

810

RESTRICTED



*Text submitted.  
F. Arthur*

Foreign and Commonwealth Office

London SW1A 2AH

11 September 1980

*Prime Minister.*

*Dear Michael*

*The Yugoslavs will not expect an interesting or amusing speech. They will want some <sup>things</sup> serious & weighty. I should be grateful if you would look through this & consider whether you think it is on the right lines.*

PRIME MINISTER'S VISIT TO YUGOSLAVIA: SPEECH

You asked to see as soon as possible a draft of the Prime Minister's speech at the dinner to be given in her honour by the Yugoslav Prime Minister on 24 September. I enclose a draft together with a draft of the arrival statement which Mrs Thatcher is to deliver at Belgrade Airport. These have been provisionally cleared with other departments; if further amendments are suggested, I shall let you know. We have not included any explicit reference to recent developments in Eastern Europe (i.e. Poland); the situation is too uncertain and Yugoslav sensitivities are too acute for it to be sensible to propose any draft formulae at this stage, though the message is implicit in the passage on Afghanistan.

*Yours ever*

*Michael Arthur*

M A Arthur

M O'D B Alexander Esq  
10 Downing Street

RESTRICTED

## PRIME MINISTER'S VISIT TO YUGOSLAVIA:

SPEECH FOR DINNER BY THE CHAIRMAN OF THE FEDERAL EXECUTIVE COUNCIL, MR DJURANOVIC, ON WEDNESDAY 24 SEPTEMBER 1980

Mr Chairman,

I am ~~very~~ <sup>most</sup> grateful to you and to the Yugoslav Government for inviting me to visit your country. Today marks a significant step forward in Anglo-Yugoslav relations. For, although I have visited Yugoslavia before, and despite the numerous exchanges of visitors between our two countries at a high level, this is the first official visit to Yugoslavia by a British Prime Minister in office.

This does not of course ~~detract from~~ <sup>reflect on</sup> the excellent relations which have existed between our two countries for so long. Cooperation between Yugoslavia and Britain is rooted in the history and common interests of our peoples and in their friendship and respect for each other. They have shown their willingness to sacrifice their lives together in the common cause of independence. Staunch allies in wartime, Yugoslavia and Britain have become warm friends in peace and have established close ties in all areas of their relations.

I wish today to emphasise our desire to maintain and strengthen these bonds of friendship. I also want to reaffirm the value we place on the continuing unity, independence and territorial integrity of Yugoslavia and our respect for its non-aligned role in world affairs. I hope that my visit will give a further impetus to relations between our two countries and I greatly look forward to seeing other parts of Yugoslavia and the opportunity this will give me to gain a deeper understanding of its peoples and their achievements.

We have today enjoyed a first round of useful and stimulating talks in which we shared ideas on a number of important issues facing our two countries in the world today. As I expected, there was much on which we could agree. And where we did not see ~~exactly~~ eye to eye, each of us fully understood and respected the other's views. I have certainly ~~profited~~ <sup>gained valuable insight and</sup> ~~from~~ <sup>and look</sup> ~~this exchange.~~ <sup>my</sup> I ~~now~~ look forward to further discussions both ~~here in Belgrade and in the other parts of Yugoslavia~~ <sup>during my visit.</sup> I shall be ~~visiting~~ during the next two days.

I would like this evening to pay tribute to your late President, whose funeral I and a distinguished group of my countrymen attended just a few months ago. President Tito was deeply admired and respected worldwide, <sup>but he was held</sup> ~~and~~ in particular <sup>regards</sup> by the British people. He was for us not only a symbol of Yugoslavia and of the courage and love of freedom of its peoples, but also of the tireless energy and determination with which, under his leadership, the Yugoslav peoples have built up their modern state. I remember vividly my meeting with President Tito in 1977, ~~and I feel honoured to have been able to profit from his wisdom and understanding of international affairs.~~

From what I have already seen and heard since I arrived here, it is clear that President Tito was ~~also~~ gifted with remarkable foresight. The arrangements <sup>which</sup> you made, under his guidance, have ensured that Yugoslavia has passed, in unity and stability, through the period following his loss. Your success fills us with confidence that, in the coming years, you will continue to safeguard and develop <sup>President Tito's</sup> ~~the~~ ~~precious~~ legacy bequeathed by your late President of a strong and independent Yugoslavia.

It was thanks to his efforts that the Yugoslavia of today enjoys a unique position in the world. It is respected

as a truly non-aligned country ~~which makes every effort to~~  
<sup>bridging</sup>  
~~bridge~~ the divisions between East and West and North and South. My first visit to Yugoslavia took place at the time when the follow-up meeting to the Conference on Security and Cooperation in Europe was being held in Belgrade. My present visit comes during the 21st General Assembly of UNESCO which opened this week at the same conference centre in your capital. These, Mr Chairman, are not simply coincidences. They are evidence of Yugoslavia's continuing work for peace and cooperation in the broadest sense and with all countries, great or small, on the basis of full equality and independence.

~~This is why~~ I <sup>Vividly</sup> recall the concern expressed by President Tito, when he was already seriously ill, at the growing deterioration in international relations. He was very much aware of the threat this involved to world peace and of the need to take urgent action if detente was to be preserved.

The world community has been particularly concerned ~~about the worsening of the international situation which~~  
<sup>about</sup>  
~~resulted from~~ the invasion of Afghanistan. That action demonstrated complete disregard for the independence and aspirations of a vulnerable neighbour. It has gravely undermined the climate of international trust which is essential if we are to build a more constructive relationship between East and West. The invasion was also a denial of the Principles enshrined in the Helsinki Final Act ~~and~~ <sup>this</sup> ~~must not~~ <sup>the Plenary Session of which is</sup> ~~cannot~~ be ignored at the second Review Conference, <sup>due to</sup> start in Madrid later this year.

<sup>In the search for a peaceful settlement,</sup>  
 Britain and its partners in the European Community <sup>proposed</sup> ~~have suggested that the situation could be satisfactorily resolved through an arrangements permitting Afghanistan to return to its traditional /~~

We deplore such interference in the internal affairs of an independent ~~country~~ <sup>where</sup> country, ~~and~~ <sup>and</sup> the spurious arguments by which ~~the~~ <sup>has been</sup> ~~intervention~~ <sup>is</sup> justified.

neutrality and non-alignment. We are ready to examine other proposals for a settlement providing for the complete withdrawal of foreign forces from Afghanistan and freedom for the Afghan people to determine their own future.

Recent international events have underlined the need for independent countries to have adequate defences. For a country like Britain to think otherwise - to weaken in its resolve to deter aggression - ~~can~~<sup>would</sup> only undermine the cause of peace and international stability. At the same time we shall press ahead with our efforts to achieve a genuine increase in security through <sup>the</sup> negotiations <sup>of</sup> on balanced and verified <sup>are</sup> <sup>ed</sup> measures <sup>of</sup> on arms control. I am glad that negotiations between the United States and the Soviet Union on Theatre Nuclear Forces in Europe are likely to begin soon. We shall continue to work for progress in the Vienna talks on Mutual and Balanced Force Reductions and in the negotiations in Geneva for a Comprehensive Nuclear Test Ban.

It is Britain's policy to help to strengthen the ability of states everywhere to uphold their independence and reduce their vulnerability to outside interference. This requires the reduction of tension wherever it exists. The settlement in Zimbabwe was one example of the elimination of a dangerous situation through negotiations. The Nine countries of the European Community recently took an initiative to maintain momentum in the search for a comprehensive settlement in the Middle East. Britain continues to cooperate in efforts to reach a negotiated settlement in Namibia.

World economic problems also require urgent attention. The developed countries as a whole are fighting the problems of inflation and sharply higher energy costs. The developing countries face balance of payments deficits which

My Government  
has <sup>therefore</sup> recently  
taken for reaching  
decisions to  
reinforce our  
ability to protect  
ourselves against  
the long-term threat  
in Europe.

~~threaten their economic future. The first priority For all~~  
threaten their economic future. For all of us, the first priority is to fight inflation and thereby to create the conditions essential for healthy growth. This approach is dictated by the needs of the international community as a whole. Without the defeat of inflation, the capacity of the developed countries to give aid will be reduced; and the value of the aid which they do give will be diminished. Without the defeat of inflation, there will be no sustained growth, and no sustained expansion in the volume of international trade.

But Britain also recognises, of course, that this battle cannot be won overnight and that many developing countries especially the poorest, need immediate help. Britain will <sup>continue to</sup> play her part here; and so, I am sure, will the other developed countries of the West. But we are <sup>entitled</sup> ~~criticised~~ to look to those with large financial surpluses to make a major contribution. What is needed is a cooperative endeavour, directed towards those most in need and based on a common assessment of where the need is greatest.

Mr Chairman, respect for other countries' independence and determination to work for world peace are among the many things which Britain and Yugoslavia have in common. They are the foundation of the close and friendly relations between our two countries. There are happily no points of dispute between our Governments to distract us from developing our cooperation over as wide a range of activities as possible.

Representatives of our two countries are engaged, at many levels, in consultations on key international problems. Let us develop such exchanges still further. Let us also increase our commercial and economic cooperation.

In April of this year, Britain signed the new cooperation Agreement between the European Community and Yugoslavia. This <sup>Agreement</sup> showed our determination, together with <sup>as well as</sup>

threaten their economic future. ~~The first priority~~ For all of us is to combat inflation at home and to create the conditions essential for growth without inflation. This approach is not dictated by self-interest alone. A sound economy is the only basis for a substantial aid programme. The resumption of economic growth will enlarge the trading opportunities for developing countries, whose earnings from trade are ten times their receipts from aid.

But Britain also recognises, of course, that developing countries need help if they are to overcome their very serious economic problems. Concerted action by the international community is required. I hope that we shall all rise to the challenge to help those in need and to adapt to the economic conditions. The United Kingdom is determined to play its part in the United Nations and in international economic and financial institutions. We know from experience how valuable the role of Yugoslavia in these organisations has been and we look forward to working with you in the future.

Mr Chairman, respect for other countries' independence and determination to work for world peace are among the many things which Britain and Yugoslavia have in common. They are the foundation of the close and friendly relations between our two countries. There are happily no points of dispute between our Governments to distract us from developing our cooperation over as wide a range of activities as possible.

Representatives of our two countries are engaged, at many levels, in consultations on key international problems. Let us develop such exchanges still further. Let us also increase our commercial and economic cooperation.

In April of this year, Britain signed the new cooperation Agreement between the European Community and Yugoslavia. This <sup>Agreement</sup> showed our determination, together with <sup>as well as</sup>

RESTRICTED

that of our partners, to increase commercial ties with your country. It was also a symbol of the Community's determination to remain an outward looking group, fully conscious of the importance of its relations with all parts of Europe.

In June, we welcomed to our country your Minister for Foreign Trade, Mr Rotar. We are confident that from his visit will come new ideas and a fresh impulse for expanding your exports to Britain. For, like you, we realise that our total trade can grow only if it is soundly balanced.

Our cultural relations are developing well. This evening, I had the pleasure of opening in Belgrade a major exhibition of English silverware. This event is only one of a number of attractive cultural events and exchanges between our two countries.

But, important as all these official contacts are, the particular strength of our relations lies in the freedom of our peoples to visit each other's countries and in the direct contacts which individuals and institutions are themselves establishing outside the framework of official Government agreements. I am glad that thousands of our tourists enjoyed your splendid summer by the Adriatic. I am myself looking forward to visiting Dubrovnik.

Mr Chairman, I have spoken of President Tito's outstanding achievements and of the legacy which he has left not only to Yugoslavia but also to other countries. In continuing along his path, I am convinced that Yugoslavia will make still further progress. This is guaranteed by the strength which Yugoslavia derives not only from its international position, but also from the unity which you have created out of the diversity of your country and the readiness of your peoples to defend their independence.

I am looking forward with particular pleasure to my visit tomorrow to a conspicuous example of Anglo-Yugoslav industrial cooperation at Smederevo.  
Smederevo.



I would like to raise my glass to you, Mr Chairman, to the prosperity of the Yugoslav people and to the continuing friendship and cooperation between Yugoslavia and Britain.

## PRIME MINISTER'S VISIT TO YUGOSLAVIA: ARRIVAL STATEMENT

Mr Chairman

I am very pleased to be here. Although this is my third visit to Yugoslavia, it is the first official one by a British Prime Minister. I intend that it should mark a step forward in ~~our~~<sup>our</sup> relations.

It was, as you know, only a few months ago that I came to Belgrade with a distinguished and representative group of my countrymen to take part in the sad ceremony of farewell to your late President. Among them were former members of the British Military Mission, who served with the partisans at Tito's side and who came to Belgrade to pay their last personal respects to him.

None of us who were present will forget that occasion when leading personalities from all over the world gathered in Belgrade to pay tribute to one of the greatest leaders of modern times.

For President Tito was, indeed, a great statesman. He knew that the lifeblood of politics is the link between the people and their representatives. He believed in a united and independent Yugoslavia. He had also the courage and determination to realise this belief in the darkest days of the War when the difficulties were enormous and exceptional qualities of leadership were required. After the War, he resolutely led the Yugoslav people in safeguarding the independence they had won at such a high cost.

In this way, your late President set an example to other countries by showing that a country like Yugoslavia can be independent if it is sufficiently determined to be so.

/It

It was not surprising <sup>keeping</sup> that he contributed so much to creating the Non-Aligned Movement, of which he is rightly regarded as one of the founding fathers.

~~From him~~  
 Mr Chairman, President Tito has left you a great legacy. You have inherited a strong, united, independent and non-aligned country, which enjoys the respect of nations <sup>of all persuasions</sup> and in particular the warm admiration of the United Kingdom. In its internal affairs, your country is guided by the essential principle that the people are the only reliable basis of good government; its external affairs, by the equally deep conviction that relations with all other countries, great or small, must be based on equality and independence and that no foreign <sup>power</sup> ~~force~~ has the right to determine the policies of others.

We respect the way in which Yugoslavia has pursued its policy to true non-alignment. We have closely followed the efforts made by your representatives to keep <sup>the</sup> ~~this~~ <sup>Non-Aligned Movement</sup> ~~important and powerful movement~~ on its original path and to prevent its basic principles being frustrated.

I have been looking forward to my visit here. There is much to discuss and much ~~ch~~ to see. I am interested to hear more of the measures you are employing to further your internal development in the face of difficult economic problems, many of which also affect my country. I would also like to discuss with you ideas on how we can contribute to resolving the sources of tension now confronting us in different parts of the world.

I bring to you, Mr Chairman, and to all the people of Yugoslavia, the best wishes of the British people and our admiration for all you have done and are doing to create a

better life for your people and to help others to live more prosperously and in peace. Thank you, Mr Chairman.