

Conference with Marshall Tito

1. Pleasantries and pictures relating to the presentation of the peace pipe to Marshall Tito.
2. Discussion of the Skopje earthquake and Freeman's visit there. Tito described the extent of the destruction, expressed his appreciation of the promptness with which American aid in the form of a field hospital arrived. Freeman made the U.S. offer of further assistance to the value of \$50,000,000 from dinar funds owned by the U.S. under P.L. 480 program. Tito expressed his thanks, noting that while all the republics of Yugoslavia were raising money to help rebuild Skopje, and a domestic loan was being floated, even so, the destruction was so great that they were grateful for help from others. Tito said the city would be rebuilt -- that already there were building in the surrounding area (sort of satellite cities) before the rubble in the city had been cleared.
 - T. pointed out that 65 percent of the industry of Macedonia was in Skopje, largely destroyed now; and that in addition to the destruction of industries, institutions, and homes there was the almost total loss of the personal property of the nearly 200,000 residents of the city. The government, T. said, would have to provide loans and grants to the people for personal property. Skopje suffered flood damage earlier this year, with substantial property loss then too.

Kocher asked whether there had been any official estimate of the total damage, and Tito replied that the only estimates that had as yet been attempted had been of damages to buildings. (It was said that this would probably be a billion dollars.)

 - K. pointed out that there would be a threat to health and life of the people if the rains and cold weather came before shelter is available for the people.
 - T. commented that war caused greater loss of life than natural catastrophes, that natural catastrophes brought forth a sort of human solidarity regardless of political differences.
2. Comment on nuclear test ban treaty.
 - F. and T. agreed that treaty is a welcome first step.
 - Tito: Hope has returned, the beginning is good, but we must progress further.
 - F. Man must crawl before he can walk, walk before he can run.
 - F. Then expressed President Kennedy's desire for peace.
3. Discussion on agriculture.
 - T. You have more private farms than state farms.
 - F. Ours are all private farms.

- T. But they are big.
- F. explained that the basis of U. S. agriculture is the efficient family farm, large enough to use modern methods. Pointed out that 5% of our working force provide more agricultural products than we need, that we use billions in Food for Peace program. Described a diversified farm. Described great increase in agricultural productivity in past ten years.
- T. How is that possible?
- F. Explained the incentive inherent in our system, said that while he admired many things he had seen in Yugoslav agriculture, he he was convinced that our agricultural system of individual ownership and incentive was a major factor.
- T. "Up to now, you have more wheat, but we have the better system."

(laughter)

Next came an interesting exchange, after Tito referred to their "State Farms" and Freeman pointed out that in a long discussion the previous day the Yugoslav Minister of Agriculture had insisted on calling them "Social Farms" instead of "State Farms". There was good natured laughter by all concerned, with the explanation that the reason for the use of the term "Social Farm" was to distinguish them from the "State Farms" in the Soviet Union. "They are much different", and the Yugoslav officials were most anxious that we should understand this.

4. Discussion on trade. (GATT, Common Market, and, at Tito's instance, the forthcoming World Economic Conference)

- F. Explained U. S. position on liberalization of trade.
- T. Agreed on this principle - and that nations should produce what they can most efficiently, and trade for other products. "When you stop atomic tests, there will be more for economic development."
- F. Described how much U. S. was now contributing to economic development throughout the world.
- T. "Especially in Africa."
- F. Noted that other continents and countries were benefiting from U. S. assistance, and described new uses of food to generate capital for agricultural and economic progress, citing a specific example in Peru.

After the formal discussion, Marshall Tito had arranged a tour of the grounds and there was a general discussion of hunting, fishing and similar matters.