

PRIME MINISTER

Call by Yugoslav Foreign Minister

Mr. Dizdarevic is on his first visit to the West as Foreign Minister and his first ever visit to Britain. He is said to be an old guard type. He has had long diplomatic experience in Eastern Europe but is said to be suspicious of the West.

He will have the Yugoslav Ambassador and an interpreter. You will have Ken Scott, our Ambassador in Belgrade.

I attach a card. If possible you should read the Belgrade telegram at Flag A.

C.D.P.

5 November 1984

MEETING WITH YUGOSLAV FOREIGN MINISTER

1. Welcome on first visit to Britain.
2. Glad to see Mrs. Planinc in Delhi. Found her visit here last year very useful
3. Continue to attach great importance to Yugoslavia's independence and stability.
4. Ask about Yugoslav economy. Recognise progress made. Ready to go on doing what we can to help, provided satisfactory agreement is reached with IMF.
5. Give him your views on prospects for East/West relations and disarmament after the US elections.
6. Assessment of prospects in India.
7. Croat emigre's (if raised). Implacably opposed to terrorism, but cannot interfere with expressions of opinion if they are within the law.
8. (If he complains about British press comment on his country.) Press say what they want. But bound to be concern here about way in which you deal with internal opposition.

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Foreign and Commonwealth Office

London SW1A 2AH

5 November 1984

Dear Charles,

Call by Mr Raif Dizdarevic, Yugoslav Foreign Minister, on Wednesday, 7 November at 0930

The Prime Minister has agreed to see Mr Dizdarevic, the Yugoslav Foreign Minister at 0930 on 7 November.

Mr Dizdarevic, who was appointed Foreign Minister in May, has only limited experience of foreign affairs. His visit therefore provides us with a useful opportunity to emphasise the importance we attach to Yugoslavia's continued independence, stability and non-alignment and to put across the position of the West in general and the UK in particular on such issues as East/West relations and arms control to which the Yugoslavs attach great importance. Yugoslavia maintains reasonably cordial relations with the Soviet Union and the rest of the Warsaw Pact and Mr Dizdarevic may have some insights on current thinking in Moscow.

The Prime Minister will recall that Yugoslavia's economic difficulties featured prominently during the visit of the Yugoslav Prime Minister, Mrs Planinc, to the UK last November. Some progress has been made but with the prospect of a further fall in the standard of living, inflation of 60% and a winter of power cuts the Federal authorities still have a tough struggle on their hands. The Yugoslav Government is once again looking to the West for assistance, perhaps in the form of a Multi Year Re-scheduling Arrangement, which could be presented to the population as evidence that Western Governments are prepared to back them in the implementation of the austerity programme. It would therefore be appropriate to acknowledge the progress made so far and to declare our readiness to do what we can to help, subject to a satisfactory agreement being reached with the IMF. Creditor governments can then consider what form of further assistance would be appropriate.

The only significant problems in our bilateral relations are occasional adverse press comment (particularly over the recent crackdown on political dissent in Yugoslavia) and the activities of emigres, largely Croats, in the UK. On the

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first point we reply that the British press does not represent the views of HMG but that there is inevitably popular concern in the UK about certain recent developments within Yugoslavia. On emigre activities, we make it clear that we are implacably opposed to terrorism but that we cannot interfere with the legal expression of political opinions however much we may disagree with them.

Mr Dizdarevic does not speak English, though he understands a little. There will therefore be consecutive interpretation. I enclose a personality note on Mr Dizdarevic, a copy of his programme and a telegram from Belgrade which sets the scene for his visit.

*Yours ever,
Colin Budd*

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

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RAIF DIZDAREVIC (DEEZ-DÁR-E-VEECH)

Federal Secretary for Foreign Affairs. Member of the Federal Executive Consul. Member of the Central Committee of the League of Communists of Yugoslavia.

Born 1926 in Bosnia. Moslem.

Partisan from August 1943.

Joined the Party in March 1945.

From 1945-1951 Dizdarevic had a variety of jobs in State security organs. From 1951 until 1967 he worked in the Federal Secretariat for Foreign Affairs (FSFA) and served in Bulgaria (1951-54), Moscow (1956-59) and Prague (1963-67). From 1967-1972 he was Secretary of the Confederation of Yugoslav Trade Unions and President of its Commission for International Affairs. In 1972 he returned to FSFA as Assistant Federal Secretary. From 1974-1982 he held various trade union and Defence positions. Since 1978 he has been a member of the National Defence Council of Yugoslavia. From 1982-84 he was a delegate to the Federal Chamber of the Assembly, and was President of the Assembly from May 1982-May 1983. He was appointed to his present position in May 1984, replacing Lazar Mojsov.

Understands English but prefers not to speak it. Intelligent and hard-working but lacks the experience in world affairs of his predecessor and tends to stick closely to his brief.

VISIT OF THE YUGOSLAV FOREIGN MINISTER,
MR RAIF DIZDAREVIC: 6-8 NOVEMBER 1984

Tuesday 6 November

1220 Arrive on Yugoslav flight JU 210. Drive to
the Dorchester Hotel
1325 Arrive at Dorchester Hotel
1630-1830 Talks with the Secretary of State for
Foreign and Commonwealth Affairs, the Rt Hon
Sir Geoffrey Howe MP
1830 Return to hotel
2000 for 2015 Dinner hosted by the Secretary of State at
1 Carlton Gardens.

Wednesday 7 November

0930-1000 Call on the Prime Minister, the Rt Hon Mrs
Thatcher MP
1015-1115 Visit the Cabinet War Rooms
1130-1215 Meeting with the Governor of Bank of
England, Mr Leigh-Pemberton
1245 for 1300 Lunch hosted by the Chief Secretary, the
Rt Hon Peter Rees, MP, at Lancaster House
1500-1900 Talks at the Yugoslav Embassy followed by
meeting with representatives of Yugoslav
enterprises in the UK
2000 Performance of "42nd Street" at Drury Lane
Theatre Royal.

Thursday 8 November

9015-0945 Meeting with the Secretary of State for
Defence, the Rt Hon Michael Heseltine MP
1000-1030 Meeting with the Rt Hon Neil Kinnock MP
1150 Leave hotel
1320 Return to Belgrade on flight JU 211.

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FM BELGRADE 011030Z NOV 84
TO IMMEDIATE FCO
TEL NO 231 OF 01 NOVEMBER 1984

SAVING TO WASHINGTON, PARIS, BONN, UKDEL IMF, UKDEL NATO,
UKDEL EC, MOSCOW, BUDAPEST, BUCHAREST, EAST BERLIN,
PRAGUE, SOFIA, WARSAW.

VISIT OF THE YUGOSLAV FOREIGN MINISTER, 6-8 NOVEMBER.

1. MR DIZDAREVIC'S VISIT TO LONDON NEXT WEEK WILL BE HIS FIRST OFFICIAL VISIT TO A WESTERN COUNTRY SINCE HE TOOK OFFICE IN MAY, AND HIS FIRST EVER TO BRITAIN. HIS EXPERIENCE IN FOREIGN AFFAIRS HAD PREVIOUSLY BEEN CONFINED LARGELY TO EASTERN EUROPE, AND HE HAS SPENT THE LAST TEN YEARS IN INTERNAL POLITICS, MOSTLY IN BOSNIA. HIS PUBLIC PRONOUNCEMENTS SINCE BECOMING FOREIGN SECRETARY (EG HIS SPEECH TO THE UNGA IN SEPTEMBER) SUGGEST THAT HE TAKES A RATHER OLD-FASHIONED VIEW OF INTERNATIONAL AFFAIRS BASED ON THE STANDARD POSITIONS OF THE NON-ALIGNED MOVEMENT AND THE GROUP OF 77. BUT HE IS AN INTELLIGENT MAN AND WILL I THINK RESPOND TO ARGUMENTS THAT MODERATION AND NEGOTIATION ON CONCRETE ISSUES IN MULTILATERAL POLITICAL AND ECONOMIC AFFAIRS ARE MORE FRUITFUL THAN RHETORIC AND CONFRONTATION.

2. HE LOOKS FORWARD TO A SUBSTANTIVE EXCHANGE OF VIEWS WITH THE PRIME MINISTER AND YOURSELF ON MAJOR INTERNATIONAL ISSUES, AND WILL NO DOUBT ALSO WISH TO DISCUSS THE POLITICAL RELATIONSHIP BETWEEN YUGOSLAVIA AND THE WEST, AND PROSPECTS FOR FUTURE WESTERN FINANCIAL ASSISTANCE TO THE YUGOSLAV ECONOMY. THERE ARE NO SERIOUS BILATERAL PROBLEMS.

DOMESTIC BACKGROUND

3. THE YUGOSLAV LEADERSHIP IS SOMEWHAT ON THE DEFENSIVE ON SEVERAL FRONTS AT PRESENT. THE GOVERNMENT IS PROUD OF ITS SUCCESS IN STIMULATING IMPROVED OUTPUT AND EXPORTS, AND OF THE ENCOURAGING IMPROVEMENT IN YUGOSLAVIA'S BALANCE OF PAYMENTS, BUT IS INCREASINGLY CONSCIOUS OF THE URGENT NEED FOR STRUCTURAL REFORM OF THE ECONOMY. MEASURES TO IMPLEMENT THE ECONOMIC STABILISATION PROGRAMME - WHICH WAS APPROVED AT ALL LEVELS OF THE LEADERSHIP MORE THAN A YEAR AGO - CONTINUE TO BE BLOCKED BY REPUBLICAN AND LOCAL POWER GROUPS. THE MAIN GENERATORS OF INFLATIONARY PRESSURE REMAIN UNTREATED, AND INFLATION IS NOW AT 58 PER CENT. COMBINED WITH THE DRASTIC FALL IN REAL PERSONAL INCOMES RESULTING FROM THE IMPLEMENTATION OF THE IMF PROGRAMMES FOR 1983 AND 1984, THIS IS NOW CAUSING CONSIDERABLE HARDSHIP AND THE LEADERSHIP IS SENSITIVE TO THE POLITICAL AND SOCIAL DANGERS WHICH IT REPRESENTS.

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4. THE TRADITIONALLY-MINDED MEMBERS OF THE LEADERSHIP HAVE TENDED TO REACT TO THIS SITUATION BY CALLING FOR FIRMER SUPPRESSION OF CRITICS OF THE REGIME (THE LONG POSTPONED TRIAL OF THE "BELGRADE SIX" ACCUSED OF ORGANISING POLITICAL OPPOSITION HAS NOW BEEN SET TO BEGIN ON 5 NOVEMBER) AND BY ACCUSING THE WEST, AND THE JMF IN PARTICULAR, OF UNACCEPTABLE INTERFERENCE IN THE WORKINGS OF THE YUGOSLAV SYSTEM.

BUT AT THE SAME TIME THERE IS A GROWING REALISATION THAT THE SYSTEM IS WORKING INEFFICIENTLY AND THAT POLITICAL REFORM IS NEEDED BEFORE ECONOMIC REFORM CAN BE EFFECTIVELY IMPLEMENTED. THIS VIEW WAS AIRED PUBLICLY AT THE LAST MEETING OF THE PARTY CENTRAL COMMITTEE AND IS NOW THE SUBJECT OF LIVELY DEBATE, TO THE DISMAY OF THE TRADITIONALISTS AND THOSE WHOSE POWER WOULD BE THREATENED BY SUCH REFORMS.

INTERNATIONAL AFFAIRS

5. THE LACK OF SELF-CONFIDENCE AMONG THE LEADERSHIP INDUCED BY THESE INTERNAL PRESSURES DEEPENS THE ANXIETY WHICH THEY FEEL ABOUT THE CURRENT INTERNATIONAL SITUATION. EVER CONSCIOUS OF THE POTENTIAL THREAT FROM THE EAST, THEY ARE DEEPLY DISTURBED BY THE TENSIONS IN EAST-WEST RELATIONS AND PARTICULARLY BY THE ABSENCE OF DIALOGUE BETWEEN THE SUPERPOWERS. DIZDAREVIC WILL BE KEEN TO HEAR YOUR ASSESSMENT OF THE POSSIBILITIES FOR THE RESUMPTION OF THE DIALOGUE AND OF ARMS CONTROL NEGOTIATIONS, AFTER THE US PRESIDENTIAL ELECTIONS. THEY ARE ALSO CONCERNED AT THE POSSIBILITY OF SUPERPOWER CONFRONTATION IN THE MIDDLE EAST AND CENTRAL AMERICA, AND - BECAUSE OF THEIR TRADITIONALLY CLOSE LINKS WITH BOTH COUNTRIES - BY THE CONTINUATION OF THE IRAN/IRAQ WAR. THEY WILL HAVE BEEN BADLY SHAKEN BY THE ASSASSINATION OF MRS GANDHI, PARTICULARLY BECAUSE OF THE IMPORTANCE THEY ATTACHED TO HER ROLE IN LEADING THE NON-ALIGNED MOVEMENT IN A MORE MODERATE DIRECTION, AND WILL BE DEEPLY WORRIED ABOUT POSSIBLE CONSEQUENCES FOR THE STABILITY OF INDIA AS ONE OF THEIR CLOSEST PARTNERS. FINALLY, DIZDAREVIC WILL BE ANXIOUS TO HAVE YOUR ASSESSMENT OF THE PROSPECTS FOR PROGRESS FOR NAMIBIA.

6. ON NORTH/SOUTH ISSUES DIZDAREVIC IS LIKELY TO EXPRESS CONCERN ABOUT WHAT YUGOSLAVIA SEES AS A LACK OF SYMPATHY ON THE PART OF THE INDUSTRIALISED WEST FOR THE PROBLEMS OF DEVELOPING COUNTRIES, AND PRESS FOR MULTILATERAL DISCUSSION OF THE DEBT PROBLEM.

YUGOSLAVIA AND THE WEST

7. FROM HIS REMARKS TO THE FRENCH FOREIGN MINISTER DURING THE LATTER'S VISIT IN AUGUST, AND ON ONE OR TWO OTHER OCCASIONS, DIZDAREVIC APPEARS TO BE AMONG THOSE IN YUGOSLAVIA WHO DISTRUST WESTERN INTENTIONS TOWARDS THIS COUNTRY AND SUSPECT A TENDENCY IN THE WEST TO EXPLOIT YUGOSLAVIA'S ECONOMIC

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DIFFICULTIES.

DIFFICULTIES TO TRY TO BRING ABOUT CHANGES IN THE POLITICAL SYSTEM. HE HAS SHOWN CONSIDERABLE SENSITIVITY ABOUT WESTERN PRESS CRITICISM OF THE TREATMENT OF INTERNAL OPPONENTS OF THE REGIME, AND ABOUT THE TOLERATION BY WESTERN GOVERNMENTS OF EMIGRE ACTIVITIES IN THEIR COUNTRIES. HE WILL NEED TO BE REASSURED OF CONTINUING BRITISH AND WESTERN INTEREST IN THE STABILITY AND INDEPENDENCE OF YUGOSLAVIA, WHILE AT THE SAME TIME BEING REMINDED THAT THE WAY IN WHICH THE LEADERSHIP DEALS WITH INTERNAL OPPOSITION IS BOUND TO AFFECT WESTERN PUBLIC ATTITUDES.

8. DISCUSSIONS BETWEEN YUGOSLAVIA AND WESTERN CREDITORS ABOUT REFINANCING OF DEBTS IN 1985 AND LATER YEARS ARE AT A VERY PRELIMINARY STAGE, AND DIZDAREVIC WOULD NOT I HOPE EXPECT YOU TO GIVE HIM MORE THAN A GENERAL ASSURANCE THAT WE WILL CONTINUE TO MAKE A CONSTRUCTIVE CONTRIBUTION TO INTERNATIONAL ARRANGEMENTS TO CONSOLIDATE YUGOSLAVIA'S DEBTS AND HELP HER TO STABILISE HER ECONOMY. THE EXPERIENCE OF THE LAST TWO YEARS HAS SOURED YUGOSLAVIA'S ATTITUDE TO THE IMF, BUT THOSE IN THE LEADERSHIP WHO ARE MOST CLOSELY CONCERNED PROBABLY RECOGNISE THAT THEY HAVE NO ALTERNATIVE BUT TO CONTINUE IMF INVOLVEMENT AND THAT THIS IS A PRE-REQUISITE FOR ANY REFINANCING ARRANGEMENTS BY WESTERN GOVERNMENTS AND COMMERCIAL BANKS. THEY WILL, HOWEVER, FACE DIFFICULTIES IN CONVINCING THE FEDERAL ASSEMBLY OF THIS, AND IT WILL HELP THEM IF A WAY CAN BE FOUND OF MAKING IMF SURVEILLANCE OF THE YUGOSLAV ECONOMY LESS INTRUSIVE AND IF SOME KIND OF MULTI-YEAR ARRANGEMENT CAN BE WORKED OUT.

ANGLO-YUGOSLAV TRADE

9. DIZDAREVIC WILL PROBABLY NOT WISH TO DISCUSS TRADE MATTERS IN ANY DETAIL. YUGOSLAV EXPORTS TO BRITAIN HAVE IMPROVED SUBSTANTIALLY THIS YEAR, AND THIS FACT CAN BE SET AGAINST ANY RITUAL COMPLAINTS HE MAY MAKE ABOUT OBSTACLES CREATED BY EUROPEAN COMMUNITY IMPORT RESTRICTIONS. THERE ARE PROSPECTS FOR A NUMBER OF NEW PROJECTS INVOLVING JOINT VENTURES AND OTHER HIGHER FORMS OF COOPERATION BETWEEN BRITISH AND YUGOSLAV ENTERPRISES.

10. FCO PSE PASS SAVING ADDRESSEES.

SCOTT

STANDARD (PALACE)

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VISIT OF HIS EXCELLENCY MR RAIF DIZDAREVIĆ, FEDERAL
SECRETARY FOR FOREIGN AFFAIRS OF THE SOCIALIST FEDERAL
REPUBLIC OF YUGOSLAVIA: 6-8 NOVEMBER 1984

ADMINISTRATIVE PLAN (To be read in conjunction with the
printed programme)

Tuesday 6 November

Arrival

When the aircraft has landed a representative of the
British Airports Authority will accompany the Ambassador
of the Socialist Federal Republic of Yugoslavia from the
Hounslow Suite to the aircraft and escort the Federal
Secretary for Foreign Affairs to the greeting party where
he will be welcomed by the Special Representative of the
Secretary of State for Foreign and Commonwealth Affairs
who will present (in order):-

Mr K B A Scott	H M Ambassador at Belgrade
Brigadier Alan Cowan	Secretary, Government Hospitality
Group Captain Anthony O'Neill	Government Hospitality Escort Officer

Transport

Cars are provided by Government Hospitality Fund throughout the visit. (See car plan at Annex 1).

Interpreters

Mr Dizdarević will be accompanied by Miss M Boric who will interpret for him throughout the programme.

The Foreign and Commonwealth Office has engaged the services of Mrs O Grahor who will interpret at the following appointments:

Tuesday 6 November

Talks with the Secretary of State for Foreign and Commonwealth Affairs at the Foreign and Commonwealth Office.

Dinner hosted by the Secretary of State for Foreign and Commonwealth Affairs at No 1 Carlton Gardens.

Wednesday 7 November

Call on the Prime Minister at No 10 Downing Street.

Lunch hosted by the Chief Secretary to the Treasury at Lancaster House.

Participation of the Official Suite in the Federal
Secretary for Foreign Affairs' Programme

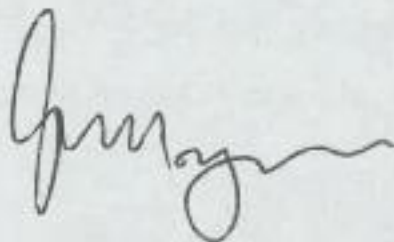
His Excellency Mr Dragi Stamenković, the Ambassador of the Socialist Federal Republic of Yugoslavia to London, and Mr K B A Scott, Her Majesty's Ambassador at Belgrade, will accompany His Excellency Mr Dizdarevic throughout the programme.

The other members of the Official Suite, as listed at page 1 of the printed programme, are expected to accompany His Excellency Mr Dizdarević throughout the programme but their attendance at appointments is subject to confirmation.

Mr Milutin Stojanović, Minister-Counsellor at the Yugoslav Embassy, will attend the talks with the Secretary of State for Foreign and Commonwealth Affairs and dinner at No 1 Carlton Gardens on 6 November and the meeting with Mr Kinnock on 8 November.

Mr Predrag Mitić, Minister-Counsellor (Economic) at the Yugoslav Embassy, will attend the meeting with the Governor of the Bank of England and the luncheon at Lancaster House on 7 November.

Captain Uroš Trbojević, Defence Attache at the Yugoslav Embassy, will attend the meeting with the Secretary of State for Defence on 8 November.

A handwritten signature in black ink, appearing to read 'R E Morgan', written in a cursive style.

R E Morgan

Protocol Department

Foreign and Commonwealth Office

Room SG104,

Old Admiralty Building

Tel : 273 3582

CAR PLAN

Heathrow Airport to The Dorchester

Car 1	His Excellency Mr Dizdarević His Excellency the Yugoslav Ambassador Special Branch Officer
Back-up Car	Special Branch Officer Mr Gligorić
Car 2	Mr Šuković Mr K Scott Group Captain O'Neill
Car 3	Mr Jovanović Mr Stojanović Miss Borić

Car plans will be adjusted as necessary throughout the visit in consultation with Group Captain O'Neill.

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