

VISIT OF PRESIDENT TITO AND CANADA-YUGOSLAV RELATIONS

President Josip Broz Tito, of the Socialist Federal Republic of Yugoslavia, and Madame Broz paid a state visit to Canada from November 2 to 7, at the invitation of Governor-General Roland Michener. President Tito's visit served both to highlight the significant progress made in Canadian-Yugoslav relations and to further the cause of better understanding and co-operation between the two countries.

President Tito was accompanied by Mr. Kiro Gligorov, Member of the Presidency of the SFRY; Mr. Vidoje Zarkovic, President of the Assembly of the Socialist Republic of Montenegro and Member of the Presidency of the SFRY; Mr. Mirko Tepavac, Federal Secretary for Foreign Affairs, and Madame Tepavac; Mr. Mirjana Krstinic, Member of the Federal Executive Council; and others.

During their stay in Canada, President Tito and his party held official talks in Ottawa and visited Quebec City and Halifax. In Ottawa, Governor-General Roland Michener gave a state dinner in honour of President Tito and Prime Minister Trudeau entertained him at lunch. President Tito was also introduced to Parliament. A group of senior businessmen was presented to the President by the Minister of Industry, Trade and Commerce, Mr. Jean-Luc Pepin. The President and his party visited various scientific, cultural, educational and industrial places of interest. In the Province of Quebec the President and his party toured Quebec City and were entertained at a dinner given by the Prime Minister of Quebec, Mr. Robert Bourassa. In Halifax, President Tito was the guest of honour at a dinner given by the Premier of Nova Scotia, Mr. Gerald Regan, and was the recipient of an honorary degree from Dalhousie University.

President Tito had official talks with Prime Minister Trudeau, while separate discussions were held between Mr. Tepavac, Federal Secretary for Foreign Affairs, and the Secretary of State for External Affairs, Mr. Mitchell Sharp. Mr. Gligorov and Madame Krstinic held discussions with Mr. Edgar Benson, Minister of Finance, as well as with Mr. H.T. Aitken, President of the Export Development Corporation. All these discussions, held in a spirit of frankness, cordiality and mutual understanding, provided an opportunity for a wide-ranging exchange of views on the current state and future prospects of Canadian-Yugoslav relations, as well as on international questions of common interest. Views were also exchanged on the current problems and future development of federal states.

FOREIGN POLICY

The Canadian side outlined the basic aims of Canadian foreign policy, including the aim of working both with allies and other countries for the promotion of international peace, stability and understanding. The Yugoslav side elaborated the orientation of Yugoslavia's foreign policy, based on the principle

of non-alignment. It was noted that the non-aligned countries had a useful role to play, together with all other countries, in promoting peaceful solutions to international problems and in encouraging wider co-operation among all countries, irrespective of differences or similarities.

Both sides affirmed the attachment of Canada and Yugoslavia to the cause of international peace and security and the improvement of relations between states on the basis of the principles of non-interference in internal affairs, renunciation of the use or the threat of force, mutual confidence, reciprocity and the settlement of disputes by peaceful means in accordance with the purposes and principles of the United Nations Charter. They also stated their conviction that peaceful relations between states are possible only in conditions of respect for sovereign equality, including the right of every state freely to choose and develop its political, social and economic systems, for independence and the territorial integrity of states and inviolability of frontiers.

Both sides, bearing in mind the specific features and approaches of the two countries, expressed the conviction that the future development of their relations was in the interest not only of the peoples of Canada and Yugoslavia but also of international co-operation generally. With this in mind they undertook to increase the frequency of consultations at various levels on matters of common interest.

TRADE RELATIONS

The two sides noted the increased volume of commercial exchanges between Yugoslavia and Canada and particularly the increasingly prominent role which finished goods have come to play in this trade. They reviewed current trade relations and announced their intention to renew the present bilateral trade agreement. They will pursue efforts to further develop and facilitate the flow of trade and other commercial exchanges between the two countries. They noted with satisfaction the recent increase in Canadian exports to Yugoslavia and agreed that a similar development of Yugoslav exports to Canada was desirable.

DEVELOPMENT LOANS

Both sides noted the important role of the Canadian Export Development Corporation in the growth of economic co-operation between Canada and Yugoslavia. It was noted that the value to date of the Export Development Corporation loans to Yugoslavia amount to some \$20 million and that complete agreement had been reached on a new loan of about \$40 million for the sale of locomotives, which will be signed in the near future. In addition, negotiations are underway between the Export Development Corporation and five major Yugoslav enterprises representing loans amounting to some \$100 million for projects