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**At the Crossroads of National Interest:  
Tito and the Johnson Administration in 1964**

**ABSTRACT:** The article focuses on the key determinants and substantive features of Yugoslav-American relations following the accession of President Lyndon B. Johnson in 1964. Special attention is given to the strengthening of the Non-Aligned Movement, which culminated in the Cairo Conference, and to the positive international resonance of that event for Yugoslavia's global standing. This paper is based on archival research conducted using relevant collections from the Archives of Yugoslavia and the Diplomatic Archive of the Ministry of Foreign Affairs, as well as on a wide range of specialized academic literature.

**KEYWORDS:** Yugoslavia, United States, Josip Broz Tito, Lyndon B. Johnson, Nikita Khrushchev, Non-Aligned Movement, Cairo Conference.

This paper contributes to the study of the complex, dynamic, and multilayered relationship between Yugoslavia and the United States during one of the pivotal moments of the Cold War, the period immediately following the assassination of John F. Kennedy and the transfer of power to Lyndon B. Johnson. The aim of the study is to demonstrate that the transition from the Kennedy to the Johnson administration did not entail a mere replication of existing foreign policy patterns, but rather a subtle shift from Ken-

nedy's theoretical framework of liberalism to Johnson's conservative realism, reflected in changes in the intensity, tone, and priorities of Washington's approach toward Belgrade. The paper argues that, despite the formal retention of core strategic assumptions, the Johnson administration introduced specific adjustments that had lasting consequences for the dynamics of bilateral relations. Particular attention is given to concrete diplomatic actions, official positions, and mutual perceptions, all analyzed within the broader context of international developments. Furthermore, the study examines how Yugoslavia's foreign policy strategy evolved in response to these shifts, with a focus on the ways in which Belgrade sought to preserve its autonomy and political relevance amid growing bloc polarization.<sup>1</sup>

*Yugoslav–American Bilateral Relations  
in the Cold War Era, 1950–1964*

Yugoslav–American relations between the mid-1950s and 1963 experienced a period of considerable deterioration, primarily due to Yugoslavia's rapprochement with the Soviet Union following the meetings between Tito and Khrushchev in 1955 and 1956, as well as Belgrade's support for the Soviet intervention in Hungary. Further tensions arose from Tito's sharp criticism of U.S. foreign policy during the 1961 Conference of the Non-Aligned Movement in Belgrade, which led to the revocation of Yugoslavia's most-favored-nation (MFN) trade status by the United States in 1962. At the same time, the

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<sup>1</sup> For further reading, see: Dragan Bogetić, *Jugoslovensko–američki odnosi 1961–1971* (Beograd: Institut za savremenu istoriju, 2012); Драган Богетић, „Међународни положај Југославије у време првих спољнополитичких акција Џонсонове администрације”, *Токови историје*, br. 3 (2009), 136–161; Robert D. Šulcinger, *Američka diplomatija od 1900* (Beograd: Udruženje za studije SAD u Srbiji, 2011); Ранко Петковић, *Један век односа Југославије и САД* (Београд: Војноиздавачки и новински центар, 1992); Henri Kisindžer, *Diplomatija II* (Beograd: Verzal pres, 1999); Lindon. B. Džonson, *Memoari 1963–1969* (Zagreb: Globus, 1974); Momir Stojković, *Tito, Nehru, Naser, Nastanak i razvoj politike i pokreta nesvrstanosti* (Beograd, Zaječar: RO grafička izdavačka delatnost Zaječar, RJ izdavačka delatnost Beograd, 1983); Leo Mates, *Međunarodni odnosi socijalističke Jugoslavije* (Beograd: Izdavačko preduzeće NOLIT, 1976); Ljubiša S. Adamović, Džon R. Lempi, Rasel O. Priket, *Američko–jugoslovenski ekonomski odnosi posle Drugog svetskog rata* (Beograd: NIP Radnička štampa, 1990); Tvrtko Jakovina, *Treća strana Hladnog rata* (Zagreb: Fraktura, 2011).

process of de-Stalinization within the Soviet Union and Khrushchev's visit to Belgrade in 1963 contributed to a gradual normalization and improvement of Yugoslav–Soviet relations. Nevertheless, fully aware of the risks posed by political and economic isolation, the Yugoslav leadership simultaneously sought to restore relations with the United States. In this context, Tito sent a personal letter to President Kennedy in April 1963, expressing Yugoslavia's willingness to reestablish constructive bilateral ties. This initiative was followed by the visit of Secretary of State Dean Rusk, culminating in the historic meeting between Tito and Kennedy in Washington on October 17, 1963. During their talks, Tito emphasized Yugoslavia's commitment to nonalignment and to maintaining a balanced position between the two superpowers. He declined further economic aid to avoid any form of dependency, thereby reinforcing Yugoslavia's independent stance. Both leaders endorsed the principle of bilateral relations based on equality, mutual respect, and non-interference. As a result, the MFN trade status was reinstated, paving the way for renewed cooperation in the fields of trade, economics, and culture. This diplomatic breakthrough marked a stabilization of Yugoslav–American relations and confirmed Yugoslavia's strategic objective of maintaining a balanced position between East and West during the Cold War.<sup>2</sup>

Following the assassination of U.S. President John F. Kennedy, concerns and uncertainties emerged in Yugoslavia regarding the consistency of future American foreign policy. A central question arose: would the newly inaugurated President Lyndon B. Johnson<sup>3</sup> be able or indeed willing to continue implementing the political principles established during Kennedy's administration? Although Johnson publicly expressed his commitment to upholding the legacy of his predecessor, in practice, this continuity proved limited. Most of his statements in that regard were vague, lacking a clear and coherent foreign policy vision.<sup>4</sup> At the same time, he displayed a certain

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<sup>2</sup> Милан Н. Стевановић, „Утицај посете сенатора Џејмса Вилијема Фулбрајта Југославији на побољшање односа Београда и Вашингтона у другој половини 1964”, *Токони историје*, бр. 2 (2017), 59–64.

<sup>3</sup> Lyndon B. Johnson served as the 36th President of the United States from 1963 to 1969. He assumed the presidency following the assassination of President John F. Kennedy in Dallas in 1963.

<sup>4</sup> See „Doc. 175. Telegram from the Embassy in Yugoslavia to the Department of State”, in *Foreign Relations of the United States (FRUS), 1964/1968 Volume XVII, Eastern Europe*

reluctance, as a newly elected leader, to engage directly with pressing international issues.<sup>5</sup>

President Lyndon B. Johnson's foreign policy (1963–1969) represented a complex amalgamation of pragmatism, institutional experience, and responsiveness to the challenges posed by the bipolar world order during the Cold War. Johnson's shift toward a foreign policy grounded in the theoretical principles of realism reflects the broader transformation of American international strategy during the mid-1960s favoring the preservation of geopolitical stability, the management of spheres of influence, and the protection of U.S. interests on the global stage. Although Johnson is most prominently remembered for the escalation of American involvement in Vietnam, his foreign policy activities were considerably broader, encompassing strategic adjustments in relations with the Soviet Union, China, NATO allies, and Third World countries. The Vietnam War constituted the central pillar of his policy, driven by a determination to preserve American credibility and prevent the spread of communism in Southeast Asia. While his decision-making was often marked by hesitation and delay, partly reflecting the congressional political style he cultivated, Johnson nevertheless demonstrated a willingness to consider diverse advice from his advisors and to make judicious decisions, occasionally overriding their counsel when deemed necessary. His diplomatic skill was particularly evident in maintaining cohesion within NATO during the crisis triggered by France's withdrawal from the alliance's integrated military command,<sup>6</sup> as well as in mitigating German nuclear ambitions through

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(Washington: Department of State, 1996), also see: Džonson, *Memoari*, 7–20, Bogetić, *Jugoslovensko-američki odnosi*, 155; Богетић, „Међународни положај Југославије”, 136.

<sup>5</sup> „Johnson harbored profound insecurities regarding his understanding of international relations, which he concealed through displays of bravado and by mocking experts. He was never part of Kennedy's inner circle of closest advisors, who tended to avoid him, perceiving him as a rough Texan prone to telling coarse jokes and emitting peculiar sounds.” – Robert D. Šulcinger, *Američka diplomatija od 1900.* (Beograd: Udruženje za studije SAD u Srbiji, 2011), 261–262; For further reading, see: Р. Петковић, *Један век односа Југославије и САД* (Београд: Војноиздавачки и новински центар, 1992); Kisindžer, *Diplomatija II*; Džonson, *Memoari*.

<sup>6</sup> During the 1960s, the United States opposed France's efforts to develop an independent nuclear deterrent. Washington feared that the emergence of national nuclear capabilities outside NATO's command structure would undermine alliance cohesion. U.S. policy prioritized maintaining centralized control over nuclear forces through NATO to prevent

the establishment of the Nuclear Planning Group. Although détente with Moscow remained secondary to Vietnam, Johnson showed interest in arms control and stabilizing relations with the Soviet Union<sup>7</sup>, while his stance towards China evolved toward a more pragmatic and sophisticated understanding. In Latin America, he intervened in the Dominican Republic driven by anti-communist reflexes and the goal of regional stabilization, while his Alliance for Progress largely focused on economic development without pursuing substantial political reforms. In the Middle East, Johnson sought to balance sup-

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uncoordinated proliferation among allies. France's pursuit of autonomous strategic capabilities was thus seen as contrary to American interests in nonproliferation and collective security. See Doc.30. National Security Action Memorandum No. 294, Washington, April 20, 1964. In: *FRUS, 1964–1968, Volume XII, Western Europe* (Washington: Department of State, 1995).

- <sup>7</sup> During the Johnson administration, the United States and the Soviet Union made significant advances in arms control, notably including the limitation of nuclear material production in 1964. Both powers agreed to mutual reductions in the production of plutonium and uranium-235 for military applications, as well as a gradual drawdown of Soviet and American troop levels in Europe. Furthermore, the Outer Space Treaty, signed in January 1967, prohibited the placement of nuclear weapons in outer space, marking a pivotal step in the regulation of strategic armaments. Collectively, these agreements constituted cautious yet substantive progress toward nuclear arms control and the mitigation of military tensions during the Cold War. See Summary-Opening Moves: The Johnson Administration and the Kremlin. *FRUS, 1964/1968, Volume XIV, Soviet Union* (Washington: Department of State, 1995). The conversation between Soviet Foreign Minister Andrei Gromyko and U.S. Secretary of State Dean Rusk in late 1964 centered on the issue of nuclear non-proliferation and the American proposal to establish a Multilateral Nuclear Force (MLF) within NATO. Gromyko emphasized that such plans represented a serious obstacle to concluding a non-proliferation agreement and constituted a direct security threat to the Soviet Union, as they would enable West Germany to participate in nuclear structures. The U.S. side, however, maintained that the MLF did not entail the transfer of control or technology over nuclear weapons, but merely collective participation in defense decision-making. The discussion revealed profound mutual distrust between the two powers and a fundamental divergence in their interpretation of the non-proliferation principle. The Soviet Union viewed the MLF as a form of concealed proliferation, whereas the United States considered it an instrument of political stability within NATO. Although both sides formally endorsed the idea of a global non-proliferation agreement, their divergent security interests prevented any substantive consensus, reflecting the broader pattern of rivalry and suspicion that characterized Cold War relations between the two superpowers. See „Document 53. Memorandum of Conversation, New York, December 5, 1964“, in *FRUS, 1964/1968, Volume XI, Arms Control and Disarmament* (Washington: Department of State, 1995).

port for Israel with the preservation of American influence, although the scope for exerting leverage was limited.<sup>8</sup>

Geopolitically, Johnson's era represented a transitional phase in the global balance of power. While the United States remained the preeminent superpower with unparalleled military and economic capacities, its relative position in international politics began to decline due to the rising influence of the Soviet Union and China, as well as the decolonization processes reshaping the international system. In this context, Johnson faced the complex challenge of managing global interests amid an era defined by nuclear deterrence, ideological polarization, and emerging forms of international competition. His policy reflected the necessity to strike a balance between assertive confrontation and diplomatic flexibility, especially given the potentially catastrophic consequences of direct superpower conflict. Furthermore, at a time when U.S. allies particularly in Europe were asserting greater independence, Johnson was compelled to conduct careful diplomacy that preserved American influence while adapting to the evolving realities of the global order.<sup>9</sup>

Despite the failure in Vietnam, Johnson demonstrated a solid understanding of global dynamics. His contributions to maintaining transatlantic relations, stabilizing the monetary system, and managing crises across multiple regions indicate that his diplomatic legacy warrants a more nuanced and balanced appraisal than traditionally afforded.<sup>10</sup>

In 1964, President Lyndon B. Johnson's administration continued a policy of *détente* and selective engagement toward the communist world, while maintaining the broader strategy of containment. The Kennedy-era doctrine of "peaceful coexistence" gave way to a more pragmatic approach focused on promoting stability in international affairs. U.S. policy toward Eastern Europe remained differentiated, with Washington extending support to regimes that demonstrated a degree of autonomy from Moscow. Within this framework, Yugoslavia retained a distinct status. Like his predecessors, Johnson viewed the preservation of Yugoslav independence as a strategic interest, perceiving Tito as a model of "independent communism" and a stabilizing

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<sup>8</sup> Jonathan Colman, *The Foreign Policy of Lyndon B. Johnson: The United States and the World, 1963–1969* (Edinburgh: Edinburgh University Press, 2010), 1–4, 203–208.

<sup>9</sup> Thomas A. Schwartz, *Lyndon Johnson and Europe: In the Shadow of Vietnam* (Cambridge: Harvard University Press, 2003), 45–95.

<sup>10</sup> Colman, *The Foreign Policy*, 1–4.

force in the Balkans. Despite occasional ideological disagreements and Yugoslavia's active role in the Non-Aligned Movement, relations with Belgrade remained constructive, grounded in sustained economic and cultural cooperation. The United States sought to preserve Yugoslavia's distance from the Soviet Union and, through limited collaboration, to contribute to the easing of Cold War tensions in Europe.<sup>11</sup>

Within the Yugoslav political establishment, increasingly negative assessments of Johnson's international strategy began to take hold, particularly regarding his reliance on power politics. The future trajectory of cooperation with the United States became a source of serious debate within Yugoslavia's internally divided leadership, especially after the immediate threat from the East had subsided. In 1964, a pronounced division emerged within the leadership of Yugoslavia's Federal Secretariat for Foreign Affairs over the country's approach to relations with the United States. A reformist and pro-Western liberal faction, led by Koča Popović, advocated for closer engagement with the West, while more conservative elements insisted on maintaining a firm ideological distance. This internal division reverberated throughout the broader contours of Yugoslavia's foreign policy. Amid these tensions, efforts were made to formulate an optimal model for the country's positioning within the evolving international landscape.<sup>12</sup> A key dilemma emerged: should relations with the United States be shaped according to Yugoslavia's newly articulated policy of peaceful coexistence which entailed sharp criticism of American "imperial ambitions" or should a more pragmatic approach be pursued, one that would allow for the development of bilateral relations conducive to securing much-needed loans and economic arrangements, which were of critical importance for the country's economic survival?<sup>13</sup>

Uncertainty regarding the future development of Yugoslav-American relations became increasingly pronounced. At the same time, divergences between American and Yugoslav objectives in the realm of international relations were becoming ever more apparent. It was increasingly clear that

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<sup>11</sup> *FRUS, 1964/1968, Volume XVII Eastern Europe* (Washington: Department of State, 1995), 175–177.

<sup>12</sup> Богетић, „Међународни положај Југославије”, 139.

<sup>13</sup> Драган Богетић, „Југославија у Хладном рату”, *Историја 20. века*, br. 2 (2008), 353; Dragan Bogetić, „Početak Vijetnamskog rata i jugoslovensko-američki odnosi”, *Istoriya 20. veka*, br. 1 (2007), 99.

Yugoslavia was drawing closer to the developing world while simultaneously distancing itself from the West. Yugoslavia's policy of peaceful coexistence was coming into more frequent conflict with the United States' interventionist approach in regions such as Asia (Vietnam), Africa, and Latin America.<sup>14</sup> Belgrade's condemnations of such American policies generated considerable dissatisfaction within the U.S. establishment, where they were interpreted as overtly hostile acts. An additional challenge for the U.S. administration was the growing alignment between Yugoslav and Soviet positions on key international issues. This trend further deepened concerns in Washington particularly during the 1960s as the Soviet Union had, by that time, emerged as Yugoslavia's most important partner in the military sphere.<sup>15</sup>

Bilateral relations between Yugoslavia and the United States were significantly burdened on the economic front by inherited financial obligations. These obligations stemmed primarily from earlier agreements involving the procurement of agricultural surpluses, investment-related loans, and credit extended for the implementation of currency reform. The total amount of these liabilities reached approximately one and a half billion, including \$480 million in U.S. dollars and 1086 billion in Yugoslav dinars. Given the scope of these commitments, it became necessary for the Yugoslav government to take steps toward resolving the broader issue of financial indebtedness to the United States by adopting a long-term repayment and restructuring plan. In addition to financial debts, bilateral relations were further complicated by a number of unresolved issues. Among the most prominent were: the question of nationalized property belonging to American citizens, unsettled prewar debts, and the suspension of scientific and technical cooperation in 1962. This suspension had a detrimental impact on the development of key sectors of Yugoslavia's industry

<sup>14</sup> Arhiv Jugoslavije (AJ), Kabinet predsednika Republike (837), I-5-b/SAD, Zapisnik o sastanku Kolegija DSIP o američkoj politici posle Kenedija, 15. 05. 1964.

<sup>15</sup> Bogetić, *Jugoslovensko-američki odnosi*, 155–156; Богетић, „Међународни положај Југославије”, 137; “During the 1960s, the Soviet Union exported to Yugoslavia a range of military equipment including aircraft, helicopters, tanks, radars, submarines, and torpedo boats for the needs of the Yugoslav People's Army (YPA). Concurrently, a significant number of Yugoslav officers were undergoing training at Soviet military academies. Furthermore, in 1964–1965, the Soviet General Staff provided the Yugoslav Army with a substantial quantity of military manuals, regulations, and instructions pertaining to operational command.” – Đoko Tripković, *Jugoslavija–SSSR 1956–1971* (Beograd: Institut za savremenu istoriju, 2013), 310.



that relied on American technology. Another pressing issue was the inability of Yugoslav producers to access the U.S. market, including the failure to implement already signed export contracts with the United States.<sup>16</sup>

Relations between the two countries were further complicated by the U.S. government's decision to suspend military assistance to Yugoslavia due to its continued trade relations with Cuba.<sup>17</sup> In accordance with the Mutual Defense Assistance Pact (MDAP), the U.S. Department of Defense halted the delivery of military equipment, including spare parts, to Yugoslavia. However, this measure did not significantly jeopardize Yugoslavia's military or strategic interests. Procurement through surplus channels typically involved only a 10–15% price increase, and Yugoslavia was able to partially meet its defense needs through European suppliers, domestic production, or commercial markets.<sup>18</sup> According to official U.S. data, the Socialist Federal Republic of Yugoslavia (SFRY) utilized previously allocated funds amounting to \$2 million for the procurement of spare parts and military equipment from the United States.<sup>19</sup>

*The Evolution of Bilateral Relations between the Socialist  
Federal Republic of Yugoslavia and the United States*

On the eve of the arrival of the new U.S. ambassador to Belgrade, it was noted that bilateral contacts were taking place in a significantly more fa-

<sup>16</sup> Diplomatski arhiv Ministarstva spoljnih poslova Jugoslavije (DAMSPRS), Politička arhiva (PA), SAD, 1964, f. 193, br. 425336, Ponašanje Džonsonove administracije prema Jugoslaviji.

<sup>17</sup> The Findley Amendment prohibits the provision of U.S. credit facilities to any countries whose vessels transport goods to Cuban ports. For further details, see: Џон Л. Гедис, *Хладни рат, Ми данас знамо* (Београд: КЛИО, 2003).

<sup>18</sup> AJ, 837, I-3-a/SAD, Odnos prema Jugoslaviji; DAMSPRS, PA, SAD, 1964, f. 193, br. 425336, Ponašanje Džonsonove administracije prema Jugoslaviji.

<sup>19</sup> "The total value of programs under which military aid was distributed to the Yugoslav Armed Forces during the previous period from 1951 to 1958, according to Yugoslav estimates, amounted to 890,7 million US dollars, of which 746,5 million dollars was actually implemented. In addition to the delivery of military equipment, the military aid during this period also encompassed a range of activities aimed at the education, training, and further professional development of YPA personnel in the United States." Tatjana Milošević, „Између Истока и Запада: Снабдевање ЈНА наоружањем и војном опремом 1965–1969“, *Војноисторијски гласник*, бр. 2 (2019), 207.

vorable atmosphere, with a clear tendency toward improvement in the near future. This assessment was based on a decision by the U.S. Congress to once again grant Yugoslavia Most-Favored-Nation (MFN) status in trade.<sup>20</sup> This legislative act marked the end of an important period of disagreement between the U.S. executive branch and Congress. The reinstatement of MFN status was a meaningful signal of mutual willingness to normalize economic and diplomatic relations, as well as to enhance trade cooperation.<sup>21</sup>

The new U.S. ambassador, Charles Burke Elbrick<sup>22</sup>, arrived in Belgrade on March 4, 1964, succeeding Ambassador George Kennan, who had resigned due to disagreements with the prevailing policies of the U.S. government. Elbrick's presence contributed to the implementation of certain bilateral cooperation initiatives and brought a greater degree of clarity and consistency to President Johnson's policy toward Yugoslavia.<sup>23</sup>

Most of the actions undertaken by the Johnson administration during this period reflected a continued interest by the United States in maintaining good relations with Yugoslavia. In this regard, as early as May 1964, there was a significant increase in the annual guarantees provided by the U.S. Export-Import Bank for equipment exports to Yugoslavia from \$250,000 to \$5 million. In a similar vein, Yugoslavia's cooperation with the International Bank for Reconstruction and Development and the International Monetary Fund continued, with substantial support from the United States. At the same time, Washington expressed its willingness to take steps to limit the activities of émigré political groups hostile to the Yugoslav government. Initiatives were also launched to establish cultural and scientific cooperation, including the broadcasting of a documentary on Yugoslavia by American television in 1964. Within the United States, a growing trend toward a more favorable at-

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<sup>20</sup> The abolition of the most-favored-nation clause in trade relations with Yugoslavia by the House of Representatives in 1962 constituted an insurmountable obstacle to any prospects for trade cooperation between the two countries.

<sup>21</sup> DAMSPRS, PA, SAD, 1964, f. 193, br. 48931, Šifrovano pismo iz Vašingtona 28. 3. 1964.

<sup>22</sup> Charles Burke Elbrick was a career diplomat, born in 1908 in the state of Kentucky. He entered the diplomatic service in 1931. and served in Panama, Romania, Spain, Poland, and Portugal. As the United States Ambassador to Yugoslavia, he advocated for the lasting improvement of bilateral relations between the United States and Yugoslavia.

<sup>23</sup> DAMSPRS, PA, SAD, 1964, f. 193, br. 414427, Stanje u jugoslovensko-američkim odnosima povodom dolaska novog američkog ambasadora Čarlsa B. Elbrika 2. 3. 1964.

titude toward Yugoslav diplomatic representatives was becoming increasingly evident.<sup>24</sup>

In its assessment of Yugoslav–American relations, the Yugoslav Ministry of Foreign Affairs concluded that the departure of President John F. Kennedy from the political stage had significantly affected the dynamics of bilateral relations between Washington and Belgrade. It was emphasized that, despite his efforts, the newly elected President Johnson was unable to continue his predecessor's policy primarily due to his lack of experience in international affairs and his close ties to conservative political circles. The Yugoslav government was committed to ensuring that its long-standing and generally successful relationship with the United States would not fall below a certain critical threshold. These relations were seen as a vital component of Yugoslavia's independent international position and its influence on the global stage including within the socialist bloc. The Ministry warned that a lasting deterioration of relations with the United States, especially if it resulted in exclusive cooperation with the Soviet Union, could deal a serious blow to Yugoslavia's reputation among the Non-Aligned countries. Such a development would raise doubts about the authenticity of Yugoslavia's non-alignment policy. As a result, the Yugoslav government was compelled to initiate and adopt a series of concrete measures aimed at improving mutual relations with the United States. Particularly important in this process were initiatives to organize high-level meetings between Yugoslav officials and American representatives.<sup>25</sup>

In line with these initiatives, an official invitation was extended to James Fulbright, Chairman of the U.S. Senate Foreign Relations Committee, to visit Yugoslavia.<sup>26</sup> An invitation was also sent to Harold F. Linder, President of the Export-Import Bank, with the aim of initiating discussions on the potential for deepening cooperation with that institution. Additionally, a reciprocal visit was proposed between the Yugoslav Federal Secretary of Agriculture, Jože Ingolič, and U.S. Secretary of Agriculture Orville Freeman. The plan was for negotiations concerning the procurement of wheat, cotton, and other

<sup>24</sup> AJ, 837, I-5-b/SAD, Jugoslovensko-američki odnosi.

<sup>25</sup> AJ, 837, I-5-b/ SAD, Izveštaj jugoslovenskog ambasadora iz Vašingtona, Veljka Mićunovića, o stanju odnosa između Jugoslavije i SAD, 15. 6. 1964.

<sup>26</sup> „Doc. 176, Memorandum of Conversation, July 16, 1964“, in *FRUS 1964/1968 Volume XVII, Eastern Europe*.

agricultural commodities for 1965 based on Yugoslavia's specific needs to be formally presented to the U.S. government.<sup>27</sup>

Discussions were also held regarding the possibility of signing an Agreement on compensation for nationalized property belonging to U.S. citizens in Yugoslavia, as well as a separate Agreement concerning the import of Yugoslav textiles into the United States. Particular attention was devoted to the upcoming Non-Aligned Conference in Cairo, with full awareness of its potential negative implications for bilateral relations.<sup>28</sup>

The Second Conference of Heads of State or Government of Non-Aligned Countries was held in Cairo from October 5 to 10, 1964. A total of 57 countries participated, of which 47 were full members, while 10 countries and two international organizations attended as observers.<sup>29</sup> The participating states represented roughly one-third of the world's population and nearly half of the membership of the United Nations (UN). The conference attracted significant global attention, taking place amid a period of intense international turbulence. Its work was structured through political committees, subcommittees, and editorial commissions. The agenda encompassed a wide-ranging analysis of international relations, the influence of various global factors, and potential strategies for addressing global challenges more effectively. One of the conference's key outcomes was the articulation of shared and coordinated positions by non-aligned countries on the resolution of major global issues as an expression of their growing political cohesion. The participants emphasized the importance of strengthening mutual cooperation as a precondition for more effective and solidaristic action on the international stage. The struggle for peace and the promotion of active, peaceful coexistence were defined as the foundational principles of the conference. Particular attention was also devoted to issues of economic development and the democratization of international economic relations. The persistent gap between developed and developing nations and the existence of structurally unequal economic relations was identified as one of the root causes of international instability and conflict. Alongside the central themes of colonialism, imperialism, and develop-

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<sup>27</sup> AJ, 837, I-5-b/SAD, Informacija o stanju odnosa između SFRJ i SAD i zaključcima Saveznog izvršnog veća, 18. 7. 1964.

<sup>28</sup> Ibid, Zabeleška o razgovorima državnog sekretara za inostrane poslove, Dušana Kvedera u DSIP, 12. 9. 1964.

<sup>29</sup> Stojković, *Tito, Nehru, Naser*, 158–159; Mates, *Međunarodni odnosi*, 149.

ment, disarmament also figured prominently in the discussions, underscoring the comprehensive nature of the conference's agenda.<sup>30</sup>

Yugoslavia, alongside several other prominent non-aligned countries, bore a significant share of responsibility both in the preparatory phase and during the Cairo Conference itself. The Yugoslav delegation distinguished itself as one of the most active participants, consistently advocating for the equal participation of all states in the conference proceedings. Viewed as a whole, the engagement of the Yugoslav delegation working in concert with other leading members of the Non-Aligned Movement was a decisive factor in the successful organization and outcome of the conference. Yugoslavia's realistic positioning in relation to broader currents in international affairs, combined with the coordinated efforts of peace-oriented states, contributed to the creation of a constructive atmosphere for effectively countering and mitigating negative influences that threatened global stability.<sup>31</sup>

Prior to the convening of the conference, U.S. Ambassador to Belgrade, Charles Elbrick, stated that there was a prevailing belief in Washington that, despite numerous challenges, the Cairo Conference would yield constructive results. The American administration showed particular interest in issues related to disarmament and the future role of the United Nations. On the Yugoslav side, it was emphasized that the core intention of the non-aligned countries, from the outset, was directed toward reducing international tensions, avoiding great power confrontations, preserving peace, promoting peaceful coexistence, and creating the conditions for constructive dialogue and the resolution of pressing global issues. At the same time, official Belgrade underscored the limited influence it could exercise within the framework of the conference, given the large number of participating countries approximately sixty and the inherent difficulty of achieving consensus on a number of often sensitive issues.<sup>32</sup>

The United States generally held a positive view of the policies pursued by the non-aligned countries, considering that such an approach could significantly contribute to improving the overall international situation. Se-

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<sup>30</sup> DAMSPRS, PA, 1964, SAD, f. 1, Str. pov. Bilten br. 6.

<sup>31</sup> Ibid.

<sup>32</sup> DAMSPRS, PA, SAD, 1964, f. 193, pov. br. 436402, Zabeleška o razgovoru D. Kvedera sa američkim ambasadorom Elbrikom, 17. 9.1964.

veral points included in the draft agenda of the Second Cairo Conference aligned with key objectives of U.S. foreign policy. Indeed, a broad spectrum of American diplomatic activities was aimed at maintaining international peace, eliminating colonialism, and supporting developing countries in preserving their political and economic independence. According to U.S. officials, one of the most important goals of the Cairo Conference was the identification of concrete mechanisms and methods for addressing major global challenges. The American establishment expected that the leading countries of the Non-Aligned Movement particularly Yugoslavia, Egypt, and India would take decisive steps to ensure the conference remained constructive in character. While the United States did not oppose open and objective discussion of global challenges, including critical reflections on certain aspects of its own policies, it strongly objected to the possibility that such criticisms might be included in official speeches by heads of state or incorporated into the adopted resolutions or declarations of the conference. Although the U.S. acknowledged the importance of the Second Non-Aligned Conference, official Washington deliberately refrained from making public comments or official statements regarding the event.<sup>33</sup>

Particular concern within American circles was provoked by the fact that Yugoslav President Josip Broz Tito played a central role during the Non-Aligned Summit in Cairo. In Washington, there was a well-founded fear of a possible repetition of the sharp anti-American and anti-Western rhetoric that had characterized Tito's speech at the First Non-Aligned Conference in Belgrade in 1961. Given the sensitivity of the topics under discussion in Cairo, President Tito was compelled to exercise considerable caution in articulating his positions especially in the context of condemning colonialism, neocolonialism, and the interventionist policies of Western powers in crisis regions such as Vietnam<sup>34</sup>, Cyprus, and Latin America. Although the West was the

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<sup>33</sup> DAMSPRS, PA, SAD, 1964, f. 176, pov. br. 438780, Telegram iz Vašingtona, 20. 9. 1964.

<sup>34</sup> The Gulf of Tonkin incident and the subsequent U.S. bombing of South Vietnam posed a serious threat to Yugoslavia's intentions to improve relations with the United States. Yugoslav print media criticized the American retaliatory action following the Tonkin incident, portraying the United States as solely responsible for the emerging crisis in Indochina; Kisindžer, *Diplomatija II*, 586; The alleged attack by North Vietnam on the U.S. destroyer Maddox in August 1964. prompted a U.S. retaliatory response against North Vietnam, which was subsequently endorsed by the Senate through the so-called Gulf of Tonkin Resolution.

primary target of criticism voiced by many participants, most delegates sought to avoid explicitly naming Western powers in order to preserve a tone of diplomatic moderation.<sup>35</sup>

In this context, during the Cairo Conference, Yugoslav President Josip Broz Tito expressed opposition to Indonesian President Sukarno's initiative to establish an Afro-Asian regional bloc whose primary objective would be to combat "*global imperialism embodied in the policies of the United States and the colonial powers.*" Tito's address in Cairo was directed toward a general critique of imperialist policies toward developing countries, yet it was marked by a tone of moderation and an avoidance of direct and harsh condemnation of American foreign policy. Tito's approach reflects a balanced strategy on the part of the Yugoslav leadership aimed at preserving its authority within the Non-Aligned Movement while simultaneously avoiding a deterioration of relations with the United States.<sup>36</sup>

According to the official assessment of the Yugoslav government, the outcomes of the Second Conference of Non-Aligned Countries in Cairo were regarded as positive and constructive. The Yugoslav side emphasized that the conference contributed to the strengthening of cooperation among non-aligned states and affirmed their role in the preservation of international peace and security. In contrast, the American establishment, through its ambassador in Belgrade, highlighted numerous shortcomings of the conference, citing inconsistency, contradictions, and the application of double standards as key issues. Particular attention was drawn to what, from the American perspective, were paradoxes in the positions adopted by the non-aligned countries. For instance, sharp criticism was directed at the fact that many of these countries strongly condemned Israel's policies toward Arab nations, while at the same time exhibiting marked restraint in addressing

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<sup>35</sup> Bogetić, *Jugoslovensko-američki odnosi*, 164, Драган Богетић, „Сједињене Америчке Државе и институционализација сарадње ванблоровских држава“, *Историја 20. века*, br. 2 (2002), 13–14; Following the Belgrade and Cairo Conferences, the term “non-alignment” gradually entered the American legal and political lexicon. However, disapproval of this policy most often resulted in the term “non-alignment” being largely avoided in discourse.

<sup>36</sup> Bogetić, *Jugoslovensko-američki odnosi*, 164–165; See more: Dragan Bogetić, „Sukob Titovog koncepta univerzalizma i Sukarnovog koncepta regionalizma na Samitu nesvrstanih u Kairu 1964. godine“, *Istoriја 20. века*, br. 2 (2017), 101–118.

Cuba's interventionist actions and interference in the internal affairs of other Latin American states.<sup>37</sup>

Despite such critiques, through its proceedings and the adoption of final documents, the Second Conference of the Non-Aligned Movement reaffirmed that the struggle for peace and the pursuit of global progress primarily through the elimination of colonialism and imperialism remained its core values and enduring legacies.<sup>38</sup>

Nevertheless, despite the fact that the United States had accepted certain elements of the non-alignment policy, it remained considerably distant from fully endorsing and supporting it. The U.S. administration continued to exhibit reservations toward the concept of non-alignment, particularly regarding its interpretation and implementation in the Yugoslav context.<sup>39</sup>

Following the conclusion of the Cairo Conference, Yugoslavia's position was often interpreted within American political circles as being excessively favorable toward the Soviet Union. However, despite these doubts, Washington's interest in preserving and further developing cooperation with Tito's regime did not wane. This approach was largely driven by unforeseen events within the Soviet Union itself, particularly the removal of the Prime Minister and General Secretary of the Communist Party of the Soviet Union, Nikita Khrushchev, on October 14, 1964. This shift at the top of the Soviet political hierarchy opened new opportunities and challenges in interpreting the relationship between Belgrade and Moscow, prompting Washington to adopt a more cautious and flexible policy toward Yugoslavia.<sup>40</sup>

According to the assessment of the ruling structures in Washington, the removal of Nikita Khrushchev from the top positions in the Soviet state was not the result of a single cause but rather the outcome of a complex interplay of various internal and foreign political circumstances. American analysis indicated that Khrushchev had attempted to implement a long-term economic development plan, focusing on increasing the production of

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<sup>37</sup> DAMSPRS, PA, SAD, 1964, f. 177, pov. br. 444851, Zabeleška o razgovoru pomoćnika državnog sekretara M. Pavićevića sa američkim ambasadorom Elbrikom, 30. 10. 1964; Bogetić, *Jugoslovensko-američki odnosi*, 165-166.

<sup>38</sup> DAMSPRS, PA, SAD, 1964, f. 177, pov. br. 442723, Telegram svim predstavništvima SFRJ, 30. 10. 1964.

<sup>39</sup> Богетић, „Сједињене Америчке Државе”, 13.

<sup>40</sup> Bogetić, *Jugoslovensko-američki odnosi*, 166.



consumer goods and raising the standard of living. The basis of this approach was his assessment that the defense capabilities of the Soviet Union were satisfactory and that heavy industry had reached a sufficient level of development. It was believed that such an economic course would lead to a deeper decentralization of the Soviet economy, which, according to the American interpretation, caused concern within the Soviet military leadership. This fear was fueled by the possibility of reduced defense spending, leading to a sense of nuclear and missile inferiority and the weakening of conventional forces. Simultaneously, the international position of the Soviet Union was becoming increasingly unfavorable. China adopted an openly hostile stance toward Moscow, placing Khrushchev in the position of fighting a two-front battle within the communist world against the Chinese challenge on one front and attempting to maintain control over Eastern European allies on the other. The Soviet-Chinese conflict further escalated after China, without Soviet support, successfully conducted a nuclear test and acquired atomic weapons. American assessments suggested that the changes in Soviet leadership might represent an attempt to stabilize internal relations and possibly open new channels for mitigating the conflict with China. The new Soviet leadership, in its initial public statements, emphasized the continuity of Soviet foreign policy, both toward socialist and toward Western and non-aligned countries. Accordingly, Washington believed that the new Soviet leaders would continue the basic directions of the policy advocated by their predecessor. However, the question of how these changes in the Soviet leadership would affect relations between Belgrade and Moscow, especially in light of the increasing cooperation between Yugoslavia and non-aligned countries and the ambivalent messages coming from Belgrade, drew particular attention in Washington.<sup>41</sup>

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<sup>41</sup> AJ, 837, I-5-b/SAD, Zabeleška o razgovoru zamenika državnog sekretara M. Nikezića sa američkim ambasadorom Elbrikom u DSIP, 19. 10. 1964; „Doc. 177, Telegram from the Embassy in Yugoslavia to the Department of State, 26 October 1964”, in *FRUS 1964/1968 Volume XVII, Eastern Europe*; „Document 52. Telegram from the Embassy in the Soviet Union to the Department of State, Moscow, 16 October 1964”, in *FRUS, 1964/1968, Volume XIV, Soviet Union*; „Document. 53. Memorandum for the Record-Meeting of an Executive Group of the National Security Council Washington, 16 October 1964”, in *FRUS, 1964/1968, Volume XIV, Soviet Union*.

In October 1964, U.S. Senator William James Fulbright, Chairman of the Senate Foreign Relations Committee, was invited to attend the signing ceremony of the Cultural and Educational Exchange Agreement with Yugoslavia on behalf of the U.S. government.<sup>42</sup> Senator Fulbright's<sup>43</sup> visit took place a month later, from November 6 to 14, 1964, as a direct response to the U.S. administration's assessment that bilateral political relations with Yugoslavia had stagnated, despite the increasing international significance of the country. Washington attributed significant political importance to this visit, as it followed closely after the U.S. presidential elections. In addition to Fulbright, the delegation included William Tyler, the Assistant Secretary of State for European Affairs. The agreement envisaged mutual student exchange, as well as the exchange of cultural, scientific, and educational professionals, with the goal of strengthening mutual understanding and cooperation between the two countries. Although the U.S. had concluded approximately 45 similar agreements up until that point, this was the first time Senator Fulbright personally attended the signing ceremony. At the same time, this marked the first Fulbright program to be implemented in cooperation with a socialist country. The program was funded through dinar-based resources available to the U.S. in Yugoslavia, which stemmed from the sale of agricultural surpluses under previous bilateral arrangements. The agreement was concluded for a period of five years, with a total budget of \$600.000 allocated for its implementation. While the quantitative scope of the exchange did not significantly increase, the key contribution of the program lay in the establishment of institutional mechanisms and the creation of conditions for a more organized and syste-

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<sup>42</sup> AJ, 837, I-5-b/SAD, Predlog državnog sekretara Koče Popovića generalnom sekretaru predsednika Republike za prijem Senatora Fulbrajta, 22. 10. 1964.

<sup>43</sup> James Fulbright was born in 1905. He studied political science at the University of Arkansas and Oxford University, and completed his law degree at George Washington University. In Congress, he was an active advocate for the United Nations and other peace initiatives. From 1959 onward, he served as the chairman of the Senate Foreign Relations Committee. During his tenure, he championed the adaptation of American foreign policy to the realities of the contemporary world. Fulbright advocated for the conclusion of a treaty with the USSR banning nuclear tests. He was a prominent figure in American political and public life. Fulbright maintained a friendly stance toward Yugoslavia, which he openly demonstrated in all his Senate appearances whenever issues related to bilateral relations were discussed. Thanks to his efforts, the Most-Favored-Nation Clause in trade was restored to Yugoslavia.

matic approach to issues of cultural and educational cooperation between Yugoslavia and the United States.<sup>44</sup>

At the beginning of his conversation with Vladimir Popović, Chairman of the Committee on Foreign Affairs and International Relations of the Federal Council of the Federal Assembly, Senator Fulbright emphasized the importance of bilateral relations, while pointing out the existence of certain differences between the U.S. executive and legislative branches of government. He particularly highlighted the long-term consistency of U.S. policy toward Yugoslavia, which, according to him, dated back to 1881, when the first diplomatic relations were established and initial bilateral agreements were concluded, most notably the *Treaty of Commerce and Navigation*.<sup>45</sup> In this context of current relations between the two countries, Senator Fulbright advocated for their further development and improvement, emphasizing that it was in both countries' mutual interest to continue efforts to reduce global tensions and promote peaceful coexistence as fundamental principles of international policy.<sup>46</sup>

After a series of discussions with prominent political figures of Yugoslavia, such as Edvard Kardelj, President of the Federal Assembly, and Koča Popović, Minister of Foreign Affairs, U.S. Senator Fulbright met with Yugoslav President Josip Broz on November 14, 1964, at the conclusion of his visit. In his conversation with the Yugoslav President, Fulbright emphasized that, despite existing socio-political and ideological differences, the primary task was the preservation of peace. The Senator expressed his belief that there were no insurmountable ideological barriers between so-called capitalist and socialist countries, and that dialogue and cooperation were both possible and desirable. In this context, he particularly highlighted the unique position of Yugoslavia as a state that, thanks to its independent political course, could play a significant role in mediating and establishing communication between countries with different social systems. He referred to Yugoslavia as the "*experimental laboratory of socialism*," pointing to its relative ideological flexibility and pragmatism. Additionally, he emphasized the possibility that Yugoslavia,

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<sup>44</sup> AJ, 837, I-3-a/SAD, Poseta senatora Fulbrajta Jugoslaviji, 22. 10. 1964.

<sup>45</sup> Ivo Visković, „Odnosi Jugoslavije i Sjedinjenih Američkih Država”, *Jugoslovenski pregled*, br. 1 (1983), 24.

<sup>46</sup> AJ, 837, I-3-a/SAD, Zabeleška o razgovoru V. Popovića, predsednika Odbora za spoljne poslove, i Džejmsa Fulbrajta, 07. 11. 1964.

through its influence and reputation within the Non-Aligned Movement, as well as its relations with socialist countries, could play an important role in shaping the views of the newly elected Soviet leader Leonid Brezhnev and influencing the directions within the Non-Aligned Movement.<sup>47</sup>

During his meeting with President Tito, Senator Fulbright paid particular attention to the recent changes at the top of the Soviet leadership. He was interested in the Yugoslav President's opinion on the potential consequences of Nikita Khrushchev's removal. Tito emphasized that the news of Khrushchev's departure was a great surprise for the Yugoslav leadership, but it was regarded solely as an internal matter of the Soviet Union. Tito firmly rejected the need to dramatize these changes, expressing his belief that the fundamental directions of Soviet foreign policy would not undergo significant alterations. In his view, Khrushchev's policies had yielded positive results and garnered international recognition, and there was a basic assumption that the new Soviet leadership would continue in the same direction. Tito particularly highlighted that the Soviet Union, even after the leadership change, would continue its policy of respecting the specific position of Yugoslavia in international relations, as well as its independent socialist system, distinct from the Soviet model. Tito did not miss the opportunity to reassure his interlocutors that Yugoslavia's favorable relations with the Soviet Union did not imply an abandonment of its policy of non-alignment and peaceful coexistence.<sup>48</sup> Everything indicated that the removal of Nikita Khrushchev did not cause significant disruptions in Yugoslav-Soviet relations. This claim is further confirmed by the fact that relatively quickly, constructive ties were established between the state and party leaderships of both countries, helping to overcome the initial unease following the changes in Moscow. Very soon, by 1965, an official visit by a Yugoslav delegation to the Soviet Union took place, marking a significant step forward in the enhancement and intensification of mutual cooperation.<sup>49</sup>

<sup>47</sup> AJ, 837, I-3-a/SAD, Zabeleška o izlaganju predsednika Tita u razgovoru sa predsednikom Spoljnopoličkog komiteta Senata, Džeјmsom V. Fulbraјtom, 14. 11. 1964; Bogetić, *Jugoslovensko-američki odnosi 1961–1971*, 175.

<sup>48</sup> Ibid; Tripković, *Jugoslavija–SSSR*, 168–169; Милан Н. Стевановић, „Утицај посете сенатора Џејмса Вилијема Фулбрајта Југославији на побољшање односа Београда и Вашингтона у другој половини 1964”, *Токови историје*, бр. 2 (2017), 77.

<sup>49</sup> Đoko Tripković, „Jugoslovensko-sovjetski odnosi i promena na sovjetskom vrhu 1963–1964”, *Istorija 20. veka*, br. 1 (2009), 112.

During the conversation, great attention was devoted to the delicate issue of the Congo. The Yugoslav president noted that during the Cairo Conference, he received complaints about the American policy in the Congo, which could lead to a civil war. Tito, therefore, pointed out the necessity of changing such a policy, which, according to the majority, represented an attempt to introduce neo-colonialist methods into African countries. He proposed that the people of the Congo be allowed to resolve their internal issues independently, emphasizing the need for a political course based on cooperation and long-term assistance. According to him, „*economic aid to the Congo had to be pure and must not be confused with neo-colonialism*”. Unlike Tito, Senator Fulbright attempted to defend certain aspects of American policy in Africa, persistently repeating that the United States was not involved in the problems in the Congo, as it did not have any specific economic interests in that region.<sup>50</sup>

At the end of the conversation, the Yugoslav president emphasized the urgent need for the development and establishment of a stable and long-term cooperation policy with the United States in the future. At the same time, he expressed the belief that the political activity of President Lyndon Johnson should represent a continuation of John F. Kennedy's policy, whose goal was to strengthen peace and improve global relations.<sup>51</sup>

Senator Fulbright's visit attracted significant media attention. His term „*Yugocentrism*” was particularly noted, as he used it to describe „*the policy of fine balancing between the East and the West*”.<sup>52</sup> Eight months after his visit to Yugoslavia, the Chairman of the Senate Foreign Relations Committee, James William Fulbright, submitted an exceptionally favorable report to the U.S. Congress on Yugoslavia's foreign and domestic policies. He assessed Yugoslavia as „*a stable and loyal partner with an exceptionally competent and energetic leadership, willing to find the best paths in practice, regardless of dogmas*.”<sup>53</sup>

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<sup>50</sup> AJ, 837, I-3-a/SAD, Zabeleška o izlaganju predsednika Tita u razgovoru sa predsednikom Spoljnopolitičkog komiteta Senata, Džejmsom V. Fulbrajtom, 14. 11. 1964.

<sup>51</sup> Ibid.

<sup>52</sup> Милан Игрутиновић, „Југословенско-амерички економски односи (1954–1968)” (Докторска дисертација, Универзитет у Београду, Филозофски факултет, Одељење за историју, 2018).

<sup>53</sup> Богетић, „Југославија у Хладном рату”, 354.

*Yugoslavia's Economic Strategy toward the Superpowers*

At the beginning of the 1960s, the Yugoslav economy entered a negative trend, manifesting serious problems in the dynamics of industrial production and foreign trade relations. The reform attempt of 1961 failed to yield the expected results. Simultaneously, following the Belgrade Conference (BK) and the expressed anti-Western rhetoric, Yugoslavia's relations with nearly all Western countries deteriorated, which directly impacted the Yugoslav economic situation. The newly imposed strict protectionist policies of the European Economic Community further distanced Yugoslavia from Western markets and hindered the resolution of numerous export-related issues. At that time, the American ambassador to Belgrade, George Kennan, warned in reports to the State Department that the burden of Yugoslavia's economic problems combined with restrictive Western measures constituted sufficient motivation for Belgrade to seek rapprochement with Moscow. In this context, relations between Yugoslavia and the United States worsened, culminating in the 1962 termination of the "economic and financial assistance mechanisms" to the Yugoslav economy. Simultaneously, starting in the spring of that year, Yugoslavia began a gradual rapprochement with the Council for Mutual Economic Assistance (CMEA or COMECON), creating the preconditions for negotiations and cooperation established during 1964. The rise of Yugoslav-Soviet relations in the first half of the 1960s further facilitated this process. Multiple factors influenced Yugoslavia's approach toward the CMEA: difficulties in economic relations with the West, the strengthening of integration processes within the CMEA, and limitations imposed by "bilateralism" in economic cooperation with its member states. At the same time, Yugoslavia's aspiration to establish closer cooperation aligned with Kremlin plans to expand the CMEA and, through this organization, exert influence on Yugoslav policy and integrate the SFRY more closely into the "socialist bloc." In negotiations held in early 1964, the fundamental principles and modes of cooperation between Yugoslavia and the CMEA were agreed upon. Two forms of cooperation were envisaged: active cooperation, which entailed Yugoslav participation in the work of certain CMEA commissions, and observer status, which allowed Yugoslavia to attend CMEA sessions for informational purposes. For foreign policy reasons primarily due to preparations for the Second Non-

Aligned Movement Conference Belgrade postponed the finalization of the agreement for several months. Instead of being signed in the spring, the Agreement on Yugoslavia's Participation in CMEA Organs was finally concluded on September 17, 1964. Its provisions entered into force "provisionally," marking the formal commencement of official cooperation between the SFRY and the CMEA. Although Yugoslavia did not become a full member of the CMEA through this agreement, it established the groundwork for cooperation in areas of mutual interest, which provided a solid basis for further institutional and economic integration in the following decades. Yugoslavia expressed interest in cooperation in the following spheres: foreign trade, industrial cooperation and specialization, radio engineering and electronics, chemical industry, scientific research. Thus, the 1964 Agreement represented a significant step in institutionalizing economic relations between Yugoslavia and the socialist bloc countries, simultaneously symbolizing Yugoslavia's attempt to balance between East and West amidst the complex geopolitical circumstances of the Cold War.<sup>54</sup>

Yugoslavia's rapprochement with the Soviet Union and CMEA in the mid-1960s did not signify a complete abandonment of cooperation with the West and the United States. Despite the cooling of political relations between the two countries, economic cooperation with the United States persisted, underpinned by Yugoslavia's policy of balancing between East and West specifically, its Non-Aligned stance and independence from both blocs. Between 1951 and 1964, the United States provided Yugoslavia with commodity-based aid amounting to \$1,057 billion, equivalent to 472,2 billion dinars. Of this total, 260,3 billion dinars were allocated as loans, while 156,8 billion dinars constituted non-repayable assistance (grants). These funds were predominantly earmarked for the targeted development of infrastructure, industrial, and social facilities. The financial agreements encompassed projects across various sectors, including agriculture, transportation, mining, industry, tourism, housing, healthcare, education, and the military (Yugoslav People's Army).<sup>55</sup>

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<sup>54</sup> Момир Нинковић, „Економски односи између Југославије и Совјетског Савеза (1945–1964)“ (Докторска дисертација, Универзитет у Београду, Филозофски факултет, Одељење за историју 2023); Momir Ninković, „Establishment of Cooperation Between the SFRY and the COMECON in 1964“, *Tokovi istorije*, br. 3 (2020), 145–162.

<sup>55</sup> DAMSPRS, PA, SAD, 1964, f. 195, pov. br. 451004, Primanja od SAD po osnovu pomoći i uvoza poljoprivrednih viškova, 4. 1. 1964.

In the second half of 1964, Yugoslavia launched a series of initiatives aimed at improving its economic relations with the United States. Within this framework, an American trade mission arrived in Belgrade in October 1964, marking a concrete step toward enhancing bilateral commodity exchange. The initiative for the mission's visit originated from the U.S. Embassy in Belgrade and received high-level political support, particularly during the visits of U.S. Secretary of Commerce Luther Hodges and Secretary of Agriculture Orville Freeman to Yugoslavia in August 1963.<sup>56</sup> The mission's program was tailored to its primary objective: establishing direct contact between American and Yugoslav business partners in order to promote the expansion of bilateral trade. The visit was strategically focused on facilitating direct connections between business representatives from both countries and on broadening export opportunities. Meetings were held with representatives of leading Yugoslav enterprises and banks that expressed interest in cooperating with the American market. Special attention was devoted to the issue of private U.S. capital investment in Yugoslav development projects. Following the approval by the Federal Executive Council for the inflow of foreign investment, an agreement was concluded between *Pan American* and the Zagreb-based company *Generalturist* concerning the renovation of several hotels in Zagreb and along the Adriatic coast.<sup>57</sup>

The first official agreement between the Socialist Federal Republic of Yugoslavia (SFRY) and the United States was signed on August 3, 1964, in Washington, with the *Foreign Bondholders Protective Council*.<sup>58</sup> The agreement pertained to the regulation of interest payments and the amortization of pre-war dollar-denominated bonds that were in circulation in the United States. According to the arrangement, the formal date by which all bondholders were to accept the agreement was set for July 1, 1968. The definitive interest rate was established at 3.5% per annum, to take effect beginning in 1970. As part of this financial arrangement, a special amortization fund was created, amounting to 1% of the nominal value of the bonds annually, starting in 1968. and extending

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<sup>56</sup> On that occasion, Freeman announced to the Yugoslav President American assistance amounting to 50 million dollars for the reconstruction of the damage caused by the 1963 Skopje earthquake, to be provided in dinars from American accounts held at the National Bank of Yugoslavia, accumulated under the PL. 480 program.

<sup>57</sup> DAMSPRS, PA, SAD, 1964, f. 198, pov. br. 438556, Poseta američke trgovinske misije od 5. do 31. oktobra 1964.

<sup>58</sup> The bondholders were American holders of Yugoslav sovereign bonds.



over a period of 30 years. With regard to accrued interest from 1939. to 1959, the agreement stipulated that it would be repaid at a rate of 0.5%, with a final payment deadline set for July 1, 1979. In addition to The Chase Manhattan Bank, the National Bank of Yugoslavia (NBY) was recognized as a fiscal agent. This decision was of particular importance for Yugoslavia, as the NBY already held approximately two-thirds of the bonds in circulation. By recognizing the NBY as a fiscal agent, the liquidation of these bonds could be carried out without incurring additional costs or depending on an American financial institution, thereby significantly reducing transaction-related dollar expenditures.<sup>59</sup>

Following several months of negotiations with the American side, a new *Agreement on the Sale of Surplus Agricultural Products* of the United States to Yugoslavia was concluded under the provisions of *Public Law 480* (P.L.480). This law also known as the Agricultural Trade Development and Assistance Act permitted the sale of U.S. agricultural products to developing countries under favorable financial terms. However, after the agreement was signed, there was a marked deterioration in the conditions for importing wheat from the United States. The U.S. no longer held wheat surpluses in quantities comparable to earlier periods, resulting in a shift whereby sales were no longer guided by political priorities or aid programs, but rather by commercial interests and market criteria. As a consequence of this shift, the U.S. Congress adopted an amendment to the Agricultural Surplus Sales Act, which, effective January 1, 1965, prohibited further sales of such products to Yugoslavia and Poland in their national currencies. This marked the end of the previous arrangement under which Yugoslavia had paid for American agricultural goods in dinars. Under the new conditions, Yugoslavia agreed to repay the majority of its debt in U.S. dollars, with only a small portion remaining payable in the dinar equivalent. Although this measure had a notable impact on U.S.–Yugoslav trade relations, it is important to underscore that it was not perceived as an act of political hostility toward Yugoslavia. On the contrary, in Belgrade, it was understood as part of a broader reorientation of U.S. policy regarding foreign aid programs, reflecting a general shift in the American approach rather than a targeted measure against Yugoslavia.<sup>60</sup>

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<sup>59</sup> DAMSPRS, PA, SAD, 1964, f. 195, pov. br. 451589, Informacija o Sporazumu sa američkim Savetom portera; Игрутиновић, „Југословенско-амерички економски односи”

<sup>60</sup> Bogetić, *Jugoslovensko-američki odnosi*, 171; Богетић, „Међународни положај Југославије”, 154–156.

The third significant agreement between Yugoslavia and the United States was signed in October 1964 and had a positive impact on the stabilization of Yugoslavia's economic situation. This was the *Agreement on the Export of Yugoslav Cotton Textiles to the United States*, which enabled the expansion of trade cooperation in one of the country's key economic sectors. According to the provisions of the agreement, the export quota for Yugoslav cotton textiles to the U.S. was increased from \$9 million to \$15,1 million for the year 1965, with a mutually agreed annual quota increase of 5% in subsequent years. For Yugoslavia, this agreement was of considerable importance, as it was expected to alleviate the substantial trade deficit with the United States. The textile industry considered one of the country's strategic export sectors received a significant stimulus through this arrangement. Moreover, the agreement served as evidence of mutual trust and shared interest in deepening economic relations between the two countries.<sup>61</sup>

Given that the U.S. Foreign Assistance Act for the fiscal year 1964/1965 prohibited the provision of long-term and medium-term loans by the American government, Yugoslavia was compelled to seek financial resources from alternative sources. In this context, an agreement was signed with the International Bank for Reconstruction and Development (IBRD) for a loan amounting to \$70 million, intended for the modernization of Yugoslavia's railway system.<sup>62</sup> In addition to the International Bank, American private banks also became an important source of financing, contributing to the gradual emergence of the United States as one of Yugoslavia's most significant credit and trade partners. By 1964, the United States had already become Yugoslavia's second-largest partner in overall foreign trade.<sup>63</sup>

In 1964, Yugoslavia was compelled to confront the issue of compensation for nationalized property belonging to American citizens. Although the matter had long been postponed and avoided, under increasing international pressure, negotiations on this issue began during the summer of 1964.

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<sup>61</sup> DAMSPRS, PA, SAD, 1964, f. 152, pov. br. 48530, Neke karakteristike ekonomskih odnosa između SFRJ i SAD; Bogetić, *Jugoslovensko-američki odnosi*, 172.

<sup>62</sup> DAMSPRS, PA, SAD, 1964, f. 195, pov. br. 43953, Zabeleška o razgovoru V. Trumbića sa ekonomskim savetnikom i drugim sekretarom američke ambasade Klivlendom, u Beogradu, 31. 1. 1964.

<sup>63</sup> Adamović, Lempri, Priket, *Američko-jugoslovenski ekonomski odnosi*, 100-110; Богетић, „Међународни положај Југославије”, 156.

After several months of consultations, the total compensation amount was set at \$3,5 million. Yugoslavia committed to paying this sum in five equal annual installments of \$700.000 each, starting on January 1, 1966. The final version of the agreement was signed in Belgrade on November 5, 1964, thereby formally resolving this long-standing dispute.<sup>64</sup>

At the end of the year, the Federal Executive Council (FEC) conducted an evaluation of economic relations with the United States, concluding that Yugoslavia's economic progress in 1964 had significantly exceeded planned targets. Industrial production increased by approximately 15%, exports grew by 17%, and imports rose by 26%. The value of construction work, measured in current prices, was 34% higher than planned. It was assessed that, thanks to the improvement in Yugoslav-American relations, the economic balance for 1964 could be considered positive.<sup>65</sup>

### *Conclusions*

During John F. Kennedy's presidency, U.S. policy toward Yugoslavia was rooted in the concept of "soft power," which entailed the provision of economic and political assistance. In line with this approach, the American administration demonstrated a pragmatic willingness to engage with Tito's regime, despite its socialist character, operating under the assumption that sustained engagement and support would further distance Yugoslavia from the Soviet bloc and encourage its gradual liberalization and rapprochement with the West. In contrast, the Johnson administration adopted a markedly more realist approach, employing instruments of "hard power" primarily aimed at safeguarding the immediate national interests of the United States and maintaining the global balance of power. Johnson exhibited significantly greater caution in extending aid to Yugoslavia, insisting on a clearly articulated alignment of Yugoslav foreign policy with U.S. strategic objectives. In both cases, there was a clear continuity in the United States' core strategic interest: the preservation of Yugoslavia's independence from the Soviet Union and support for Tito's model of "independent communism" as a stabilizing factor in the Balkans and the broader Eastern Bloc. Kennedy administration focused

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<sup>64</sup> Игрутиновић „Југословенско-амерички економски односи”.

<sup>65</sup> Ibid.

on the gradual liberalization and potential evolution of communist regimes through contact, cooperation, and ideological dialogue, while Johnson preoccupation with the Vietnam War and the broader American involvement in the Global South was more inclined to preserve the status quo and reduce diplomatic initiatives toward non-aligned countries. Although economic, cultural, and educational cooperation with Yugoslavia remained relatively stable, political relations were increasingly characterized by mutual reserve. On the one hand, the United States valued Yugoslavia's autonomy from Moscow; on the other, it remained skeptical of the country's continued communist identity. At the same time, Yugoslavia became increasingly vocal in its criticism of American interventionism, particularly in the context of the Vietnam War, which signaled a degree of ideological and political distancing from the United States. In this context, it can be concluded that Johnson's policy toward Yugoslavia retained the essential contours of Kennedy's strategic framework, but with altered priorities, diminished ideological enthusiasm, and a stronger reliance on pragmatic and geopolitically motivated forms of cooperation. Simultaneously, Yugoslav foreign policy remained grounded in pragmatism, ideological flexibility, and diplomatic maneuvering, allowing the country to maintain a stable and autonomous position within the Cold War power configuration. The consistent application of the principles of non-alignment enabled Yugoslavia to assert its national interests and preserve relative independence from both superpowers constituting one of the key pillars of its foreign policy strategy during this historical period.

#### SUMMARY

During the presidency of John F. Kennedy, U.S. policy toward Yugoslavia was based on the concept of "soft power," that is, the provision of economic and political assistance aimed at encouraging liberalization and distancing the country from the Soviet sphere of influence. Despite the socialist character of the Yugoslav regime, the American administration demonstrated pragmatism and a willingness to cooperate, with the objective of drawing Yugoslavia closer to the West.

Lyndon Johnson's accession to power marked a shift toward a more realist model of foreign policy, grounded in the theories of political realism

and based on conditioning assistance on the clear alignment of Yugoslavia's foreign policy orientation with American strategic interests. Although the conceptual approach differed, the fundamental objective—preserving Yugoslavia's independence and stability through support for Tito's model of “independent communism”—remained unchanged.

While economic and cultural cooperation remained stable, political relations became increasingly cautious on both sides. The United States maintained its skepticism toward Yugoslav communism, whereas Yugoslavia voiced ever more open criticism of American interventionist policies. Johnson's policy preserved the basic framework of Kennedy's approach, but with greater pragmatism and altered priorities. Yugoslav foreign policy remained flexible, balancing between the blocs and consistently relying on the principles of non-alignment throughout the Cold War.

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## Резиме

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### НА РАСКРШЋУ НАЦИОНАЛНИХ ИНТЕРЕСА: ТИТО И ЏОНСОНОВА АДМИНИСТРАЦИЈА 1964. ГОДИНЕ

АПСТРАКТ: У фокусу истраживања је анализа кључних детерминанти и садржинских одредница југословенско-америчких односа након ступања на дужност председника Линдона Б. Џонсона 1964. године. Посебна пажња посвећена је процесу јачања покрета несврстаних, који је своју кулминацију достигао на Конференцији у Каиру, као и позитивним одјецима тог скупа по међународни положај Југославије. Рад се заснива на истраживању архивске грађе из релевантних фондова Архива Југославије и Дипломатског архива Министарства спољних послова, као и на анализи одговарајуће научне и стручне литературе.

КЉУЧНЕ РЕЧИ: Југославија, Сједињене Америчке Државе, Јосип Броз Тито, Линдон Џонсон, несврстане земље, Совјетски Савез, билатерални односи

Током мандата Џона Ф. Кенедија, америчка политика према Југославији заснивала се на концепту „меке моћи”, односно пружању економске и политичке помоћи ради подстицања либерализације и удаљавања од совјетске сфере утицаја. Упркос социјалистичком карактеру југословенског режима, америчка администрација показивала је прагматизам и вољу за сарадњом, с циљем приближавања Југославије Западу. Долазак Линдона Џонсона на власт означава прелазак на реалистички модел спољнополитичког деловања, утемељен у теоријама политичког реализма који се заснива на условљавању помоћи јасним усаглашавањем југословенске спољнополитичке оријентације са америчким стратешким интересима. Иако је концептуални приступ био другачији, основни циљ очување југословенске независности и стабилности кроз подршку Титовом моделу „независног комунизма“ остао је непромењен. Док је економска и културна сарадња била стабилна, политички односи су постајали обострано опрезнији. Америчка страна је задржала скептици-

зам према југословенском комунизму, док је Југославија све отвореније критиковала америчку политику интервенционизма. Џонсонова политика задржала је основне оквире Кенедијевог приступа, али с наглашеном прагматичношћу и измењеним приоритетима. Југословенска спољна политика остала је флексибилна, балансирајући између блокова и доследно се ослањајући на принципе несврстаности током Хладног рата.