

Tms 6 JUL. 1987 **Pym begins** **economic** **discussions** **in Belgrade**

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Mr **Francis Pym**, the British Foreign Secretary, arrived here yesterday, on a two-day official visit. The talks he will have, while reaffirming the continuity of Britain's interest in Yugoslavia, are also expected to centre on foreign debt crisis.

The visit will give Mr Pym the opportunity for an exchange of views with Mr Petar Stambolic, the new President and he will also be meeting Mrs Milka Planinc, who recently became the country's first woman Prime Minister. The presidency revolves annually between members representing the six republics and two regions.

Foreign debts weigh heavily on Yugoslavia's future. It has long been felt that the adverse trade balance with Britain should be redressed. Anglo-Yugoslav trade has been falling for several years and the Yugoslavs are expected to seek ways to reduce the widening gap.

Paradoxically, Yugoslavs have always found relations easier under Conservative Governments. The British Labour Party was one of the few missing European socialist groups at the Yugoslav Communist Party congress.

Relations with the Conservatives have been maintained ever since Tito established a personal relationship with Winston Churchill.