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APR 19 1955

1 No. 1  
CASE ORIGINATED AT **SAN FRANCISCO**

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TITLE <b>SINISA KOSUTIC</b>			CHARACTER OF CASE <b>INTERNAL SECURITY - YU</b>

**(NOPSIS OF FACTS:**

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SINISA KOSUTIC continued as Consul at Yugoslav Consulate General, San Francisco, in April and May 1954. At the beginning of April, he was in Los Angeles, California, working on an inheritance matter. He continued his interest in all phases of estate matters. KOSUTIC contacted by NIKOLA MANDIC of the Yugoslav Embassy Staff, Washington, D.C., concerning the foreign policy of Yugoslavia as opposed to that of Italy, and in other minor intelligence matters. KOSUTIC's wife, MAGDA, received into the "SKJ" in meeting in late 1953. KOSUTIC maintained limited contact with Serbs, especially with Reverend MIRKO VUISICH and GEORGE KOVACEVIC of the St. Sava Serbian Orthodox Church in Los Angeles.

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**DETAILS:**

The information in this report was supplied by San Francisco T-1, San Francisco T-2, San Francisco T-3, San Francisco T-4, San Francisco T-5, and San Francisco T-6, all of known reliability.

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SINISA KOSUTIC continued as Consul at the Yugoslav Consulate General, San Francisco, during April and May 1954. His residence remained 290 Magellan Avenue, San Francisco. Although it was indicated previously that he could expect a transfer home and his superior Consul General SAFO IVANCEVIC was ordered back to Belgrade, no information as to a transfer for KOSUTIC was received. SF T-4 advised that KOSUTIC reported to an unknown person, but believed possibly identical with NIKOLA MANDIC of the Yugoslav Embassy in Washington, D.C., concerning a meeting of an organization listed as "SKJ" (possibly representing Syndicate Communist of Yugoslavia), which was held in San Francisco on October 28, 1953. This meeting consisted of two parts; a reading and discussion of the letter from the Central Committee of SKJ from its second plenary meeting of June 1953 and the second part, the admission of M. (MILKA) KOSUTIC into the SKJ in accordance with established procedures.

Under the first part, KOSUTIC noted himself as saying that the letter from the Central Committee came at this particular time because of the changes which had occurred and still were going on in Yugoslavia in connection with the re-organization of the Government and the economy of the country, changes which came as a result of the break in relations with the USSR which in turn found many Communists unprepared as to their further action. KOSUTIC stated that the break with Moscow disorganized the Communists in Yugoslavia who became less active because of the confusion. Different enemies in the country allegedly took advantage of this state of affairs to spread in their own ideas which worked to invalidate the advancements of the Yugoslav revolution with the result that the ideas of these enemies were interjected into the Yugoslav situation. KOSUTIC concluded his remarks by saying that it was necessary to work harder to overcome their shortcomings.

Concerning the admission of MRS. KOSUTIC into the SKJ, it appeared that she was proposed by Vice Consul MIODRAG VITOROVIC who stated that she had asked to be accepted in the group and he recommended her because of her faithfulness, honesty, and willingness to work for the "party" and country. MRS. KOSUTIC stated that she would do everything in her power both mentally and physically.

NIKOLA MANDIC of the Yugoslav Embassy, Washington, D.C., has in the past been described as the leader of the UDBA among the Yugoslav officials in the United States. On June 5, 1953 he told KOSUTIC that

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MICO (Vice Consul MIOORAO VITOROVIC) could calm down now because the higher ups had decided to transfer him home. (VITOROVIC had been requesting a transfer home to enable him to pursue his education) NIKOLA MANDIC further instructed SINISA KOSUTIC about the correct line to follow in the question of the firm relations between Italy, the Vatican, and Yugoslavia. NIKOLA MANDIC stated that the Vatican and Italy combined its work against Yugoslavia and this would continue until there was a major change in Italian society. MANDIC did not foresee such a change in the immediate future and therefore considered the present condition would be of a lasting character, therefore, it was Yugoslavia's problem to break down Italian politics while explaining that of Yugoslavia. MANDIC stated "we must act in all directions" in every contact to break down Italy on the basis of its past history in war showing up Italy as the country it is. MANDIC stated that Yugoslavia must start its program out as "Our desire for peace and self-defense." MANDIC suggested that a renewed study of the speech of EDWARD KARDELM, the high-ranking Yugoslav official, at the Paris Conference would be desirable.

On July 29, 1953 the same source advised that on July 29, 1953 MANDIC instructed KOSUTIC that he was to make note of an individual named ANNE MILLS, an employee of the California Department of Social Welfare in Sacramento, California. This person's father-in-law was born in Korcula, Yugoslavia. She spoke the Yugoslav language and visited the country in 1952. MANDIC said that this woman was believed to be "our friend" and was for the information of KOSUTIC to use as he saw fit whenever he was in Sacramento. KOSUTIC stated that this person's name had been supplied by the agricultural specialist from Sarajevo named SKRABAR who had visited in the San Francisco-Sacramento Area and had met ANNE MILLS. MANDIC also advised that he had cautioned them (the them not being explained but believed to be either the Belgrade Government or the San Francisco Consulate) in reference to one VIDO KOVACEVIC and in May he had reported a little more in detail on this. There was no further explanation concerning this individual and the interest of the Embassy in him. However, it is known that a man named VIDO KOVACEVIC resides in Los Angeles, California, where he is reported to be connected with the "Chetnik" Serbs. MANDIC also asked KOSUTIC to check with the newspapers to see if the Slavic Council of Southern California had been placed on the subversive list. He asked KOSUTIC to drop him a line concerning the above. He further stated that he did not doubt that KOSUTIC had reported on it before but there "were no comrades here in that work to tell us something about it."

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Consul General RAFO IVANCEVIC was mentioned in a speech given in early May 1954 before the Common Wealth Group of San Francisco by a WILLIAM SMITH of the Threadmill Corporation, address unknown, wherein RAFO IVANCEVIC was labeled a "spy", and TITO, a "Trojan horse" in the Western Division branch. No plausible specific information as to why WILLIAM SMITH considered RAFO IVANCEVIC a spy was given in the speech as printed in the written club bulletin. RAFO IVANCEVIC advised a reporter of the San Francisco Chronicle that the remarks of WILLIAM SMITH were "all lies". (T-2, 5/7/54)

KOSUTIC told MANDIC that he had sent in the material on this affair pointing out that the same speech had been made in New York and in Los Angeles by the same man. MANDIC called WILLIAM SMITH a "well known spy" but did not elaborate. MANDIC instructed the San Francisco Consulate to ask for additional time before the group to state its position. (T-2, 5/13/54)

No further action was reported as to this item. One of KOSUTIC's contacts continued to be RISTO SPREMO of the Sunnyvale Area. On April 10, 1954, RISTO SPREMO came to the Consulate and after visiting KOSUTIC decided to go "do some work" in the area of RISTO SPREMO's home, on April 11, 1954.

It was indicated that MR. & MRS. RISTO SPREMO would probably serve dinner for KOSUTIC and his family afterwards. Although the nature of this work was not indicated, it appeared that RISTO SPREMO would accompany KOSUTIC in whatever he had to do. (T-2, 4/10/54)

On April 6, 1954, TANE SPREMO, brother of the above, came to the Consulate to report that the (Reverend) JEROME VUKSICH had been barred from the Russian Orthodox Church at 443 Divisadero Street, San Francisco. (T-2 4/6/54) Reverend JEROME VUKSICH was formerly a Serbian Orthodox priest in San Francisco who had been removed from his position. He was noted as being in contact with KOSUTIC on earlier occasions.

It is to be noted that the St. Nicholas Russian Orthodox Church is located at 443 Divisadero Street, San Francisco.

SF T-5 advised in 1953 that the St. Nicholas Church was under the jurisdiction of the Russian Orthodox Church of Moscow and most of its members were Soviet sympathizers.

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SF T-1 reported on April 9, 1954 concerning a conversation between KOSUTIC and the Reverend DOSITEL OBRADOVICH of the Serbian Orthodox Church in San Francisco, which conversation took place on October 28, 1952. Although this conversation occurred some time ago it is being set forth below as follows:

The Reverend DOSITEL OBRADOVICH reported to KOSUTIC that there had been only about 2,000 Serbs present at the Orthodox Church festival in Los Angeles and this was considered a poor turnout, inasmuch as there were over 5,000 Serbs residing in Southern California. He further told KOSUTIC that \$31,000 was collected on that day and he (Rev. DOSITEL OBRADOVICH) had met with Archbishop DIONISIJE who in turn visited with Reverend JESSE VUKSICH in San Francisco on his way back East. According to DOSITEL OBRADOVICH, the Archbishop asked him to do work along these lines in San Francisco, guarding the unity of the Church and not permitting the newly arrived elements (possibly referring to the Chetniks) to interfere with the internal affairs of the Church. According to DOSITEL OBRADOVICH, the Reverend NIKOLAJ had been first invited to conduct the church services but the Archbishop opposed this move, indicating that only he or his representative would consecrate the ground upon which the new church was to be erected. However, the Archbishop did invite Reverend NIKOLAJ as his guest to be present at the consecration and he then permitted him to conduct the service. DOSITEL OBRADOVICH also reported that the former Ambassador of Yugoslavia, KONSTANTIN PETIC, was present at the affair but it appeared to the Reverend that he had begun to lose his position among the Serbs. According to KOSUTIC, DOSITEL OBRADOVICH was well informed on the situation in the Serbian National Defense and he pointed out that at San Francisco they had a follower by the name of DRASKOVIC who was trying to become a leader with the Serb colony.

DOSITEL OBRADOVICH also reported that Archbishop DIONISIJE was present at a dinner in Los Angeles, which was given at the home of a wealthy unnamed Serb and the Archbishop criticized the Serb position in the Artukovic Case. He stated that those present considered themselves good Serbs but had failed to go out and kill this criminal.

In regard to the gift of the American Church donated to the Yugoslav Church, DOSITEL OBRADOVICH complained that the Yugoslav Government did not exempt this gift from the usual customs tax. A letter

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to this effect was sent out to the various church groups and read to them and when this information was received it aroused considerable dissatisfaction and was explained as a move on the part of the Yugoslav Government to persecute the church.

Another Serb contact of Consul KOSUTIC has been the Reverend MIRKO VUISICH of Los Angeles. KOSUTIC, on May 5, 1954, told Consulate Stenographer VUKOJANA VUISICH to contact her father, the Reverend MIRKO VUISICH, at the Consulate's expense to find out about his retirement and his plans to visit Yugoslavia. (T-2, 5/5/54). GEORGE IVANOVIC, President of the Serb Orthodox Church Committee, St. Sava, Los Angeles, in late April 1954 told KOSUTIC that the Reverend MIRKO VUISICH was to retire from the church and return to Yugoslavia. (T-1, 4/27/54).

The Reverend in May, 1954 advised KOSUTIC that he expected to arrive in Belgrade June 9, 1954 at which time he planned to visit the Patriarch of the Serb Orthodox Church to tell him about the Reverend MIKOLAJ who had assumed an unfriendly position. KOSUTIC advised his Government of the expected arrival of the Reverend MIRKO VUISICH and his expressed desire to meet with the Yugoslav leaders. (T-1, 5/26/54)

Consul KOSUTIC suggested to the Reverend MIRKO VUISICH that he should look up his relative DEJAN KOSTIC at the Ministry. He said he was sure that this man would be glad to assist the Reverend during his stay in Belgrade. (T-2, 5/13/54).

Among the contacts of KOSUTIC is EMIL POSIC, a San Francisco Yugoslav. T-3 advised that the man is a friend of MAT SPOLER, who is likewise a friend of KOSUTIC. Consul General RAFO IVANOVIC told T-3 that he did not trust either of these men as both appeared pro-Tito and he considered them to be pro-Cominform.

MAT SPOLER once told RAFO IVANOVIC that he had been active in the Communist Party in Pennsylvania and he was sure that the FBI knew all about him so he was not doing anything political any more. T-3 said RAFO IVANOVIC believed that EMIL POSIC was not associated with MAT SPOLER in the Pennsylvania activities. In any case RAFO IVANOVIC felt that both these men were "slippery."

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MR. & MRS. KOSUTIC planned to drop in on the POSIC family on April 26, 1954 for an unknown purpose. EMIL POSIC was at home during the day listening to the Mc Carthy hearings. KOSUTIC thought the hearings were a comedy and EMIL POSIC suggested that they be allowed to continue.... (T-2, 4/26/54)

At the beginning of April 1954 KOSUTIC was in Los Angeles, California. On April 15, 1954 KOSUTIC stated that he had been in Los Angeles for the three previous weeks working on an interesting inheritance case where there was no will but many relatives were seeking shares, including an alleged adopted son who wanted to be named administrator. None of the heirs lived in Yugoslavia. (T-2, 4/15/54).

T-2 also advised that the case amounted to over \$100,000 and involved the estate of a man named RADOVICH. The efforts of KOSUTIC were in attempting to have the heirs residing in the United States agree to give a settlement of \$55,000 to the heirs in Yugoslavia. As of April 3, 1954 these heirs in the United States had offered \$40,000 but this amount had been turned down by the Yugoslav Government in behalf of the Yugoslav heirs. (T-2, 5/4/54). A Los Angeles attorney named JOHN J. FATISTICH was acting in behalf of the Yugoslav Government in this case. (T-2, 4/1/54).

While in Los Angeles, KOSUTIC accompanied a visiting Yugoslav official from Washington, D.C., namely Lt. General DANILIO LEXIC, the Yugoslav Military Attache. Lt. General DANILIO LEXIC first came to San Francisco and then proceeded to Los Angeles, after which he intended to make a visit to New Orleans and move back to Washington. (T-6)

KOSUTIC attempted unsuccessfully to contact CHARLES SPILLMAN of Los Angeles regarding a studio visit for the General. Although unable to make this contact, he did arrange for N.A. MUCK, a Yugoslav businessman of Huntington Park, California, to meet the General at the airport and show him around town. The General planned to stay at the Mayflower Hotel while in Los Angeles. (T-2 4/2/54).

Also while KOSUTIC was in Los Angeles, the Yugoslav Film representative, OBRAD OLUSCEVIC, asked him to meet with LOUIS MAZER, the Western field representative of the American-Jewish Congress, and a man named SELIMOVIC. KOSUTIC stated that he could only tell these people that OBRAD OLUSCEVIC was the President of the Jadran Films and nothing else because he actually knew nothing else about the man. (T-2, 4/3/54).

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While in Los Angeles, T-2 said KOSUTIC stayed at the Hillwell Hotel. Before going to Los Angeles, RADO IVANCEVIC had the following items for KOSUTIC to handle when he was in Los Angeles:

See BOGDAN POPOVIC concerning SINCIC and his niece, and also concerning JURAN VRANEVIC who was in jail.

The Consulate would agree to forward any appeal to the Yugoslav Government.

Talk to MAT KOVACEVIC about his nephew TOMISLAV.

See Attorney RONALD WALKER

Meet with G. RADOVIC (identity of the latter is not known but it might be in connection with the estate for which KOSUTIC was in Los Angeles) (T-1, 4/9/54).

GEORGE KOVACEVIC has been a Los Angeles contact of KOSUTIC. KOVACEVIC in April 1954 told KOSUTIC that he was going to Yugoslavia in 1954 for a visit of several months. He discussed the resignation of the Reverend MIRKO VUISICH and mentioned that he approved of the priest BLAC who apparently was serving the St. Sava Serbian Orthodox Church at that time. KOVACEVIC wanted to be sure that the bishop did not send them any "chauvinistic trash" such as they had at St. Stephen's Church. KOVACEVIC had written an article for the newspaper "Novi List" which KOSUTIC could send in for him but if he did, he should not show who had written the article because of KOVACEVIC's delicate position in connection with the Serbs, as the newspaper Srpsobran would never forgive him. From this it would appear that the letter was a criticism of some Serb activist. (T-1, 4/27/54)

KOSUTIC was interested in all phases of estate matters. Previously it was reported that the Consulate considered it had suffered a bad setback in the ARBULIC Case which held that reciprocity in estates had not existed between Yugoslavia and the United States at the time of the death of the possessor of the estate and hence no money could be sent to Yugoslavia. During the period of this report the case known as the ~~MEJER~~ case was decided and held that reciprocity would exist. This decision was presented to KOSUTIC and he immediately wanted to call a conference of the West Coast

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lawyers serving the Consulate in estate matters to discuss this new development. Among those to be included would be ~~VERONS~~ POLITZER of San Francisco, PETER A. ~~SCHWABE~~ of Portland and JOHN J. ~~BATISTICH~~ of Los Angeles, as well as ~~BOGDAN~~ POPOVIC of the Embassy Staff. (T-1, 5/17/54)

BOGDAN POPOVIC of the Embassy in discussing estate problems pointed out the desirability of maneuvering the calendar to keep cases from appearing before "die hard Catholic" judges and KOSUTIC mentioned that it was a Catholic judge who had ruled against him in the case that he had lost in Los Angeles. POPOVIC was not too enthusiastic for a conference among the above-mentioned lawyers, saying that it had been his experience one could not get lawyers to agree on anything. (T-2, 5/14/54)

Among the contacts of a more social nature, KOSUTIC and his wife were invited to a cocktail party at the home of ~~FAT~~ FRAMICEVIC, 4131 Lincoln Avenue, Oakland, California. (T-2, 4/14/54)

KOSUTIC and his wife were invited to a reception at the Hamilton Air Force Base on April 22, 1954. KOSUTIC indicated he knew no one there. (T-2, 4/13/54)

KOSUTIC and his wife were invited to the home of ~~BOZO~~ GALEB at Cupertino, California, on May 21, 1954. (T-2, 5/21/54)

KOSUTIC and his family planned to attend a picnic of the Serbs on May 23, 1954. The name of the man who invited KOSUTIC was not given. (T-2, 5/18/54)

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