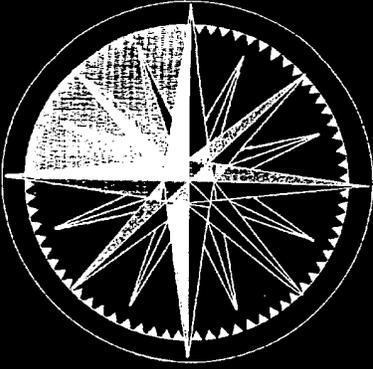


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SPECIAL REPORT

YUGOSLAVIA'S POLICIES TOWARD THE COMMUNIST WORLD

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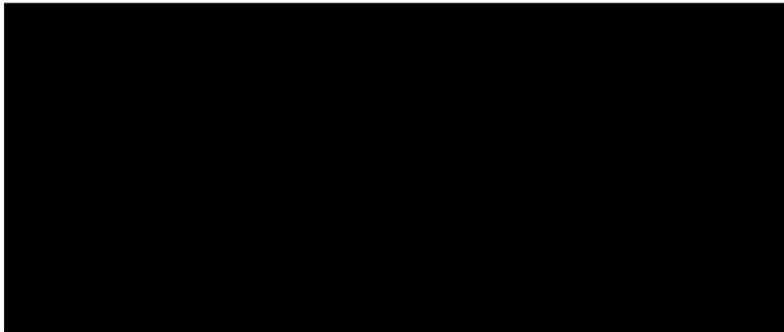
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21 May 1965

YUGOSLAVIA'S POLICIES TOWARD THE COMMUNIST WORLD

President Tito of Yugoslavia will soon begin a new round of talks in various Communist capitals --Moscow, Prague, East Berlin--which will have important implications for his country's future relationship with the Soviet Communist movement. His goal in his meetings with the new Soviet leaders and other Communist heads of state will be to perpetuate the special association with the Soviet bloc that Yugoslavia gained under Khrushchev.

Since early 1962, relations with the USSR and the East European countries have improved dramatically in all areas, including the ideological, political, economic, and military. Tito has been particularly gratified that recent trends in the Soviet bloc thinking generally coincide with his own concepts of diversity in the Communist camp.

Although Tito's talks this summer probably will contribute to these improving relations, they are equally likely to remind him of Yugoslavia's vulnerability to the Soviets' shifting tactics in their efforts to resolve the Sino-Soviet dispute, or to any new efforts by Moscow to reassert tighter control over the Communist camp. Already apprehensive about some of Moscow's recent actions and comments, Tito will take care to remain on the edge of the Communist camp lest Moscow take a course which appears inimical to Belgrade's interests.

Tito's Niche in the Communist World

Without modifying its ideology or weakening its association with the nonaligned states, Yugoslavia received the Khrushchev regime's blessing as a Communist state, acquired a privileged economic position, obtained access to Soviet military stores, and was consulted on some Soviet foreign policy matters. In his first meeting with Khrushchev's successors next month, Tito will

be exploring first of all to what extent their attitudes will permit Yugoslavia to retain this special relationship with the Communist movement. He will also seek to build close personal ties with them of the type he enjoyed with Khrushchev.

Moscow has apparently taken great pains to assure him that Khrushchev's basic policies have not changed. Tito will still be approaching the meeting with certain qualms, however,

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CHRONOLOGY OF EVENTS IN THE YUGOSLAV-SOVIET BLOC RAPPROCHEMENT

1962

- 16-21 Apr Soviet Foreign Minister Gromyko officially visited Belgrade in return for then Yugoslav Foreign Minister Koca Popovic's visit to Moscow the previous year.
- 16 May While in Varna, Bulgaria, Khrushchev said the USSR would help Yugoslavia "consolidate on positions of socialism."
- Late Jun Khrushchev unprecedentedly received a Yugoslav parliamentary delegation that was visiting Moscow.
- 2-7 Jul Another Yugoslav delegation in Moscow signed a new trade agreement for 1963-65, envisaging substantial increases. Khrushchev also received this delegation.
- 24 Sep-4 Oct An official visit to Yugoslavia by then Soviet president Brezhnev was marked by his anti-Western speeches in contrast to relatively cautious ones by his host.
- 2-22 Dec Tito along with Vice President Rankovic paid an unofficial visit to the USSR. During the visit, "serious differences" on ideology were recognized, but Khrushchev stated to the Supreme Soviet on 12 December that Yugoslavia was a "socialist country". In an address to the Supreme Soviet on 13 December, Tito was careful not to suggest that Yugoslavia was at the point of rejoining the Soviet bloc.

1963

- 15-21 Jan A Yugoslav delegation attended East Germany's sixth party congress.
- 21 Jan Bulgarian party chief Todor Zhivkov stopped in Belgrade on his way home from the East German congress, and was received by Tito.
- 3 Apr Pravda reiterated that Yugoslavia was a "socialist" country.
- 10 May Izvestia published a laudatory article on Yugoslavia's new constitution, concluding that it "creates a good legal basis for further cooperation between our countries...."
- 20 Aug-3 Sep Khrushchev visited Yugoslavia in return of Tito's 1962 visit to Moscow. While there, Khrushchev voiced approval of Yugoslavia's workers' councils, which he termed progressive.
- 4-9 Sep The Yugoslav foreign minister visited Poland.
- 17-28 Sep Yugoslav Defense Minister Gosnjak paid an official visit to Moscow.
- 16-20 Dec The Yugoslav foreign minister visited Czechoslovakia.

1964

- 27 May-6 Jun Soviet Defense Minister Malinovsky visited Belgrade in return of the Gosnjak trip.
- 31 Jan-1 Feb Yugoslav Vice President Rankovic visited Hungary.
- 8 Jun Tito met Khrushchev in Leningrad at Khrushchev's request, reportedly to discuss the Sino-Soviet rift, the Soviet-Rumanian conflict, and the general drift of Communist affairs.
- 6-20 May Yugoslav Parliament President Kardelj visited Czechoslovakia and East Germany.
- 22 Jun Upon his return from Leningrad, Tito met with Rumania's then party chief Gheorghiu-Dej at Timisoara.
- 25 Jun-2 Jul Tito made an official visit to Poland.
- Early Aug Soviet ideologist Andropov reportedly had a secret meeting with Tito.
- 7 Sep Tito met Gheorghiu-Dej at the site of the Iron Gates hydroelectric project on the Danube.
- 11-16 Sept Tito made an official visit to Hungary.
- 18 Sept Yugoslavia announced that agreement had been reached for Yugoslavia's limited participation in the bloc's Council for Mutual Economic Assistance (CEMA).
- 19-20 Sep Tito received East Germany's Ulbricht in Belgrade.
- 22-26 Sep Czech leader Novotny made an official visit to Yugoslavia.
- 15 Oct The Soviet party reportedly sent a reassuring letter to the Yugoslavs on Khrushchev's ouster.
- 7 Nov A Yugoslav delegation attended the USSR's anniversary celebrations in Moscow.

1965

- 27-29 Jan Yugoslavia's foreign minister visited Bulgaria.
- 28 Jan-2 Feb CEMA ratified the agreement for limited Yugoslav participation.
- 22 Mar Soviets agreed to supply equipment for Yugoslav side of Iron Gates project.
- 5-9 May Yugoslav delegations attended V-E Day celebrations in Prague, Moscow, and East Berlin.
- Jun Tito will visit Moscow, Prague, and East Berlin.

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recalling that Brezhnev, during an official visit to Belgrade in 1962, displayed an arrogant and disparaging attitude and made a number of public statements embarrassing to his hosts.

In his talks, Tito will voice approval of trends toward diversity in the Communist movement, and urge those policies which would ensure their continuation. As he had successfully done with Khrushchev, Tito will try to "sell" himself as a valuable link between Moscow and the nonaligned states, and as an example to them that good relations with Moscow are possible without sacrifice of self-interest. Tito will also emphasize that good Soviet relations with Belgrade are an important symbol to the entire world that Stalinism is dead.

Tito probably will come away reassured that Moscow's policies will not change in the foreseeable future and that his own position is still intact, although probably less favored than it was under Khrushchev. Moreover, he is not likely to develop the rapport with the new leaders that he had with Khrushchev.

For the long run, however, Tito probably will become more convinced than ever that Yugoslavia's relations with Moscow depend principally on outside factors--a continuation of current Soviet attitudes in the Sino-Soviet dispute, its pursuit of peaceful coexistence with the West, and its courtship of the nonaligned states. Tito

"... The growth of the socialist forces in the world, the variety of form in which they are taking shape, and the complexity of the conditions from which they emerge have made the existence of any one center of all actions and of the entire activity of the international workers' movement detrimental. ... Today more than ever before, the international workers' movement needs such unity as does not conceal differences, but, on the contrary recognizes them. After all, total unity in the international workers' movement has never existed...." (Speech by Tito at Yugoslavia's eighth party congress on 7 December 1964)

also recognizes that Moscow's current policies toward Belgrade can be disadvantageous for the USSR. To the extent that Tito is reminded of these facts in Moscow, his sometimes irrational apprehensions about the stability of good Soviet-Yugoslav relations will be fortified. As a result, Belgrade will probably continue to exhibit its discomfort whenever new Soviet tactics can be interpreted as signs that Moscow's basic policies may be changing.

In Eastern Europe, Tito will continue to encourage a cautious loosening of Moscow's apron strings. He will recommend Yugoslavia's policies and experiences as worthy of examination as these states modify their economic and political institutions.

Belgrade-Moscow Relations

Since the current rapprochement began in earnest in 1962, Yugoslavia's party and state relations with Moscow have become increasingly close. Before his ouster, Khrushchev had accepted Tito as a legitimate socialist, and the Soviets had even come to the view that Belgrade's internal policies had some merit for other countries.

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While in Yugoslavia in 1963-- returning Tito's 1962 visit to Moscow--Khrushchev referred favorably to Yugoslavia's workers' council system of industrial management.

Belgrade views as an optimistic sign Moscow's preliminary steps with profit incentive in the production and distribution of some consumer goods, a practice Yugoslavia began in the early 1950s. Tito, moreover, has noted with some pleasure the turn to more permissive Soviet policies on party and government relations among Communist regimes, and sees this as an endorsement of his own views. Khrushchev even made a point of keeping Tito informed on Moscow's policies, and on occasion called upon him for support in squabbles within the Communist camp.

When in 1964 Soviet and Rumanian disagreements had reached the threshold of public polemics, for example, Khrushchev reportedly urged Tito to use his influence with Rumania to cool the accelerating conflict. Tito reportedly counseled both Khrushchev and Rumanian chief Gheorghiu-Dej that the differences were negotiable and that precipitate action by either side could cause

"The differences in attitudes toward individual questions cannot be regarded outside the entirety of socialist development, nor can unity be secured by excommunications, as was demonstrated in the case of our country and party in the past. Differences also cannot be solved by unprincipled compromises, since experience from the recent past also has confirmed that these compromises are a temporary thing, that they constitute an attempt to avoid problems and not to face them." (Party daily, Borba, 22 October 1964)

an open dispute and retaliation not in the interest of either party.

In the struggle between the USSR and the Chinese, the Yugoslavs have clearly supported the Soviets, although all the while defending China's right to formulate its own views. This support reflects not only Yugoslavia's thorough disapproval of China's dogmatic theories, but also the narrowing of ideological differences between Belgrade and Moscow. Belgrade, moreover, is convinced that Moscow's foreign policies --particularly Khrushchev's --offer the best hope for reducing international tensions. This, in turn, creates the best international atmosphere for Belgrade to pursue its own free-wheeling approach to foreign and domestic affairs.

Tito and Khrushchev found mutual advantage in Tito's role in the international Communist movement, which particularly appealed to the Yugoslav President's sense of self-importance. In return, Tito assiduously lived up to his agreement to avoid direct criticism of Soviet actions with which he disagreed, and he has been quick to voice Yugoslav support for Soviet initiatives in international affairs.

Economic Relations

The improvement in Soviet-Yugoslav economic relations has been marked by frequent exchanges of delegations and signings of new agreements. The 1965 trade agreement sets

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a \$300-million target--triple the 1962 total and a 35-percent increase over the 1964 goal. A side agreement provided for Yugoslav construction of \$250 million worth of ships for the USSR by 1970.

The Soviets also have agreed to provide on credit significant electric generating power equipment for the Yugoslav side of the Iron Gates project--the gigantic joint Yugoslav-Rumanian undertaking to construct power dams on the Danube. In this way, Moscow probably hopes to ensure itself a hand in an important segment of Yugoslavia's industrial development, as well as exclude the West from the project. The two countries also have recently agreed to exchange electric power and to establish direct air service between their capitals.

In addition, in February the bloc's Council for Mutual Economic Assistance (CEMA) ratified an agreement for limited Yugoslav participation which will facilitate negotiations and trade agreements in the future.

Military Relations

Moscow has become the sole supplier of modern military equipment to Yugoslavia. Since the beginning of 1962, Yugoslavia has received 28 MIG-21 jet fighters, hardware for three surface-to-air missile (SAM) sites, 60 T-54 tanks, and small quantities of Soviet-manufactured radar equipment, assault guns, antitank missiles, and antiaircraft guns. Reports suggest that military purchases may

amount to an additional 50 MIGs, nine SAM sites, and ten tanks.

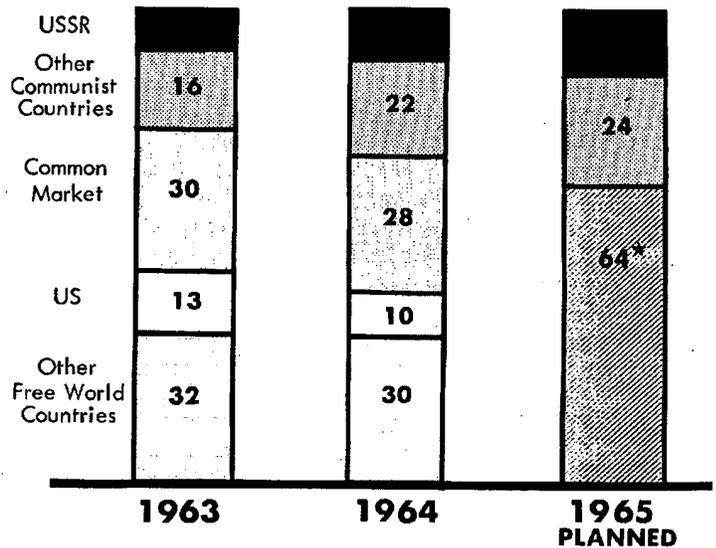
In addition, the military services of the two countries have resumed some contacts after a long period of hostility. The Soviet fleet paid a port call last June for the first time since 1948. The defense ministers and high military officers have exchanged visits on important holidays. Yugoslav personnel have gone to the USSR for training on their newly acquired equipment, and there is probably a Soviet training mission in Yugoslavia.

Relations with Eastern Europe

With Soviet sponsorship, Yugoslavia has gained influence

YUGOSLAVIA'S FOREIGN TRADE DISTRIBUTION

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in Eastern Europe and rapidly improved its relations with all the countries except Albania. Tito last year personally consulted with all the East European bloc leaders except Bulgaria's Zhivkov. In addition to the planned official visits to Prague and East Germany this spring, he probably will see Polish, Hungarian, and Bulgarian leaders before the year is out. In the meantime, many lower level delegations have been exchanged and bilateral agreements signed.

Belgrade probably has become closest to Bucharest. During the most critical phase of Rumania's bid for economic independence from Moscow, party chief Dej consulted with Tito twice and allegedly requested his support. Economic relations also have gained impressively as the two countries have moved through the planning stage and begun actual construction of the Iron Gates project.

Czechoslovakia, which has been attempting to find a way out of its economic stagnation, has taken a keen interest in Belgrade's internal economic programs. Prague apparently intends to experiment with less central planning and a partially free-market economy using the profit motive to promote incentive. These are all modifications which Yugoslavia pioneered some years ago.

Relations with Bulgaria--restricted in the past by its strong Stalinist stance--have been improving since January, when Yugoslavia's then foreign

minister, Koca Popovic, paid an official visit to that country. Sofia is apparently experimenting with more liberal internal economic policies, and the attempted coup by an anti-Soviet faction last month indicates strong sentiment in Bulgaria for a more independent, Tito-like policy.

Economic and state relations with Hungary and Poland also have improved rapidly, but in party affairs there is an apparent coolness between Tito and their leaders. This may reflect their disapproval of many Yugoslav domestic policies and institutions which, when adopted by Hungary and Poland in 1956, became threats to their regimes.

Although Tito has been more cautious in warming up to the Ulbricht regime in East Germany--lest he harm Belgrade's important economic ties with West Germany--his plan to visit there in June demonstrates his intention to achieve good relations with all the East European bloc. Moreover, East Germany is fast becoming a significant trade partner.

Conversely, Belgrade's relations with Communist China's beachhead in Europe, Albania, have if anything deteriorated from an already low level. Concern with Tirana's possible influence on the large Albanian minority in Yugoslavia has caused Belgrade to react strongly to continued propaganda directed to this group from Albania. Belgrade also has twice in the past year officially protested strong attacks on

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Yugoslavia by Chinese Premier Chou En-lai while he was visiting Tirana.

Tito Remains an Outsider

Although Moscow and Eastern Europe have moved a long way toward Yugoslavia, and bilateral relations are flourishing, Moscow has not asked for, and Tito has not sought, binding commitments to Communist Eastern Europe.

Yugoslavia's limited association with CEMA, for example, was achieved only after many months of arduous negotiations and was obviously designed not to affect the predominantly Western orientation of Yugoslavia's trade.

Belgrade has not associated itself with the Warsaw Pact and, moreover, has continued its explicit criticism of all military alliances. Although the amount of equipment received from the Soviets is impressive, delivery has been slow. Even after all the planned shipments are received--and after allowances are made for some unknown shipments--the Yugoslav military arsenal will remain preponderantly Western.

Yugoslavia apparently has not received tactical surface-to-surface missiles (Scuds or FROGs) although the Soviets have provided them to their Warsaw Pact allies, including the less reliable ones such as Hungary.

The Soviets reportedly offered Belgrade credit terms for its military purchases as

early as last June, but Yugoslavia apparently did not accept. In September, Defense Minister Gosnjak--in explaining the slow pace of modernization in the military--stated that the defense establishment, unlike productive enterprises in Yugoslavia, could not make use of credits or loans. He noted that savings realized from reducing the size of the armed forces by one fourth and the term of military service from 24 to 18 months would go toward modernization. A planned 16-percent increase in defense expenditures in 1965 suggests that Belgrade intends to pay cash for Soviet equipment.

There is no conclusive evidence that Yugoslavia and the Soviet Union have agreed to close collaboration and mutual assistance in military affairs. Quite to the contrary, the Yugoslav Army's last maneuvers were planned to counter an attack from the East. Belgrade's apparent determination to avoid entanglement in a close alignment with the Soviet military, however, may be undermined if it fails to make satisfactory arrangements for spare parts and new equipment from the US.

Despite agreement with Soviet views on most foreign policy issues, Belgrade has continued to act in concert with the non-aligned states rather than the Soviet camp. Yugoslavia was one of the principal organizers of last October's nonaligned summit conference in Cairo, and chose to organize a conference of nonaligned ambassadors in March as a vehicle for advancing

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"... The policy of nonalignment is facing today, as it did at various periods in the past, all sorts of pressure and malicious interpretations. Nevertheless, this policy has always succeeded in preparing itself well for new tasks and for current conditions in the international situation, because it is not a policy fettered with doctrinal stagnation or imposed alliances." (Speech by Tito on 27 April 1965 while in the UAR)

its views on the Vietnam situation. This Yugoslav approach reflects Belgrade's view that the world is politically divided between states which pursue their interests through peace and those that seek them in war. It is not split between Communists and capitalists, according to Tito, for each can be found in both camps.

An Unstable Relationship

Yugoslavia's relationship with the Soviet camp basically is a by-product of the USSR's relationships with the West and the rest of the Communist world, and does not depend primarily on matters of direct bilateral interest. Belgrade has the precedents of its 1948 expulsion from the bloc and the breakdown of the earlier 1955-59 rapprochement to remind it of this fact.

One vital factor in the situation is the Sino-Soviet dispute, and Belgrade is particularly alert to any tactical moves on Moscow's part which suggest that Belgrade's position will be jeopardized. Belgrade is overly suspicious, for example, that over the long term Moscow might dump Yugoslavia as a condition for a Moscow-Peiping reconciliation--however unlikely that prospect appears to other Communist states.

Tito also realizes that Moscow's currently favorable policies toward Belgrade can indirectly have an adverse effect on the USSR's relations with other East European states. Having defied Moscow and prospered, Yugoslavia may serve as a lure for other Communists to seek more independence than Moscow is willing to give. Rumania's assertion of independence and the recent coup attempt in Bulgaria are mute testimony of this reality.

Yugoslavia, moreover, has over the past year openly opposed Moscow's tactics to unify the Communist movement. Remembering Yugoslavia's own expulsion from the bloc, Tito opposed Khrushchev's 1964 call for a conference of Communist parties--which was initially intended to arrange China's isolation from the Communist movement. Although the consultative conference--finally convened by Khrushchev's successors in March--apparently buried any real likelihood of a conference of any kind in the foreseeable future, Yugoslavia nevertheless was disquieted by its results. The final communiqué still presented conferences as the best way to settle disputes--Belgrade does not agree--and made favorable

"We consider that today questions fateful for the whole of mankind can no longer be viewed only in traditional forms of consultation among Communist parties... The LCY (Yugoslav Communist Party) is not in principle against the consultative conference of Communist and Workers' parties as a form of exchanging opinions; (but) the LCY... considers that today in the struggle for achievement of the unity of the international workers' movement, it is far more important how it will be prepared, what questions it will treat and in what way it will render its conclusions." (Announcement through a government spokesman in a news conference on 1 October 1964)

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reference to conference declarations of 1957 and 1960, both of which were highly critical of Yugoslavia's ideology and policies.

Reflecting its acute sensitivity to possible changes in Soviet attitude, Belgrade has also quivered over Soviet comments against revisionism and in praise of Stalin in connection with the 20th V-E Day celebrations. (Even beforehand, a Yugoslav correspondent in Moscow complained on 24 April that one hears with increasing frequency in the USSR that "revisionism" is the main danger to the international Communist movement.) Tito, of course, has always been the chief revisionist. Since Stalin stands for the dogmatic, centralized control of the Communist movement so opposed by the Yugoslavs, even

his partial rehabilitation as a military leader would concern Belgrade.

Although these reactions mainly reflect Belgrade's oversensitivity to the Sino-Soviet conflict, the Yugoslav disquiet may not be entirely unfounded. During a February meeting with the Yugoslav ambassador in Moscow Brezhnev reportedly criticized certain features of the Yugoslav party congress last December, at which the Yugoslavs presented a comprehensive view of their domestic and foreign policies. Moreover, there is evidence the new leaders may already be looking beyond Tito. On several occasions in the recent past, Moscow's ambassador in Belgrade has purposefully consulted with Vice President Rankovic on problems which might better have been taken up with Tito. [REDACTED]

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