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# Yugoslav-American Relations in 1941: Yugoslav Delegation's Presentation of Peace Aims to the Council on Foreign Relations

## *Abstract*

The paper analyzes the bilateral meeting of Yugoslav delegates and representatives of the New York *Council on Foreign Relations* held after the “April War” in 1941 with regard to collecting political information for the requirements of the presidential administration of Franklin D. Roosevelt. The Yugoslav minister in Washington, Konstantin Fotić, led intensive diplomatic activities on the territory of the United States with the aim of securing American aid for the reconstruction of Yugoslav statehood in the ensuing international order upon the completion of the World War. In addition to Fotić, Jozo Tomašević participated in the conversation with the American academic elite from the New York *Council on Foreign Relations*, and presented the economic goals for the development of Yugoslavia. On behalf of the State Department, the Council gained insight into the Yugoslav political and economic situation and prepared several memorandums on Balkan relations for the needs of the American government in the implementation of the post-war arrangement of world politics.

## *Keywords:*

Franklin Delano Roosevelt, Council on Foreign Relations, The Inquiry, Kingdom of Yugoslavia, Konstantin Fotić, Jozo Tomašević, Hamilton Fish Armstrong

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SERBIA'S WORLD WAR ONE MISSION AND THE  
BEGINNING OF THE INSTITUTIONAL NEXUS OF  
THE NEW YORK COUNCIL ON FOREIGN RELATIONS  
AND THE UNITED STATES' GOVERNMENT

The study of International Relations emerged after the Great War with the first independent research institutes, which have had a great influence on the development of theoretical frameworks concerning international relations and practical international politics to this day. In 1920, the British Royal Institute for International Affairs was formed in London (*Chatham House*); a year later, the *Council on Foreign Relations* (hereinafter: CFR) formally began its work in New York.<sup>1</sup> The very next year, in 1922, another think tank was created in America, the *Chicago Council on Foreign Relations* (today: *Council on Global Affairs*). Irrespective of the fact that the CFR from New York commenced work in 1921, it had been preceded by the establishment of President Woodrow Wilson's advisory body, called *The Inquiry*, as well as the work of the American delegation involved in the Paris Peace Conference.<sup>2</sup> *The Inquiry* was created by order of the President a few months before the American declaration of war on Germany in 1917, and was comprised of the academic elite whose task was to prepare the US government's plan for a comprehensive peace process and reaching an end to the military conflict. The preparatory committee for the participation in the Paris conference acted according to the instructions of "Colonel" Edward M. House, the leader of the mentioned political body and the proto-national security adviser of the American president. The committee conducted studies for the purpose of resolving the problematic relations in almost all areas of the world and formally proposed solutions for the territorial problems on the basis of such studies to Wilson, which he proclaimed in the "Fourteen Points". A large number of *The Inquiry's* proposals, including solutions for Western Europe, the Balkans, Poland, the Middle East and a system of mandated territories, were incorporated into the final peace decisions of the Paris Peace Conference.<sup>3</sup> The Council's flagship magazine, *Foreign Affairs*, began its work in 1922, and leading International Relations authorities and Social sciences intellectuals have been publishing their works and papers to date.

The Serbian political elite contributed to the work of *The Inquiry* by gathering the necessary information during the visit of the "*Serbian War*

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<sup>1</sup> Dragan R. Simić, *Svetska politika*, Fakultet političkih nauka, Čigoja štampa, Beograd, 2009, p. 16.

<sup>2</sup> Laurence H. Shoup, William Minter, *Imperial Brain Trust*, MR, New York, 1977, p. 13.

<sup>3</sup> Lawrence E. Gelfand, *The Inquiry, American Preparations for Peace, 1917–1919*, New Haven and London, Yale University Press, 1963, pp. x–xi.

*Mission*" to Washington in late 1917 and early 1918. Members of the Serbian mission presented the Serbian national goals to Secretary of State Robert Lansing, Chief of Staff Tasker Bliss and Edward House. On that occasion, *The Inquiry* prepared a part of the memorandum dedicated to Balkan relations, which was to be discussed at the upcoming Peace conference, and which referred to the solution of the Serbian question. At Wilson's request, Edward House held a meeting on January 5<sup>th</sup> with the head of the Serbian mission, Milenko Vesnić, at which time they discussed Serbia's post-war plans. The Serbian delegate emphasized the vision of "the end of German-Hungarian domination".<sup>4</sup> Once Vesnić had delivered a speech at the Senate on January 5<sup>th</sup>, 1918, his address was also attended by Hamilton Fish Armstrong, a young lieutenant in the US Army who was assigned by the State Department to accompany the Serbian delegation.<sup>5</sup> Thus, one of the CFR's key figures and long time *spiritus movens* would be historically destined to devote a considerable amount of academic work and foreign policy analysis to the two state forms of Yugoslavia and the development of the geopolitical situation in the Balkans.

The end of World War One put the USA in the position of the leading country in world politics. President Wilson intended to use the newly formed position of America to create the international institution of the League of Nations, which would work on the creation of a system for collective security and the preservation of peace. Since the US Senate had not ratified the Paris Peace Conference treaties, nor had it accepted US participation in the League of Nations, America distanced itself from European politics. However, certain political, business and intellectual circles in America believed that a situation like the one on the eve of the First World War, when Washington had been insufficiently informed about global events and was outside the loop when it came to world politics, must not occur, which is why President Wilson initially created *The Inquiry*. One of the ways for interested circles in America to follow the course of international and world politics was through the CFR organization in New York. A crucial feature of the Council was "continuous conference" on international affairs. In the first years, general meetings were organized for prominent statesmen. For instance, the Council sponsored a

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<sup>4</sup> Dragoljub R. Živojinović, *U potrazi za zaštitnikom*, Albatros plus, Beograd, 2011, pp. 144-145. About „Serbian War Mission“ see: Dr Ubavka Ostojić-Fejić, *Sjedinjene Američke Države i Srbija 1914-1918*, Institut za savremenu istoriju, Beograd, 1994, pp. 146-152; Bogdan Krizman, *Srpska ratna misija u SAD* (decembar 1917-februar 1918), *Jugoslovenski istorijski časopis*, 1-2, Beograd, 1968, pp. 43-73.

<sup>5</sup> Mabel Grujić, *Kratak pregled o ulozi Amerike u svetskom ratu u vezi sa našom zemljom*, 1934, p. 11. Cited according to: Bogdan Krizman, *Srpska ratna misija u SAD* (decembar 1917-februar 1918), op. cit., p. 61.

November 1922 appearance in New York by former Prime Minister George Clemenceau of France. After 1929, the meetings brought foreign statesmen, as well as American officials. Occasionally, such meetings were to be used for the delivery of an important statement. From 1921 to 1938, every Secretary of State made an important foreign policy address at one Council session at least. From 1927, the CFR paid more systematic attention to the study and research program, and this aspect of the Council's work became its most important activity as years went by. The Council invited prominent diplomats and politicians to address its members on a monthly basis in order to keep its members informed of the latest developments and opinions in world affairs. It also organized specialist study groups to focus on particular aspects of foreign affairs, such as Soviet Russia (1923), the Far East (1924), Anglo-American relations (1928) etc.<sup>6</sup> Until the outbreak of World War II, the CFR held working meetings, discussing key world problems and processes, such as the problems of economic reconstruction in Europe, the World Economic Crisis, the French quest for security and militarization on a global scale.<sup>7</sup>

## INTERWAR RELATIONS BETWEEN THE UNITED STATES AND THE KINGDOM OF YUGOSLAVIA

As a consequence of the dramatic world changes occurring at the onset of the Second World War in 1939, the political bilateral relations of the Kingdom of Yugoslavia and the United States gained importance.<sup>8</sup> Prior to that, for

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<sup>6</sup> Inderjeet Parmar, *Think Tanks and Power in Foreign Policy*, Palgrave Macmillan, New York, 2004, p. 108.

<sup>7</sup> Robert D. Schulzinger, *The Wise Men of Foreign Affairs, The History of the Council on Foreign Relations*, New York, Columbia University Press, 1984.

<sup>8</sup> The subject of research related to Yugoslav-American relations in the period at the beginning of the Second World War (1939–1941) refers us to some of the important works in domestic and foreign literature. Regardless of the relatively small number of existing works, their importance is reflected on the interpretation of mixed historical sources and documentary material. Linda Kilen's monograph *Testing the Peripheries, US–Yugoslav Economic Relations in the Interwar Years*, Columbia University Press, New York, 1994, is an essential and indispensable study of the relations between the two countries, predominantly of an economic nature in the period between the two world wars. Among the works of Serbian authors, the best known is Vojislav Pavlović's, *Od monarhije do republike – SAD i Jugoslavija (1941–1945)*, Clio, Beograd, 1998, as well as Nataša Miličević's, *Jugoslovensko–američki odnosi u predvečerje Drugog svetskog rata, Institut za stratezijska istraživanja*, n. 2/2008, Beograd, 2008. An essential work on the interwar Yugoslav emigration in the US is the study by Vesna Đikanović,

the duration of the entire period between the world wars, both countries insufficiently exploited the potential of bilateral relations, which is why there was an intention of deepening mutual ties. With the exception of the problem related to the negotiations regarding the formal regulation of war debts from the First World War, there were no significant open issues. Considering the isolationistic impulses, the interwar diplomacy of the State Department perceived Yugoslavia as an actor of minor importance, considering that it held the place of a distant peripheral state in the economic sense. Therefore, in the global economic vision that the US advocated in the 1920s, Yugoslavia did not possess the strategic importance for achieving international economic and political stability. During the 1930s, the Americans did not view Yugoslavia as necessary market for the placement of American goods. Beyond its own vision, grounded on regional relations, the young and underdeveloped Yugoslav state had difficulty incorporating the American factor into the process of its own development. Similarly to the American administration, the Yugoslav government viewed the United States as a distant country of little importance for Yugoslav interests and rarely relied on in political calculations, so it mostly depended on France instead. To the Yugoslavs, the gigantic economic power of America represented a synthesis of contradictory qualities, which is why the role of the US was only occasionally in the focus of the Yugoslav understanding of world politics. While the Kingdom's foreign trade was indeed of marginal importance to the United States, a different situation unfolded in the opposite direction. The Yugoslav government considered the US one of the key sources of financial capital from abroad, although they did not provide as much money as was necessary to meet all needs. What is more, the competition in the sale of agricultural products, which is what the two nations considered each other, did not favor the economic and internal processes for the development of Yugoslavia.<sup>9</sup>

Economic and political bilateral relations during the 1920s involved the issue of regulating war debts and realizing the "Blair loan" through the sale of royal government bonds on the American stock exchange. At a later date, during the next decade, until the beginning of the world war, negotiations conducted

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*I seljavanje u Sjedinjene Američke Države, jugoslovensko iskustvo 1918–1941*, Institut za noviju istoriju Srbije, Beograd, 2012. while the prominent works by Croatian authors are the English-language monograph *American Foreign Policy and Yugoslavia, 1939–1941*, Texas College Station, 1999. by the American Croat Ivo Tasovac and Mario Jareb's, *Američka diplomacija i Kraljevina Jugoslavija uoči i nakon Travanjskoga rata*, as part of the thematic collection of works "Srbi i rat u Jugoslaviji 1941. godine", Beograd, 2014.

<sup>9</sup> Linda Killen *Testing the Peripheries*, op. cit., pp. 208–211.

regarding the signing of a trade agreement were unsuccessful.<sup>10</sup> According to Linda Killen, the lack of hard currency in mutual trade presented a permanent problem for Yugoslavia, although the US was one of its leading partners only when countries that did not use clearing accounts and the compensation trade system were taken into account. The difference in understanding the concept of free trade between Belgrade and Washington influenced the fact that Yugoslavia did not want to abandon the clearing method and practice in foreign trade with the largest partners for the sake of uncertain economic concessions from the United States.<sup>11</sup> During the World Economic Crisis of 1930, the permanent impotence of Yugoslavia culminated in an attempt to be competitive with cheap American grain on the world market. For the entire decade after the First World War, Yugoslav agricultural producers were severely affected by the mass distribution of agricultural products to Europe from overseas countries, mostly from the US, whose prices were so low that if Yugoslav producers were to sell these products at the prices set by the exporters from America, they could not even cover the basic production costs.<sup>12</sup>

The real danger of the outbreak of the Second World War in world politics in the second half of the thirties gradually began to influence the intensification of bilateral political ties between the Kingdom of Yugoslavia and the United States. With the aim of bolstering military strength, the Yugoslav government tried to purchase weapons from the US. In attempts to secure American military and political assistance for the purposes of waging war, Minister and Ambassador in Washington, Konstantin Fotić, was convinced in 1940 “that the USA would not stop until they achieved the goal that political relations in Europe should be determined and dominated by the Anglo-Saxon powers and not the Axis”.<sup>13</sup> In view of Fotić’s unsuccessful efforts, Prince Regent Pavle Karađorđević sent a top-secret military mission to procure weapons from America under the leadership of Dr. David Albala, a trusted diplomat and soldier who had gained negotiation experience among influential circles from the United States during World War I.<sup>14</sup>

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<sup>10</sup> Predrag Krejić, Mitar Todorović, *Jugoslovensko-američki odnosi 1918–1945, Zbornik dokumenata*, Arhiv Jugoslavije, Beograd, 2015, pp. 198–199, 205–207.

<sup>11</sup> Linda Killen, *Testing the Peripheries*, op. cit., p. 174.

<sup>12</sup> Serbian Academy of Sciences and Arts Archives (hereinafter: SASA Archives), document n. 14439/489, O teškoj agrarnoj krizi u Jugoslaviji, Rumuniji, Bugarskoj i Mađarskoj u godini 1930.

<sup>13</sup> Predrag Krejić, Mitar Todorović, *Jugoslovensko-američki odnosi 1918–1945*, op. cit., pp. 243–244, 248–249, 290.

<sup>14</sup> *Dr David Albala, Specijalni delegat pri Jugoslovenskom kraljevskom poslanstvu u Vašingtonu 1939–1942*, dr Đorđe N. Lopičić (Ed.), Beograd, 2010; Milan Koljanin,

The US did not view Yugoslavia's possible entry into the Triple Pact with favor and approval. In fact, they tried to distance it from the Axis powers and bring it closer to the Anglo-Saxon bloc, whereby they first signaled encouraging intentions of providing material aid to countries that would fight against the Axis alliance.<sup>15</sup> The German advance rapidly created changes in international politics, owing to which the American administration began sending harsher, sometimes even threatening diplomatic notes and messages to the Yugoslav authorities, which culminated during Colonel William Donovan's mission in Belgrade in January 1941. By the middle of March, a diplomatic dilemma hung over the head of Prince Pavle, not alleviated by the fact that not a single world power wanted a neutral Yugoslavia.<sup>16</sup> The difficult position in which Pavle found himself is well illustrated by his statement in a conversation with the American minister in Belgrade, Arthur Bliss Lane, that "he would rather be dead than wait for this moment", considering that he had "sacrificed personal feelings" because of what he had had to do with regard to the issue of entering the Tripartite Pact.<sup>17</sup> After the March coup in Belgrade, Under secretary Sumner Wells expressed his understanding for neutrality expressed by the royal government with the aim of preserving sovereignty, since that act was in line with the American policy of preventing allied ties between neutral countries and the Axis. After the German attack on Yugoslavia on April 6<sup>th</sup>, Secretary of State Cordell Hull had no choice but to strongly condemn the German invasion and promise military aid. Two days later, the president himself sent a consoling message to King Peter II, assuring him that he would send material aid from America as soon as possible in accordance with the existing formal United States' statutes.<sup>18</sup> Nevertheless, the quick Yugoslav defeat made American military aid unnecessary. The absence of a practical reaction from the American administration regarding the German invasion and the lack of military aid in the "April War", enabled German propaganda to directly blame President Roosevelt for the "ruin of Yugoslavia", accusing him of "working" through Arthur B. Lane and William

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Druga misija dr Davida Albale u Sjedinjenim Američkim Državama 1939–1942, *zbornik Jevrejske studije*, br. 8, 2003, Beograd, pp. 7–76.

- <sup>15</sup> Predrag Krejić, Mitar Todorović, *Jugoslovensko-američki odnosi 1918–1945*, op. cit., p. 303.
- <sup>16</sup> Jacob B. Hoptner, *Jugoslavija u krizi 1934–1941*, Otokar Keršovani, Rijeka, 1972, p. 211, 217.
- <sup>17</sup> SASA Archives, doc. n. 14387/8663.
- <sup>18</sup> Predrag Krejić, Mitar Todorović, *Jugoslovensko-američki odnosi 1918–1945*, op. cit., pp. 305–308.

Donovan on Yugoslavia's entry into the war.<sup>19</sup> After the defeat of Yugoslavia and its occupation, the US continued to officially recognize the Yugoslav Government in exile and its minister in Washington, longtime Serbian and Yugoslav diplomat, Konstantin Fotić.

## WORLD WAR II, THE NEW YORK COUNCIL ON FOREIGN RELATIONS AND YUGOSLAV FORUM PREPARATION

Even before the attack on Pearl Harbor and entry into the war on December 7<sup>th</sup>, 1941, the United States had initiated a grandiose political project to determine America's role in the future architecture of the international order after World War II. The American administration received strategic and academic assistance from the New York *Council on Foreign Relations* and its intellectual force. Given that its members held bilateral talks with the representatives of various countries, as well as the representatives of Yugoslavia in 1941 for the requirements of the American administration, it is, therefore, important to explain the structure and nature of the organization's connection with the executive authorities and the presidential administration of Franklin D. Roosevelt. When Hamilton F. Armstrong, the Vice President of the CFR Board of Directors at the time, held the first in a series of meetings with US government officials on September 12<sup>th</sup>, 1939, this signified the beginning of a specific cooperation between the White House and the CFR intellectual elite, with the aim of formulating American foreign policy for the purpose of participation in World War II.<sup>20</sup> Their joint work made sense if one were to take into account the lack of professional staff in the American administration for studying different parts of the world and relations with them. Experts were divided into groups according to their professional orientations for the formulation of security, political, economic and territorial goals after the World War.<sup>21</sup> With the increased responsibility of the United States in international affairs, it was crucial to intensify the participation of the intellectual elite in the articulation of American foreign policy. The special relationship between the Roosevelt administration and the CFR intelligentsia produced the adequate

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<sup>19</sup> SASA Archives, doc. n. 14387/8648. On December 21<sup>st</sup>, 1941, a lengthy text was printed on the front page of the pro-Nazi daily paper "Novo vreme" under the title "Roosevelt is to Blame for the Collapse of Yugoslavia".

<sup>20</sup> Council on Foreign Relations, Inc., *The War and Peace Studies of the Council on Foreign Relations 1939–1945*, The Harold Pratt House, New York, 1945, p. 2.

<sup>21</sup> George Gavriliš, *Council on Foreign Relations – A Short History*, Council on Foreign Relations, New York, 2021, p. 25.

institutional synergy for the enterprise of creating a postwar international system, in which the United States would occupy a prominent place.

The emergence of new American foreign policy goals upon the fall of France in June 1940 and the German geopolitical advancement in Europe led to the formation of a new CFR work group in May 1941, called "*Peace Aims of European States*". This group functioned independently of other CFR groups; its chief task was to formulate the postwar intentions of European states, and it was supposed to conceptualize the vision of foreign governments in shaping the international system. During the talks with the CFR, every European country was represented by a political expert, as well as an expert in economic sciences who would present the economic conditions of their country. Along with reports and discussions, they were tasked with presenting the basic national aspirations of their countries for a peace period after the war conflicts.<sup>22</sup>

Before the American declaration of war on Germany, Japan and Italy, Konstantin Fotić had informed the CFR about the situation in Yugoslavia on two separate occasions. The first meeting, held in 1939, was not formally documented in Yugoslav sources, nor did Fotić mention it in his memoirs. He only briefly commented in his official report that he had spoken before the CFR about the international position of Yugoslavia in Southeast Europe and the beginning of the world war.<sup>23</sup> The second meeting took place on August 5<sup>th</sup>, 1941 and it brought the Yugoslav political-economic situation after the "April War" much closer to the American political elite.

## THE FIRST INQUIRY REGARDING WORLD WAR II: KONSTANTIN FOTIĆ'S MEETING AT THE CHICAGO COUNCIL ON FOREIGN RELATIONS

The prelude to the main Yugoslav-American panel organized by the CFR from New York in 1941 was a bilateral meeting of the Yugoslav minister with the planners of the Council on Foreign Relations from Chicago (now the *Council on Global Affairs*) held on May 1<sup>st</sup>, 1941. Konstantin Fotić presented the details of the political and economic situation in Yugoslavia to the Chicago organization in the presence of the Consuls General of Czechoslovakia and Poland. In his address to the Council, he referred to the fact that, during the war, Yugoslavia defended not only the universal right to freedom and justice

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<sup>22</sup> Council on Foreign Relations, Inc., *The War and Peace Studies of the Council on Foreign Relations 1939–1945*, op. cit., p. 5.

<sup>23</sup> Predrag Krejić, Mitar Todorović, *Jugoslovensko-američki odnosi 1918–1945*, op. cit., p. 342.

that both the US and Yugoslavia had inherited, but also the principles of democracy. In accordance with the basic principles on which the free world rested, Yugoslavia and the United States were on the same side of history.<sup>24</sup> The meeting discussed the causes of the war in the Balkans and the possibilities for its end from the Yugoslav perspective. Fotić did not miss the opportunity to accuse Hungary and Bulgaria not only of the downfall of Yugoslavia, but also that of Greece, and expressed his satisfaction that President Roosevelt himself had mentioned those countries in a negative context and condemned them in public.<sup>25</sup> From the very beginning, Yugoslavia's war against Germany was under the burden of unresolved diplomatic conflicts with the two countries, and in a hypothetical alternate distribution of forces, the Yugoslav contribution to the allied effort against Germany would have been more effective.<sup>26</sup> He explained in detail the conspiracy that had led to the assassination of King Alexander in Marseilles in 1934.<sup>27</sup>

The most important impression from the meeting was related to Fotić's observation that the Second World War was unlike any other previous war. According to his observation, the war represented an aggressively imposing project of a totalitarian ideological concept and way of life against the common values shared by Yugoslavia and the United States.<sup>28</sup> The European conflict did not occur solely owing to territorial conflicts or national intolerances, but due to different ideological conceptions of totalitarian and democratic systems, leading to the collapse of civilization. A considerable number of small states used the conflict of great powers as an opportunity to promote their non-democratic principles arising from distorted philosophical interpretations of statehood and an insufficient level of cultural development. Fotić concluded that such states were enemies of democracy and that they would always represent a danger to the foundations of civilization.<sup>29</sup> In order to resolve conflicts between small states, the prerequisite was that democratic and totalitarian contradictions should be resolved between great powers on a global, systemic level. Fotić justified his unequivocal position by expressing his opinion that small states did not fall under the influence of Germany because of their weakness, but because their ideology and culture were on the

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<sup>24</sup> Archives of Yugoslavia, Records of the Legation of the Kingdom of Yugoslavia in the United States of America - Washington D.C (hereinafter: AY), doc. n. 371-82-55

<sup>25</sup> AY, doc. n. 371-82-56

<sup>26</sup> AY, doc. n. 371-82-58

<sup>27</sup> AY, doc. n. 371-82-62

<sup>28</sup> AY, doc. n. 371-82-56

<sup>29</sup> AY, doc. n. 371-82-57

same level as those of the Axis powers. He saw the dominance of Germany and its satellites as the responsibility of the Western allies, primarily because they had not established and maintained a new order in Europe after the First World War, which would have solved the problem of national minorities with the levers of democracy. Accordingly, Hitler would not have been able to use the problems of minorities in order to undermine universal human principles.<sup>30</sup> The moment Yugoslavia had decided to oppose the aggressor, Hungary and Bulgaria accused the government in Belgrade of endangering the rights of the members of their nations in Yugoslavia. Until that time, the issue of the rights of the Hungarian and Bulgarian minorities had not been actualized as problematic for the interests of those national groups. Fotić used the Yugoslav example to show Hitler's policy of manipulating the problems of national minorities in international politics, given that the Hungarian-Bulgarian attack on Yugoslavia was not of existential importance to those minorities.<sup>31</sup>

During the meeting, the Chicago Council members gained insight into several topics: why Yugoslavia entered the war, how the events of the war had occurred and how it contributed to the war efforts of the Allies. The first topic stirred the most emotions, given that Yugoslavia had paid for the military neutrality with human sacrifices and by losing the country. With the German troops in Romania, maintaining neutrality had become increasingly difficult, which is why the government had signed the Tripartite Pact. Most of its officials did not believe in Hitler's promises that he would not send the army through Yugoslavia, and many of them had welcomed the state coup in Belgrade with approval. According to Fotić, Simović's government enjoyed the support of all parties in Yugoslavia, including the Croatian and Slovenian parties, some of whose members had become ministers. The new government immediately confirmed access to the Triple Pact, but this was not enough to deter the German attack.<sup>32</sup> The Council was informed of the destruction of Belgrade irrespective of the fact that the city had declared a free city status. It was important to know that Hitler was waging a special media war against Yugoslavia. The CFR from New York elaborated on a lot more about the special warfare against Yugoslavia in a special report on the measures for warfare using psychological methods.<sup>33</sup> The characteristic of the psychological pressure on Yugoslavia was that there were no reports in the media about the

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<sup>30</sup> AY, doc. n. 371-82-59

<sup>31</sup> AY, doc. n. 371-82-60

<sup>32</sup> AY, doc. n. 371-82-68

<sup>33</sup> Council on Foreign Relations, Inc., *The War and Peace Studies of the Council on Foreign Relations 1939-1945*, op. cit., p. 27.

destructions. The reason the news was withheld was that both the German and the puppet regimes viewed Yugoslavia as an artificial creation whose collapse was the natural conclusion of the Versailles process.<sup>34</sup>

Konstantin Fotić's report to the representatives of the Chicago Council on the political situation in Yugoslavia, with remarks on the Serbian-Bulgarian relations, displayed the Yugoslav minister's resentment due to the abolition of international law and the non-implementation of international agreements on non-aggression. As an already experienced diplomat in Washington, Fotić understood the potential of American power, which could bring a decisive advantage in world politics. That is why he asked for the support of the American people to participate in the shaping of Yugoslavia's future and for help to repair the destruction of Yugoslavia.<sup>35</sup>

#### GRAND CONVENTION: PRESENTATION OF THE POLITICAL AIMS OF YUGOSLAVIA TOWARDS THE COUNCIL ON FOREIGN RELATIONS IN NEW YORK

Hamilton Fish Armstrong, President of the CFR *Peace Aims of European States* group, contacted Fotić to participate in a conference on Yugoslavia's peace goals, organized by the Council in June. The invitation came at a time when the German and Italian press had intensified articles in which the policy of President Roosevelt, Under secretary Sumner Wells and Colonel William Donovan were directly blamed for the disaster of Yugoslavia.<sup>36</sup> In addition, in accordance with the program of the Council, where the foreign delegation was represented by a political economy expert, Dr. Josip Tomašević's arrival was awaited. He had written an essay on Yugoslav economic policy and its goals in international relations.<sup>37</sup> An alumnus of the Rockefeller Institute, Tomašević was known as a financial expert, since he was the author of several scientific works and had an insight into how the Yugoslav National Bank from Belgrade functioned, as he was a former employee.<sup>38</sup> The fact that the Council intended to cover the travel expenses of Jozo Tomašević from California

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<sup>34</sup> AY, doc. n. 371-82-69

<sup>35</sup> AY, doc. n. 371-82-64

<sup>36</sup> Predrag Krejić, Mitar Todorović, *Jugoslovensko-američki odnosi 1918-1945*, op. cit., p. 318.

<sup>37</sup> AY, doc. n. 371-82-73

<sup>38</sup> J. Tomašević published a number of economic studies, most prominently the following: *Financijska politika Jugoslavije: 1929-1934*, *Novac i kredit* and *Die Staatsschulden Jugoslaviens*.

to New York shows how important it was to present the Yugoslav political and economic peace goals equally.<sup>39</sup> Philip Moseley, secretary of the “Peace Group” and Professor at Cornell University, had informed the Yugoslav delegates before the meeting that all recorded excerpts from the talks would be strictly confidential and that the group would study their reports from a scientific point of view. A written minutes of the meeting was to be kept strictly confidential.<sup>40</sup> The Council’s consideration of the interests of foreign actors was based on the coordination of the presentation of political and economic content, and in this sense, the report of only one delegate would not be satisfactory.<sup>41</sup>

In addition to President Hamilton F. Armstrong and the group’s secretary Philip Moseley, the “Peace Group” intended for discussion with Yugoslav delegates was comprised of experts from the American universities of Harvard, Princeton and Columbia. The representatives, who would later become known to the general public, included influential historian William Langer, Colonel William Donovan, Director of the Office of Strategic Services, the forerunner of the CIA and Allen Dulles, the future Director of the Central Intelligence Agency.<sup>42</sup> Donovan was familiar with the Yugoslav diplomatic and foreign policy dilemma as he had previously visited Belgrade on a special mission.<sup>43</sup> Conversely, Fотиć knew that the “Peace Group” was an unofficial institution of experts with an advisory role in the American administration dealing with foreign affairs. Scientific papers and lectures were strictly kept secret and confidential reports were drafted on the basis of bilateral meetings with foreign actors.<sup>44</sup> He was correct to think that the victors would set up a new architecture of the international order after the war; he believed that the peoples of Yugoslavia should be united and should participate in the process of the world’s political transformation.<sup>45</sup> The documented correspondence between the Yugoslav delegates provides information that Tomašević had prepared a special paper of the postwar reconstruction of Yugoslavia, its need for international loans and access to the markets of raw materials. It was essential to indicate to the CFR the consequences of German-Italian

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<sup>39</sup> AY, doc. n. 371-82-80

<sup>40</sup> AY, doc. n. 371-82-76

<sup>41</sup> Predrag Krejić, Mitar Todorović, *Jugoslovensko-američki odnosi 1918–1945*. op. cit., pp. 342–343.

<sup>42</sup> AY, doc. n. 371-82-78

<sup>43</sup> Vojislav Pavlović, *Od monarhije do republike*, op. cit., pp. 9–13.

<sup>44</sup> AY, doc. n. 371-82-86

<sup>45</sup> AY, doc. n. 371-82-88

occupation on the economic system and the problems of Yugoslav adaptation to the new economic reality. One of the topics was the possible reception of German reparations, given that Yugoslavia had had exceedingly bad experiences with the reparation issue from the defeated powers after the First World War, although it had pursued an active policy based on the decisions of international institutions.<sup>46</sup> All these issues were potentially important topics for discussion at a hypothetical international conference in the future, just like the issues discussed at the Paris Peace Conference (1919–1920).

The agenda for the meeting of August 5<sup>th</sup>, 1941, covered areas of prime importance to the American understanding of Yugoslavia's position in the war, as well as its position in world politics in general. The presentation of the delegation was formally recorded in a special document entitled "*Studies of the Peace Aims of European Nations; Yugoslav Peace Aims*". The structure of the discussion was composed of issues concerning Yugoslavia, such as territorial borders, relations with neighboring countries, issues regarding the position of national minorities, the problem of internal reconstruction of the state – including political and economic aspects, as well as Yugoslavia's position in international relations. American representatives wanted to find a place of Yugoslav interests within the framework of the future European order with regard to security, economic and political arrangements. They were interested in whether Yugoslavia would be better suited to a universal system of implementing a peace settlement or relying on a regional concept of peace cooperation in Europe. A special aspect that was unequivocally felt as the shadow topic of the meeting was how the Yugoslav delegates viewed the potential role of the United States in postwar events and how Yugoslav decision makers would understand the role of the Anglo-American bloc in arranging the peace process.<sup>47</sup>

Based on its knowledge and information about the previous Yugoslav foreign and internal policy, the "*Peace Group*" of the *Council on Foreign Relations* presented its views on the preconditions for a sustainable Yugoslav system once the war ended. Hence, the discussion with the delegates had been directed toward the concepts of its future statehood. For the Yugoslav border arrangement, primarily with Italy, Hungary, Bulgaria and Austria, relative factors were to be considered, such as the strategic lines of communication, ethnic population by area, economic potential and borders based on historical principles. The question of the internal political composition of Yugoslavia was at the top of the agenda. The CFR carefully directed the course of the panel to clarify the internal state structure and prepare an acceptable model of internal governance. According to the Council, the structure of

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<sup>46</sup> AY, doc. n. 371-82-81

<sup>47</sup> AY, doc. n. 371-82-99

the Yugoslav state was to be sought in some form of federalism, regional autonomy or regional autonomy based on national characteristics. The possibility of a centralized state was also not ruled out *a priori*.<sup>48</sup> Therefore, it was unsurprising that the “Peace Group” had frequently been asking about the situation in the Independent State of Croatia and the Croatian–Serbian dispute.<sup>49</sup> What was not fully clarified at the meeting was the role of the unified national parliament, local assemblies and political parties in internal processes.

The discussion panel included the topic of the international position of Yugoslavia in Southeast Europe. The CFR representatives studied the development of economic cooperation of the Danube basin countries and were interested in the possibility of the creation of a political–economic “Danube Federation”. However, there were genuine problems in grouping Balkan states and realizing wider cooperation between them. Nonetheless, the Council considered the economic consolidation of smaller economic systems into one broader regional form. Finally, the Council examined the development in which Yugoslavia would not be part of a certain confederation or a regional economic entity, which is why it was necessary to analyze, in greater detail, its future relations with the United States, Great Britain, France, the USSR, Germany and Italy after the war. The CFR perceived the mentioned countries as likely centers of power in postwar world politics.<sup>50</sup>

The first point on the agenda of the meeting was related to the *Neohabsburg* program and the political agitation of Archduke Otto von Habsburg on the territory of the United States. Fotić believed that his actions were not centered directly towards American South Slavs or Croatian organizations in America, but towards Austrians and Hungarians. At the same time, Armstrong agreed that the possibilities of the Danube Monarchy’s restoration to its former structure were unlikely. The question of Austria–Hungary’s restoration was raised by historian Langer, especially for the reason that, on the eve of the meeting with the Yugoslav delegates, news circulated among the American public that the CFR maintained informal contact with Otto von Habsburg.<sup>51</sup> This proved to be true, as Otto had published a paper entitled “*Danubian Reconstruction*” in the *Foreign Affairs* magazine in January 1942, where he called for a public debate in America regarding the “federalization of the Danubian nations”.<sup>52</sup>

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<sup>48</sup> AY, doc. n. 371-82-100

<sup>49</sup> AY, doc. n. 371-82-90

<sup>50</sup> AY, doc. n. 371-82-100

<sup>51</sup> AY, doc. n. 371-82-90

<sup>52</sup> Otto of Austria, “Danubian Reconstruction”, *Foreign Affairs*, Vol. 20, No. 2, 1942. Council on Foreign Relations, New York, pp. 243–252.

Nevertheless, during the creation of the CFR strategic study, the process of gathering information on the proposals for Yugoslav internal organization was still ongoing, regardless of the fact that Roosevelt was skeptical about the reconstruction of Yugoslavia, especially upon learning about the Croatian Ustaša crimes against Roma, Jews and Serbs in the Independent State of Croatia (NDH) in late 1941.<sup>53</sup>

One of the main topics on the panel was Serbian–Croatian relations. The situation in Croatia particularly intrigued Langer because he had a dilemma regarding the political legitimacy of the Independent State of Croatia, for the following reason: “if the Croatian Peasant Party, as the party that enjoyed the majority support of the people, was not in favor of Pavelić’s<sup>54</sup> regime, who was it that supported his government then?” To the best of his knowledge, Vladimir Maček, the former vice president of the Yugoslav government and the leader of the Croatian Peasant Party, was under house arrest in Croatia.<sup>55</sup> Fotić then explained in more detail the characteristics of the extremist Ustaša movement, as the main pillar of Pavelić’s political and state power in the Independent State of Croatia. The Ustaša had adopted the theoretical assumptions about races from Nazi theories, emphasizing the “Aryan” characteristics of the Croats and their closeness to the German people. Racial intolerance towards the Serbs was enforced by the Croatian authorities with a strict regime, comparable only to the treatment of the Jews by the German authorities. Allegations that Croatian officers in the Yugoslav army had been exposed to discrimination during their career advancement were considered. Fotić confirmed that there were cases in which the supremacy of Serbian military personnel did occur, leading to desertion, but that this referred to Croatian reserve officers of the former Austro–Hungarian army.<sup>56</sup> Speaking about the Ustaša Croatian state, Allen Dulles inquired about its borders. The “*Peace Group*” was informed that Bosnia and Herzegovina had become part of it and that, even though Croatia’s border with Italy was not definitively determined, the border with Serbia was established unilaterally. The Council wanted to know whether Yugoslavia would seek a correction of the border with Italy after the war, to which Fotić clearly emphasized that it would be natural for the Slovenes and Croats who had been under Italian rule since 1918 to be integrated. From the American perspective, it was important to

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<sup>53</sup> Predrag Krejić, Mitar Todorović, *Jugoslovensko-američki odnosi 1918–1945*. op. cit., p. 395.

<sup>54</sup> Poglavnik and the Prime Minister of the Independent State of Croatia.

<sup>55</sup> At that moment, V. Maček was not the vice president of the Yugoslav government since he resigned on 10<sup>th</sup> April 1941 and handed over the position to his deputy, J. Krnjević, who was in exile with the government.

<sup>56</sup> AY, doc. n. 371-82-102

determine the statuses of the cities of Rijeka, Trieste and Zadar. Although Fotić believed that the position of these cities should be determined after the formation of the international security system, Dulles insisted that the delegate explicitly determine Yugoslav aspirations. The only answer that Fotić could offer was that relations with Italy would not be friendly if it kept Zadar, because that city had been a stronghold of Italian subversive activities in the interwar period. Armstrong brought the conversation about the Italian border to an end, realizing that it was complicated to determine the position of not only Zadar, but also Trieste and Rijeka at that moment, owing to the disconnection of the interior from the cities on the Adriatic.<sup>57</sup>

The problem of the eastern Yugoslav border was burdened by the slow process of Serbian–Bulgarian rapprochement. The main obstacles to closer ties with Bulgaria were the opposition to the unresolved “Macedonian question” and the Bulgarian policy regarding Thrace. At the Paris Peace Conference, the Kingdom of Yugoslavia received two areas from Bulgaria, but this was done for strategic reasons, and not based on ethnic principles. Upon hearing Langer’s thesis that Macedonians are pro-Bulgarian, Fotić admitted that they were more integrated into the political life in Bulgaria, but as a different national entity<sup>58</sup>, while Macedonians who lived in Serbia were not treated as a foreign entity.<sup>59</sup> Langer recalled that Nikola Pašić<sup>60</sup> had often emphasized the need for the union of Serbia and Bulgaria, which Dulles used to expand on the topic and raise the question of how realistic an alliance between Bulgaria and Yugoslavia would be. Since the rapprochement of the two countries by the Balkan Entente of 1934 did not yield results, the alliance was unattainable as long as there was the open issue of Macedonia.<sup>61</sup> From the point of view of the State Department, the rapprochement of the two countries was desirable since an alliance in the Balkans would represent an obstacle to German penetration, as was noted by minister Arthur Bliss Lane in the report from Belgrade.<sup>62</sup> The discussion concerning Albania hardly lasted, considering the fact that Fotić did not question Albanian independence, but proposed a wider regional cooperation between Greece, Yugoslavia and Albania instead. Furthermore,

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<sup>57</sup> AY, doc. n. 371-82-103/104

<sup>58</sup> This refers to the Slavic population inhabited in the part of Macedonia that was part of Yugoslavia, which is the sovereign state of North Macedonia the present day.

<sup>59</sup> AY, doc. n. 371-82-104

<sup>60</sup> Long time Prime Minister of Serbia and Yugoslavia.

<sup>61</sup> AY, doc. n. 371-82-105

<sup>62</sup> Vojislav Pavlović, *Od monarhije do republike*, op. cit., p. 13; Ivo Tasovac, *American Foreign Policy and Yugoslavia, 1939–1941*, op. cit., p. 84.

he rejected the proposal made by Professor Hopper from Harvard University to divide Albania between Yugoslavia and Greece.<sup>63</sup>

At the end of Fotić's presentation, the Council expressed the opinion that the neighboring nations would still be dissatisfied with the territorial aspirations of Yugoslavia. The representatives of the Council were interested in joint broad collaboration, which is what Fotić based his hopes on for the postwar reconstruction of Europe. The delegate believed that security had to be attained not in the alliances that existed in history, but in closer cooperation between the states. The task of achieving international cooperation would be undertaken by large democratic states, because they would have a starting point in the common body of democratic ideas. Yugoslavia could not cooperate with Bulgaria and Hungary precisely because these two countries had based their own ideology on *lebensraum*, political thinking opposite to the ideology of Yugoslavia.<sup>64</sup> Langer concluded by stating that, over time, Yugoslavia had not taken notice of the historical reasons on the basis of which it was created following the First World War by "combining" the parts of former states. The CFR criticized the structure of interwar Yugoslavia, standing behind the observation that the country had failed to resolve its internal problems in terms of the tensions in Macedonia or the Croatian aspirations for autonomy over twenty years. A hypothetical question emerged: "could these problems be solved in the next twenty years?" Langer expressed his belief that, after World War II, the conflicts that had lasted until the "Agreement" of 1939, when Banovina Croatia was created, would be repeated. Fotić ended his presentation with the thesis that the key thing for the internal stability of Yugoslavia is the attitude of Croatia, taking into account that too little time had passed since the act that gave Croatia broad administrative powers and the state formally ceased to be centralized.<sup>65</sup>

### JOSIP "JOZO" TOMAŠEVIĆ'S PRESENTATION ON POSTWAR INTERNATIONAL AND YUGOSLAV ECONOMIC DEVELOPMENT

One of the chief economic issues was the postwar regulation of international trade. In order to find a place for future Yugoslav foreign trade, the CFR wanted to find ways to free it from political restrictions and fit it into the free trade model. Before the beginning of World War II, Yugoslav commercial exports naturally found the largest markets for the placement of goods in

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<sup>63</sup> AY, doc. n. 371-82-105

<sup>64</sup> AY, doc. n. 371-82-105

<sup>65</sup> AY, doc. n. 371-82-106

Italy, Germany and Czechoslovakia. Later exports were intensified to Great Britain for political reasons. The CFR raised the issue of Yugoslav barter trade (especially with Germany<sup>66</sup>), since the United States advocated the principles of free trade and the most favored nation clause. The US government did not approve of the system of international compensation treaties and clearing exchanges.<sup>67</sup> In fact, the mechanism Yugoslav foreign trade used was openly criticized by the American ambassador in London, Joseph Kennedy, who believed that Washington would understand and support the Yugoslav reorientation towards trade with countries that did not use clearing accounts.<sup>68</sup> In addition to the existing Yugoslav trade practice, the main obstacles in signing a comprehensive trade agreement with the US, which would replace the one from 1881, signed with the Kingdom of Serbia, were the opposed approaches regarding the implementation of the most favored nation clause.<sup>69</sup>

Tomašević's strategic analysis predicted that Great Britain and the US would create a multilateral system of world trade and force Germany to abandon compensatory treaties. Thus, it would be encouraged to buy food and raw materials from Yugoslavia, whereas it would sell manufactured goods on large world markets. The main prerequisite of the strategy was securing loans from the financial centers of the United States. On the remark of Mr. Stine<sup>70</sup>, stating that Yugoslav imports and exports are small in proportion to the world's volume, Tomašević stated that, for this reason "it was important to ensure the export of agricultural surpluses. Otherwise, prices at home would decrease, and producers would be threatened". Germany skillfully exploited the situation in Yugoslav agriculture since it could not find buyers for agricultural goods; producers could not sell surpluses. For this reason, under pressure to get rid of the surpluses, the Yugoslav government had no choice but to accept the German offers despite the political implications.<sup>71</sup> Observing the global situation in the sale of agricultural products, Yugoslavia

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<sup>66</sup> On the political and economic ties between the Third Reich and Yugoslavia, see: Perica Hadži-Jovančić, *The Third Reich and Yugoslavia, An Economy of Fear 1933–1941*, Bloomsbury Academic, London, 2020; Milena Kocić, *Economic Relations Between the Kingdom of Yugoslavia and Germany from 1929 to 1941*, PhD thesis, Faculty of Philosophy, University of Niš, 2019.

<sup>67</sup> AY, doc. n. 371-7-141

<sup>68</sup> Predrag Krejić, Mitar Todorović, *Jugoslovensko-američki odnosi 1918–1945*. op. cit., p. 243.

<sup>69</sup> AY, doc. n. 371-11-263/264

<sup>70</sup> Oscar Clemen Stine (1884–1974), an expert in agricultural economics.

<sup>71</sup> AY, doc. n. 371-82-106

also competed with the United States for access to markets for the sale of grain and food.<sup>72</sup>

The “*Danube Federation*” project was a striking topic at the meeting. After the end of the Paris Peace Conference, the US was interested in the economic prosperity of the Danube states and followed the political situation in the basin region.<sup>73</sup> Professor Hopper was interested in why Southeastern European countries had not formed an agrarian federation, since it would be easier to negotiate with Germany and other large countries in that way. Tomašević’s belief was that such a federation would not achieve any gains owing to the similarity of the economic structures of the members, and that the different goals of the states within would be an obstacle to tighter integration. The creation of an agrarian block in Southeastern Europe, of which Yugoslavia could be a member, would not solve the problem of agricultural overpopulation. Additionally, the tactical advantage of the federation would soon disappear as Germany would very quickly turn to importing cheaper grain from Argentina or Australia. Professor Hopper believed that, regardless of the economic similarity between them, the Danubian states might be forced to join some form of association in order to withstand the German pressure. Tomašević replied that, if he viewed the union “as a Yugoslav, a Croat and a supporter of the Croatian Peasant Party, it was possible to imagine the creation of such a federation. However, as an economist, he believed that it would not solve the problems of the Danube region”.<sup>74</sup>

With a massive influx of cheap overseas grains, primarily from the United States to the European markets before the Second World War, the countries of Southeast Europe, Yugoslavia, Romania, Bulgaria and Hungary, i.e. precisely those that were envisaged to form the Danube agrarian bloc, had two possibilities to counter the competition: reducing agricultural production to the level of their own needs or obtaining preferences on European markets for the placement of their agricultural goods. The first solution was difficult to implement, since the transition from agricultural to industrial production would require a lot of time and resources, which is why the Yugoslav government had tried to ensure preferences.<sup>75</sup> Realizing the industrial underdevelopment of Yugoslavia, Mr. Stine emphasized the advantages of Czechoslovakia and Poland, because they possessed significant industrial centers. He believed

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<sup>72</sup> Linda Killen, *Testing the Peripheries*, op. cit., p. 35.

<sup>73</sup> See: Walker D. Hines, *Report on Danube Navigation*, League of Nations, Geneva, 1925.

<sup>74</sup> AY, doc. n. 371-82-107

<sup>75</sup> SASA Archives, doc. n. 14439/489, O teškoj agrarnoj krizi u Jugoslaviji, Rumuniji, Bugarskoj i Mađarskoj u godini 1930.

that, for the economic progress of Yugoslavia, it was important to develop nonagricultural production by expanding industry and mines, whose products would be export-oriented. Professor Hopper added to this proposal "that the process of industrialization in Yugoslavia would be easier if it were an integral part of a larger Balkan regional federation". The Yugoslav delegate then started lamenting the bitter experience of economic relationship of the Austro-Hungarian authorities towards the Yugoslav peoples who were part of the larger territorial administration. Unlike the Czechs, Austria and Hungary, where investments floated because of the political pressure for industrial development, the Yugoslav areas were exploited by the Austrian-Hungarian fiscal, railway and industrial policy, dictated by the political and strategic interests of these two nations. Moreover, they built the railway network in Bosnia and Herzegovina impractically, which prevented the political and economic unification of the Yugoslav regions.<sup>76</sup>

Bilateral relations in the foreign policy of Yugoslavia within the wider European relations were observed at the meeting mainly in relation to Germany and the threat it represented. The rare situation in which Yugoslav ties with France were discussed was reflected in the policy of economic sanctions imposed on Italy. Speaking on that topic, Fotić emphasized the advantages that Italy had gained by the assassination of King Alexander, such as the weakening of Belgrade's rival position, which Armstrong agreed with, believing "that the king would remain loyal to the French military system in Europe". His death had marked a critical blow to the Little Entente and reduced the political authority of the League of Nations towards the Italian invasion of Ethiopia in 1935. Referring to the Yugoslav-French cooperation, Tomašević considered that one weakness in their relations "was the difficulty of persuading France to take into account Yugoslavia's needs in formulating her commercial policies. France's neglect of Yugoslavia's foreign trade vulnerability had not been offset by granting loans in 1923, 1931, and 1933".<sup>77</sup>

Professor Langer's general conclusion regarding Germany's dominant role referred to the fact that Yugoslav exports were needed exclusively by Germany, considering that Yugoslavia could not compete for other markets. Tomašević saw the trade exchange based on free trade, as well as limiting Germany's use of "dangerous" trade techniques, such as centralized purchasing or fixed price policies, as a possible way out of the "tight embrace" of Germany. In response to the CFR planner's remark that the industrialization of Yugoslavia was necessary in order to make it less dependent on exports of agricultural products on foreign markets, Tomašević stressed that, for this process, "the first prerequisite was the absence of enemy invasions, because

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<sup>76</sup> AY, doc. n. 371-82-107/108

<sup>77</sup> AY, doc. n. 371-82-109

the construction of factories for war material and strategic communications would not solve the country's economic problems". Yugoslavia needed a longer period of continuous peace in order to consolidate its economic potential and internal political development. The primary element in maintaining its security after the war was the containment of Germany, given its central geopolitical position in Europe. The German danger arose from a specific political philosophy, based on the leading Prussian social stratum inclined to conquest and powerful industry. Tomašević noticed that, out of all these factors, it was only possible to eliminate German industrial superiority. For this reason, it was necessary for the US and Great Britain to control the German industry in order not to repeat the mistakes after the Paris Peace Conference. He recalled the cessation of reparation payments and that it was the US that had financially helped the German industry.<sup>78</sup> With regard to economic solutions, the CFR members concluded that the Yugoslav delegate did not advocate regional integration and economic nationalism, but solving problems through a general economic construction at the global level.<sup>79</sup>

#### FINAL CONSIDERATIONS OF THE COUNCIL ON FOREIGN RELATIONS TOWARD THE YUGOSLAV PEACE AIMS

Konstantin Fotić submitted to the Council a Yugoslav study on the influence of small states in international politics. In order to stabilize small nations and their development, several factors necessary for the leadership of the Anglo-Saxon bloc in world processes are proposed in the study. The first step for securing international cooperation and a federal form of world society based on the principles of universal justice was the most important, as this would gradually lead to the development of democratic institutions.<sup>80</sup> From the political economy point of view, Tomašević believed that the problems of small states would be resolved if the great powers created a righteous world order.<sup>81</sup> Shortly after the meeting, the *Council on Foreign Relations* drew up a final document in which it presented conclusions and submitted it to the Yugoslav minister in Washington. The Council considered that the basis of Yugoslav aspirations was not reliance on regional political and economic arrangements. In relations with Italy, Hungary and Bulgaria, the Yugoslav

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<sup>78</sup> AY, doc. n. 371-82-109/110

<sup>79</sup> AY, doc. n. 371-82-107

<sup>80</sup> AY, doc. n. 371-82-108

<sup>81</sup> AY, doc. n. 371-82-109

goal was democratic cooperation with the neighbors and minor corrections toward the Italian border, which would entail the annexation of Zadar and the Italian areas where Croats and Slovenes are compactly populated. The possibility of a potential alliance with Bulgaria was left open, while Albania's independence was unquestionable. The main conclusion of the document stated that it was necessary to pacify the German power so that Yugoslavia would be able to obtain more direct and free trade relations with Berlin.

The CFR's consideration of internal relations in Yugoslavia led to the federalization of the political system. The internal reconstruction of the country implied the continuation of the process of establishing Croatian autonomy according to the principles of the "Agreement" of 1939. Slovenia was to get autonomy, while a separate status for Southern Serbia<sup>82</sup> was not foreseen. National economic development would be based on agricultural production and exploitation of mineral resources, as well as on the promotion of economically achievable industry. In terms of the general European order, the primary condition for Yugoslavia's very existence and suitable internal development was the creation of an efficient system of collective security, universal in scope, created and supported by Great Britain and the US. That order was supposed to enable markets for Yugoslav goods, allow the inflow of foreign capital for internal development and provide a chance for the surplus of the Yugoslav population to emigrate abroad.<sup>83</sup>

Regardless of the fact that the meeting took place a few months after the Yugoslav capitulation, in its project of creating the postwar order of world politics, the CFR had the opportunity to learn more about the conditions in Yugoslavia and to implement the details in its work. Unlike 1918, when Serbian political actors had the opportunity to influence the final decisions of E. House's *The Inquiry*, the geopolitical situation in August 1941 was drastically different. The Council's members unequivocally criticized the interwar arrangement of Yugoslavia, created just after the Paris Peace Conference, during whose peace agreements some proposals made by the American delegation and President Wilson were implemented. The criticism was based on the observation that, for twenty years, the country had failed to resolve internal problems and calm tensions. One year after the panel with Yugoslav delegates, for the purpose of the State Department activity, the *Council on Foreign Relations* drafted three strategic memoranda on the issue of Yugoslav peace goals and postwar arrangements. All of these were partly based on the presentations of the Yugoslav delegates. Memorandum marked T-B 58, entitled "*Current Yugoslav Quarrels: The American Interest*" was written by Hamilton F. Armstrong in December 1942. It elaborates on the interests of the

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<sup>82</sup> Council on Foreign Relations planners considered South Serbia as Macedonia.

<sup>83</sup> AY, doc. n. 371-82-98

United States in Yugoslavia due to the emergence of the political influence of the Soviet Union. Armstrong saw the possibility that the Yugoslav government in exile would agree to “harmonize” its policy with the Soviet Union, provided it had guarantees from Moscow for the preservation of territorial integrity. The document emphasized stability in Eastern Europe as a crucial interest of the US, and in order to achieve this, American policy towards Yugoslavia would have to include the preservation of a unified state. Fragmentation into small states, which could easily gravitate towards the spheres of influence of Germany, Italy or Russia, was not to be allowed. Therefore, H. F. Armstrong advised the US Government to prevent the penetration of the Soviet influence. From the American perspective, the disintegration of Yugoslavia into small states would create a favorable situation for the expansion of Russian control.<sup>84</sup>

## CONCLUSION

*The Inquiry* from the First World War was intended to be a limited-term political body, tasked with proposing terms for ending the war and establishing peace. After the Paris Peace Conference, in addition to the State Department, one of the leading institutions in America that monitored world politics and enabled foreign actors to present their views on international relations was the CFR. This organization was a specific substitute for American state institutions involved in the analysis of world politics, considering the official interwar political discourse of isolationism and neutrality. As an unofficial and non-governmental body, the Council did not make binding decisions, but it definitely influenced the formation of political attitudes among interested circles both in America and abroad. Its members felt that the US must not allow a new world war to begin with insufficient knowledge of world politics, which had been the case during World War I, when *The Inquiry* had had to act quickly.

The New York *Council on Foreign Relations* was the only influential think tank where American experts communicated with foreign actors and at whose meetings strategic opinions could be exchanged. The Council made it possible for discussions to take place on all world problems, even though it did not make formal political decisions, but solely analytical and advisory ones. The address of the Yugoslav delegates in August 1941 was the only way for the opinion about the Yugoslav goals and aspirations after the war to somehow reach the American statesmen. The inevitability of World War II led the State Department to create a national project for postwar planning

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<sup>84</sup> Hamilton Fish Armstrong, Memorandum on: *Current Yugoslav Quarrels: The American Interest*, Studies of American Interests in the War and the Peace, Territorial Series, New York, 1942, pp. 1–9.

of world relations under the leadership of Under secretary Sumner Welles in early 1939, considering the confusion that existed in the previous generation of American decision makers regarding World War I. With President Roosevelt still fearful of public opinion and with an administration divided over America's involvement in the war, Welles looked outside the State Department for assistance. A few weeks after the start of the war, he asked the director of the *Council on Foreign Relations*, Hamilton F. Armstrong, with whom he maintained close cooperation, for the Council to prepare more detailed studies on postwar planning. For guidance, Welles looked to the Wilsonian precedent of the "*Inquiry*".<sup>85</sup> He had a mandate to go forward with postwar planning and to appoint members of the Postwar Planning Committee. He sent several invitations to people outside the administration, including Norman Davis, who was the president of the *Council on Foreign Relations* until his death in 1944, Isaiah Bowman, who was president of the CFR for a brief period and Hamilton F. Armstrong himself.<sup>86</sup>

On the subject of Yugoslav-American relations, the name of Hamilton F. Armstrong is very well known, but his activity is not connected with the analytical work of the *Council on Foreign Relations*. Yet, it is analyzed through the prism of his engagement in the prestigious journal *Foreign Affairs*. The role of the CFR in the creation of American foreign policy in the First and Second World Wars, the Cold War, and even in the Post-Cold War period, is unknown in Serbian science and represents a missing component for a broader scientific approach, considering the fact that many of the most significant political actors engaged in the State Department were members of the Council.

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<sup>85</sup> Christopher D. O'Sullivan, *Sumner Welles, Postwar Planning, and the Quest for a New World Order 1937–1943*, Columbia University Press, New York, 2008, pp. 33–34.

<sup>86</sup> *Ibidem*, p. 64.

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