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MEMORANDUM

Yugoslavia - The Ustashi and the Croatian Separatist Problem

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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

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MEMORANDUM

SUBJECT: Yugoslavia -- The Ustashi and the Croatian Separatist Problem*

The hijacking of the SAS plane in Sweden and the bombing of two Yugoslav tourist offices in Australia by Croatian emigre terrorists (Ustashi) are the most recent episodes in a series of dramatic and violent acts intended, among other things, to demonstrate to the world the undying hatred borne by Croatian patriots for Tito and for the unified Yugoslav state. Belgrade has for some time been concerned about Ustashi actions abroad and alleged Ustashi complicity in Croatian separatist stirrings at home. It is apprehensive that the problem may be growing, partly as a consequence of Ustashi activities within large colonies of Yugoslav workers in the West. And it is unhappily aware that much more is involved here than the terrorist acts of a small, militant group. Like Al Fatah and the IRA, the Ustashi represent only the militant peak of a large movement whose beliefs and resentments and aspirations are rooted in a troublesome past and are nourished by the prospect of a turbulent future.

1. Yugoslav officials have in recent months approached a number of Western governments in an effort to secure their active

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cooperation in controlling the activities of Yugoslav emigre groups. Austria, Australia, West Germany, France, Sweden, Canada, and the United States are known to have been the targets of these diplomatic efforts. The lengthy aide memoire submitted to Washington last month is devoted almost entirely to Croatian emigre groups. Serbian emigre groups are given very little space, apparently because Belgrade does not consider them a major threat at this time. Presumably the Croatian element dominated the aide memoires addressed to the other Western capitals as well.

2. One of the constants of Yugoslav political life since the formation of the state in 1918 has been the tendency of Serbs, Croats, Slovenes, Macedonians, and Albanians to think of themselves primarily as members of those ethnic groups and only secondarily, if at all, as Yugoslavs. The rivalry between the largest single group, the Serbs (who are traditionally Orthodox in belief and Balkan by temperament) and the second largest group, the Croats (who are traditionally Roman Catholic and somewhat more Western-oriented) has been particularly intense. During the prewar and war years many Croats in Yugoslavia joined the Ustashi Movement, which advocated violent resistance to Serbian influence and the establishment of an independent Croatian state. In its search for allies, the movement turned to Mussolini and Hitler and became

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pro-fascist. Many of the wartime Ustashi emigrated to the West after the defeat of their cause, and the movement gradually fragmented. But more than a dozen Ustashi-like Croatian emigre groups continue to exist.

3. In recent months Tito and other Yugoslav leaders have been giving a great deal of public attention to Croatian emigres and Croatian separatism. Clearly, the Yugoslav government is treating the issue as if it involved a threat to the regime and to the survival of the federal state. But why should Belgrade be so troubled at this particular time?

4. In their recent discussions of the Croat issue, the Yugoslavs have put much emphasis on a single incident. In late June, according to Belgrade, 19 armed Ustashi (some of whom came from as far away as Australia) crossed the border from Austria, hijacked a truck which carried them several hundred miles to the little town of Bugojno (in Bosnia-Herzegovina), and thereafter fought a running gun battle with troops from the Yugoslav security forces, killing 13 of them before being killed themselves. The Yugoslav regime said they received no popular support.

5. There have been other Ustashi incidents in recent months, beginning with the assassination of the Yugoslav Ambassador to

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Sweden in April 1971.^{1/} But most of these have been relatively minor. Even the raid from Austrian territory had a certain bizarre aspect in that some Yugoslav citizens apparently thought at first the 19 gun-waving men were making a movie.

6. If, as most Western observers at first assumed, these incidents had involved only the Ustashi from World War II days, Belgrade would have been inclined to shrug them off as the last gasps of a dying movement. But Belgrade apparently believes both that the Ustashi have somehow been revitalized and that they are developing new and dangerous contacts in the broader ranks of Croatian separatists. The Yugoslav government has had to concern itself frequently with the problem of resurgence of nationalistic feeling in the Croatian Republic. Indeed one severe crisis in Croatia reached an acute phase last December.^{2/} With the purge of certain Party officials and the arrest of student leaders and

^{1/} Other incidents during this period include the bombings of the Yugoslav Airlines office in Belgrade (December 1971), the Zagreb office of the Party newspaper Borba (January 1972), a Stockholm-to-Belgrade Yugoslav airliner (January 1972), and the Yugoslav tourist office in Stockholm (March 1972). Twenty-seven persons died in the airliner crash and one died in the Borba office affair. Otherwise there were no fatalities.

^{2/} For an examination of the December events and their immediate consequences see ONE Memorandum, "The Crisis in Croatia", 5 January 1972, [redacted]

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intellectuals believed responsible, Belgrade managed to reassert control. But a certain nervousness has persisted among ranking Yugoslav officials.

The Semi-Emigres

7. When Belgrade considers possible new linkages between the Ustashi abroad and the Croatian separatists back home, it naturally gives principal attention to the large group of semi-emigres -- those Yugoslavs permitted by the regime to work outside the country. Prior to 1965, only a few thousand were in this category. But in 1965, in connection with the introduction of the economic reform program, controls were relaxed. Since then, and particularly since early 1968, the number leaving each year has increased sharply, and the number returning each year apparently has declined. By now there may be a million such workers abroad, most of them in their twenties or thirties, plus a small number of their dependents. This would represent about five percent of the entire population of Yugoslavia.

8. The political danger which might lurk among these semi-emigres can best be appreciated if two additional points are considered. First, the largest single ethnic group among the semi-emigres are Croats. Perhaps as many as 400,000-450,000 people,

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which would be about 10 percent of the Croat population of Yugoslavia, may be working abroad.* Potentially then, the Ustashi could have in this group a large source of young recruits and contributors. And the restive students in Zagreb could have in it friends and associates of their own ages with whom to share grievances and heresies.

9. The second point is that the Yugoslav regime, by its own admission, has failed to keep accurate track of the activities -- or even the numbers -- of these semi-emigres. In June of this year, for example, a Yugoslav Federal Government committee in charge of external migration conceded that for every worker who bothered to register with the State Employment Office, there was likely to be another worker who made his arrangements through private "channels". Apparently such statistics as are provided by Yugoslav officials at exit points are completely insufficient. In order to obtain even an approximate count of non-registered workers, the regime has evidently had to rely on data published in the host countries plus whatever the Yugoslav diplomats in these countries have been able to provide. Such inexactness seems extraordinary by the

* *In April 1972 Archbishop Kuharic of Zagreb, spiritual leader of the Roman Catholic Church in Yugoslavia, told the US Ambassador that there were 600,000 Croats working abroad -- a figure which seems too high.*

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standards of any European government, let alone a Communist one. Obviously if the Yugoslav regime cannot properly identify or count its workers abroad, it must be having a very difficult time in keeping track of their political activities.*

10. And indeed the last few months have produced indications of ties provided by the semi-emigres between the older Ustashi elements abroad and the nationalists back home. Many of the 19 Ustashi who infiltrated from Austria were far too young to have belonged to the World War II organization, and so quite likely had been working outside Yugoslavia. A number of other Croat nationalists brought to trial this year have been identified as former workers abroad. A case of some interest involves two 20-year old girls indicted on 30 August 1972 for their part in the Ustashi assassination of the Yugoslav Ambassador to Sweden. According to the Yugoslav press account, they went to work in Sweden and while there they sought out the Ustashi (rather than the reverse). Only after they returned to Yugoslavia, presumably to continue their Ustashi activities, were they apprehended. Still

* *Yugoslav intelligence may or may not have a better fix on the number of full-fledged emigres (as distinct from the workers abroad). One Yugoslav journal reported in July 1972 that there were 200,000 Yugoslav emigres of various nationalities organized in political groups. Obviously, however, the distinction between full-fledged and semi-emigres is by no means clear-cut.*

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another indicator -- not negligible in appreciating the depth of national feeling -- is a report from Western visitors to Zagreb University that as of last spring the students in the dormitories were singing Ustashi songs.*

11. Ironically enough, the economic advantages of allowing Yugoslavs to work abroad are increasingly under challenge. At first Yugoslav economists described the semi-emigration as a necessary adjunct to the economic reform itself. If these workers were not permitted to emigrate, these economists assumed, unemployment would tend to rise sharply, because of the expected natural increase in population and the planned modernization of the economy (e.g., the elimination of older and less efficient enterprises). Moreover, the earnings to be remitted by these workers promised a useful source of hard currency. Also, many of these workers would be in a position to acquire new skills abroad, which would enable them to contribute to the modernization of the Yugoslav economy when they returned home -- hopefully within two or three years.

12. But it now appears to some Yugoslav economists that many of those going abroad are not those who would be otherwise unemployed. Physicians, engineers, teachers, and other skilled

* *As an 18th Century European nationalist put it, if in the long run he could write his nation's songs he would not care who wrote its laws.*

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personnel are leaving or passing up employment opportunities in Yugoslavia in order to secure higher income abroad. Some of these persons take unskilled jobs simply because of the favorable income differential. Consequently certain parts of Yugoslavia are suffering from a brain drain. Moreover, there are now reported to be local shortages of unskilled and farm labor, particularly in Croatia.

13. Then too, although worker remittances are at an all time high, a lot of money earned abroad is being spent abroad, contrary to the regime's earlier expectations. (In all likelihood, some of it is ending up in Ustashi coffers.) A lot of money which is brought or sent home is being put in the wrong places. That is, it is being used either to buy consumer goods in short supply, which contributes to inflation, or to obtain large amounts of real estate, which the regime (Tito in particular) opposes on economic and ideological grounds.

14. The semi-emigration has also had unforeseen political effects back home, particularly in Croatia. Croat nationalists -- in the universities, the Party, and elsewhere -- accuse Belgrade of following economic policies which favor other, more backward, republics and which in effect force Croatian workers to seek employment abroad. At the same time, they blame Belgrade for labor

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shortages that occur in Croatian villages. And when Belgrade seeks to relieve these shortages by encouraging other Yugoslav nationalities to migrate to these villages, the Croats have a pretext for complaining about "foreign" occupation. Such complaints obviously provide a rich source of inspiration for Ustashi propagandists and other Croat separatists.

Belgrade's Limited Options

15. There doesn't seem to be very much that Belgrade can do to relieve the root causes of the economic and political problems presented by the semi-emigres. For example, in the economic plan for 1971-1975 Belgrade has set a goal of reducing overall unemployment, and Yugoslav economists hope this will induce some workers to return home at an early date and discourage others from going abroad. Indeed the Republic of Croatia has established offices abroad in an effort to attract these workers home, especially those with needed skills, through various economic inducements. The problem here is not simply one of jobs; it is also a matter of income and general living conditions, and it seems very doubtful that Yugoslavia will ever be able to compete with, say, West Germany in these areas.

16. Within the last year the regime has put tighter controls on travel to Yugoslavia in an effort to prevent emigre infiltrations, while simultaneously clamping down on the number of

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Yugoslavs permitted to go to the West. But border and travel restrictions are difficult for a country such as Yugoslavia which depends heavily on tourism and has become accustomed to the travel of its citizens across its borders.* And even the best efforts by the Yugoslav security services to monitor workers leaving in the future will hardly improve surveillance of the thousands who evidently have escaped their notice up to now.

17. The increased activity of the Ustashi, their success in recruiting young Yugoslavs, and the gap in information on the workers abroad help to explain the current Yugoslav diplomatic approaches to Western governments. Belgrade wants the officials of these governments to help keep tabs not only on the revitalized Ustashi groups, but also on the activities of the larger groups of Yugoslav workers in their countries. So far, the Yugoslavs have not achieved a great deal of success. Two years ago Bonn signed an extradition treaty with Belgrade, which theoretically hampers Ustashi activities in West Germany. But other governments have not followed Bonn's lead. And in general, Western governments have indicated that they draw a clear distinction between actual

* *Yugoslav official statistics -- which are probably not very accurate -- claim that there were more than 5 million tourists to Yugoslavia in 1971, that the equivalent of nearly 12 million Yugoslavs travelled abroad for one reason or another in 1971. This latter figure counts several trips by an individual as the equivalent of several individuals.*

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preparations to stage terrorist acts from their countries and purely political activities. And in disputed cases, Belgrade has been given to understand that it will bear the burden of proof.*

18. The regime is also tightening up on nationalist manifestations at home. Additional trials of Croat student leaders and intellectuals are scheduled, and more Party members may be purged for nationalist deviations. Nevertheless, the regime has not reached the stage, Tito told a public gathering on 10 September, where it must "take who knows what draconic administrative and other measures". Instead, Tito is calling for such remedies as more "Marxist" educational courses to deter youth from nationalism and other sins of the spirit.

19. New efforts at political education and lectures on "workers' self-management" seem dubious means of undercutting the appeal of Ustashi tracts for the students at Zagreb. Even if these have a measure of success, there is a fair assumption that some of the students' cousins working in Stockholm or Sydney will

* *As an indication of Western attitudes, the Australian press reacted sharply to lurid allegations in the Yugoslav press concerning an "Ustashi" rifle range used by some of the 19 infiltrators. The place in question, according to the Australians, is a fully legal gun club, with no Croat connections whatever.*

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continue to join or at least contribute money to the Ustashi. And if the Ustashi, fortified with youth, are willing to make certain desperate gestures now, they are the more likely to try harder when Tito goes.

20. Moreover Belgrade is concerned that after Tito's departure some foreign power -- particularly the USSR -- will seek to exploit Croatian discontents in order to increase its own influence in Yugoslavia. Certain Ustashi spokesmen have claimed that the Soviets have offered some form of encouragement, and one Yugoslav Party leader has charged that "powerful intelligence services" (presumably he means Western services) are backing both the Ustashi and "fascist organizations" inside Yugoslavia itself. So far the evidence to sustain either set of claims is insufficient. Still, the barest possibility of an outside power's meddling in Yugoslavia's ethnic rivalries clearly adds to the general anxiety in Yugoslav official quarters..

21. In any case, the problem of the nationalities for the regime is, and will remain, broader than the threat from foreign based or foreign supported terrorists. It involves the persistence within Yugoslavia itself of severe regional discontents, economic, political, and cultural. No Yugoslav official can be confident that the correct prescription for these grievances has yet been written in Belgrade.

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