84			CONFIDENTIAL			
Action				Control: Rec'd:	22060 October 26	106/
EUR Info	FROM:	Belgrade		Rec d.	3:52 p.m.	, 1904
SS	ACTION:	Secstate 834,	Priority			5
G	INFO:	Moscow 56				
SP		Zagreb, Unnumb	ered			
L	DATE:	October 26, 7	p.m. (SECTION	ONE OF	TWO)	
Н						
SAL	During call on Federal Assembly President Kardelj October 26, we discussed bilateral relations and Soviet leadership change. Kardelj, who gave impression of being unusually interested in course of US-GOY relations, was friendly and responsive throughout.					
FE						
P						
CU						
USIA	Bilateral relations: Opening with this subject, I remarked upon interest expressed in recent months by GOY officials at all levels in expanding relations with USan attitude which USG fully reciprocated. Activities in various areas such as negotiations for compensation for nationalized property, Fulbright Agreement, and PL 480 Agreement showed movement in					
NSC						
INR						
CIA						
NSA	right direction which I hoped would continue.					
DOD	Kardelj replied at length. He said that while differences might occur between us arising from differences in political systems he believed we should make every effort to develop those areas where cooperation possible. He referred to aid given by US to Yugoslavia in past, which he termed very useful and important to GOY, but felt such aid, while necessary, tended to create difficult relationship. It is wise, therefore, to put such relations on more normal basis.					
NIC						
DAC						
IGA						
AID						
AGR						
WHM	Kardeli	said some diff	iculties or "c	rises"	in our rel	ations had
RMR	Kardelj said some difficulties or "crises" in our relations had their source in tendency on part of USG to measure frequently "how many millimeters" GOY policy had departed from that of Moscow. This, he made clear, always manages to raise hackles					
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-2-834, October 26, 7 p.m., (SECTION ONE OF TWO) from Belgrade

of GOY. He felt GOY can play important role in East-West relations which points up importance of his country's relations with US without actually saying so--but following specific reference to situation created by change in Moscow--he intimated that friendly relations with US are of even greater importance now.

While agreeing that GOY can play important role in helping solve East-West problems, I pointed out that this would be so as long as GOY follows "truly nonaligned policy." I said USG glad to note matters have progressed in Yugoslavia to point where we can now put our economic relations on more normal basis, fact which should be beneficial to both countries.

Soviet leadership: Noting that recent changes in Soviet leadership are of great interest to all countries, I spoke along lines of Department circular telegram 722. I said we were glad to have assurances from new Soviet leaders that previous policies would not be changed, but like most countries, USG is awaiting initial actions of new Soviet regime in order to judge true significance of shift.

GP-3.

ELBRICK

FP-14

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## MING TELEGRAM Pepartment of State

84 COMPLIA Control: 22067 Action Rec'd: October 26, 1964 EUR 3:58 p.m. Belgrade FROM: Info ACTION: Secstate 834, Priority SS G INFO: Moscow 56 SP Zagreb, Unnumbered L H October 26, 8 p.m., (SECTION TWO OF TWO) DATE: SAL FE P CU USIA

Kardelj said world press had indulged in much speculation over change in Moscow but he, too, felt that any attempt at serious analysis is somewhat premature. He proceeded, nevertheless, to give me his opinion of certain aspects of Soviet developments. He said he felt Khrushchev's failings were generally those of style; that Khrushchev was inclined to be heavy-handed and brusque; that his removal was nevertheless a surprise. Kardelj felt that Khrushchev's important policies re coexistence and relaxation of tensions far outweighed any shortcomings that might be attributed to him. He felt immediate future would be a delicate period in history and was very pleased to note calm and statesmanlike way in which President Johnson had reacted to Khrushchev's dismissal.

On subject of Sino-Soviet relations, Kardelj said he saw no real solution to this problem. He said Sino-Soviet differences had no ideological basis but were, rather, national or political. He felt Soviet Government would make effort to calm matters, but he did not think USSR could possibly make concessions demanded by China. CHICOMS would like, of course, to "use" great power of Soviet Union in advancing their own interests, but Soviet Government could never agree to this. He said conceivably CHICOMS might use Khrushchev's dismissal as pretext for trying to improve relations with USSR but would do so only to achieve their own objectives and any detente created thereby would be temporary.

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## GUNDANITAL

-2-834, October 26, 8 p.m. (SECTION TWO OF TWO) from Belgrade

With respect to Yugoslav-Soviet relations, Kardelj said he did not expect significant change although I had impression that he feared any effective efforts to heal Sino-Soviet rift might work to Yugoslavian disadvantage. Significant feature of conversation was Kardelj's apparent emphasis on Yugoslavia's need of good relations with US. Uncertainty regarding future course of Soviet Government (Yugoslavians have been made particularly uneasy by Soviet reference to principles enunciated by 21st Party Congress) might well account for this although it would be premature and probably unrealistic to expect any overt moves in this direction.

GP-3.

ELBRICK

FP/14