

Attachment 1

YUGOSLAV STATEMENTS

1. Jaksa Petric, Yugoslav Foreign Ministry spokesman, stated on 30 May that the unilateral Soviet act was "in glaring contradiction with established standards in international relations." Petric described the USSR action as "completely arbitrary." At the same time, the Yugoslav weekly Ekonomska Politika accused the USSR of attaching political strings to its aid program. (Elie Abel in New York Times, 31 May 1958.)
2. On 3 June, Yugoslav Foreign Minister Popovic handed a note to the Soviet Ambassador stating that Yugoslavia would claim damages unless the USSR honored its aid agreements. The note informed the USSR that "In case the Soviet government fails to honor fully the credits agreement, Yugoslavia would be compelled to claim damages incurred to the Yugoslav economy by the Soviet unilateral act." (AP Belgrade 3 June 1958.)
3. On 30 May, the Yugoslav Ambassador to Egypt held a press conference in which he said that the Soviet credit suspension proved that Soviet aid was not without strings.
4. On 26 June, Vice-President of the Yugoslav Federal Executive Council Mijalko Todorovic referred to the Soviet aid suspension and stated that "We now seriously ask: how is it possible to conclude any long term economic agreements with some countries -- agreements which call for engaging cadres, material, and other menas for a definite period of time -- when one is not certain whether and when the obligations entered into will be honored, so that everything that has been done may be in vain?" (TANYUG, Belgrade, Hellschreiber to Europe, 26 June.)