

N A T O C O N F I D E N T I A L

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POLADS(72)2

MEMORANDUM

To: Political Committee

From: Acting Chairman

DEVELOPMENTS IN YUGOSLAVIA: AUGUST-DECEMBER 1971

Attached is a revised version of the text which originally appeared as C-M(71)63. It takes into account information available to the Political Division through 31st December, 1971.

2. The Economic Committee recently made a survey of the Yugoslav economy, the results of which are contained in "Yugoslavia: Problems and Economic Perspectives" (AC/127-WP/297). Accordingly, the material which appeared in C-M(71)63 under the heading "II. Economic Problems" has been omitted.

3. The three Annexes to C-M(71)63 have not been reproduced here because of their length. However, it is proposed that they be appended to the revised report, with any amendments which may be required.

4. The attached text will be scheduled for discussion at an early meeting of the Committee. Members are invited to make comments at that time. If it is the Committee's wish, the Chairman would then proceed to submit a revised report to the Council, on his own responsibility.

(Signed) G.R. ANDREWS

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N A T O C O N F I D E N T I A L

DEVELOPMENTS IN YUGOSLAVIA: AUGUST-DECEMBER 1971A Report by the Chairman of the Political Committee

1. The Political Committee, at its meeting of 1972, invited the Chairman ~~/to~~ submit a report to the Council ~~/to~~ prepare a report on his own responsibility concerning the situation in Yugoslavia from August through December 1971. The situation as it existed prior to August, 1971 was described in POLADS(71)57.

2. Attention is invited to two related reports: "Recent Developments in Croatia" (POLADS(71)78) and "Yugoslavia: Problems and Economic Perspectives" (AC/127-WP/297).

I. Internal Political Situation

3. Yugoslavia has just changed its Constitution for the sixth time since World War II. On 29th July, the Federal Assembly re-elected Tito as President of Yugoslavia and confirmed the election by the six Republics and two Autonomous Provinces of the other 22 members of a Presidency. This Presidency elected itself a Vice-President and on 30th July, approved the appointment of a new Federal Executive Council, (Government) also of 22 members. These were the first steps to establish the new Yugoslav governmental system required by the Amendments to the Constitution which were adopted on 30th June.

4. Attached to this report is a list of the members of the Presidency (Annex I) and of the Federal Executive Council (Annex II) as well as a memorandum summarizing the principal constitutional amendments(1).

5. Under the new terms of Federation, the Republics, described hitherto as "social democratic statal communities" now become "States based on the sovereignty of the people". All authority has passed to the Republics and Autonomous Provinces except in the fields of defence, foreign affairs, the maintenance of "the unified Yugoslav market", some aspects of criminal law and a number of technical matters ranging from air safety to the control of narcotics. Even in the fields reserved to it the Federation will now be under specific obligation to proceed only with the consent of the Republics and Provinces.

6. Other provisions of the new Constitution are worth noting. An attempt has been made to consolidate and reinforce the principle of "workers' self-management". One of the constitutional amendments provides a widely drawn guarantee for

(1) This material was supplied by the United Kingdom Delegation.

foreign investment; it reportedly is to be supplemented by legislation providing a specific guarantee against nationalization. Another amendment relaxes restrictions on the employment of labour by private enterprise and still another extends the area of land which an individual may own. While the latter two concessions are not extensive in practical terms, they, like the first two, are of considerable significance ideologically.

7. In view of its composition, the new Presidency will probably be the dominant force in policy formation. In addition to President Tito, the 23-man body includes a large number of old Partizan leaders of great influence in the country. One of the Presidency's major functions will be to defuse and control the explosive nationalities issue. Judging from its composition, the Federal Executive Council will most likely concentrate on policy implementation, taking its directions from the Presidency and the Party executive bodies. The mere fact that President Tito remains in office, his authority and power undiminished, rules out major policy shifts. Moreover, many of the most important Federal Executive Council positions (Foreign Affairs, Defence, Finance, and Foreign Trade) remain in the hands of the previous incumbents.

8. The process of allocating functional responsibilities within the new Presidency and Federal Executive Council will continue for some time. Even more time will be required in order to establish a clear power relationship between the new government bodies, the Party leadership and the republican governments, particularly since the latter's powers have been considerably increased. It is possible that the vital issue of picking Tito's successor may not be decided exclusively by the new Presidency and Federal Executive Council, since several very important political figures are not included in either body.

9. On the domestic front, the new Federal Executive Council seems likely to follow the policies charted by its predecessor. The previous Government's stabilization programme has been endorsed and its chief architect has retained his position. One area in which some change seems likely is internal security. The organization and responsibilities of the federal and republican security services are being revised and the appointment of top officials has been delayed pending the completion of this process. A Council for State Security has been created and placed under the direct control of the President. Concern over the threat posed by Soviet subversive operations appears to have been one of the factors which motivated the reorganization of the security services.

10. In the foreign policy area, there will possibly be substantial personnel turnover but no major policy shifts are expected. According to unofficial estimates, as many as 30 Yugoslav Ambassadors will be replaced. Mr. Pesic, the former Under Secretary of State for Foreign Affairs, has been designated Ambassador to the USSR. He replaces Mr. Veljko Micunovic, who was named to the Presidency. Continuity seems certain in the area of foreign economic policy since almost all the incumbent ministers have retained their posts.

II. Foreign Relations

11. CPSU General Secretary Brezhnev paid an "unofficial, friendly" visit to Yugoslavia, 22nd-25th September, 1971. The visit, which took place at Soviet initiative, was the logical consequence of Brezhnev's expression of readiness, in his 30th March speech at the 24th CPSU Congress, to improve relations between the two States and also between the two Parties. The joint statement(1) issued at the conclusion of the Brezhnev visit pledges increased Yugoslav-Soviet co-operation on both the government and party levels.

12. The principal achievement, from the Yugoslav standpoint, was the reference, in the joint statement, to the principles set out in the Belgrade Declaration of 1955 (sovereignty and non-interference) and the Moscow Statement and Declaration of 1956 (separate roads to socialism)(2). The Yugoslavs are now cautiously hopeful that some of the tension has been removed following a long period of strained relations between the two countries. It must be pointed out, however, that Brezhnev did not repudiate the "Brezhnev Doctrine", nor did he declare it to be inoperative with respect to Yugoslavia.

13. The joint statement seems to open perspectives for expanded information and cultural exchanges "on the basis of reciprocity" and also for increased economic co-operation. However, high Yugoslav officials have indicated that it is too early to judge the results of the Brezhnev visit, and that one should wait several months to see whether the Soviet leaders are indeed prepared to implement the commitments they subscribed to in the joint statement. These officials thought that the significance of the visit was to be found in the fact that it had taken place and that this was an indication of the desire of the USSR to improve its position in Europe generally.

14. For the Soviets, the visit appears to have achieved the principal aim of halting the deterioration in Yugoslav-Soviet relations which dates from the August 1968 invasion of Czechoslovakia. Brezhnev took full advantage of the opportunity

(1) See Soviet and East European Documentation, No. 6
(2) See Soviet and East European Documentation, No. 3

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to state his views directly to Yugoslav audiences (as for example in his speech to the factory workers in Zemun). In their contacts with Yugoslavs at various levels, the members of the Soviet Delegation had a chance to take the temperature of the country and perhaps to draw some conclusions about its stability and unity following the passing of Tito.

15. The Brezhnev visit was no doubt also intended to check the growth of Chinese influence in the Balkans and, by registering an improvement in Soviet-Yugoslav relations, to contribute to Rumania's sense of isolation. Upon leaving Yugoslavia, Brezhnev visited Hungary and Bulgaria but not Rumania, allegedly because Ceausescu had failed to extend an invitation. Brezhnev presumably also wanted reassurances from Tito concerning the latter's forthcoming visits to the United States, Canada and the United Kingdom. (See paragraph 21.)

16. The Soviets may take some satisfaction from the fact that the 1971 joint statement emphasizes the common Marxist-Leninist ideology shared by the CPSU and the LCY and stresses the two Parties' identity of view on a number of international issues, including the early convening of a CSCE. The commitments to broader inter-party contacts and expanded economic co-operation offer the Soviets opportunities to increase their influence in Yugoslavia, and the principle of "objective" news coverage which is contained in the joint statement may, in practice, work more to Soviet than to Yugoslav advantage.

17. Although the rumoured Warsaw Pact summer manoeuvre, "Istok", which the Yugoslavs regarded as a form of Soviet pressure, failed to take place, the Yugoslavs nevertheless went ahead with their planned Exercise "Freedom 71"(1), described as the largest Yugoslav field manoeuvres to be held since World War II. "Freedom 71" took place in north-west Yugoslavia, away from any border area, but in a setting which left little doubt that the "aggressor" could only be a member of the Warsaw Pact. The Exercise, from 2nd to 9th October, was designed to test Yugoslav defence doctrine, in particular the joint use of reservists, civilians and regular forces against a strong armoured and air-borne invasion.

18. The population of the area where the exercise took place collaborated closely and enthusiastically with the regular forces. Ninety-eight percent of the reservists who were called up while working abroad reported without delay to the military authorities in order to participate in the manoeuvres. This active participation seems to indicate that the Yugoslav armed forces enjoy broad popular support(2).

(1) "Freedom 71" was the subject of a briefing given to the Political Committee by the Intelligence Division, International Military Staff, on 30th November, 1971. (See IMSM-567-71.)

(2) cf. paragraphs 7 and 14 of IMSM-567-71.

19. President Tito, who was in constant attendance, addressed a mass rally at the conclusion of "Freedom 71". In his speech, which was broadcast by nation-wide television, Tito declared that, "We do not recognize the right of anyone to impose its will on others by force, to interfere in the internal affairs of other countries". While Tito's statements on this occasion were undoubtedly motivated in large part by a desire to stress the theme of national unity, they can also be read (despite Tito's denial that the manoeuvres were directed against any particular country) as an expression of continued Yugoslav concern about Soviet intentions and as a clear indication that Yugoslavia intends to remain on its guard despite the generally favourable outcome of the Brezhnev visit.

20. The Greek Under-Secretary of State for Foreign Affairs, Mr. C. Xanthopoulos Palamas, paid an official visit to Yugoslavia from 8th to 10th September, 1971. During this visit, Mr. Xanthopoulos Palamas held useful talks with Yugoslav officials and particularly with Mirko Tepavac, Federal Secretary for Foreign Affairs. The talks covered relations between the two countries, as well as current international issues. Special attention was devoted to the situation in Europe, the Balkans and the Mediterranean; the question of a Conference on Security and Co-operation in Europe; MBFR; and the Middle East crisis.

21. President Tito visited, in turn, the United States (28th October to 2nd November)(1), Canada (2nd to 7th November)(2), and the United Kingdom (7th and 8th November). These visits, which were deemed highly successful by all concerned, contributed to the further development of bilateral relations and also served to emphasize the rôle which Yugoslavia intends to play in international affairs and especially in the developments taking place in Europe.

22. During the remainder of 1971, President Tito made visits to Iran, India, and the United Arab Republic, and received visits from the Iranian Prime Minister and the King of Afghanistan. He also conferred with President Ceausescu of Rumania, Yugoslavia's closest collaborator in Eastern Europe. In his year-end report on Yugoslavia's foreign-policy activity, President Tito made clear the importance his country attaches to maintaining good relations with the "Third World" as well as with the West, the Soviet Union, and Communist China.

23. In his foreign-policy review, President Tito expressed the opinion that "the necessary conditions have been created to begin systematic preparations, including the multilateral ones, for convening the Conference on European Co-operation and Security". Recalling Yugoslavia's long-standing interest in such a Conference, President Tito urged that it "should consider the question of regional disarmament measures, that is, of the reduction of arms and armed forces in Europe". "But", he added, "this should not be limited to the great powers alone, because it affects the interests of every European country".

(1) Communiqué text in Soviet and East European Documentation, No. 10.

(2) Ibid, No. 12.