



INTERNATIONAL SECURITY AFFAIRS

ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

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A/ISS/IPS, Department of State  
E.O. 12958, as amended  
June 19, 2008

10 MAR 1973

Refer to: 1-21397/73

*040 Sec of Defense*

*381 Yugoslavia*

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Defense Interests in Yugoslavia (U)

Background

(S) Tito, the symbol of national unity in Yugoslavia, will be 81 in May. His departure from the scene may precipitate a succession crisis in which the Yugoslav Army is certain to play a major role. Although perhaps the only national force with the cohesion to hold the country together, it is largely an unknown quantity to US sources because, until recently, our direct contacts with the Yugoslav military have been minimal.

Rationale of U.S. Policy

(S) US policy interests in the Eastern Mediterranean require that Yugoslav territory be free of Soviet bases. As long as Yugoslavia is able to maintain its political independence of Moscow and its own economic prosperity, it has an excellent chance of maintaining an independent, "unaligned" national policy. If the US and West can offer Yugoslavia alternate sources of military supplies, the traditional Yugoslav independent outlook is enhanced, further promoting US interests.

(S) Those Yugoslav officials and military functionaries inclined to look to the West for support against Moscow will not expose themselves to risks on faith alone. None are anti-Communists; they are, however, nationalists prepared to fight for Yugoslav independence. They need some concrete evidence that arms and ammunition would be forthcoming in the hour of crisis against Moscow and that friends exist in influential places in the West who understand the special Yugoslav position with respect to the Communist world. It is especially vital now, on the eve of Tito's death, to instill confidence and to establish special relationships and channels which could be exploited should it later serve the United States national interest to help forces in Yugoslavia resist Soviet aggression. Hopefully, Tito will remain alive long enough to permit full development of these relationships; after Tito's death it may be too late. If executed negligently, our posture may lack a convincing quality. Alternatively, if inept, it may precipitate reactions from Moscow-

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igned forces that may prove counter-productive. The balance must be just right, and, properly executed, would exemplify politico-military diplomacy at its best.

(S) Moscow, on the other hand, has used the "carrot and stick" approach in its dealings with Tito's Yugoslavia. Threats of subversion have been offset by offers of aid and the award to Tito of the "Order of Lenin" on his 80th birthday. Although the Yugoslav population may be generally pro-West and hostile to Moscow, many in the Party and Army bureaucracies owe their success to the Moscow equation. Tito himself is one of these and may not fully approve of closer US/Yugoslav military ties.

Development of US-Yugoslav Military Relations (1970-1973)

(C) In 1970, just prior to President Nixon's Belgrade visit, ASD/ISA Nutter visited Yugoslavia and initiated a program of closer contacts with the Yugoslav military. The guiding principle established at that time and in effect today is that the Yugoslavs themselves would choose a tempo in military contacts they found comfortable. Over the last three years the level of contacts has matured gradually and naturally. The first Yugoslav military delegation visited the US in September 1971; Tito visited in November 1971; Colonel-General Dolnicar, Assistant State Secretary for National Defense, was the guest of ASD Nutter in May 1972; and a US Army Team visited Yugoslavia in November 1972. Out of these exchanges and against the backdrop of Presidential visits, a greater candor and frankness evolved and some longer term confidence measures developed. The Yugoslavs showed an interest in US military equipment with eventual Foreign Military Sales (FMS) potential, while the US agreed to purchase \$4-5 million annually in Yugoslavia for support of our forces in Europe. A US Army officer is now a Foreign Area Specialist student in Belgrade, the first ever in a Communist country; two Yugoslav officers are students at the Army Command and General Staff College at Fort Leavenworth; two Yugoslav officers will enter the Air Command and General Staff College at Maxwell AFB this summer; and increasingly, the tempo of useful politico-military-diplomatic contacts at all levels is picking up both in Belgrade and in Washington.

(U) These improvements have come about at little cost and common US and Yugoslav military goals have been promoted.

(S) Two steps initiated just before ASD Nutter's departure were:

- To investigate a Security of Information Agreement with the Yugoslavs. Such an agreement would facilitate handling of Yugoslav requests for release of classified information and thereby give the US bureaucracy a tool to respond quickly and decisively with a definite "yes" or "no". In a recent cable, (0884 of 2 March), US Embassy Belgrade noted a number of factors tending to inhibit conclusion of an agreement; these are now being weighed in Washington against anticipated positive gains.

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- The release of technical data on SIGINT/COMINT equipment leading to possible future FMS. The US Intelligence Board is now studying this issue and should render its decision in April.

(S) The release of classified technical data and subsequent supply actions may well prove vital to the creation of continued reciprocal confidence. During the past three years we have done much to break the ice with the Yugoslav military by supplying minor items, offering training facilities, articulating US interest and views, promoting contacts, and identifying mutual interests on which we can work together for mutual profit. In ruminating over our policy we have evolved some "Considerations in Supplying Yugoslavs Materiel" as a guideline (attached) for use at the working level in Defense. We probably have gone about as far as we can within existing policy limitations, which we are planning to re-consider during 1973.

#### VIP Visits Logical Next Step

(C) The groundwork has been laid for several key visits during 1973 and 1974. General Ryan, CSAF, may visit Yugoslavia in the Spring or Summer of 1973. As you know, a SecDef visit has been discussed for over a year. An earlier invitation to Secretary Laird was aborted when the Yugoslavs extended a formal invitation to Soviet MOD Grechko after offering an "unofficial" invitation to Mr. Laird. The Yugoslavs have since indicated informally that they would like you to visit in the Summer or Fall 1973 or later.

(C) There are a few cautions to keep in mind when considering the value of the projected VIP visits during 1973: (1) The Yugoslavs find US friendship valuable, but they will be cautious; they will not enter into arrangements which will expose their leadership vulnerabilities or internal problems; (2) US disregard of Yugoslav sensitivities could jeopardize closer military cooperation and (3) Areas of political disagreement in which the Yugoslav military does not figure at all, simply should be avoided. With these factors in mind, a trip by you to visit Yugoslavia, when an official invitation is received, could well serve a useful purpose.

LAWRENCE S. EAGLEBURGER  
Acting Assistant Secretary

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