixon and Tito discussed international issues, the further development of bilateral relations in all fields, and the need for continuing regular consultations. In a joint statement they called attention to the importance of guaranteeing peace and stability by adherence to the principles of independence, mutual respect, and the full equality of sovereign states—regardless of similarities or differences in their social, political, and economic systems. President Nixon reaffirmed U.S. interest in the independence and nonaligned position and policy of Yugoslavia. The two Presidents agreed to base Yugoslav-American cooperation and relations on lasting foundations in accordance with the understanding and principles reflected in the joint statement.

Despite differences of view on a number of significant foreign policy issues, U.S. policy continues to be based on a strong and continuing interest in Yugoslavia's independence, integrity, and economic well-being. Bilateral relations are conducted in a spirit of cooperation and mutual respect and have been marked by regular consultations and high-level exchanges of visits.

Principal U.S. Officials

Ambassador—Malcolm Toon
Counselor of Embassy—Richard E. Johnson
Counselor for Public Affairs (USIS)—Wallace W. Littell
Counselor for Economic Affairs—David B. Bolen
Counselor for Political Affairs—Donald C. Tice
Chief, Consular Section—Thomas R. Hutson
Chief, Administrative Section—Thomas Solitario
Air Attaché—Col. David L. Ray
Army Attaché—Col. John W. Klingelhofer
Naval Attaché—Cdr. Wilbur W. Cockrell
Agricultural Attaché—James R. Hickman
Consul General, Zagreb—Orme Wilson, Jr.

TRAVEL NOTES

All travelers must obtain visas to enter Yugoslavia, either from a Yugoslav Embassy or Consulate or at any Yugoslav border crossing point or airport.

Currency, Weights and Measures—The unit of currency is the dinar, which presently converts at about 15 to 17 to 1 U.S. dollar. Many Yugoslavs continue to quote prices in old dinars; i.e., 1500 to 1700 old dinars equals 1 U.S. dollar.

The metric system of weights and measures is used in Yugoslavia as elsewhere in Europe.

Climate—Yugoslavia's climate varies considerably from region to region. The coastal area enjoys a mild Mediterranean climate, with a mean temperature of 80°F. in summer. By contrast, the interior, which is cut off from the Adriatic by high mountains, has the hot summers

and cold winters that characterize a continental climate.

Transportation and Communication—International trains offering service to points throughout Europe and as far east as Istanbul operate daily year-round. Rail service within the country is also adequate.

In larger cities inexpensive public transportation is provided by streetcars, trolleybuses, and motorbuses, though they are usually crowded. Taxi service is also available and is inexpensive.

Telephone, telegraph, and wireless communications, both national and international, are good. An overseas call to the U.S. costs about \$12 for 3 minutes.

Community Health—Community sanitation in Belgrade is fair. The water is potable, garbage is collected regularly, the sewage system is adequate, and main streets are cleaned daily.

DEPARTMENT OF STATE PUBLICATION 7773

Revised April 1974

Office of Media Services
Bureau of Public Affairs