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RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND REPRESENTATIVES OF THE SOCIALIST REPUBLIC OF MACEDONIA IN SKOPJE ON FRIDAY 26 SEPTEMBER 1980 AT 0840

Present:

Prime Minister

H.E. Mr. E. Bolland

Mr. E.A.J. Fergusson

Mr. M.O'D.B. Alexander

Mr. T.J. Clark

Mr. B. Ingham

Mr. N.J. Sanders

H.E. Mr. B. Popov - Prime Minister of the Macedonian Republic

H.E. Mr. S. Andov - Member of the Federal Executive Council

H.E. Z. Berisavljevic - Ambassador to London

Representatives of the Macedonian Republic

The Development of the Macedonian Republic

Mr. Popov greeted the Prime Minister and opened the discussion by describing the economic development of the Macedonian Republic since its inception. He said that of the population of one million eight hundred thousand, more than two-thirds were Macedonian, 17 per cent Albanian, 6 per cent Turkish and the remainder other nationalities from other Yugoslav Republics or elsewhere. He said that before formation of the Socialist Republic Macedonia had been divided between the fascist Governments of Germany, Italy and Bulgaria. Now, within the frame of the Yugoslav constitution, the Macedonian Republic had started to realise the centuries old aspirations of the Macedonians for social and national freedom. Other Macedonians were still to be found in Greece, Bulgaria and Albania. Their minority rights were unfortunately not fully recognised. He noted that Greece tolerated the use of the Macedonian language, but said that Bulgaria tried very strongly to deny the existence of a Macedonian minority,

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although the population statistics proved the falseness of this assertion.

He said that the Yugoslavs aimed at co-operation with the whole of the world. The Macedonian Republic was trying to develop good relations with its neighbours and hoped for conditions for better understanding in future. He said that economic relations with Greece, Albania and Bulgaria were quite good. There were also many tourists to and from Yugoslavia, and he hoped that they would contribute to the slow creation of the conditions to overcome the questions which remained open in respect of the Macedonian minorities elsewhere.

Economic Development

Mr. Popov said that the Republic of Macedonia had attained remarkable development, even though its achievements were modest by the standards of the developed world. At the end of the war Macedonia had been backward in all respects, with two-thirds of its population illiterate, more than two-thirds of the people supporting themselves from agriculture and practically no industry. At that stage the per capita income was 90 dollars a year, and now it was passing 1000 dollars a year. He said that the future development plans for the Macedonian Republic were based on industry and agriculture as the main components, and that industry already contributed 38 per cent of the overall net income of the Republic.

Cultural Development

He said that there had also been major achievements in the fields of culture, education and health since the war. Until the end of the war the Macedonian people had been forced to use Serbian, Bulgarian or Greek as their language but they were now able to use the three equal languages of the Yugoslav Federation. Within the overall system the national minority rights of education and culture of the Macedonians were respected.

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In response to questions from the Prime Minister, Mr. Popov then described the rate of progress in education in the Republic. He pointed out that 40 per cent of the population was under 20, and that there were now a grand total of 450,000 students and pupils, so that every fourth citizen was undertaking some form of education. He said that illiteracy had now almost entirely been abolished.

Other Matters

In response to further questions from the Prime Minister Mr. Popov and Mr. Andov outlined the strategy for industrial development in the Macedonian Republic and the means by which it was being financed. As examples of the progress that had been made, Mr. Popov said that there were now 3,000 kilometers of modern asphalt roads whereas before the war there had been none at all, and that every settlement except the very smallest now had electricity.

He said that he looked forward to deepening economic and cultural relations between the Macedonian Republic and the United Kingdom, and that the Republic hoped to make its contribution to general UK-Yugoslav economic relations. In the field of culture he hoped that there might be scope for greater co-operation between universities and scientific institutions. He said that he hoped that such a deepening of relations might mean that the truth about Macedonia would become better established.

The Prime Minister made no comment at any stage during the conversation about the position of Macedonians outside Yugoslavia. She asked Mr. Popovfor further details of the constitutional relationship between the Federal Government and the Governments of the Yugoslav constituent Republics and discussed the problems of democratic accountability within the system.

CONFIDENTIAL -4-Mr. Popov said that there were particular problems which had arisen over supplies of goods such as detergents and coffee. The Prime Minister said that such matters ought not to be the concern of Government, who had more important things to deal with. Mr. Andov explained the origin of the problem lay in a shortage of imported raw materials. The Prime Minister emphasised the efficiency of the supply and demand mechanism in the United Kingdom, and the deficiencies of monopolies as sources of supply. She asked about the details of the portfolios held by members of the Macedonian Government and about arrangements for housing, unemployment benefits, and children's allowances. In response to questions about the future economic development of the Macedonian Republic, Mr. Popov said that he hoped that in 1985 the per capita income would be close to 2500 dollars a year. He drew attention to the mineral wealth of the Republic and said that a plant to exploit their nickel reserves would be coming into operation in 1981. In conclusion Mr Popov said that he wished to stress the potential for the deepening of economic and cultural relations between the Macedonian Republic and the United Kingdon. offered to provide a document giving more details of some of the matters which had arisen in discussion, and the Prime Minister said that she would be very interested to see it in due course. 29 September 1980 CONFIDENTIAL