

PRIME MINISTER

VISIT OF THE PRESIDENT OF THE FEDERAL EXECUTIVE COMMITTEE OF  
YUGOSLAVIA

You will be having talks, followed by lunch, with  
Mr. Djuranovic tomorrow. The procedure will be exactly as for  
the Heir Apparent of Qatar: welcoming ceremony in the FCO  
Courtyard, talks in the Cabinet Room, lunch at 1245.

You read the briefs over the weekend and will need to look at  
them again only briefly.

I attach your speech at lunch. This has now been given to the  
Yugoslavs for translation into Serbo-Croat.

I also attach, immediately behind this minute, some telegrams  
from Belgrade about Djuranovic's visit here and Gorbachev's  
visit to Yugoslavia, which are relevant.

Charles Powell

22 March 1988

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MY TELNDS 79 AND 80: GORBACHEV VISIT

SUMMARY

1. AN IMPORTANT EVENT, REFLECTING CHANGES HERE AND STILL MORE SO IN THE USSR. NEURALGIC POINTS REMAIN BUT THE OVERALL RELATIONSHIP MORE CONFIDENT AND RELAXED. NO EVIDENT PROGRESS ON THE ECONOMIC FRONT. PERSONAL SUCCESS FOR GORBACHEV BUT NO NEW DEPARTURES.

DETAIL

2. THE FIRST VISIT BY A GENERAL SECRETARY OF THE CPSU SINCE TITO'S DEATH WAS BOUND TO BE AN IMPORTANT EVENT IN ANY CASE. GORBACHEV'S PERSONALITY AND THE CHANGES HE HAS INTRODUCED IN THE USSR ADDED TO ITS WEIGHT. HE (AND HIS WIFE) IMPRESSED AND OVERSHADOWED THE YUGOSLAVS. THEY WERE PARTICULARLY STRUCK BY HIS WILLINGNESS TO LISTEN, AND HIS ADMISSION OF THE EXTENT OF THE OPPOSITION TO HIM AND HIS POLICIES WITHIN THE SOVIET UNION, WHICH SEEMS TO HAVE BEEN GREATER THAN THEY HAD BELIEVED. ALTHOUGH THE PROGRAMME DID NOT ALLOW FOR TALKS WHICH HAD TIME TO GO INTO THE ISSUES IN DEPTH, HE FLATTERED THEM BY TAKING WHAT APPEARED TO BE A GENUINE INTEREST IN THEIR POLICIES AND IDEAS, INCLUDING ESPECIALLY THE WAY YUGOSLAVIA HAS COPEd WITH ITS NATIONALITY PROBLEMS, THE PROSPECTS FOR THE SELF-MANAGEMENT SYSTEM AND THE FORTUNES OF THE NON-ALIGNED MOVEMENT. HE THEREBY SUCCEEDED IN FURTHER CONVINCING THEM HE REPRESENTS A NEW PHENOMENON WHICH DESERVES THEIR SUPPORT AND THAT THE DEMANDS OF PERESTROIKA ARE SUCH AS TO MAKE A MORE PRAGMATIC AND WAG FIC APPROACH TO FOREIGN AFFAIRS THE NATURAL SOVIET OPTION.

3. THE YUGOSLAV-SOVIET RELATIONSHIP HAS IN ANY CASE BECOME FAR MORE PRAGMATIC AND LESS IDEOLOGICAL SINCE TITO'S DEATH, AND THE USSR HAS NOT BEEN DEMANDING OF THIS COUNTRY, APPARENTLY ACCEPTING THAT IT FALLS OUTSIDE ITS SUSTAINABLE SPHERE OF INFLUENCE. THE PUBLIC EMPHASIS ON THE EQUALITY OF THE RELATIONSHIP, THE PRINCIPLES OF THE 1955 AND 1956 DECLARATIONS, THE VALIDITY OF DIFFERENT ROADS TO SOCIALISM AND SO ON WAS NONETHELESS REVEALING OF THE CONTINUING NEURALGIC POINTS IN YUGOSLAV-SOVIET AFFAIRS. GORBACHEV'S COMMENTS ON THE 1943 BREAK WERE UNDERSTANDING OF YUGOSLAV FEELINGS AND INTERESTS, AND WENT DOWN WELL HERE.

4. THE MOST TANGIBLE PRODUCT OF THE VISIT WAS THE JOINT DECLARATION ISSUED ON 13 MARCH (MY TELNO 79 AND 80) WHICH BOTH SIDES CLAIM TO BE OF WIDE SIGNIFICANCE OF PRINCIPLE. A PROGRAMME TO GOVERN THE BILATERAL ECONOMIC RELATIONSHIP WAS ALSO SIGNED, ON 15 MARCH (MY TELNO 73). WHILE COMPREHENSIVE, THIS WAS, APPARENTLY, A FRAMEWORK AGREEMENT WHICH WILL NEED CONSIDERABLE ELABORATION BEFORE IT CAN BE TURNED INTO CONCRETE RESULTS. THE SAME GOES FOR YUGOSLAV-SOVIET INTENTIONS TO INCREASE THEIR JOINT VENTURES AND OTHER QUOTE HIGHER FORMS UNQUOTE OF COOPERATION. IT WILL IN PRACTICE BE DIFFICULT TO REVERSE THE PRESENT MARKED FALL IN BILATERAL TRADE, ESPECIALLY WHILE THE WORLD PRICE OF SOVIET RAW MATERIALS REMAINS LOW AND IF THE RUSSIANS MAKE GOOD ON THEIR DEMAND THEY TAKE ONLY TOP QUALITY YUGOSLAV GOODS IN FUTURE. THE QUESTION OF WHAT TO DO ABOUT THE PRESENT LARGE AND PROBABLY GROWING SOVIET DEBT TO YUGOSLAVIA WAS EXTENSIVELY DISCUSSED, AND REMITTED FOR FURTHER NEGOTIATION DURING AN EVENTUAL VISIT BY THE SOVIET PRIME MINISTER.

5. THERE WILL NO DOUBT NOW BE AN INCREASE IN THE TEMPO OF YUGOSLAV-SOVIET EXCHANGES. GORBACHEV APPEARED TO ENJOY HIMSELF, ALTHOUGH IT SEEMED HE WANTED TO MEET MORE ORDINARY YUGOSLAVS, WHO RESPONDED TO HIM WITH FRIENDLY CURIOSITY IN FAR LARGER NUMBERS THAN WOULD TURN OUT FOR ANY YUGOSLAV POLITICIAN. BUT THERE IS NO WAY OF KNOWING WHAT HE SAID OF HIS REACTIONS TO RAISA BEFORE THEY WENT TO SLEEP AND NO MEANS YET TO DISCOVER WHETHER HE LEARNED ANYTHING RELEVANT HERE FOR HIS FUTURE POLICIES. ONE SCHOOL OF THOUGHT IS HE MUST HAVE LOOKED AT YUGOSLAVIA AS AN AWFUL WARNING BOTH AS TO ECONOMIC AND NATIONALITY POLICIES. I FIND THAT TOO SIMPLISTIC: THERE ARE POSITIVE THINGS SOVIET POLITICIANS COULD LEARN HERE AS WELL AS MISTAKES TO AVOID. BUT WITH THE POSSIBLE EXCEPTIONS OF THE SLOVENE, KUCAN, AND THE CROAT, ANTE MARKOVIC, NONE OF THE YUGOSLAVS GORBACHEV MET SEEM LIKELY TO HAVE MADE MUCH OF AN INTELLECTUAL IMPRESSION ON HIM. AND FOR ALL THE PERSONAL IMPACT GORBACHEV HAD ON THE YUGOSLAVS HE MET I SEE NO REASON TO SUPPOSE THE LATTER FELT THEY HAD ANY IDEOLOGICAL OR POLITICAL LESSONS TO LEARN AT HIS FEET. THE PRINCIPAL RESULT OF THE VISIT WAS TO CONFIRM THAT IT IS CHANGES IN THE SOVIET UNION WHICH HAVE ALLOWED THAT COUNTRY'S RELATIONSHIP WITH YUGOSLAVIA TO GET ON A MORE RELAXED, CONFIDENT AND LESS INTENSE BASIS, AND THAT FUTURE PROGRESS ALSO DEPENDS ON THE EVOLUTION OF SOVIET RATHER THAN YUGOSLAV POLICIES, ESPECIALLY PERESTROIKA.

6. MY PRELIMINARY ASSESSMENT THEREFORE (THERE HAVING BEEN NO CHANCE SO FAR TO GET ANY DETAILED ACCOUNTS FROM EITHER OF THE PARTICIPANTS) IS THAT THE VISIT CONFORMED TO EXPECTATION (MY TELNO 64). IN CONSOLIDATING A STAGE IN THE EVOLUTION OF THE YUGOSLAV-SOVIET RELATIONSHIP RATHER THAN FORMING A BASIS FOR NEW DEPARTURES. WE MAY WELL SEE AN INCREASED YUGOSLAV WILLINGNESS TO GIVE THE RUSSIANS THE BENEFIT OF THE DOUBT, ESPECIALLY IN FOREIGN AFFAIRS, AND A MUTUAL EFFORT TO THICKEN UP BILATERAL LINKS. BUT I KNOW OF NOTHING TO SUGGEST THE YUGOSLAVS HAVE MADE ANY SIGNIFICANT CONCESSIONS OR EVEN THAT THE RUSSIANS PRESSED FOR THEM - SO THAT THE BASIC RELATIONSHIP REMAINS UNCHANGED. THE ESSENTIAL DRIFT HERE CONTINUES TO BE TOWARDS THE WEST, NOT THE EAST.