

Yugoslavia

216. Memorandum From Helmut Sonnenfeldt of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, June 24, 1969.

SUBJECT

Holding Yugoslav Hands in Connection with President's Stop in Bucharest

In view of past correspondence and conversations, I think we need to say something to the Yugoslavs before the President's Romanian trip² is publicly announced. Tito will undoubtedly feel let down.

I would suggest that you call in the Yugoslav Ambassador (or, if you have schedule problems, I could talk to the DCM, whom I know well) on the day the President's plans are to be announced to say the following:

—the President is visiting several countries after the Apollo splash-down, but his schedule is extremely tight;

—in response to a long-standing invitation he will be making a brief stop in Romania;

—the President gave thought to the possibility of visiting Yugoslavia on this occasion;

—he has always wanted to do so but had also wanted to be able to spend several days so that he could really acquaint himself with the country and its people;

—because of his extremely tight schedule he therefore did not on this occasion explore the possibility of a visit to Yugoslavia;

—the President still very much wants to make such a visit and hopes this will be possible under circumstances when he is under less time pressure.

In the event you wish to run this approach past the President (which I personally would not think necessary), there is attached a memorandum for your signature at Tab A.³

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 733, Country Files—Europe, Yugoslavia, Vol. I through Jul 70. Secret; Nodis. Sent for action.

² The trip was announced on June 28; see Documents 183 and 184.

³ Attached but not printed.

Recommendation

1. That you (or I) approach the Yugoslavs shortly before the announcement of the President's trip to make the points set forth above.

Approve⁴

Disapprove

Joan set up appointment with Yugoslav Ambassador

Sonnenfeldt handle with DCM. Yes⁵ No

2. That, if you first want to check with the President, you sign the attached memorandum.⁶

⁴ Kissinger initialed this option.

⁵ Kissinger initialed this option.

⁶ Kissinger did not sign the attached memorandum. In telegram 1919 from Belgrade, July 4, the Embassy reported that Yugoslav senior officials "thoroughly endorsed" the President's trip and its objectives. (National Archives, RG 59, Central Files 1967–69, POL 15–1 YUGO)

217. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, February 12, 1970.

SUBJECT

Secretary Rogers' Meeting with Tito

The Secretary met with President Tito in Addis Ababa² and discussed the Middle East situation and several other subjects. He has sent you a brief account which is attached.³ He was impressed with Tito's vigor, humor and friendliness. After the Secretary expressed your

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 733, Country Files—Europe, Yugoslavia, Vol. I through Jul 70. Confidential.

² Rogers was in Ethiopia for meetings with Ethiopian Emperor Haile Selassie and his government. He addressed a meeting of the Organization of African Unity on February 12. Tito also addressed this meeting.

³ Attached but not printed.

active interest in visiting Yugoslavia and the problem of fixing a date, Tito said his invitation was open and was now renewed.

On the Middle East Tito stressed he had told Nasser since 1967 that the Arabs should recognize Israel's right to live and send ships through the Canal. Though Tito finds the Israelis more at fault currently, the Secretary feels Tito is exerting a beneficial influence on Nasser.

Tito was somewhat critical at the slowness of U.S. firms in responding to projects for joint industrial ventures in Yugoslavia.⁴

We have recently had reports of tension in Yugoslav-Soviet relations but Tito said that his relations with Moscow were now satisfactory. He continues to favor a European security conference, but agrees that it should be held only if it produces results.

⁴ The President underlined this sentence and added a handwritten note: "K—I am very much in favor of exploiting this in Yugoslavia fully. If it works there it might be the device by which we can work with Rumania & other E. European countries—Can we get a report from Stans & Kearns on this?—Get some steam behind it." In a March 3 memorandum to the Secretaries of State and Commerce and the President of the Export-Import Bank, Kissinger noted the President's "great interest" in encouraging private investment in Yugoslavia and requested a report on this issue. (National Archives, Nixon Presidential Materials, NSC Files, Box 733, Country Files—Europe, Yugoslavia, Vol. I through Jul 70)

218. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, March 13, 1970, 1540Z.

629. Subject: US-Yugoslav Military Relations.

1. Yugoslav Chief of Staff Colonel General Bubanj, accompanied by Lt. Colonel General Bulovic (Ass Chief of Staff for Intelligence), and an aide came to dinner at residence March 8.

2. Occasion was social; wives were present; invitation prompted by my desire to know Bubanj better and to probe for ways of improving currently distant relations Yugoslav military maintain with US.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 733, Country Files—Europe, Yugoslavia, Vol. I through Jul 70. Secret; Exdis.

3. I found Bubanj tough-minded, shrewd, blunt. He has been twice Air Forces C/S, and since January Armed Forces C/S; looks like retired all-pro tackle; water colors as hobby; limited English. Bulovic silky, intellectual, oblique; very current on published literature US military doctrine and organization; fluent English (MilAtt Washington 1948–52).

4. During long after dinner conversation on service connections, Bubanj put direct question to me: What would US do in case of Soviet attack on Yugoslavia?

5. In reply I said prior question seemed to me: What would Yugoslav armed forces do? Would reaction in any way be conditioned by fact that over last decade Yugoslav armed forces had had much closer relations with Soviet Union and other Warsaw Pact countries and had looked to them for most of their external training and advance equipment purchases?

6. Bubanj said mission of Yugoslav armed forces was to defend against attack from any direction; they would carry it out. Yugoslavia had always wanted to diversify its arms sources, as form of deterrent and to avoid over-dependence. But high costs, stiff terms in West and availability of clearing account mechanism in East had dictated sourcing. Yugoslavia now making intensive effort to diversify. Had already contacted Sweden, Italy, Switzerland, France, Britain. But if it had to fight, Yugoslavia would use all its resources, whatever their origin.

7. I then said that I thought direct attack on Yugoslavia least probable contingency. Intimidating or internal divisive action more likely, and presumably Yugoslav armed forces had contingency plans for that (Bubanj nodded agreement). But should situation be such that direct intervention possible, attitude of US would no doubt be as stated in NATO communiqué of November 1968.² Added that, as Secretary Rogers had recently told Tito, US would not enter into any agreement with Soviets that would affect our friends.³

8. Bubanj expressed appreciation. Reverted to hope I had expressed for closer and warmer relations military our two countries, but feared that, in view mistrust and past local misunderstandings, this would take time to develop. Said he would like to have further discussion whole range of issues and that he also believed senior US and Yugoslav military should work toward informal, more frequent contacts. I agreed.

² For text, see Department of State *Bulletin*, December 6, 1968, pp. 595–597.

³ Reference is to the Rogers–Tito meeting at Addis Ababa; see Document 217.

9. *Comments:* Bubanj took initiative both in suggesting date to accept invitation extended some time ago and in turning conversation to fundamentals. His timing followed the Secretary's Addis conversation with Tito (on which he said he had been well briefed), Ribicic talks in London on alternative procurement sourcing, and new strains below Soviet-Yugoslav surface.

10. I believe Bubanj operating under political guidance. I think he sees his military task as deterrence, and I have no doubt that he would fight if deterrence fails. In view present role of Yugoslav military in this decentralizing country and their potential role in succession period—psychology of which has now clearly set in—I gave him encouragement I could within existing policy framework. We have since heard from Yugoslav side that Bubanj was “satisfied that beginning was good,” that tone was frank, and that ice had been broken.

11. These would also be my views. I have thought about our conversation during succeeding three day Bosnian visit, and may have recommendations to make as contact develops. Meanwhile, Bubanj says he would like to talk again. I think best leave next move to him.

Leonhart

219. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, May 7, 1970.

SUBJECT

Encouragement of U.S. Investment in Yugoslavia

You asked for a report on U.S. industrial investment in Yugoslavia, indicating that the U.S. Government should work harder to encourage it, particularly since this might be a device by which we could work with Romania and other East European countries.

The Secretaries of State and Commerce have submitted a joint report on the situation and prospects (Tab A), focusing on what the U.S. Government can do to increase U.S. private investment. Henry Kearns

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 733, Country Files—Europe, Yugoslavia, Vol. I through Jul 1970. Secret. Sent for action. Tabs A and B are attached but not printed.

has forwarded a separate report on the role of the Export-Import Bank (Tab B).

In July 1967, Yugoslavia passed legislation permitting minority holdings by foreign investors, with some restrictions on repatriation. Though the Yugoslavs have stressed their interest in foreign investment to Western officials and businessmen, the response has so far been small.

Only two arrangements with American firms have been concluded so far, totaling less than \$2 million. However, four U.S. banks are participating in the International Investment Corporation of Yugoslavia, a joint effort by forty financial institutions under the aegis of the International Finance Corporation, the World Bank affiliate which promotes private investment. And U.S. firms—including Kaiser Aluminum, Ashland Oil, National Distillers and possibly Ford, Pan Am and U.S. Steel—are negotiating on new projects totaling perhaps \$100 million of U.S. investment.

The reasons for the relatively slight investment success so far are:

- Lack of business confidence in such a new experiment.
- Yugoslav vagueness in seeking specific ventures and administrative red tape.

The agencies have already used a number of devices to encourage investment: articles in Commerce publications, talks with businessmen, and publicity about visits by U.S. officials to Yugoslavia. Commerce and State believe that the following additional actions by the U.S. Government would also be useful:

1. The Administration should seek changes in legislation to allow the new Overseas Private Investment Corporation (OPIC) to issue insurance and guarantees on private U.S. investments in Yugoslavia. (These are now prohibited by our aid legislation.)
2. The Ex-Im Bank should finance as much of an investment project as it legally can.
3. We can assist the Yugoslavs in preparing and promoting competent investment proposals.
4. We can encourage the Yugoslavs to allow U.S. investors to make wider use of U.S.-owned excess currencies (Cooley loans).²
5. We should urge the Yugoslavs to cut their red tape.

Mr. Kearns points out that Yugoslavia's large debt service burden means that Yugoslavia needs long-term development loans and equity investments, like many other developing countries, but that Yugoslav

² The Cooley Amendment to P.L.-480 (P.L. 85-128, approved August 13, 1957; 71 Stat. 345) authorized the U.S. Government to provide up to 25 percent of local currency proceeds for loans through the Export-Import Bank to U.S. private firms for business development and trade expansion and for activities supporting the sale of U.S. farm products.

limitations on capital investment are not particularly encouraging to capitalists. Consequently, private investors limit their equity investment and seek a maximum in loans. But lenders, noting Yugoslavia's large debt and its frequent efforts to reschedule, are similarly loath to extend large new commercial credits. The Ex-Im Bank, despite these hindrances, issues guarantees and insurance on private loans. However, direct Ex-Im loans present bigger problems since they come in large chunks (\$10 to \$90 million each). In the last few months, inquiries have been made on a total of more than \$200 million of possible new Ex-Im loans.

The Bank would find it easier to lend if U.S. companies participated in management of Yugoslav enterprises, and if additional development loans were forthcoming from other organizations. It proposes to continue its current program of encouraging U.S. exports to Yugoslavia, and it recommends that the U.S. Government consider investment guarantees and insurance facilities for private equity investments in Yugoslavia.

Both reports thus point toward an Administration effort to get legislation to allow OPIC to guarantee and insure U.S. investments in Yugoslavia.

Legislation forbids issuance of OPIC and AID guarantees and insurance to any Communist country except where "such assistance is vital to the security of the U.S." (Yugoslavia is not affected by the Cuban and North Vietnam stipulations.)³ However, the agencies believe that a legislative proposal should be presented as part of a package of amendments affecting OPIC, perhaps as part of the over-all revision of the aid program, rather than by itself now. Mr. Timmons concurs.

*Recommendations*⁴

1. That you approve the recommendation by State, Commerce and EX-IM to seek legislative changes at an appropriate time, allowing OPIC to extend investment guarantees and insurance to Yugoslavia.

2. That Ex-Im Bank be encouraged to step up its program in Yugoslavia.

³ Reference is to Section 620 (a) and (f) of the Foreign Assistance Act of 1961. The prohibition on Cuba was introduced in 1961. For text, see 75 Stat. 424. The prohibition on trade with Vietnam was written into the law in 1966. For text, see 80 Stat. 806.

⁴ A handwritten notation on the memorandum reads: "See Tab A." The President initialed his approval of the recommendations made in the report from Secretaries Rogers and Stans, which were the same as in Kissinger's memorandum. Kissinger informed Rogers and Stans of the President's decision in a June 2 memorandum. (National Archives, Nixon Presidential Materials, NSC Files, Box 733, Country Files—Europe, Yugoslavia, Vol. I through Jul 1970)

220. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, undated.

SUBJECT

Your Visit to Yugoslavia, September 30–October 2, 1970

During this, your first visit to Yugoslavia, lasting somewhat less than two days, you will have substantial exposure to the populace in both Belgrade and the Croat capital of Zagreb; you will have one extended meeting with Tito plus two meals and a farewell call for conversations with him; your toast, as at Bucharest last year, at the first day's dinner is to be a quite substantial statement of our approach to world affairs.² Your other public statements will be much briefer. A detailed schedule and the themes for your public statements, as well as a proposed text for your major toast, are a part of your book.³

Purposes, Game Plan, Themes

Before your arrival in Belgrade, most of the emphasis in public and governmental assessments of your trip will have revolved around the visit to the Fleet and its implications for our Middle Eastern, Mediterranean and even worldwide policy.⁴ Tito, although in effect having enjoyed substantial protection and assistance from us since he broke with the Soviets in 1948–49, nevertheless has been very clear in attempting to preserve a form of diplomatic neutrality as between East and West. He has publicly dissociated himself from our Vietnam policy and has been critical of our Middle Eastern actions and policies. The Yugoslavs, by insisting on delaying by a day the announcement of your visit, attempted to detach themselves from your visit to the Fleet (even though Tito knows its value to his own security).

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 468, President's Trip Files, Visit of Richard Nixon, President of the United States, Briefing Book Yugoslavia. Secret; Nodis.

² For text of the President's toast and Tito's reply at the October 1 dinner, see *Public Papers: Nixon, 1970*, pp. 788–794.

³ A copy of the President's briefing book is in the National Archives, Nixon Presidential Materials, Box 468, NSC Files, President's Trip Files, Visit of Richard Nixon, President of the United States, Briefing Book Yugoslavia.

⁴ On September 29 the President visited the U.S.S. *Saratoga* in the Mediterranean and delivered an address to the officers and men of the Sixth Fleet. He subsequently toured NATO naval command headquarters at Naples, where he made a statement on September 30. For the texts of his statements, see *Public Papers: Nixon, 1970*, pp. 782–783, 786–787.

Tito personally, and the path he has sought to map for his country, is in many ways full of paradoxes and ambiguities. Thus, he remains firmly a Communist and (despite all his troubles with Moscow has never quite rid himself of the magnetism it still vaguely exerts on Communists of all stripes); yet he is also a fierce nationalist and, though very conscious of Soviet physical proximity, rejects Soviet hegemony in his region. He has, indeed, occasionally nurtured dreams of playing a regional leadership role himself, always raising Soviet objections. Tito has tried to preserve his Communist credentials, yet he has quite consciously relied on Western aid of all kinds. He knows very well that his defiance of Moscow has largely rested on our holding up our end of the basic power balance; yet he has preached non-alignment.⁵ He has adapted economic, political, administrative and cultural patterns and practices from the West.

In dominating Yugoslav life and policies for 25 years he has frequently sought to give his country a role quite out of proportion with its size, location and potential. In some respects, he succeeded: he successfully broke with Moscow; he managed to make himself something of a model for other Communists (though less so than he hoped and Moscow feared); for a while his non-aligned world and its conference appeared to acquire some coherence and force, but now, apart from the tarnished Nasser, he remains the lone pillar (the likes of Nehru, Sukarno, Nkrumah, etc., having disappeared) and the movement itself lacks momentum, purpose and force. (He has just returned from the Lusaka conference on the non-aligned, which caused hardly a ripple.)⁶

Historically, one of the greatest question marks that hangs over any assessment of Tito's accomplishments is what happens after he is gone. At 78, the time is not far off⁷ and he has taken measures to provide for an orderly succession by collectivizing the Party leadership and, most recently, announcing a similar approach to the Government. (This effort at collectivization, and playing down his own role, may not be solely related to the succession but to some vague sense on Tito's part that the era of the single, all-powerful leader may have run its course generally. Moreover, it would not be inconsistent with his ego for him to suppose that no single individual could replace him, anyway.)

⁵ The President underlined most of the previous two sentences.

⁶ The Non-Aligned Conference was held September 6–14. The President underlined most of the previous two sentences, beginning with "apart from the tarnished Nasser, . . ."

⁷ In telegram 2014 from Belgrade, July 4, Leonhart wrote: "Basis number of indications, I believe (a) that Tito has now made decision to retire as President of the Republic when his four-year term expires in May 1971, and (b) that he intends to retire about same time as head of the Yugoslav Communist Party." (National Archives, Nixon Presidential Materials, NSC Files, Box 733, Country Files—Europe, Yugoslavia, Vol. I through Jul 1970)

Beyond this, there remains the question whether the diverse, vigorous and proud nationalities that make up the Federation will hold together once Tito's magnetism and unifying role are gone. Tito's efforts to create stable governing institutions are undoubtedly in part designed to cope with this problem of cohesion. One aspect of it is the question of whether the Soviets would seek to inject themselves into a succession struggle. (Apart from occasional jitters about possible Soviet military action, as at the time of Czechoslovakia, Tito remains very alert to any Soviet efforts to build up connections among Yugoslav political groups.)

While you will get a warm and friendly popular reception, it is unlikely to expect the dramatic and moving character of last year's demonstration in Bucharest. The occasion will be less emotion-packed for a people that has long since enjoyed extensive contact with the outside world; nor as dramatic an act of emancipation from Soviet overlordship. Tito, himself, will receive you with dignity and quiet satisfaction that the President of the United States has come to see him. Assured of his towering eminence, he will not, as Ceausescu did last year, regard and use your presence at his side as a means of consolidating his political position at home.

Tito likes long conversations and he likes to talk a great deal himself.⁸ At his age and with his background he will not be reluctant to give advice or express criticism (even when, with his sense of power realities, he comprehends that if his advice led to a decline in American power and maneuverability, the security of his own country could suffer).

Ham Armstrong⁹ talked with Tito in the last few days and believes that you should be prepared for some harsh talk from him, particularly on Vietnam and the Middle East. I have taken account in this memorandum of the points Ham thinks Tito will make.

Your Purposes

- establish effective personal contact with Tito;
- indicate our continued interest in Yugoslavia's progress while accepting its idiosyncratic position;¹⁰
- convey the essence of your approach to international relations, including especially, your readiness to negotiate on a basis of reciprocal recognition of interests *and* your readiness to be tough and, if necessary, use force in circumstances when our interests and commitments are at stake;

⁸ The President underlined this sentence.

⁹ Hamilton Fish Armstrong, editor of *Foreign Affairs*.

¹⁰ The President underlined this phrase.

—stress your non-acceptance of the Brezhnev doctrine or other rigid “spheres-of-influence” concepts but your recognition that nations have special security concerns and interests which cannot be ignored by others;¹¹

—convey your interest in an evolution in Eastern Europe (and the USSR) which permits a genuine normalization of East-West relations in Europe.

Points to Avoid

There are no subjects, as such, that you need to avoid in what may be fairly rambling conversations with Tito.

But Tito would be *sensitive to and you should avoid*

- excessive reference to his person;
- any questioning of Yugoslavia’s professed non-aligned role (even though they know, and we know, that this is in part a luxury that depends on American power);
- any references to Yugoslavia’s “leadership” in a regional, geographic sense;
- references to American *aid* as distinct from cooperation and joint ventures.

Subjects and Issues for Discussion

Inevitably, the *Middle East* will be a preoccupying issue. Tito broke with Israel after the June War; he remains friendly with Nasser;¹² he probably has even less political sympathy for the Palestinian guerrillas than Moscow, though he probably has some *psychological* identification with and certainly regards a solution of the Palestinian refugee problem as central to a Middle East solution. He does not like US-Soviet polarization.

Depending on developments in Jordan, *you may wish to make the following points:*

- the fall of the King of Jordan would be disastrous for all concerned;¹³
- we have no desire to intervene; we have urged the Soviets to use their influence toward restraint among their clients;¹⁴

¹¹ The President underlined this phrase. See footnote 3, Document 72.

¹² Egyptian President Gamal Abdel Nasser died on September 28. In a September 30 memorandum to the President, Kissinger analyzed the impact of Nasser’s death on Tito’s policy and the reasons for the Yugoslav President’s decision to receive Nixon rather than attend the funeral. (National Archives, Nixon Presidential Materials, NSC Files, Box 733, Country Files—Europe, Yugoslavia, Vol. I through Jul 1970)

¹³ The President underlined this point.

¹⁴ The President underlined most of this point and wrote in the margin: “Nasser cooperative.”

—anything the Yugoslavs can do along these lines through their connections would be welcome;

—Israel regards its vital interests at stake in what happens in Jordan; Tito himself will have an appreciation of what nations do when they believe their survival is at issue;

—the issue of survival also dominates Israel's policy toward the ceasefire/standstill and the whole diplomacy of the Middle East;

—we are far from giving automatic support to Israel and have had many rough passages with its leaders;¹⁵

—we have a genuine interest in a settlement, or short of that a *modus vivendi* that avoids periodic war and the danger of great power confrontation;

—Soviet policy is disturbing to us *both* because it has not exerted sufficient influence on the Arabs on diplomatic issues *and* because it is so clearly designed to promote unilateral Soviet interests in the entire region of the Mediterranean.

(*Note:* You should give Tito ample opportunity to expound his own view on these matters.)

Southeast Asia. Tito's public position has not been in support of us, though criticism has been restrained. Tito recognized Sihanouk because of personal friendship. But Tito understands that American humiliation in Southeast Asia in the end would hurt him too.¹⁶

You may wish to:

—review your twin approach of Vietnamization and negotiation, citing, as you proceed, the extent to which we have adopted the suggestions of our foreign and domestic critics;

—convey to him your determination to bring the war to an honorable close both because we want stability in the region *and* because the domestic repercussions in the US to a defeat would be damaging, perhaps even to a country like Yugoslavia;¹⁷

—note that, having inherited the war, you are only too conscious of the burden it represents to you domestically (though far from the only one) and to international affairs (though, again, as the Middle East shows, far from the only one). Many steps may be feasible, especially in East-West relations, when this burden is overcome but many problems are intractable in their own right and even the end of the Vietnam war will not bring the millennium.

East-West Relations. Tito advocates a European security conference and East-West "détente."¹⁸ Partly this stems from his long-standing advocacy of compromise and negotiations; but, as in the case of Roma-

¹⁵ The President underlined this point.

¹⁶ The President underlined most of this sentence.

¹⁷ The President wrote in the margin next to this paragraph: "U.S. becomes isolationist—We ask for no world dominance."

¹⁸ The President underlined most of this sentence.

nia, he sees some protection from Soviet pressures against himself in a climate of East-West relaxation.

You may wish to:

- give him a special opportunity to set forth his ideas;
- note your own efforts to get moving into an era of negotiations with the USSR, particularly on so fundamental an issue as strategic arms limitation;
- as regards SALT, you may wish to express cautious hope that the Soviets will arrive at a concept of sufficiency, as we have, that will make at least a limited agreement possible;
- say, as regards the European conference, that you are not opposed but are concerned that it succeed and deal with concrete issues; failure or baseless euphoria could leave us all worse off;
- note that we are considering the possibility of mutual military reductions in central Europe but that the subject is complex;
- note that we support German efforts to normalize relations with the East but hope that this will occur on solid foundations and without excessive fanfare and illusion. (Yugoslavia has had its own problem with the FRG in years past when the latter broke relations after Tito recognized Ulbricht. Nevertheless, for years Tito has let Yugoslav workers work in the FRG—and earn hard currency.)

Other Topics of Interest

You may wish to give Tito an opportunity to expound on the following subjects, on which you may also give your views:

- the evolution and prospects in the USSR and in other East European countries. (Tito has a special relationship with Ceausescu and may have either just seen him or plan to see him);
- China. He has re-established relations after years of bitter animosity, preceded, in turn, by several years of good relations;
- the Lusaka non-aligned conference (dear to his heart but not very significant);
- Africa—once an area where Tito hoped to contest Soviet influence;
- the Yugoslav road to socialism;
- bilateral relations—see Tab A.¹⁹

(*Note:* As an elder statesman Tito may be inclined toward a sweeping review of the world situation. Should this develop you may wish to explain the *Nixon Doctrine* and your three-pronged policies of strength, negotiation and partnership.)²⁰

¹⁹ Attached but not printed.

²⁰ For text of the President's statement, made at Guam, July 25, 1969, in which he enunciated the Nixon Doctrine, see *Public Papers: Nixon, 1969*, pp. 544–556. See also *Foreign Relations, 1969–1976*, volume I, Foundations of Foreign Policy, 1969–1972, Document 29.

221. Memorandum of Conversation¹

Belgrade, October 1, 1970, 9:45–11:30 a.m.

PARTICIPANTS

Yugoslav Side:

1. Josef Broz Tito, President of the Republic
2. Mitja Ribicic, President of the Federal Executive Council
3. Toma Granfil, Member of the Federal Executive Council
4. Marko Bulc, Member of the Federal Executive Council
5. Mirko Tepavac, Secretary of State for Foreign Affairs
6. Bogdan Crnobrnja, Yugoslav Ambassador to Washington
7. Ante Drndic, Assistant Secretary of State for Foreign Affairs
8. Miroslav Kreacic, Director of the Office of American Affairs, Secretariat of State for Foreign Affairs
9. Marko Vrhunec, Counselor to the President of the Republic for Economic Questions
10. Milos Melovski, Counselor to the President of the Republic for Foreign Policy Questions
11. Lela Tambacca, Interpreter

American Side:

1. Richard M. Nixon, President of the United States
2. William Rogers, Secretary of State
3. Ambassador William Leonhart
4. Dr. Henry A. Kissinger, Assistant to the President for National Security Affairs
5. Ronald Ziegler, White House Press Secretary
6. Martin J. Hillenbrand, Assistant Secretary of State for European Affairs
7. Helmut Sonnenfeldt, National Security Council Staff
8. Robert C. Mudd, Counselor of Embassy for Political Affairs
9. Alexander Akalovsky, Interpreter

On October 1, 1970 (0945–1130) President Nixon and President Tito met for substantive talks in the latter's office at the Federal Executive Council Building. The advisors listed above remained with the Presidents throughout the talks. The main topics covered were: 1) bilateral relations; 2) the ME; 3) Black Africa; 4) Algeria; and 5) Viet-Nam. Following are the highlights of that conversation:

Bilateral Relations. President Tito began by warmly welcoming President Nixon and the members of his party. He said he had looked forward to the opportunity to exchange views with President Nixon on bilateral relations and the international situation. He noted that President Nixon and he had already had one private conversation the preceding day² and would be having others later on. This morning they

¹ Source: National Archives, RG 59, Yugoslav Desk Files: Lot 79 D 230, POL 7 NIXON VISIT. Secret. Drafted by Mudd. The meeting took place in Tito's office in the Federal Executive Council building.

² No record of this discussion was found.

would start with the advisors present. Time was short so perhaps they should begin. It was the custom in Yugoslavia that the guest should have the opportunity to speak first. Was this procedure agreeable to President Nixon?

The President responded appreciatively. He said that yesterday's talks with President Tito had been very useful in that they had agreed on expediting broader economic, technical, and scientific cooperation between the US and Yugoslavia. He thought these talks had struck the proper note because they illustrated the unique role Yugoslavia had played under Tito's leadership in bridging the gap between the two blocs as well as the continuing US interest in good economic and political relations with Yugoslavia. He did not wish to go into technical matters in the talks this morning but did wish to say that if exchanges, such as a visit to Yugoslavia by the Secretary of Agriculture, would be useful, he would be glad to see that such visits were made. The US is willing to assist the GOY on financing through the Exim Bank and other financial institutions and instructions had been issued to the USG to explore sympathetically all possible areas of US-Yugoslav cooperation. Secretary Rogers and Dr. Kissinger would be following this up.³

The President noted that US-Yugoslav trade so far this year was about \$100 million each way. However, the US was still only fourth on the list of Yugoslavia's trading partners. The US wishes to develop patterns of trade with EE countries because of its interest in all forms of communication with Yugoslavia and other EE countries. The US believes that the more trade there is with EE countries, the less tension there will be between these countries and the US. Trade thus can make a contribution to peace. Yugoslavia has shown the US the way in which the US can have profitable trading relations with socialist states despite the difference in social systems. US trade with other EE countries is not flourishing, primarily because of the set ways of doing business in the EE countries.

The GOY, however, has demonstrated flexibility and willingness to experiment and thus has been a pioneer in East-West trade. The US would like to go forward on a more imaginative basis and is now prepared to explore further possibilities which it believes will be significant for other countries as well.

President Tito remarked that on his side there would be no obstacles to expansion of cooperation between Yugoslavia and the US in the economic, scientific, and technical fields. The Presidents agreed that

³ An October 9 report by the President of the Export-Import Bank on efforts to follow up on these issues is in the National Archives, Nixon Presidential Materials, NSC Files, Box 733, Country Files—Europe, Yugoslavia, Vol. II Aug 70–Aug 71.

their advisors should develop these bilateral forms of cooperation further in separate meetings.

The Middle East. The President said the ME was very much on our minds these days. The effects of recent events (e.g., civil war in Jordan⁴ and the death of Nasser) on the US peace proposal could not yet be determined. Very much depended in the near future on the attitudes of the UAR, the USSR, Jordan, and Israel. He and President Tito had already discussed the ME to some extent, but he felt sure that Dr. Kissinger and Secretary Rogers would be interested in President Tito's assessment of how these events were likely to affect the prospects for peace in the area. The President wished to emphasize that the US sought to develop a ME policy not detrimental to any state. The US is not for or against any state in the area. It seeks only a just and durable peace in that area of the world. All states should have the right to exist free from pressure, threats, intimidation, and intervention from whatever source. The US believes in a live and let live policy. The US has been criticized in the past for leaning one way or the other. US interests in the ME are the same as those of the GOY, although there might be differences in approaches.

President Tito replied that the death of Nasser was a great blow to prospects for a peaceful settlement in the ME. Nasser was the Arabs' outstanding leader. He was a man who thought before he took any decisive action. Yet he was flexible in his approach and eager to avoid confrontation and escalation. No one in the UAR can fully replace him. But, Tito opined, Nasser's collaborators were likely to continue his policy of seeking a peaceful solution to Arab problems with Israel. He agreed that further development of the ME situation depended to a large extent on the attitudes of the UAR leadership, Soviet policy and reactions in the Arab world. The main problem, Tito said, is Israel's insistence on retaining the occupied territories as compensation. The Israelis must demonstrate a more flexible attitude; if they continued to insist on territorial aggrandizement there was no real prospect for peace. No Arab leader could give up trying to recover territory seized by Israel. This is even more true now that Nasser is gone. Nasser himself had said that if he conceded any captured territory to Israel his prestige in the Arab world would be destroyed and he would be replaced as the UAR leader. In the aftermath of his death the great

⁴ Military clashes erupted in Jordan in August 1970 between Palestinian and Jordanian forces. Subsequently, a coordinated series of airline hijackings by Palestinian terrorists and the landing of these aircraft with hostages in Jordan led to an escalation of the confrontation between the government of King Hussein and Palestinian and Syrian forces. By the end of September the Jordanian Army had forced the withdrawal of Syrian forces and imposed a settlement on the Palestinians.

powers should exercise restraint in the ME in an effort to bring about a peace equitable to both sides.

Tito went on to say that some Arabs, notably in Syria, Iraq and Algeria, favor a radical solution and, together with the younger generation in the UAR, wish to settle the issue with Israel by war, a tendency that has been strengthened by the most recent events. After his meeting with the Secretary earlier this year in Ethiopia⁵ Tito had talked with Nasser at Aswan. On that occasion Nasser had told him that Israel's use of napalm against a factory near Cairo which had resulted in over 100 casualties had put great pressure on him to retaliate. He had resisted this pressure but it had required all his prestige in the Arab world to do so. The bombing of the schools which killed many Egyptian children had so aroused young officers in the army that they too had demanded an Arab counter blow. Nasser had been able to resist this pressure also but the GOY wonders what will happen now if the Israelis repeat such mistakes.

Tito said that the US and the USSR should not hesitate to advance a new and realistic plan for a ME solution. In the GOY view this could open new prospects for solution to a situation which now looks hopeless. Such a plan should include provisions for all of the main problems. It should aim at voluntary agreement by the parties directly concerned through the persuasive powers of both the US and the USSR. An imposed solution would not contribute to stability in the area for sooner or later it would break down. It had been a mistake not to include the Palestinian problem in the Rogers Plan. Failure to do so had resulted in the violent action we have so recently seen.

Any new approach, Tito continued, must take into account the changes that have taken place in the Palestinian movement. It has an entirely different character now than it had earlier. This is a new generation of Palestinians with its own army and military resources, a generation which having lived under conditions of terrible privation for years is prepared to die to the last man to liberate Palestine. During his visits to the ME and Africa recently Tito had met with the leaders of the various Palestinian organizations. They had told him that they had lived peacefully side by side with Jews in the same territory for years and without problems. Today's problems, according to the Palestinians, are the direct result of Zionism. Some time ago when Goldman visited Yugoslavia, he mentioned the need for: a) resettlement of some Palestinian Arabs in the present state of Israel; b) financial compensation to others. Not all Palestinians desire to settle in Israel—perhaps no more than 50,000—but others wish to be together in a more com-

⁵ See Document 217.

pact territorial unit than they have today scattered as they are all over the Mediterranean basin in Libya, Syria, in Lebanon and Algeria.

Tito said that the existence of Israel as a state is not in question. Nasser himself considered Israel a political reality. By judicious use of moderate policies Israel had a better opportunity than ever to achieve its goal of Arab recognition of its existence. Instead, however, its in-temperate policies militate against its interests. Not only the US, but all other countries with which Israel had diplomatic relations, would never permit Israel to be pushed into the sea. The GOY had broken diplomatic relations with Israel in 1967 but is willing to re-establish them as soon as Israel changes its attitude, renounces its territorial claims and returns to the pre-1967 boundaries. There simply is no point in insisting on territorial compensation for use of force. An international guarantee could be given to its pre-1967 borders in which case Israel would have no cause for concern about its security.

Algeria. The President asked President Tito for his views on the attitudes and ambitions of the present Algerian Government, adding that we do not know these people very well. What did President Tito think of Algeria's role in world affairs? Is Algiers, for instance, interested in a larger role in the Mediterranean and, if so, how did it expect to play such a role?

Tito replied that he had enjoyed good relations with Boumedienne as he had with his predecessor Ben Bella. Algeria is most interested in its economic development. In his extensive talks with both leaders this thread had consistently run through their conversations. The Algerians wished to consolidate their economic and political systems and, as one of the larger powers in the Mediterranean, to play an active and important role in that area. No doubt there has been some friction between Algiers and Cairo. Boumedienne is a strong man but flexible within the possibilities which other Arabs allow. He does not hasten to take positions and is concerned not to lose what prestige he has. He does not favor the Soviet side. Although on occasion he may appear to have adopted rigid positions, Yugoslavs believe he knows how to adjust himself to concrete situations and that he will shift according to the requirements of the situation he faces.

Black Africa. The President said he would be interested in Tito's estimate of Sino-Soviet competition in Black Africa since US knows little of state of play between these two super-powers in that area. Tito replied that it was difficult to say. It was his impression that China is presently pursuing a very shrewd and flexible policy in Africa. They were spending a lot of money but were careful to avoid offending local sensibilities. They were constructing a 1000 kilometer railroad from Tanzania to Zambia; their construction workers were living very modestly. It appeared to be PRC policy to give much in way of economic assistance and to ask little in return. The long-term implications of this

are large. Although Soviet influence is greater in the Arab world, in Black Africa it is difficult to judge who has the advantage.

The President responded that on the basis of these comments he would conclude Chinese policy more clever and sophisticated than was Soviet. Tito commented Chinese have learned lesson from their own earlier expulsions. They profit from past mistakes and recognize that Africans have had bad experiences at hands former colonial powers and hence want no more of such domination. They want to be masters of their own houses and will not tolerate interference in their internal affairs by anyone. Chinese may also have learned from Yugoslav experience. On a modest scale Yugoslavia has supplied technical assistance to number of African countries but has carefully abstained from any kind of interference in their internal affairs, and their aid people have never been expelled anywhere.

The President asked Tito what he thought Black African attitude was toward US. Do Africans consider US imperialists, or US assistance a form of neo-colonialism?

Tito answered that his impression was that Black Africa is critical of US because most of its assistance goes to Southern Africa and US seems to seek closer relations with South Africa and Portuguese colonies than with Black Africa. They want US assistance but not at expense of interference in their internal affairs. (Secretary Tepavac intervened to say many African countries expect much of US during UN Second Development Decade.⁶) Tito continued that one shouldn't be too impatient about results. Changing attitudes these countries is long-term process. Aid without interference will end well. Country that gives assistance not in egoistic way in long run will have greatest influence. Most of these countries are aware that economic assistance is two-way partnership. Economic development eventually means equal economic relations which promotes trade to benefit of donor nation.

Tito said it is also quite unwise to regard any political change in Black Africa as move towards socialism or communism. These countries are quite far away from communism and socialism. They wish to make revolution in a constructive sense. They will deal with ideologies and systems in their own ways, adapting them to their needs. Kaunda of Zambia thinks that "Humanism" is highest form of progress. Nyerere of Tanzania is gifted and capable man who seeks friendly relations with all countries. Kenyatta of Kenya is another African leader who believes in peaceful coexistence. Experience has shown that interference in internal affairs of these states doesn't pay very well and

⁶ The years 1971–1980 were officially proclaimed Second UN Development Decade by the General Assembly, October 24, as part of the ceremonies to honor the 25th anniversary of the United Nations. For text of the proclamation, see GA Res. 2626 (XXV).

results never last very long. They are determined to be independent, but they require financial assistance. Concept of giving one percent of national income to developing countries has caught on with some European states, and there are better prospects of developing multilateral forms of assistance. Tito noted that USSR has not yet shown any interest in these proposals.

ME Again. At this juncture the President invited the Secretary's comments. Secretary said he first wished to express his gratitude to President Tito for his help with Nasser. After their meeting in Addis Ababa, Tito had explained to Nasser our ME proposals and told him that US was sincere in advancing them. This had had significant impact on Nasser and had been helpful. He agreed with Tito that US should continue to keep peace initiative alive. Realistically, however, prospects for immediate talks were not very good given the situation in both the UAR and Jordan. The new UAR leaders will need time to come to grips with their problems and Hussein will also require more time to consolidate his situation. US thinks its peace initiative is just as valid now as the day it was presented. The US will try to extend the standstill cease-fire for another 90 days. The Israelis have indicated their willingness to accept and US sincerely hopes that Tito will use his influence with UAR to help in extending the cease-fire.

Tito said he fully agreed. This is the only way out. Otherwise, there would be a complete deadlock and little hope of ever getting agreement between Arabs and Israelis.

The President added that Tito's influence could be very important with the new UAR leaders. Moderate, responsible influence should be exerted on them before the radical elements get to them. Such influence could have great bearing on the final resolution of the ME conflict. Tito responded that Kardelj and the Yugoslav delegation were now in Cairo and hoped to talk with the new UAR leaders. However, the Yugoslavs do not know whether this will be possible or not. If the Kardelj group returns home without having an opportunity for serious talks, the Yugoslavs will be in touch with the new UAR leaders in written form and in other ways.

The President observed that attitude of new UAR leaders will be strongly affected by attitude of Soviets. If UAR leaders continue to move in more missile sites in violation of cease-fire agreement, this could result in Israeli decision to escalate conflict. On other hand, if Soviets discourage such action, this could have great influence.

Tito commented he thought USSR had made its position known to UAR. Soviets are opposed to violation of cease-fire by either side. Tito said Yugoslavia has information UAR does not intend to escalate conflict. Moreover, violations of cease-fire are not at all as Israelis have presented them to US. UAR says alleged new missile sites were already

there before agreement but camouflaged by sand. UAR does not deny that there are some new sites but argues that sites under dispute were already there.

Secretary Rogers responded that UAR had clearly violated agreement. We have photographs of sites which we could show them. There is absolutely no doubt about it; evidence is conclusive. This clear-cut violation of cease-fire agreement by UAR raises question of good faith not only of UAR itself but of Soviet Union. This kind of deceit creates problems for US. Both Israelis and our own people ask what is use of an agreement if before ink is dry it is deliberately violated?

Tito replied that whether missiles moved or not is not important. What is important is whether they are offensive or defensive weapons. Clearly they are defensive in nature. All armies take defensive measures during cease-fires. He had been soldier in World Wars I and II and knew that every time shooting stopped, they tried to improve their positions or move them forward inconspicuously. UAR has moved some missiles. But GOI has also been fortifying its positions. On formal point, Secretary Rogers was right but this is not main issue.

The Secretary responded that US does not care whether missiles are offensive or defensive. The main issue is faith of agreements. Under those circumstances, how can we possibly trust any agreement with UAR? What we're concerned about is that they lied to us. They broke their word the next day. Why make agreements if people who sign them do not keep their word. Tito asked whether terms of agreement were precise. Was it specifically forbidden in cease-fire agreement to move missiles into prohibited zones? The Secretary replied that the terms were clear and precise: any new missile construction was clearly forbidden in agreement. He could show Tito photographs of at least 30 clear violations of cease-fire agreement.

The Secretary said he also wished to go back to point raised earlier by Tito, namely, that US made mistake in not including Palestine in its peace initiative and that only about 50,000 Palestinian refugees would wish return to Israel. US had included Palestinian problem in its proposal, and Israel could easily accept that number of refugees. But problem is with whom do we negotiate? There are so many different factions we cannot tell who is in charge or who are their spokesmen. Tito thought Arafat is principal leader. There are radical elements of extreme left but Yugoslavs believe Arafat is strongest.

The Secretary said that despite recent setbacks we were not discouraged; would persevere with initiative; and try to get Jarring's mission⁷ activated as soon as possible.

⁷ The reactivation of UN Special Representative Jarring's mission to the Middle East at the request of the United States was announced on June 25.

The President noted one further point in cooperation which could be extremely helpful—that was hijacking problem. Perhaps GOY could help with Palestinian leaders by pointing out to them that their extremist policies are courting disaster. Secretary Tepavac interjected that Yugoslavia had already sent note to Palestinians saying their terrorist and hijacking escapades were damaging their cause before world public opinion. President Nixon suggested also US and Yugoslavia might collaborate in getting international agreement designed to provide stiff penalties for hijackers. Continuation of Palestinian hijacking operations could have most serious implications for entire world, as we had just seen in Jordan. President Tito remarked that such activities should not be permitted to continue because they were criminal acts jeopardizing the lives of innocent people. He mentioned the recent case of a plane hijacked into Dubrovnik by Algerians.⁸ Said culprits would be tried in Yugoslav courts. After trial would be turned over to Algerian authorities.

The President inquired about Yugoslav views on Soviet ME policies. Does USSR wish to fish in troubled waters or is it seriously interested in cooling down situation? That could be key to entire situation. We would appreciate Tito's assessment of Soviet policy.

Tito said he did not think Soviets wish to fish in troubled waters. As example Soviet concern that conflict in ME might escalate, he cited Jordan, and USSR role in Syrian withdrawal and in preventing Iraqis from intervening, even after those states had publicly pledged use their troops to prevent Palestine massacre. USSR interested in peaceful solution in ME crisis. However, Soviets find it difficult to separate themselves from Arab cause because their prestige is so heavily committed.

The President emphasized US would do all in its power to deal honestly with new UAR leaders in effort to improve ME situation. We are trying to be fair and balanced in our approach. Tito's influence could be important in cooling down radical elements or those leaning toward radical solutions. If new UAR leaders will rectify situation, all may yet be all right. If it turns in another direction, then all are in danger. But we must trust in deeds, not words. We have saying in US that pictures don't lie. That UAR has violated cease-fire agreement by moving in more missile sites is absolutely clear. These are the facts. And we must deal with the facts. But we are not discouraged and will continue to press every opportunity for peaceful solution to problem.

Tito said his country is also devoted to objective of bringing about a more stable peace in ME. It is a confused situation but of serious concern to Yugoslavia, as Mediterranean country and too near center of

⁸ On August 30 three Algerians seized the aircraft, which landed in Yugoslavia after Albanian authorities refused to grant it landing permission.

conflict for comfort. Conflict in ME cannot be confined and would surely affect this part of world.

To which the President responded "and further."

Viet-Nam. President Tito asked President Nixon for his assessment of situation in Far East, particularly Viet-Nam.

The President replied that there are two fronts in Viet-Nam, one diplomatic, the other military. On diplomatic front, there has been no progress. There had been some reformulation of terms but no real change in substance. On military front, there have been very significant changes. South Viet-Nam military have finally jelled into formidable fighting force. North Vietnam forces have been substantially weakened. Infiltration in the south is down. Ability of Vietcong to assume offensive has been greatly reduced. Casualty rates are lowest in last several years. US withdrawal is assured and will continue. South Vietnam military are now in position to defend against Vietcong or North Vietnam regulars to extent latter wish to continue conflict. US would prefer to end war earlier and on diplomatic front. But US will not compromise right of South Vietnamese people to decide their own future for themselves.

Tito thought there might be a third way. In PRG of South Vietnam, communists are a minority. Democratic elements from GVN and PRG could form a joint provisional government which could work out formula which would permit Vietnamese people decide their own future. Some years ago Tito had told Harriman that a prominent South Vietnam political figure had told him that South Vietnam was interested in such a solution. However, nothing came of it. People of South Vietnam long have been struggling for their independence and prize it highly. An independent South Vietnam Government aligned with none of big powers might provide acceptable solution and act as a kind of buffer between China and other powers. His recent conversations in Lusaka with Madame Binh had led him to believe such a solution could still work. Binh had said she was interested in a peaceful settlement on basis PRG eight points. She was willing form new government with any except three people in present GVN, whose names too hard for Tito to remember. Question of unification of North and South Vietnam could wait until much later. POW problem could be taken up immediately, and withdrawal US troops phased out over longer period.

The President said the two basic Viet Cong demands—unilateral US troop withdrawal and ouster of South Vietnam leadership—were unacceptable. Tito was realist and knew you just cannot say to one side get rid of your three principal government figures and get out, and then we will undertake to talk with you about withdrawal, POWs, etc. Secretary Rogers intervened to emphasize that Madame Binh was offering to negotiate with South Vietnam Government, but on condition

that its President, Vice President and Prime Minister resign. We might just as well demand that Madame Binh get out or the North Vietnamese get out before we talk.

The President said he wished to be very direct. This had been long and difficult war for US. US had no ambitions in Viet-Nam, no intention to stay in the country or to dominate it in any way. Realities of power are that you can only negotiate what you have won on the battlefield. South Vietnam is very much part of this war and has been for a long time. It insists on a major voice in any peace settlement. It will soon be able to carry its own defense and will be in even better shape a few months further on. North Vietnam position is going to deteriorate in comparison to the increasing strength of South Vietnam. GVN will be in future much more difficult to negotiate with. We are trying to be realistic. If North Vietnamese and Viet Cong will negotiate seriously as they said they would, then we could make progress at Paris. But if they will not, our course is set. We would prefer to have war end sooner and by negotiation. But if we cannot, then we will continue to withdraw our forces and GVN will assume responsibility for its own defense as long as Hanoi wishes maintain the war. There will be absolutely no change in our policy. We will see it through to the end.

The President continued that we fully realize Yugoslav position is different. We respect its position. We have no monopoly on wisdom, knowledge, or right. Forty thousand Americans are dead in this war which has lasted over five years. We wish to devote our energies and resources to other matters. But if US were to accept unconditional surrender in Viet-Nam it would not be helpful around world. We have a limited goal in Viet-Nam—to protect its right to select its own government. If we were to fail in this or surrender, American people would not then be very interested in playing role in the world that they should. Our friends would regard our capitulation as disaster and would wonder what help US prepared to give in their time of trouble. We are not in Viet-Nam to win war but to secure peace and to assure that the principle that all small nations have a right to decide their own fate is protected. Issues involved are much bigger than just what happens in Viet-Nam itself.

Tito replied that he fully understood US position. But he was deeply convinced that Viet-Nam war cannot be settled with victory for either side. He cited Algeria where France had had half-million troops for so many years. Because De Gaulle had courage to put end to conflict he was regarded as outstanding statesman even by those who opposed French withdrawal. Yugoslavia entirely understands both difficult position of President Nixon in his efforts to gain peace in Viet-Nam and reasons why capitulation out of question. He was grateful for President's frank exposé of US policies and problems, and their implications in this difficult situation.

Meeting adjourned at 1145 hours.

222. Memorandum From Helmut Sonnenfeldt of the National Security Council Staff to the President's Deputy Assistant for National Security Affairs (Haig)¹

Washington, October 13, 1970.

SUBJECT

Military Cooperation with Yugoslavia

In his back-channel message to Mr. Kissinger, Ambassador Leonhart asks whether the subject of military cooperation/contacts was discussed during the President's visit, and if so whether the Nutter comments should be modified.² Leonhart will be seeing General Dolnicar in the next few days.

Unfortunately, I am not able to be helpful. Military cooperation/contacts was not discussed within my hearing in Yugoslavia, Henry has not mentioned hearing any discussion and I have not received the memcons from Akalovski, the interpreter, (these are overdue, and I have tried unsuccessfully to reach him by phone in Berlin, to see when we will get them).

Three of the four general areas for cooperation/contacts outlined in Nutter's response seem relatively innocuous—billeting at US military schools, GI tourists visits, and ammunition supplies. The fourth area of contacts, involving reciprocal invitations from the services, is fairly extensive—up to chief of staff level and for as long as three weeks. This is probably the best way to accomplish Dolnicar's request for further military contacts on strategy, planning, etc., and Ribicic told the Ambassador on October 6 that in the wake of the President's visit, bilateral cooperation can now proceed on an all-round basis, including military.

In short, I would be surprised if the Presidential conversations would have restricted the Nutter proposals, though it is just possible

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 733, Country Files—Europe, Yugoslavia, Vol. II Aug 70–Aug 71. Secret; Nodis. Sent for action.

² Reference is to telegram 52 from Belgrade, October 12. Nutter's proposals were outlined in a memorandum of conversation with Yugoslav Assistant State Secretary of Defense Dolnicar, September 7. Copies of both telegram 52 from Belgrade and the backchannel message outlining Nutter's proposals are *ibid*.

that they might have indicated that the Nutter proposals should be expanded even further.³

Telegrams returned at Tab A.⁴

³ In an unnumbered telegram to Leonhart, October 15, the White House responded: "Military cooperation/contacts were not discussed with Yugoslavs by the President or myself. State/Defense proposals contained in Warren Nutter's message thus have not—repeat not—been modified." (Ibid.)

⁴ Attached but not printed. In addition to telegram 52 from Belgrade, Tab A also included telegram 2411 from Belgrade, September 30, reporting the Yugoslav desire for clarification of certain points of the Nutter presentation.

223. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, February 17, 1971, 1207Z.

474. Subject: Yugoslav Succession: Trends and Conjectures.

1. This message signals a number of guesses. I believe there is a strong possibility that Tito's succession planning has run into serious problems. I think these will almost certainly affect the timing and very probably the design of his arrangements.

2. In sum, I expect:

(A) The new collective Presidium will not be approved by mid-April and will be delayed well beyond the end of Tito's fourth term May 17, 1971. Tito will remain on as sole President, perhaps until September or longer.

(B) The new constitutional amendments intended to produce a much decentralized Federation will similarly not be enacted by mid-April. Their passage will be deferred for some months, and their substance will be much diluted.

(C) Before the powers of the new Federation and its institutions are decided, the GOY will apply to the IMF, the US, and Western Europe for additional credits and stand-by assistance, including very possibly some re-scheduling of external debt. It could do so before the end of April when present wage and price controls expire. If it does, its requests will be substantial.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 733, Country Files—Europe, Yugoslavia, Vol. II Aug 70–Aug 71. Secret; Priority; Exdis.

3. These are largely intuitive readings. They rest on internal assessments and bits and pieces in the wind. They may well be mistaken. I have tried to test them in a series of long conversations this past week with Marko Nikezic, President of the Serbian Communist League; Marko Bulc of the FEC (Cabinet); Foreign Secretary Tepavac; and Alex Bebler, Council of the Federation. These normally responsive seniors were unusually reticent. What they did not say in our talks was perhaps more significant than what they did.

4. The probability of delay well beyond the April/May schedules seems clearest. The mechanics of delay would not be difficult. GOY might announce, for example, more time needed for public discussion and national debate before new constitutional amendments approved. During this period Tito would remain on as President, either reelected under existing rules in mid-April; or extended in office by a special amendment until new Presidium appears.

5. There are, I think, three main reasons for delay:

(A) Political overload in this complex and cumbersome Party/government structure. The leadership has tried to deal simultaneously with (a) Presidential succession for which no precedent in post-war Yugoslavia exists; (b) Restructuring of its federal system, bound to embroil regional rivalries and ethnic animosities; (c) An uncontrolled inflationary spiral and a continuing stabilization crisis. It is obviously behind in its work, and, according to Nikezic, has not yet begun amendment drafts affecting Republic's assemblies, customs regime, or defense responsibilities and support.

(B) Design of the new arrangements seems far from settled. While there is general agreement that a looser Federation may be necessary for the survival of Titoism without Tito, doubts seem increasing about the control of economic policy if federal budgetary and extrabudgetary operations are too sharply diminished. There seems to me a significant drive to slow the pace and reduce the extent of dismantling federal revenue and investment authority. New impulses appear to be at work to retain federal management of major inter-republic projects and central supervision of the wide range of internal subsidies and subventions. At political levels I think a recent undercurrent of preoccupation is to be sensed about the risks that excessive decentralization will pose in reviving regional strains and providing new openings for a hostile East. The institutional reflection of these propositions is a reconsideration of the roles the new Presidium and the new Federal Executive Council (FEC). There well may not be room in the system for both as originally envisioned. My guess would be that the new FEC will emerge, much reduced, less of a Cabinet, more of a management arm of the Presidium.

(C) Desire to explore external economic assistance before the new decentralizing decisions are taken. We have had no direct approach on

the possibility of US capital or credit assistance, and have no present basis for estimating the sums the GOY may have in mind. We understand there is pending application for a new IMF stand-by arrangement, and that Governor Persisin of the National Bank recently discussed new credit lines in the US. We hear there have been recent probes in Germany and Italy, and some quiet explorations of debt structures. The state of reserves, continuing trade imbalances and the investments required for the new five-year plan argue that the GOY will make a very thorough probe of international assistance possibilities.

6. The net of these estimates is that prospects now seem clearly to favor delay, dilution of the original proposals for a drastically decentralized Federation, and an outcome with a significant retention of central economic authority.

7. We would appreciate any information Department has confirming or correcting these conjectures.

Leonhart

224. Editorial Note

On April 29–30, 1971, Presidential Counselors Robert Finch and Donald Rumsfeld, accompanied by Ambassador William Leonhart, met with senior Yugoslav officials for discussions on a range of issues of joint concern to the United States and Yugoslavia, particularly the illegal international narcotics trade. Copies of the memoranda of these conversations are in the National Archives, Nixon Presidential Materials, NSC Files, Box 733, Country Files—Europe, Yugoslavia, Vol. II Aug 70–Aug 71.

225. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, May 3, 1971.

SUBJECT

Financial Assistance for Yugoslavia

Secretary Rogers (Tab A)² recommends your approval of a \$61 million debt rescheduling for Yugoslavia (\$59 million of PL-480 and \$2 million of Development Loan Fund principle and interest). The figure represents 44% of the \$140 million Yugoslavian debt to U.S. government agencies coming due in 1971 and 1972. Equal payments on the postponed amounts would be stretched out over a 10-year period beginning in 1973. A 5% interest rate would be charged during the repayment period.

Yugoslavia is currently soliciting about \$600 million in Western aid, of which 80% would come from Europe and 20% or \$120 million from the U.S. over the next two years. Politically, our assistance would signal to the Yugoslavs, Eastern Europeans and the Soviets the importance we place on the success of Yugoslavia's political and economic decentralization efforts and her moves toward an essentially open market economy. Economically, it would help Yugoslavia over a severe balance of payments crisis by increasing reserves from the present dangerously low level. This would, in turn, assist her economic stabilization program and thereby allow her to continue the economic reforms on which she has embarked. The rescheduling would be done in conjunction with an IMF standby agreement and in cooperation with other creditors.

We have also offered Yugoslavia a Commodity Credit Corporation (CCC) credit line increase of \$20 million, a new CCC barter program of \$25 million, an increase in U.S. military procurement, and an increase in Ex-Im Bank lending. With these programs, the total 1971 U.S. government financial contribution to Yugoslavia would increase by \$110 million, although only the \$30 million debt rescheduling for the year represents the *direct* assistance for its reserve problem which the Yugoslavs consider their most important requirement. We cannot do

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 733, Country Files—Europe, Yugoslavia, Vol. II Aug 70–Aug 71. Confidential. Sent for action. Haig initialed the memorandum for Kissinger.

² Attached but not printed.

more simply because present legislation flatly bars any AID money for Yugoslavia, and there are no other available options.

Recommendation

That you approve Secretary Rogers' recommendation of a \$61 million debt rescheduling for Yugoslavia. Pete Peterson and Treasury concur. Agriculture has no objection.³

³ The President initialed the approval option on May 4.

226. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, June 7, 1971.

SUBJECT

U.S./Yugoslav Economic and Technical Cooperation

The Under Secretaries Committee has forwarded its quarterly report on measures taken by this government to promote U.S./Yugoslav economic and scientific technical cooperation.² You had requested these reports as a means of galvanizing the agencies into more activity in this field.

The current report contains a number of new steps taken in the past quarter:

—As a result of a visit of the Yugoslav Finance Minister to Washington in April, you authorized rescheduling of \$61 million in Yugoslav debt.³ We are encouraging other governments to take equivalent steps to meet Yugoslavia's severe payments crisis.

—The new aid legislation submitted to Congress includes provisions allowing you to permit the new aid organizations and the Overseas Private Investment Corporation to operate in Yugoslavia. Since the

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 733, Country Files—Europe, Yugoslavia, Vol. II Aug 70–Aug 71. Sent for information. No classification indicated. A notation on the memorandum indicates the President saw it.

² The Under Secretaries Committee's quarterly report, May 25, is attached but not printed.

³ See Document 225.

new aid legislation is temporarily stalled in the Congress, State and AID will seek an amendment to existing legislation authorizing OPIC to guarantee U.S. private investments in Yugoslavia.

—The Commodity Credit Corporation has relaxed its terms for an annual \$30 million in sales and barter transactions.

—Defense is increasing its meat purchases, and arranging for tours of service men.

—The Export-Import Bank is substantially increasing its export credit activities for Yugoslavia.

—HEW, the National Science Foundation, and other agencies are planning to expand their research in Yugoslavia.⁴

⁴ At the bottom of the memorandum Nixon wrote "good."

227. National Security Study Memorandum 129¹

Washington, June 15, 1971.

TO

The Secretary of State
 The Secretary of Defense
 The Director of Central Intelligence

SUBJECT

US Policy and Post-Tito Yugoslavia

The President has directed that a study be undertaken to evaluate possible developments in Yugoslavia following President Tito's departure. The study should include the following elements:

1. An intelligence appraisal is required of the internal and external factors that will be of major influence on the course of events after President Tito's departure. This evaluation should examine how the situation might unfold under differing assumptions of internal developments. In each case attention should be given to the intentions and actions of the USSR, countries of Eastern and Western Europe, and where appropriate the United States. The purpose of this appraisal

¹ Source: National Archives, RG 59, Central Files 1970-73, DEF 1 YUGO. Secret. Copies were sent to the Chairman of the Joint Chiefs of Staff and the Assistant to the President for International Economic Affairs.

should be to highlight those factors which could weaken Yugoslavia's cohesion as a unitary state, cause a significant change in its foreign policy orientation, or lead to Soviet/Warsaw Pact pressures or military intervention.

This work should be undertaken by the CIA and the intelligence community and be completed by July 29, in order to serve as the base for a subsequent study of US policy options.

2. A policy study, drawing on the above analysis, should be undertaken of the various steps—political, economic and military—the US could take in the near term to strengthen Yugoslavia's internal and external positions and relations with Western countries. In addition, there should be a discussion of policy options that the US might have in light of various crises that might arise after the departure of President Tito. This analysis and discussion should be undertaken by an Ad Hoc Group of interested agencies, including the NSC staff and the representative of the Assistant to the President for International Economic Affairs, and chaired by the Department of State. It should be forwarded to the Senior Review Group no later than September 17.²

The Chairman of the Ad Hoc Group should ensure that the terms of reference for intelligence appraisal are suitable for preparing the policy study.

Henry A. Kissinger

² A 2-part paper, comprising an intelligence appraisal and a policy study, was forwarded from Hillenbrand to Irwin on September 15. A copy of the intelligence appraisal is *ibid.*; for the policy study, see Document 230.

228. Telegram From the Department of State to the Office of the Permanent Representative to the North Atlantic Treaty Organization¹

Washington, June 21, 1971, 2259Z.

110720. Subject: POLADs/Yugoslav Developments. Reference: USNATO 2590.²

1. Following INR assessment is forwarded in response to your request and may be drawn upon, at Mission's discretion, in POLADs discussion:

2. While Belgrade's ties with the West are at an all time high and closer collaboration with Peking is in prospect, there has been a conspicuous lack of success in mutual Yugoslav-Soviet attempts (e.g., Gromyko's visit to Belgrade, September 1969; and the visits to Moscow of Premier Ribicic in June 1970 and Foreign Secretary Tepavac in February 1971) to effect a genuine reconciliation since the falling out over the Czechoslovak invasion. Soviet behavior and posture, particularly recurrent belaboring of the Brezhnev Doctrine, continue to confirm the Yugoslavs in their suspicions over long-term Soviet intentions toward their country. The Yugoslavs have apparently concluded that a genuine reconciliation is out of the picture for the foreseeable future. Tito himself—unlike in similar situations heretofore—appears to have oriented himself completely westward, as reflected in a number of his get-togethers with Western European leaders. Unlike the old dream he once entertained of becoming an independent associate of the East European socialist countries with an equal say in developments in this area, he now apparently wants no part of the "socialist commonwealth" because of the implications presented by the Brezhnev Doctrine. He has not met with Brezhnev and Kosygin since April 1968 while maintaining a heavy schedule of meetings with free world leaders.

3. The Soviets for their part see nothing but hostility in Yugoslavia's stronger westward orientation and in Belgrade's reconciliation with Peking, despite the Yugoslavs' protestations that improved ties with the Chinese are not aimed against Moscow and would not be at the expense of "good ties" with the USSR.

¹ Source: National Archives, RG 59, Central Files 1970-73, POL YUGO. Confidential; Priority. Drafted by S. Asterion (INR), cleared in EUR and INR, and approved by Ralph McGuire (EUR).

² Dated June 17; it reported on the NATO Permanent Representatives's discussion concerning the Yugoslav-Soviet confrontation. (Ibid., NATO 3)

4. An aspect of this hostility has been the constant pressure of various sorts exerted by the Soviets against Yugoslavia. For instance, the Soviets still refuse to give the Yugoslavs formal official assurance that they are not part of the “socialist commonwealth” and thus exempt from the provisions of the Brezhnev Doctrine. The Soviet Embassy in Yugoslavia maintains an oversize information-propaganda program in Yugoslavia and has stalled on a formal information agreement by which the Yugoslav Government hoped to regulate and possibly cut down its size. While Yugoslav suspicions cannot be corroborated, Belgrade is convinced that Moscow supports the Bulgarians on the Macedonian question, which to the Yugoslavs is tantamount to support of Bulgarian claims on Yugoslav territory (e.g., Socialist Republic of Macedonia and three border enclaves in Serbia).

5. More recently Belgrade has come to believe that Moscow is promoting internal Yugoslav national discord and tensions accompanying Tito’s moves to pave a more orderly succession. The most notable—although not independently provable—were the indications that, over the past year, Soviets were subsidizing the émigré Branimir Jelic, head of the exile Croat National Committee centered in West Berlin, which carried on subversive agitation for an independent Croatia. Jelic was a member of the Ustashi (Croat fascists), who publicly claiming Soviet support for an independent Croatia, has scored an extraordinary diversionary success last spring by duping the Croat Party leadership into an open dispute with the Yugoslav secret police. Croat leader Bakaric (and possibly others) evidently compromised himself by an innocent correspondence with Jelic, which the latter evidently divulged. It required Tito’s intervention at the Brioni Presidium meeting in late April to settle the question to the satisfaction of both sides. (RSEN–27 of May 10: Yugoslavia—Leadership Meeting Lessens Tensions, Produces Agreement on Future Tasks may also be drawn upon.)³

6. The Soviets have also been pressuring the Yugoslavs by evidently dusting off the old Cominformist exiles—those who fled Yugoslavia after the Yugoslav Party’s expulsion from the Cominform in June 1948 and now for the most part reside in the USSR. In the polemics following the Czechoslovak invasion, the Yugoslavs again raised the danger of “neo-Cominformism,” that is, those pro-Soviet and generally conservative elements who favored jettisoning Tito’s “self-managing” socialism in favor of a return to a centralist, more authoritarian government—although these elements have never been specifically identified. Last year the Soviets apparently resurrected the old Cominformist Vlado Dapcevic, a former colonel in the Yugoslav Army, who

³ Not found.

was reported operating in Western Europe, purportedly to set up an anti-Tito regime and/or party. One press report indicated that the Soviets had him coordinating subversive activities against Tito's regime. The latest chapter revolved around the lectures by two Cominformists in the USSR, Blazo Raspopovic and Jova Elez, which the Yugoslav Government protested in early June because of alleged "slanders" against Yugoslavia and President Tito. The protest, coupled with the ensuing polemical exchange between the Belgrade *Politika* and the Moscow *Izvestiya*, brought already cool relations to a new low.

7. Given these developments Belgrade's ties with Moscow are likely to remain troubled for the foreseeable future. The political and ideological differences dividing them remain well-nigh intractable, and the suspicions between them have been increasing. This state of affairs with Moscow is in notable contrast to Belgrade's efforts to move closer to the West and China. There is no reason to suppose that the independent-minded Yugoslavs will diverge from the course that they have now charted for themselves.

Rogers

229. Intelligence Information Cable¹

TDCS DB-315/04377-71

Washington, August 2, 1971.

COUNTRY

Yugoslavia/USSR

DOI

29 April-4 July 1971

SUBJECT

Appeal by President Tito for Croatian Party Unity in Face of Danger From the USSR

SOURCE

[5½ lines not declassified]

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 733, Country Files—Europe, Yugoslavia, Vol. II Aug 70–Aug 71. Secret; No Foreign Dissem; Controlled Dissem; No Dissem Abroad. Prepared in the CIA and sent to agencies in the Intelligence Community. A notation on the cable reads: "HAKed."

1. On 4 July 1971, President Josip Broz Tito called a meeting of the Central Committee of the League of Communists of Croatia (LCC) at Villa Zagorje in Zagreb where he delivered a strong and angry appeal for LCC unity and emphasized that the country was in real danger from the USSR.² As evidence, he described a personal telephone call he had received from CPSU General Secretary Leonid Brezhnev on 29 April 1971 at Brioni, during a closed meeting of the League of Communists of Yugoslavia (LCY) Executive Bureau, the Republic Executive Bureaus, and the Republic Assembly Presidents. Tito said that Brezhnev had offered Soviet “assistance” in the event of serious trouble among rival national factions in Yugoslavia, but that he had declined the Soviet offer. (*Headquarters comment*: See also paragraph 2 of confidential Vienna telegram, Vienna 4580, dated 27 July 1971,³ in which the Yugoslav Ambassador to Austria mentioned Brezhnev’s offer of assistance to Tito, an offer the Ambassador said that Tito did not accept.)

2. Tito spoke only eight minutes, but in such an angry tone that he nearly lost control. He concluded with the statement that there was a genuine threat of Soviet invasion. He gave no details about Soviet invasion plans, but he said he was “ready to become a dictator again,” if the Soviet threat persisted.

3. The story of the Brezhnev telephone call had been circulating in Croatian party circles since early May. It apparently originated with two members of the LCC Central Committee present at Brioni; when Tito was called out to take an important telephone call, the two Croatian leaders accidentally overheard part of Tito’s end of the conversation. During discussion of the telephone call during May and June, some LCC officials compared Brezhnev’s “offer” to the “assistance” which the USSR had given the Czechoslovak leadership in August 1968. However, other Croatian party officials claimed that the telephone call was a hoax perpetrated by Tito to promote national cohesiveness by exaggerating the Soviet threat. The latter action infuriated Tito, and he called the 4 July meeting at least in part to squelch the claim.

4. [*less than 1 line not declassified*]

² Intelligence Information Cable TDCS DB 315/04385–71, August 3, reported that Yugoslav military intelligence had information that six Soviet divisions had been moved to Central Asia for training in connection with a possible invasion of Yugoslavia. (*Ibid.*)

³ It transmitted a report on Soviet-Yugoslav relations provided by the Yugoslav Embassy in Vienna. (*Ibid.*, RG 59, Central Files 1970–73, POL USSR–YUGO)

230. Response to National Security Study Memorandum 129¹

Washington, September 13, 1971.

[Omitted here are the Table of Contents and Section I, "Statement of US Interest in Yugoslavia."]

II. Near-Term Measures to Strengthen Yugoslavia

A. Political

1. *What We Have Done and Are Doing*

The general comments which follow apply to succeeding sections, and the measures discussed of a primarily political nature should be read in the context of those covered in the economic and military sections.

The improved climate in US-Yugoslav relations after the Soviet invasion of Czechoslovakia significantly broadened the possibilities for meaningful bilateral exchange.² Visitors both ways have increased sharply, the high point being President Nixon's September 1970 visit to Yugoslavia. President Nixon's on-the-record indication of US understanding and respect for Yugoslavia's non-aligned policy was highly valued by his hosts.

Consultations on both bilateral and multilateral matters have increased in frequency and frankness. Cooperation and responsiveness on our part to Yugoslav needs in the economic area (discussed below) have been the avenue for concrete expression of the developing political relationship.

Our information program in Yugoslavia, the largest by far among the European communist countries and one of the largest in the world, continues to expand with few restrictions.

2. *What We Can Do—Preventive Diplomacy*

A number of steps of a primarily political nature could strengthen the Yugoslav situation in the near term. They include a) a clear statement of the US interest in Yugoslavia, b) action to dampen émigré extremism which works contrary to US goals in Yugoslavia, c) steps to

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-185, National Security Study Memoranda, NSSM 129. Secret. Prepared by the NSC Interdepartmental Ad Hoc Group for Yugoslavia. NSSM 129 is printed as Document 227.

² Intelligence Appraisal, Paragraph 26. [Footnote in the original. The intelligence appraisal is in National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-185, National Security Study Memoranda, NSSM 129.]

assure, through bilateral consultations, that Yugoslavia has a role in discussions on European security, d) the setting up of channels for exchange of intelligence information, e) moves to broaden the US presence in Yugoslavia, and f) the use of military-psychological moves to increase US visibility.

[Omitted here is Section 2a, “Statement of US Interest,” except for one paragraph, which reads as follows:]

First, the occasion of the visit of President Tito³ could provide a forum for a statement by President Nixon. This statement could make clear that we regard continued Yugoslav independence, sovereignty and territorial integrity as being important to the security interests of the United States.

[Omitted here are Section 2b, “Emigré Activities”; Section 2c, “European Security”; Section 2d on intelligence matters; and Section 2e, “US Presence in Yugoslavia.”]

f. Military-Psychological Deterrence.

Peacetime actions of our military forces could be used to increase the psychological deterrent to Soviet intervention. To this end, the US could exploit opportunities for (1) expanded personal contact through an increase in exchanges and visits by military personnel and enlargement of the military student exchange program; (2) ship visits at Adriatic ports; (3) vacationing in Yugoslavia by American servicemen; and (4) participation by US military delegations in Yugoslav sponsored international events. The recent participation by the USAREUR Band in Sarajevo ceremonies marking the 30th anniversary of the uprising against Nazi Germany is an example of this policy. In the event of another earthquake disaster of the magnitude of Skopje, Debar or Banja Luka, should an assistance program be undertaken the US could be prepared to airlift relief supplies and airdrop relief packages to rural areas—assuming GOY concurrence.

[Omitted here is the remainder of Section 2f.]

II. Near-Term Measures to Strengthen Yugoslavia

B. Economic

1. What we have done and are doing

In response to the political and social challenges of modernization, the Yugoslavs are embarking on an extensive program to restructure their political system and decentralize an already unique, hybrid system of market socialism. In order not to risk upsetting the political ap-

³ Regarding Tito’s visit, see Document 232.

ple cart the Yugoslav Government has been cautious about imposing strict controls on imports and dampening inflation. A current account deficit of over \$300 million is expected this year; inflation is currently running at 12–13% annually. We are ready to sign an agreement rescheduling \$58 million in PL-480 and AID debts falling due this year and next; other Western major trading partners of Yugoslavia are following our lead. The IMF has authorized a standby to ease hard currency payment difficulties. We, other major creditors and the IMF have insisted on a tough stabilization policy. We will continue to press the Yugoslavs to take effective belt-tightening measures to overcome their international payments deficits.

Despite these measures, it is possible that Yugoslavia may need further such aid from its Western trading partners in about two years. We will continue to urge Yugoslavia's major trading partners—primarily West Germany, Italy, the UK and France—to be forthcoming in helping Yugoslavia over its current balance of payments difficulties. We also plan to urge them to act jointly with us and the Yugoslavs in assessing and meeting future Yugoslav requests for assistance.

The success of President Tito's federal solution will depend in large measure on a stable economy.

In most respects, Yugoslavia enjoys the status of a Western nation. It is not affected by most of the problems which impede the improvement of our economic relations with other Communist countries. Yugoslavia receives MFN and Exim services. It is treated as a Western nation for export control purposes. It belongs to the IMF, the World Bank, and the International Finance Corporation. The IBRD has approximately \$248 million outstanding in development loans in Yugoslavia. Yugoslavia is a member of GATT and has special status at OECD.

Since President Nixon's trip to Yugoslavia in September 1970, the US Government has had Yugoslav-American economic, scientific and technical relations under continuing review. The President has already approved important steps to widen and deepen these relations.⁴

Among them were recommendations: (a) to publicly and privately underscore our policy of desiring to expand economic, scientific and technical contacts with Yugoslavia; (b) to give high priority to trade missions, exhibits and an increased commercial presence in Yugoslavia,

⁴ NSC-U/DM 57, Under Secretaries Committee, Memorandum for the President, U.S.-Yugoslav Economic, Scientific and Technical Cooperation, February 5, 1971; NSC-U/DM57A, March 4, 1971, and NSC-U/DM57B, May 25, 1971. [Footnote in the original. None of the three is printed. They are in the National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-271, Under Secretaries Decision Memoranda, U/DM 56-59, U/DM 57, U/DM 57A, U/DM 57B.]

to give assistance where possible to the Yugoslav tourist industry, and to seek cooperative arrangements in the fields of marketing and management; (c) to seek language in legislative proposals on the establishment of the International Development Corporation and the International Development Institute that would not mandatorily exclude Yugoslavia; and (d) to continue efforts to expand military procurement in Yugoslavia on the basis of partial payment in US-owned dinars.

2. *What we can do*

We wish to continue our efforts to encourage Yugoslavia's increasing economic ties with the West and support its internal progress towards a more open economic system.

The consequences for the West of not assisting Yugoslavia in its efforts to establish a decentralized form of market socialism could be profound. Yugoslavia sets an example for the political and economic reform movements in other Eastern European countries. Failure of its market-socialist, "middle-of-the-road" approach might mean a reversion in the direction of the command economy of the 1950's. Soviet influence would be strengthened. Divisive strains between the richer and poorer sections of the country would be accentuated. Limited Western help now makes the need of a massive effort later less likely. The following steps could be taken to intensify and expand our influence on the economic situation in Yugoslavia. These steps would remove hindrances to the President's ability to act if the situation warrants.

a. *Overseas Private Investment Corporation (OPIC)*. The Yugoslavs attach a high priority to attracting foreign investment. Accordingly, they have recently liberalized their foreign investment laws. For our part, legislation is currently before Congress to permit OPIC investment guarantees to US firms operating in these countries. Section 620(f) prevents OPIC from extending risk coverage for investment projects in Yugoslavia. A memorandum discussing US investments, the legislative restraints on them, and ways of overcoming them was sent to the President last year.⁵ If OPIC operations in Yugoslavia are approved, political risk insurance on equity investments and assistance in financing projects would be made available to US investors. Direct US investments in Yugoslavia could rise dramatically from their present level of \$159,000.

In the absence of a Presidential determination to remove Section 620(f) restrictions placed on assistance to Yugoslavia, the President may wish to inform Congress of the importance of favorable action on OPIC legislation during the current session.

⁵ Memorandum for the President from the Secretaries of State and Commerce, *Measures to Promote Investment in Yugoslavia*, April 2, 1970. [Footnote in the original.]

[Omitted here are the remainder of Section 2a and Section 2b, "Excess Currency Loans to US Investors."]

c. Scientific and Technical Cooperation.

Largely due to our excess currency availabilities, we have had for the past decade an extensive, varied and successful program of scientific and technical cooperation with Yugoslavia.⁶ USDA has sponsored over 100 research projects in Yugoslavia and both countries are pleased with the results. US Government agencies have requested approximately \$22.5 million dinar equivalent in their FY 1972 budgets for a wide variety of research projects. As with the Cooley-type loans proposal above, we are currently prevented by Section 620(f) of the Foreign Assistance Act (FAA) from using the much larger fund of dinars available from Development Loan Fund (DLF) and Mutual Security Assistance (MSA) sources for these purposes.

[Omitted here are Sections 2d, "AID Participant Training," and 2e, "Offshore Procurement."]

f. Export-Import Bank Activities.

Exim's present exposure in Yugoslavia stands at \$166 million, most of it longer-term (\$140 million). Outstanding and pending commitments, should they result in firm transactions, raise this figure to about \$300 million. Authorization of long-term loans in FY 1971 was more than three times the combined figure for FY 1969 and 1970. Major long-term loans and guarantees authorized during FY 1971 were for aircraft (DC-9's), a petrochemical plant, and oil field equipment. Exim expects the current high level of its activity to be maintained, contingent on Yugoslavia's debt-servicing capabilities. The President may wish to continue to endorse Export-Import Bank support of US exports for sound transactions with Yugoslavia to the fullest extent possible.

g. PL-480 Title I Assistance.

Yugoslavia is virtually self-sufficient in agriculture except during poor harvests or periods of extreme economic distress. At such times, the possibility of buying foodstuffs from the United States on Title I terms would enable limited convertible currency resources to be used for economic development purposes. If it were available in 1971, Title I assistance would have been a major candidate for the US stabilization assistance program.

⁶ NSC-U/DM57, Under Secretaries Committee, Memorandum for the President, *US-Yugoslav Economic, Scientific and Technical Cooperation*, February 5, 1971, pp. 10-14. [Footnote in the original.]

Yugoslavia is currently barred from PL-480 Title I transactions because ships registered under its flag trade with Cuba (Section 103(d)(3)—the Findley–Belcher Amendment). Amending Findley–Belcher would provide the President with discretionary authority to make PL-480 concessional sales. Yugoslavia could also become eligible for Title I PL-480 sales in the event it a) stopped trading with Cuba or b) made a bilateral commitment to us they would stop trading with Cuba. Both are unlikely to take place in the near future because of Yugoslav sensitivity about its non-aligned status. There are no legislative restrictions on the President's authority to make Title II (Disaster Relief) PL-480 supplies available to Yugoslavia in case of need. Title II shipments were made to Romania in the wake of disastrous floods there in 1970.

If our ability to provide the kinds of assistance barred by these legislative provisions becomes critical in terms of our attaining US policy objectives, consideration should be given to ways in which Yugoslavia might be exempted from the restrictions.

h. CCC Export Credit Sales.

CCC programs have partially replaced concessional sales previously made under PL-480. The level of sales varies from year to year depending on weather conditions and harvest results. Sales so far in 1971 exceed \$35 million, up from \$7.2 million in 1969 and \$4.3 million in 1970. USDA expects future CCC sales to Yugoslavia to average about \$25 million annually. The current CCC line of \$35 million was increased to \$55 million in July of this year to accommodate further potential sales in the remaining months of 1971. Yugoslavia benefits from the most liberal credit terms currently afforded any country under the CCC program. All payments have been made promptly and the program is working well. The President may wish to support continuation of the CCC Export Credit Sales Program in Yugoslavia at favorable credit terms and support Yugoslavia's inclusion among the beneficiaries of any future liberalization of the CCC program.

i. Expanded Commercial Program.

Yugoslavia now represents a sizeable and expanding market for US products. United States trade with Yugoslavia has increased substantially in the past two years. 1970 US exports to Yugoslavia totalled \$160 million; up 73% from 1969. US exports to Yugoslavia for the first six months of 1971 are running almost 100% ahead of figures for the first six months of 1970. To exploit this opportunity fully, we should expand our commercial program. An expanded program would include more frequent US trade and investment missions, increased presence in Yugoslav trade exhibits and fairs, a larger number of business development offices at Yugoslav trade shows and conferences, and an increase in the commercial staff at our Embassy in Belgrade and Consulate General in Zagreb.

We plan to strengthen our efforts to help the Yugoslavs expand their commercial activities in the United States. The Yugoslavs feel a psychological as well as economic need to expand their commercial ties with the US and other Western countries. The President may wish to direct the Commerce Department to draw up plans to increase the level of our support for American commercial and investment endeavors in Yugoslavia.

II. Near-Term Measures to Strengthen Yugoslavia

C. *Military*

The United States has no purely military objectives in Yugoslavia. Our evolving and increasing military contacts are intended to strengthen Yugoslav independence and non-alignment.

Yugoslav independence is in our interest as well as that of the Yugoslavs. If controlled or used by Moscow, Yugoslav territory could be used to mount a threat to NATO. Political realignment of Belgrade with Moscow would be a major psychological setback with potentially serious strategic overtones.

We have indicated to the Yugoslavs that, in support of our national goals, we are prepared within limits to expand and increase military contacts, sales and activities between our countries. Since the Yugoslavs are best placed to evaluate their own circumstances, they should select the pace at which we move in this cooperative area.

1. *What We Have Done and Are Doing*

Current US military efforts in support of Yugoslavia emphasize expanded personal contact between the military officers of the two countries, e.g.:

a. The US Army Command and General Staff College at Fort Leavenworth now trains two Yugoslav military officers annually. The USAF Command and Staff College has agreed to accept one Yugoslav Air Force officer for the class convening in June 1972.

b. Under the Foreign Area Student (FAS) Program, one US Army officer accompanied by his family has arrived in Yugoslavia for a year's study.

c. An exchange of visits by military officers of the two countries began on September 6, 1971, with the arrival of a Yugoslav Army major general and four field grade officers. A US Army delegation will then visit Yugoslavia. Reciprocal visits by other high ranking military officers in all services are envisaged.

d. The Assistant Secretary of Defense, International Security Affairs, visited Yugoslavia in 1970. A three-member service delegation attended and participated in the Yugoslavian observance of the 25th World War II victory celebration. The Under Secretary of the Navy and other high ranking military officers have subsequently visited Yugoslavia.

e. Periodic Sixth Fleet visits to Yugoslav ports promote military liaison and cooperation and provide an opportunity for mutual knowledge and understanding.⁷

f. A modicum of logistic support is currently provided.

g. The US Army purchases Yugoslav items for sale in European commissaries.

2. *What We Can Do*

In present circumstances, or in conditions following the departure of Tito in which the country remains stable and maintains its non-aligned policy, we judge it to be in the US interest to continue our program of military cooperation with Yugoslavia and to explore avenues for its possible expansion as mutual interests may dictate. However, we must at the beginning set the limits of our cooperation and clearly impress these limits on the Yugoslavs. They must be under no illusions that our actions imply any commitments beyond those agreed upon.

Any cooperation involving NATO would, of course, be undertaken only after full consultation and agreement within the Alliance.

Yugoslav interest in establishing a relationship in the military field with the Italian government was indicated in a proposal last spring for cooperation in joint defense planning, with the clear implication that the force to be defended against would be Soviet. More recently, however, they appear to have dropped the idea of a formal arrangement in favor of cooperation in military training and exchange of information. In any event, these approaches to Italy indicate a possible Yugoslav interest in a defense relationship with NATO, if only indirect.⁸

⁷ A sentence reading "An average of four ship visits are conducted annually" was struck out.

⁸ Telegram 148201 to Rome, August 13, reported: "Ortona on instructions spoke with Assistant Secretary Hillenbrand August 12 to report Yugoslav approaches to Italy for 'some sort of military cooperation.' Ortona said that over past several months, Yugoslavs on several occasions have sounded out Italian Ambassador to Yugoslavia Trabalza. . . . These approaches were by Yugoslav Defense Minister. Concurrently in Rome, Yugoslav military attaché and a visiting staff officer raised subject with Italian military. Defense Minister proposed general cooperation on technical level, exchange of information, and contacts between the general staffs. Military attaché apparently went further, talking about use by Yugoslavs of Italian air bases and reciprocal use by Italian army of certain Yugoslav facilities. Apparently military attaché suggested this arrangement might be organized in secret military agreement which would become operative if the situation warranted. . . . When Ortona pressed Hillenbrand for reaction to information provided, Hillenbrand said middle course between rejection and formal treaty seemed to him a reasonable position for the Italians, but added that we would consider this information and might have further views at a later time." (National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-185, National Security Study Memoranda, NSSM 129)

Thus, it seems clear that the Yugoslavs are seeking assurance of some military support by the US and/or NATO which would permit them to reduce their present dependence on the Soviets in military procurement. The Soviet Union might view such military support to Yugoslavia strictly in the terms in which it is given, or it might interpret this as implying an even greater commitment. Either interpretation could act as a deterrent to overt Soviet military threat against Yugoslavia, or it could elicit over-reaction by the USSR.

Taking the foregoing into account and in an effort to define the extent of our military cooperation with Yugoslavia, the following options are available:

—The Department of Defense could continue and intensify the present program of broadening contacts with the Yugoslav military, with stress on exchanges which will provide the maximum opportunity for our senior officers to establish personal contacts with senior members of the Yugoslav military. These measures might include (a) increasing the number of Yugoslav trainees in training courses in the US, (b) increasing the number of military personnel studying in Yugoslavia, and (c) intensifying the program of exchange of visits by military officers of the two countries.

—In the area of logistics, the Department of Defense could undertake, in consultation with the Intelligence Community, a study of how logistic support might be expanded with the Yugoslav armed forces, including informal discussions with the Yugoslav military authorities regarding their needs, after Yugoslav approval has been obtained through normal diplomatic channels.

—The US could encourage continued study by NATO of the general situation in the Balkans, including possible measures of military cooperation with Yugoslavia. The ultimate objective would be to arrive at guidelines defining the extent and kind of cooperation which it might be desirable to undertake.

[Omitted here is Part III, "Post-Tito Alternatives and Contingencies." The following alternatives are discussed: "A. A United, Independent and Non-Aligned Yugoslavia"; "B. A Divided Independent, Non-Aligned Yugoslavia"; "C. A Disintegrating Yugoslavia: A Military Coup"; "D. A Disintegrating Yugoslavia: Collapse." Under "D" are two sub-options: "Contingency 1: Contested Secession" and "Contingency 2: Total Disintegration."]

231. Memorandum for the Record¹

Washington, September 13, 1971.

SUBJECT

Conversation—Dr. Kissinger and Yugoslav Ambassador Crnobrnja, Friday, September 10

Crnobrnja began the conversation by informing Dr. Kissinger that he would be leaving Washington for good. Looking back over his five years, Crnobrnja said that he felt much had been accomplished in US-Yugoslav relations. Dr. Kissinger said he was sorry to see the Ambassador go and that he felt our relations were exceptionally good. Following a discussion of the Ambassador's as yet undecided future plans, Crnobrnja noted that he would be leaving before the Tito visit. He denied that there was any connection between his departure and the departure of the American Ambassador from Belgrade and stressed that, in his own case, a successor had already been designated (Granfil). Later in the conversation, Crnobrnja asked whether the US would also nominate a new Ambassador before the Tito visit. Dr. Kissinger said he had just made a positive recommendation on this matter and that the Yugoslavs could be assured that Ambassador Leonhart's replacement would be a top professional. Dr. Kissinger said he would see to it that the nomination would be speeded up.

Crnobrnja then turned to his main point, the problem of extremist émigré activities in the US. He said these activities would not stop the improvement of US-Yugoslav relations but progress would be faster if the irritant were removed. Dr. Kissinger agreed. Crnobrnja continued that the Yugoslav émigrés were more aggressive than those of the other Socialist countries, and he urged Dr. Kissinger to reappraise US policy with respect to them. Dr. Kissinger asked what we could do. Crnobrnja said we should make a public statement that the activities of the émigrés were contrary to the national interest. In response to Dr. Kissinger's question, Crnobrnja described some of the activities of Yugoslav émigré groups. He handed Dr. Kissinger a note on the matter (see attachment at Tab A).² Dr. Kissinger asked what the occasion for a statement might be. Crnobrnja said the fact that he had handed over a note. Dr. Kissinger said he would see what he could do before the Tito visit to find an occasion for a statement. Crnobrnja stressed how

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 734, Country Files—Europe, Yugoslavia, Vol. III 1 Sep 71. Confidential. Sent for information. A notation on the memorandum indicates Kissinger saw it on September 27.

² Attached but not printed.

sensitive Tito was on this whole subject. For example, because of a bad experience in New York when he was here to visit President Kennedy, Tito had made clear he would not again go to New York City.³

There then ensued a brief discussion about the possibility of Tito spending a night at Camp David. Dr. Kissinger said he would see what could be done. He pointed out that only a few visiting heads of state or government had been invited to Camp David but, of course, the President had exceptionally high regard for President Tito and regarded his visit as an exceptional event. Crnobrnja said the Yugoslavs were not making a formal request and recognized the exceptional honor involved.

Reverting to the previous subject, Crnobrnja said Tito was well aware that Ceausescu had experienced no embarrassment while visiting the United States. Dr. Kissinger commented that Romanians seemed to be less heroic than Yugoslavs. Crnobrnja laughingly agreed. Dr. Kissinger then said the problem should be separated into two parts: one, what we do before the Tito visit to avoid incidents and, two, the more general problem of émigré activities. He went on to say that we would do our best to prevent demonstrations, including a public statement to discourage them. He would talk to the Attorney General and would give the Ambassador or his successor a precise description of what might happen. In any case, we would do what we could to prevent anything from happening. The Ambassador could be absolutely sure that we would use our influence if we have any. In this connection, the Yugoslavs should not make the mistake of believing that if no demonstrations occur, it proves that the Administration runs the groups involved. Crnobrnja said he understood, and then asked about a more lasting US policy to curb the émigré groups. Following an interruption by a phone call, Dr. Kissinger said that in regard to the Ambassador's last point, he would also talk to the Attorney General.

Dr. Kissinger then asked about the forthcoming Brezhnev visit to Yugoslavia⁴ and whether any threats were involved. Crnobrnja said that threats were not involved, that the visit was intended to be friendly and private and had been pending for a long time. The Yugoslavs had originally suggested an official visit but the Soviets said they preferred it to be semi-official—whatever the distinction may be. In any event, there would be talks and probably a joint statement; in other words, it would be a working visit at least in part regardless of what it was called. In response to Dr. Kissinger's question about Brezhnev's objective, Crnobrnja said that it was to secure Soviet influence in the Balkans

³ Tito and Kennedy met on October 17, 1963. For a memorandum of their conversation, see *Foreign Relations, 1961–1963*, volume XVI, Eastern Europe; Cyprus; Greece; Turkey, Document 162. Tito then proceeded to New York where he faced hostile demonstrations while attending the UN General Assembly.

⁴ September 22–25.

or at least to prevent it from decreasing. Dr. Kissinger asked why Brezhnev would go to Yugoslavia for this purpose. Crnobrnja speculated that it was because of Yugoslavia's opening to China and its improved relations with the US, as well as the Romanians and Albanians. Crnobrnja went on that on the basis of his own involvement in previous Yugoslav-Soviet meetings, he would expect the discussions to deal principally with bilateral relations although the Soviets would seek to place the entire onus for improvement on the Yugoslavs. (Dr. Kissinger commented that this was standard Soviet practice.) Crnobrnja went on that the Soviets would probably demonstrate interest in better relations on specific issues, particularly economic ones. Basic differences would remain, e.g., in regard to Yugoslavia's independent position. Tito would insist on reaffirming the 1955 and 1956 declarations.⁵ The Yugoslavs would never change their fundamental position. Dr. Kissinger interjected that we were quite sure of this. After noting that in the past Brezhnev had refused to go to Yugoslavia because of its position concerning the Czechoslovak events, Crnobrnja said that apart from bilateral relations the Yugoslavs would exchange assessments with Brezhnev on such matters as China and Europe.

Dr. Kissinger then turned the conversation to the forthcoming Tito visit. Crnobrnja said that Brezhnev's prior visit to Yugoslavia would be one of the topics on the Yugoslav side. Dr. Kissinger welcomed this and said that he assumed that our China policy would be of interest to Tito. Crnobrnja said that he would be giving us a list of topics of interest to Tito ahead of time. Dr. Kissinger noted that the President considered Tito one of the few real statesmen in the world today, a man of vision. He had had one of his best talks with Tito last year. The President would always value Tito's assessment on such questions as China, the Soviet Union and Europe. Dr. Kissinger agreed with Crnobrnja that the Middle East, in which Tito is personally interested, would also figure in the talks. There would be two meetings as well as an opportunity for talks during the State Dinner which the President would tender. Dr. Kissinger said he would tell the Ambassador specifically what the President would be interested in talking about. He then asked the Ambassador to let him know how Tito wishes to arrange the private meeting with the President. Dr. Kissinger could come into the meeting after the picture taking and Tito could have an adviser as well if this was agreeable. Crnobrnja said he would check.

Crnobrnja then noted that the Yugoslav-Italian frontier question remained unsettled. In the past the US role had been fairly objective

⁵ For text of the June 2, 1955, statement, see *Keesing's Contemporary Archives*, 1955, p. 14266. For text of the June 20, 1956, declaration, see *American Foreign Policy: Current Documents*, 1956, pp. 504–509.

as demonstrated by the fact that neither the Yugoslavs or the Italians were entirely happy with the situation. US policy had been very wise. Noting that he was not speaking from instructions, Crnobrajica said it would help if, in an appropriate way, the US could assist with the problem. The territory involved was very small. The attitude in Yugoslavia was that if the Germans and the Poles can get treaties settling their frontiers, why should not the Yugoslavs also. All that was required was a small legal touch. In response to Dr. Kissinger's question, Crnobrajica said he felt that the Italian Government was quite capable of taking action at this time. Crnobrajica went on that the matter would not be raised at the Presidential level; he merely wanted to call it to our attention. Dr. Kissinger said he would look into it. Crnobrajica continued that it was important to clear it up because people in Yugoslavia otherwise would say that problems can only get solved if one is a member of the Warsaw Pact. Dr. Kissinger asked whether the Yugoslavs wanted us to raise the issue with the Italians without the Yugoslavs having raised it officially with us. Crnobrajica said he would check this out in Belgrade.

Crnobrajica then complained about the fact that Congressman Derwinski of Chicago continued to refer to Serbs and Croats as "Captive Nations" and asked whether we could not do something to have this stopped. Dr. Kissinger said he would try.

Crnobrajica, in conclusion, asked whether he could see the President before returning to Yugoslavia. Dr. Kissinger said he would do what he could. The President would be away for a few days later this month, but he thought it perhaps 98% sure that a meeting with the President could be arranged.⁶

HS

⁶ The President's Daily Diary does not indicate a subsequent meeting between the President and Crnobrajica. (National Archives, Nixon Presidential Materials, White House Central Files)

232. Memorandum for the President's File¹

Washington, October 28, 1971, 11:30 a.m.–12:45 p.m.

SUBJECT

Meeting between President Nixon and President Tito

PARTICIPANTS

U.S.

The President

Dr. Henry A. Kissinger

Mr. Alexander Akalovsky, Department of State

Yugoslavia

President Tito

Mr. Vidoje Zarkovic, President of the Assembly of the Socialist Republic of Montenegro, and Member of the Presidium of the Socialist Federal

Republic of Yugoslavia

Miss Lijana Tambaca, Interpreter

President Tito opened the conversation by noting that there had been a number of developments since his last meeting with the President.² The President commented that at that meeting President Tito and he had discussed some aspects of those developments, for example, China and the need for an even-handed policy towards the USSR and China. President Tito said that he would tell the President about Brezhnev's visit to Yugoslavia. He also observed that, while attending the Iranian celebration at Persepolis,³ he had had a chance to talk to a number of heads of state, including Yahya Khan of Pakistan, and that he had visited Cairo.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 1025, Presidential/HAK MemCons, The President and President Tito. Secret; Sensitive. The meeting was held in the Oval Office. A notation on the memorandum, which was drafted on November 1, reads "unsanitized." The White House prepared two versions of the records of the conversations with Tito. According to an undated memorandum from Haig to Kissinger, attached to the source text, the "sanitized" version would be provided to the State Department and "relevant NSC staff members" on a "close hold basis." The unsanitized version was sent to the President's File. Kissinger approved distribution of the sanitized version to the Yugoslav Embassy. (Memorandum from Sonnenfeldt to Kissinger, November 16; *ibid.*, Box 944, VIP Visits, Yugoslavia—Visit of Pres. Tito) Tito visited Washington October 28–30.

² See Document 221.

³ The celebration of the 2,500th anniversary of the Persian monarchy, October 12–18.

Referring to Yahya Khan,⁴ the President said he thought he was a good man, with good motives. President Tito agreed but thought that Yahya Khan was a somewhat nervous man. The President said that the problem in Pakistan was a very difficult one and that the situation between India and Pakistan could be compared to that in the Middle East. President Tito noted that everyone in Persepolis had regarded the India-Pakistan situation as very serious and that there had been general concern there about the possibility of an outbreak of war. Therefore, everyone had sought to impress upon Yahya Khan the need for preventing such a development. Yahya Khan himself had said that he did not want war, especially since he knew that militarily Pakistan was much weaker than India, but he had also pointed out that Pakistan would defend itself if attacked. Yahya Khan had accused India of interfering in Pakistan's internal affairs, especially in East Pakistan, and also of threatening Pakistan. The President asked if President Tito's meeting with Mrs. Gandhi had been before or after his meeting with Yahya Khan. Tito replied that it had been after and that it had been very useful for him to have this opportunity of discussing the situation with both of them. He said he had told Yahya Khan that, in his view, the East Pakistani problem was internal and not one between India and Pakistan. He said he believed that the problem was primarily an economic one, and that he was basing this view on what he had seen and heard while visiting East Pakistan two and one half years ago. At that time, he had been told by East Pakistanis that they were dissatisfied with the economic policy of West Pakistan; for example, the jute produced in East Pakistan was shipped to West Pakistan for the benefit of the latter's economy. Widespread dissatisfaction also existed because, as in all of Pakistan, the military were in power, and some of the military governors from West Pakistan were very rough. President Tito said he had told Yahya Khan that he should look for a different solution to the problem. Yahya Khan had responded that he had tried to do everything possible and he had even allowed elections in East Pakistan. Those elections, of course, had been won by Mujib Rahman, and Yahya Khan had thought that Rahman should form his government and then seek a solution within the framework of Pakistan. Rahman, on the other hand, had wanted autonomy. Rahman was now under arrest but, according to Yahya Khan, East Pakistani refugees had been amnestied. Also according to Yahya Khan, the number of refugees was two million but the fact was that there were nine million

⁴ General Yahya Khan assumed power on March 31, 1969, as martial law administrator and subsequently assumed the office of President of Pakistan. His efforts to control secessionist sentiment in East Pakistan set the stage for the Indo-Pakistani war of 1971. Following Pakistan's defeat, President Yahya Khan was forced from office on December 20.

refugees in India. The discrepancy between these figures was due to the fact that Yahya Khan did not count non-Muslim refugees. The refugee situation continued to be very serious, with 40,000 of them coming to India every day and the Indians having difficulty in providing food and care for them. While Yahya Khan maintained that the Indians did not allow the refugees to return, Mrs. Gandhi stated the contrary, pointing out that India was overpopulated as it was. Furthermore, while Yahya Khan said that amnesty had been granted, the Indians said that five million refugees had fled after the amnesty. All this demonstrated the complexity of this problem. President Tito also noted that while Yahya Khan maintained that India did not wish to accept international control, the Indians claimed that Yahya Khan wanted international control only on the Indian side of the border.

President Tito continued that he had told Yahya Khan that a conflict should be avoided; there were too many conflicts in the world already, although some of them were on the way to solution. As regards amnesty, President Tito said he had pointed out to Yahya Khan that the first returnees had been killed, but that Yahya Khan had maintained that this was an Indian lie. President Tito noted that while he had not wished to tell Yahya Khan what to do, he had pointed out to him that Yugoslavia had had an even more difficult problem because of its multi-national composition and the disparity in the economic development of the various regions, but that it had managed to solve it. Yahya Khan had listened carefully to these remarks, and one should hope that they had an effect on him. As regards the Indians, President Tito said they had been nervous and tense. He had tried to influence them against war, pointing out that even a military victory would be a serious political loss for India. Mrs. Gandhi had said that she was against war but that there was a pro-war faction that was putting pressure on her. She was greatly interested in obtaining international assistance, including from the UN, that would enable India to take care of the refugees. As things stood now, India would be able to provide for the refugees only until the end of the year, and there also was the fact that troops were massing on both sides of the border. President Tito said that in those talks he had thought of the President and the U.S. generally, and that he believed that the U.S. involvement in this problem should be increased. To illustrate the Indian difficulties, he observed that while the Indians had laid irrigation pipes in order to improve their crops, these pipes were now being used as shelter by the refugees and were thus out of commission. President Tito then noted that he had also discussed the Pakistan situation with Podgorny, and that the latter was also convinced that everything should be done to prevent war. In sum, this was a very neuralgic area of the world and, while he had told neither side what it should be doing, he had told both of them what he would do to solve the problem.

The President said it was very helpful that President Tito had had discussions with both sides. He pointed out that the impression that the Indians were all right and the Pakistanis were wrong was inaccurate, just as it was not true that the Pakistanis were all right and the Indians all wrong. The problem really went beyond that of the refugees, and it involved other matters that could never be settled. He also believed that every effort should be made to avoid war, especially since a war would not be limited to India and Pakistan. In his view, China, being so close to Pakistan, could not stand by if Pakistan were to be losing the war, as it probably would. At the same time, the Soviets, with their great influence in India, had also a big stake in this situation. As regards the United States, the President pointed out that we had done twice or even three times as much as anybody else to help the refugees. He was not complaining about this and believed that we should do everything we could. In fact, he had asked Congress for \$250 million to assist the refugees. He also believed that it would be useful if the UN came in, perhaps to supervise the distribution of food. In general, he thought that two things could be done, things which President Tito was already doing. First, we should do everything we can for the refugees. Unfortunately, a number of other countries, including some in Europe, were more talking than actually doing. Second, we should use our influence to prevent war. If a war were to break out it would be won by India, but it would also spread.

President Tito interjected that from his discussions with Brezhnev he had deduced that the Soviets also did not want a war. The President commented that, without going into Dr. Kissinger's talks with the Chinese, he believed that Dr. Kissinger would agree that the Chinese would not stand by because the Pakistanis would be on the losing end. Dr. Kissinger said that he supported this view. President Tito said it would be useful if both the Soviets and the United States were to tell the two sides that they would not be assisted in any military conflict. The President pointed out that the temper in the United States today was such that it would make clear to both sides that we would provide humanitarian help but if they went to war they should simply forget it. In this connection, he observed that the United States had some influence in India too. The U.S. had a \$1 billion aid program in India but this would be jeopardized if war were to break out.

President Tito said that in his talks with both Mrs. Gandhi and Brezhnev he had inquired about the Soviet-Indian treaty,⁵ in particular whether that treaty was a military pact. Both of them had said that it was only a treaty of friendship and cooperation. Since Mrs. Gandhi was coming to Washington next week, she would probably say the

⁵ Apparent reference to their August 2 Treaty of Amity.

same to the President personally. President Tito continued that, in response to a question, Mrs. Gandhi had stated that the treaty was consistent with non-alignment because it was not a military pact. He had told her that if the treaty was indeed not a military pact, it was all right. However, he wished to stress again to the President that there was a strong pro-war faction in India, although not within the government itself.

Turning to Brezhnev's visit to Yugoslavia, President Tito noted that there had been a great deal of speculation about Soviet intentions and threats as regards Yugoslavia. He had talked with Brezhnev alone and also with the two delegations present. He wished to point out that the draft declaration Brezhnev had brought with him—and the Yugoslavs had had no draft of their own—it had already clearly reaffirmed Yugoslav independence and sovereignty and stated that the 1955 principles⁶ remained valid. The final text as it emerged from the talks made clear that the USSR and Yugoslavia were dealing with each other as two sovereign states and that Yugoslavia had the right to develop its own social system.

The President inquired if this applied only to Yugoslavia or went beyond it. He noted in this connection that there had been press reports suggesting that the Brezhnev doctrine had been changed. President Tito replied that the other Eastern European countries were members of the Warsaw Pact. At the same time, he believed that the Soviets were changing their policies. Brezhnev's personal position was now much stronger, and he was now less restricted by the collective. Brezhnev had said specifically that the Soviets wanted best possible relations with the United States. He had also said that whether the Soviet Union wanted it or not, the U.S. and the USSR were the main partners in the world who could assure peace. Brezhnev had known that he, President Tito, was going to the United States, and therefore had repeated this several times. While earlier the Soviets would not have been at all happy about his going to the United States, now not only had they raised no objection but Brezhnev had also asked that the Soviet desire for good relations with the U.S. be conveyed to the President. This was also a sign of change in the Soviet policy. Noting that Brezhnev was now in Paris,⁷ President Tito said that, in his view, the whole situation and constellation was changing, and that the President had contributed a great deal to this development with his initiatives concerning China, the USSR, etc.

⁶ For text of the June 2, 1955, declaration, see *Keesing's Contemporary Archives*, 1955–1956, pp. 14256–14257.

⁷ October 25–30. Brezhnev held meetings with French President Pompidou and other French officials.

The President inquired if, in President Tito's view, the Soviets were interested in good relations with the United States for pragmatic reasons. In other words, did they believe that the two superpowers have no choice but to talk and try to agree where they can, or, where agreement is not possible, at least to talk. President Tito replied in the affirmative, adding that the Soviets were also greatly interested in reducing arms expenditures and other commitments so as to be able to develop their economy. In general, his impression from his talks with Brezhnev was very good. This was not the first time he had met with Brezhnev, but never before had Brezhnev talked so openly as during this last meeting. Recalling Soviet maneuvers in Eastern Europe,⁸ President Tito said that he had told Brezhnev that the Yugoslavs were not afraid of them. He had said to him that since there were troops there they had to have exercises, but he had also pointed out that Yugoslavia would also conduct maneuvers, something it had not done for a long time. Yugoslav maneuvers had been very successful, especially because they had tested for the first time the new Yugoslav doctrine of combined operations by both regular troops and territorial defense units. To avoid any misunderstanding, the maneuvers had been conducted along a vertical line across the country so that no one could say they were against the East or the West.

The President asked about the Soviet reaction to Yugoslav relations with China. President Tito replied that when Yugoslavia had first exchanged ambassadors with Peking,⁹ the Soviets had not liked it because they had believed that it was directed against them. However, Yugoslavia had told the Soviets that it wished good relations with everyone and that its relations with China were not aimed against anyone. The President commented that the same applied to the United States. While some believed that the forthcoming visit to Peking was a move against Moscow and that the planned trip to Moscow was a move against Peking, this was not so. As a Pacific power, the United States had to regard its relations with China as a very important factor. As an Atlantic power, we were interested in our relations with the Soviet Union. At the same time, it was obvious that the Soviets and the Chinese had differences between themselves and we should therefore be careful. The President said that both in his conversations with Gromyko in preparation for his trip to Moscow, and in Dr. Kissinger's discussions with the Chinese about the visit to Peking, it had been made clear to the parties that while we wanted good relations with them we did not want any condominium. In this connection, the President said

⁸ Regarding the U.S. response to the August Soviet maneuvers, see Document 206.

⁹ On April 16, 1970, Yugoslavia named a new Ambassador after a 12-year hiatus in its representation at Beijing.

he wanted to stress that U.S. relations with the Soviet Union would not be developed at the expense of any smaller nation. As President Tito had said in one of his recent speeches,¹⁰ smaller nations were fully entitled to independence and sovereignty. The United States also deeply believed in this, so that in the discussions in Peking and Moscow we would cover bilateral subjects, arms control and other matters, but not at the expense of any nation. President Tito observed that in his conversations with Brezhnev, not one word had been said about China, with neither Brezhnev nor himself raising this issue.

Turning to his recent visit to Cairo, President Tito said that it had been very brief. Sadat had just been to Moscow,¹¹ and he could tell the President that Sadat continued to support the search for a political solution. As regards the Suez Canal, Sadat accepted the proposal for the reopening of the Canal after the Israelis withdraw 60 kilometers from the Canal. Concerning Sadat's recent statement that the UAR must now use other means to achieve its objectives,¹² Sadat had said that this statement had been misinterpreted in the international press. He would therefore make another statement after the end of the year. That statement would also say that the UAR would have to search for other means but, although Sadat had not specified those means, it was quite clear that he did not mean war. President Tito also observed that, according to Sadat, the US had failed to respond to some of his messages, although he had not identified them. Personally, President Tito said, he believed the United States should continue its efforts in the Middle East, but that the dialogue should involve not only the US and the UAR but also the USSR. Asked by the President if he had discussed the Middle East with Brezhnev, President Tito replied that he had and that the Soviets also did not want a resumption of hostilities. Referring to accusations that the Soviets wanted to stay permanently in the Middle East, Brezhnev had stated that the Soviets had too many expenses anyway and that they would withdraw all their experts and advisers as soon as a settlement was reached. President Tito said that this further strengthened his impression that the Soviets were seeking a relationship of greater trust with the United States.

The President commented that the Middle East situation had not changed since President Tito and he had discussed it last year. He agreed that the Soviet role in the Middle East could be constructive. As regards the US, we were continuing our efforts, including to main-

¹⁰ Apparent reference to Tito's comments made as a toast at a reception honoring Brezhnev during his September 22–25 Yugoslav visit.

¹¹ October 11–13.

¹² Extracts from Sadat's July 26 speech are in *Keesing's Contemporary Archives*, 1971–1972, p. 25031.

tain the truce. The Middle East situation was even more serious than that between Pakistan and India, since it involved the great powers in a more immediate way. However, he would be less than candid if he did not add that while our objectives were the same, namely to maintain peace in the area and to seek a temporary solution concerning Suez as a step towards a settlement, there was some very rough sledding ahead. What was required was more than talking; some major decisions on the part of the two governments and those beyond them were needed. The US would do everything to maintain the momentum and continue the dialogue with Sadat. The President said that he wanted to be completely frank: while he did not regard the situation as hopeless it was clearly very difficult.

President Tito said he had been told by Brezhnev that the first step would be to reopen the Canal after the Israelis withdrew so many kilometers. Then, following Israeli withdrawal to the June 5 borders, a four-power guarantee of Israel's borders should be given. That guarantee would not involve stationing any foreign troops but would have to be so strong that no one would dare even to spit across the border. Asked by the President if this meant that no Soviet troops would remain in the UAR, President Tito said that it did and that the Soviets would withdraw everything. He also pointed out that he was not trying to be a mediator but was merely conveying what he had heard. The President said this was very useful and that he fully understood Yugoslav interest in the Middle Eastern situation since Yugoslavia was a Mediterranean power. President Tito commented that Yugoslavia was interested in the Middle East not only from the standpoint of preserving peace but also economically. While his meeting in Cairo had been very short, it was clear that Egypt was not interested in a military solution, although the Egyptian leaders did not know what their people would say if no solution was reached by the end of the year.

The President asked about Sadat as a man. President Tito said that Sadat was somehow faster and more dynamic than Nasser. The latter, however, had been more reflective and perhaps also more profound. Sadat had risen to the situation, but he was also under considerable pressure. Asked by the President if Sadat could lead his people, Tito replied that he could and that his popularity was increasing. However, no one knew how long this would last if nothing changed; Nasser could have withstood pressures longer. President Tito said he agreed that the Middle East situation was one of the more delicate problems. The two main international problems he had been discussing lately were the India-Pakistan situation and the Middle East. Yugoslavia had always had good relations with Pakistan but he had had to be very frank with Yahya Khan. The same, of course, applied to India. He had told the Indians that East Pakistan was an internal problem India should not

interfere in, but that the Pakistanis needed assistance and encouragement in searching for a solution. Yahya Khan had said that he would have new elections, but those elections would be under Army control and obviously Yahya Khan could not find leaders in East Pakistan who would be pro-West Pakistan. The worst thing that could happen would be a death sentence for Rahman because that would provoke civil war. Dr. Kissinger interjected that the Pakistanis had promised that this would not happen.

Noting that President Tito had to go to lunch, the President said that as regards bilateral matters, he had instructed Secretary Rogers and Mr. Peterson to be as forthcoming as possible on questions President Tito and he had discussed last year. The same applied to questions concerning military cooperation. If after these meetings President Tito were to hear from his associates that there were still some difficulties, he should be free to raise them with the President personally during the next meeting on October 30. As regards other international questions, the President said he would talk with President Tito on October 30th, or perhaps during dinner tonight,¹³ about Vietnam—a problem he knew President Tito was interested in. He would also discuss SALT, which indirectly involved all European countries, including Yugoslavia, and the situation in Europe, in particular European security.

The meeting ended at 12:45 p.m.

Note: Early in the conversation, the President said that he wanted to assure that the conversation be completely open and that, therefore, a copy of our record of the conversation would be provided to the Yugoslav side. The record would be only for the two Presidents and, as far as we were concerned, would not receive further distribution.

¹³ No record of their dinner conversation was found.

233. Editorial Note

Secretary of State William Rogers called President Richard Nixon at 10:36 a.m. on October 29, 1971, to recount a conversation he had had with Yugoslav Foreign Minister Mirko Tepavac during a reception the previous evening. Relevant portions of a transcript prepared from a tape recording of the conversation read:

Rogers: "You should know this in case you talk to Tito again.

Nixon: "Yeah."

Rogers: "Yesterday, in my meeting with the Foreign Minister, I again pressed him on whether they were encouraged or not as a result of the Brezhnev visit and he indicated yes and he indicated President Tito was satisfied, as he had done in New York.

Nixon: "Yeah.

Rogers: "And so forth. Last night when we were up in your gold room, he took me aside.

Nixon: "[Unclear] Yeah.

Rogers: "Yeah, he took me aside, spoke in English.

Nixon: "Uh huh.

Rogers: "He doesn't speak English very well, but he didn't want the interpreter there. And he said: 'I want you to know, for your own ears, and your ears only, the meeting with Brezhnev did not go well.'

Nixon: "Ha.

Rogers: "And then I said to him to say it again and he said: 'The meeting with Brezhnev did not go well.' He said: 'You should know that.' And he said: 'You're the only one I have told it to.' And, I said, 'Well, of course, I want to tell President Nixon.' He said, 'Yes, President Tito told me to tell you so you could tell President Nixon.'

Nixon: "Isn't it interesting that Tito, of course, he's a little gingerly, but he did not indicate that much. He said it did not go well?

Rogers: "That's right.

Nixon: "Very interesting.

Rogers: "Now the reason that I'm sure that he did it that way, was to, so that he could say that he, Tito, had never told you, had never told anybody that.

Nixon: "Exactly. Shows you how scared they are. Well, let me tell you an interesting side light to that. After the dinner last night, I had the, I had him, I went over and talked to him.

Rogers: "Uh huh.

Nixon: "Now the interpreter, you know, the very distinguished—

Rogers: "Yeah. Yeah.

Nixon: "—man—

Rogers: "The white-haired fellow.

Nixon: "The white-haired guy who was in Yugoslavia—was with him in Yugoslavia. So, I think he was trying to do double talk. But the message came through very, very clear. He said, he said, he said: 'You know, I know I only have a few moments.' And, actually I spent all the time in the coffee hour with him, except for about the last 3 or 4 minutes when I met a few of those outsiders. He said a few moments. But he said: 'I want to tell you that we in Yugoslavia may face some very great problems.' He said that 'President Tito is a very old man and when

he dies, when he goes, I mean when he retires, then we may be confronted with the attempts of some of our neighbors to capitalize on that.'

Rogers: "Uh huh.

Nixon: "He said, he said: 'What I would strongly hope is that as far as U.S. policy,' and he was referring to my toast about independence and [unclear], 'as far as U.S. policy is that, that ah, that we, you would be aware of this and, and, and could use all your influence.' And I said, 'Well, let me say just one thing. First, you can be sure that we will never threaten your independence and so forth.'

Rogers: "Uh huh.

Nixon: "'And, second, that we will use our influence to see that others have,' or I put it this way: he used the word 'hands off' Yugoslavia. I said that 'you can be sure that our hands will always be off Yugoslavia and we will use our influence to see that others keep their hands off.'

Rogers: "Uh huh.

Nixon: "He said: 'You get the message.' "

After a brief discussion of the physical characteristics of the Yugoslav Foreign Minister, the President continued:

Nixon: "I'm telling you he didn't speak in English to me.

Rogers: "Oh, I see.

Nixon: "So the interpreter was there, so he probably wasn't as frank with me.

Rogers: "I see, yes, yes.

Nixon: "But I could tell that what he was trying to tell me and now I see the picture. What he was trying to tell me was, probably, it fits in with what you had said, that they fear the Russians.

Rogers: "That's right. Well, very much so. He said to me after my meeting in which I said that we would be happy to cooperate in the military way with them as we have been this year, on an accelerated basis as long as it wasn't disruptive, as far as they were concerned, and as long as consistent with our policy. He said afterwards when I met with Tito at lunch. Tito said to me, the Foreign Minister told me about his conversation with you and we feel very much better. Now, at that time, I didn't know what he was talking about, but, ah, this was a very interesting thing and he didn't even have the interpreter, and he [unclear].

Nixon: "And I, when he was with me, he did not speak English at all, but he did have the interpreter. But he did, but I think now that the two conversations, that the two conversations fit together.

Rogers: "Right.

Nixon: "When he said we are, when he says I am, he used the word fearful, of what will happen after Tito goes.

Rogers: "Yeah.

Nixon: "He says that he just hopes that hands off Yugoslavia [laughs] and, so I see exactly and in view of what he said, the meetings did not go well, the point [be]cause I pressed Tito in, in the dinner, at dinner we got into the question of what sort of man Brezhnev was, and all that sort of thing. Whether or not the Brezhnev Doctrine, really, did it mean, I said it would be very significant if, if the reports were that the Brezhnev Doctrine had been modified. And, he, he, of course he has the girl interpreter there, who is probably an agent of both sides, and he's, he said, and he left the implication, yes, that the Brezhnev Doctrine was modified or had been modified but what the Foreign Minister tells you would indicate it certainly had not.

Rogers: "I gathered that it had not and he was really, had an ominous tone in his voice. As I say, this was not, this was a very, he took me aside."

Secretary Rogers then repeated the account of his talk with the Yugoslav Foreign Minister.

Nixon: "It's interesting how Tito, probably because he figures that everything is going to be reported, took, took the line that he did. I suppose he doesn't trust that, the interpreter. He didn't trust her.

Rogers: "I think that's right. And, he doesn't want word to get out either publicly.

Nixon: "That's right. Oh God. He can't. He's scared to death.

Rogers: "He can't afford it. He can't afford it.

Nixon: "Very interesting. Well, at least we've, but now I see the two conversations fit together like a glove.

Rogers: "Yes.

Nixon: "He was trying to tell me exactly the thing: hands off Yugoslavia. I am afraid. You know, and he, he always talks in an ominous way, I notice. I like him though. He's tough. Tough and strong.

Rogers: "Oh, he's tough and strong.

Nixon: "And, I was so glad and I sought him out, actually, I saw him, or the aide did, you know our Assistant Chief of Protocol, brought him over—"

Rogers: "Good.

Nixon: "And, and, so this fits in very well."

Nixon and Rogers then agreed not to pursue this issue during talk with Tito, because, Nixon concluded, "Tito is afraid to say what he thinks of the Russians." The editors prepared the conversation printed here specifically for this volume. (National Archives, Nixon Presidential Materials, White House Tapes, Recording of conversation between Nixon and Rogers, October 29, 1971, 10:36 a.m., Conversation No. 13-25)

234. Memorandum for the President's Files¹

Washington, October 30, 1971, 10:05–11:05 a.m.

SUBJECT

Meeting Between President Nixon and President Tito

PARTICIPANTS

President Nixon
Alexander Akalovsky, Department of State

President Tito
Miss Lijana Tambaca, Interpreter

In opening the conversation, the President commented that President Tito had had a busy time, including an appearance at the National Press Club. President Tito said that he had been asked many questions at the Press Club and that in his responses he had told the press what he thought, which might not have satisfied everyone. The President said that President Tito had handled the questions very well indeed, and that answers which satisfied everybody were not good because they said nothing.

Asked by President Tito if he was satisfied with the joint communiqué,² the President responded that he was, commenting that it might be much more difficult to work out a joint communiqué when he went to Peking and Moscow. The President then asked President Tito if his associates were satisfied with the talks they had had on economic and other bilateral matters. President Tito replied that they were, but that there was one problem, that of the import surcharge. He felt this problem was especially important because the third UNCTAD session was to convene soon³ and also because there was a meeting of 77 nations in Lima.⁴ He felt that it would be very useful from the standpoint of U.S. prestige if something were done in this matter. The President said that we were working on this problem to take care of less developed countries and that appropriate actions would be taken fairly soon. The actual problem was only with the UK, France, the FRG, Italy and Japan,

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 1025, Presidential/HAK MemCons, The President and President Tito. Secret; Sensitive; Nodis. The meeting took place in the Oval Office. The memorandum is marked "unsanitized." See footnote 1, Document 232. A tape recording of this conversation is *ibid.*, White House Tapes, Conversation No. 609.

² For text, see *Public Papers: Nixon, 1971*, pp. 1070–1072.

³ April 13–May 21, 1972, in Santiago, Chile.

⁴ Reference is to the second meeting of the Group of 77 Developing Nations October 25–November 7.

and there was no problem as regards other countries. We had this matter very much in mind, and when Secretary Connally returned from his trip to Japan⁵ something would be worked out.

President Tito observed that he was very satisfied with the discussion he had with Secretary Stans and a number of American businessmen.⁶ The rather extensive and detailed discussion had been about the possibility of increasing U.S.-Yugoslav trade and economic cooperation. In this connection, he wanted to point out that Yugoslavia had amended its legislation concerning foreign investments so as to encourage such investments. Referring to OPIC, the President noted that we were also working on the necessary legislation. As President Tito knew, it was difficult to work out trade arrangements with socialist states because they had no private corporations. Yugoslavia, however, was different. In fact, during the meeting with Ceausescu,⁷ the latter had asked why the U.S. could not accord the same treatment to Romania as it had given Yugoslavia, and he, the President, had told Ceausescu that this was because Yugoslavia had a different system. Thus, if President Tito could influence other socialist states to make arrangements similar to those in Yugoslavia, trade with those states would go up. President Tito observed that he would soon visit Romania,⁸ with the President noting that while Ceausescu was a very intelligent and tough person, he did not fully understand the intricacies of international investment. The U.S. would like to help Ceausescu but the Romanian system created difficulties in this regard.

The President then said he wanted to tell President Tito very frankly about our attitude towards the Soviet Union and the Vietnam problem. In this connection, he stressed that his remarks would be of a strictly private nature and that he would be grateful if the record of this conversation, a copy of which would be provided to the Yugoslav side, was issued only to the two Presidents and not distributed further.

The President continued by noting that President Tito had participated in more international meetings than any living statesman. Indeed, he had also participated in more international meetings than any dead statesman, if only because the number of nations had increased. The President said he knew that the polite thing to do was to gloss over the differences that might exist between interlocutors, but he wished to tell President Tito straight from the shoulder about his views on the world and the dangers as he saw them.

⁵ November 10-12.

⁶ No record of this discussion has been found.

⁷ See Documents 183 and 184.

⁸ September 22-25.

First, the President said, he believed that President Tito knew that, while the U.S. had many faults, it was not a threat to the independence of smaller countries. It was certainly not a threat to Yugoslavia, which could have trade and other relations with the U.S. but should not fear any interference on the part of the United States. The U.S. was not saintly, but from the standpoint of its own self-interest—and any country must act on the basis of its self-interest—it believed that its interests would be served by the existence of strong independent nations like Yugoslavia. We realized, however, that Ceausescu, with his big neighbor to the North, and Yugoslavia, which was in the same sphere but somewhat further removed, had a special problem. While he did not know Brezhnev or Kosygin personally, there was no question in his mind that, because of its self-interest, the USSR would continue its efforts to bring its neighbors under increased influence. The independence of Yugoslavia and Romania, regardless of these two countries' internal systems, was consistent with U.S. interests but was not consistent with Soviet interests.

President Tito interjected that there were great differences between Romania and Yugoslavia, with the President commenting that President Tito would still admit that he had been a thorn in the USSR's side, not because he wanted it but because his independent policy was disliked by the Soviets. The problem of the countries in that area was to have good relations with the United States but without going so far as to provoke the Soviets into using their might to stop movement toward independence. In this connection, the President observed that one of the major questions to be discussed in Moscow would be the U.S. attitude towards the Eastern bloc. Our position would not be that of liberation; as Hungary had shown, liberation meant suicide.⁹ However, the President stressed, his position would be to avoid any kind of understanding with Moscow that would give the Soviets encouragement to fish in troubled waters in Yugoslavia or elsewhere. He felt that he did not have to say more than that. President Tito said he fully understood what the President had in mind and noted that he had not yet told the President about Brezhnev's comments concerning blocs. He said that Brezhnev had told him that if such security could be assured in Europe as would stabilize the situation, then the Soviets would agree to the elimination of both blocs and to have different arrangements among European states, for example, on a bilateral basis. President Tito commented that these remarks had surprised him because previously the Soviets had been very tough on this issue. The Presi-

⁹ Reference is to the 1956 Hungarian revolution.

dent said that while this might be what Brezhnev said, he personally strongly believed that from the standpoint of their self-interest the Soviets could not tolerate any division or independence inside their bloc. For example, the differences between the USSR and China were not because of the long borders or different nationalities, but because the Soviets were unable to tolerate another strong power in the communist bloc. The President said that he was not criticizing and that he understood this.

President Tito said it was true that the Yugoslav independent position inevitably had repercussions in the neighboring countries and that it was, as the President had said, a thorn in the Soviet side. However, little by little the Soviets were coming to adjust themselves to change, although the President was right that they would never allow those states to leave their orbit. The President recalled that he had told Ceausescu frankly that he could not go so far as President Tito had gone because if he did he would be stamped by the Soviets. But what the Romanians could do was to make some internal adjustments that would facilitate the development of their relations with other countries. President Tito observed that the Romanians were greatly dependent on Soviet raw materials.

The President said that another question he wished to discuss with President Tito was our arms talks with the Soviets, because those talks were very important from the standpoint of what other states would do for their defense. Noting that we hoped to reach agreement with the Soviets on limiting both offensive and defensive strategic armaments, the President said that he wished to point out at the same time that if no such agreement was reached he would have to make a decision to increase our armaments. As things stood now, the Soviets were making great efforts to enlarge their arsenal of ICBMs, SS-9s and SLBMs. While we could not object to Soviet efforts to reach parity with the United States, we could not stand by if another nation was gaining superiority. Therefore, if no agreement was reached, we would have to increase our arms spending by \$15 to \$20 billion, and he, the President, was prepared to do it. President Tito expressed the view that it was important for the U.S. to discuss arms control with the Soviet Union because if agreement was reached in this area, that would make it easier to reach agreement on other issues as well.

The President continued that in certain parts of the world, some seemed to believe that given our winding up some commitments, our Vietnam policy, the Nixon Doctrine,¹⁰ and our moves regarding China

¹⁰ See footnote 19, Document 220.

and the USSR, he was so concerned about peace that he would make a move for peace even if that should weaken U.S. defenses. This, the President emphasized, was a gross miscalculation. The U.S. was a Pacific power, and it intended to remain such a power because it had interests in the area. If others were to limit their armaments, the U.S. would do the same, but it would not do it unilaterally.

The President recalled the remark in his toast the other night, that President Tito was a man of peace. In a very personal way, he wanted to say that although President Tito's and his own backgrounds were different and his role in history had not been as great as President Tito's, there were also some similarities. Both President Tito and himself had come up the hard way. President Tito was for peace, and he considered himself to be a man of peace too. President Tito was for independence, just as he was a strong believer in independence. He also respected different social systems; President Tito might be a communist and he a capitalist but this did not matter. However, one thing should be clear, and that was that he, President Nixon, was not a soft man. The U.S. was not interested in peace at any cost, and this would be made very clear in the forthcoming discussions with the Chinese and the Soviets. Nor would the U.S. make any arrangement with the Chinese or the Soviets at the expense of third countries. The President continued that it was his firm conviction that a weak United States would be a danger to peace, although some Senators held a different view and called for unilateral disarmament. He did not believe in such disarmament, especially if the other side was building up its armaments. In this connection, the President noted that some leaders on which President Tito had influence might criticize the United States for increasing its military strength, but that he firmly believed that this served the interests of peace. President Tito said that the nations the President was referring to did not criticize the United States for strengthening its defenses but rather for its inadequate participation in their development. Many of those nations were tired of hearing only words about such participation and wanted to see some action.

The President said that he now wished to comment briefly on Vietnam. He recalled that at the time he had come to office there had been over 500,000 American troops in Vietnam, with 300 killed every week. Now, however, we had less than 200,000 troops in Vietnam, and last week there had been only seven killed. This was not accidental. Late in 1969, after making a peace offer,¹¹ we had warned North Vietnam that if it failed to negotiate we would have to take measures to protect

¹¹Made by the President in an address on November 3, 1969. For text, see *Public Papers: Nixon, 1969*, pp. 901–909.

U.S. forces. In August of 1969, during his conversation with Ceausescu, he had also told him that he would have to do that. Following that, the talks continued for several months with nothing happening. Consequently, he had ordered the liquidation of North Vietnamese sanctuaries in Cambodia, and the result of that action had been that our casualties had dropped from 300 to 100 a week. In October 1970, the U.S. had made another peace offer.¹² Here again, the North Vietnamese had been told privately that unless they really negotiated we would have to take military action. During his visit in October of 1970, Gromyko had been informed that this was what we were going to tell the North Vietnamese. However, the other side had made no response and only increased its infiltration. As a result, the Laotian operation had had to be launched.¹³ That operation had been conducted by the South Vietnamese Army and its result had been North Vietnam's inability to launch its offensive this year and a decrease in U.S. casualties to the present average of less than 20. The President continued that we had offered the North Vietnamese assistance in rebuilding their country, which was badly damaged not only by war but also by recent floods. Our condition, however, was that the 400 American prisoners be returned. The North Vietnamese had again failed to answer, and now they had been told that we needed a reply by the end of November. The President said that he did not expect President Tito to comment on Laos, Cambodia or Vietnam because he knew that those opposing our position on Vietnam said that the U.S. should withdraw, turn the country over to North Vietnam, and also bring down Thieu in the process. This, however, the U.S. would never do.

President Tito interjected that this was not his position. His position was that a solution should not be sought only by military means and that a government should be formed including all elements in South Vietnam. Such a government would not be communist but a democratic one, and there were democratic elements on both sides in South Vietnam. The President noted that we had made an offer to set up a government that would be acceptable to the people of South Vietnam. The offer provided for international supervision and, while he did not wish to go into further details, was generally a very forthcoming one. The President said that he did not wish to leave any mistaken impression as to what would happen. He considered himself a man of peace, just as President Tito did. But, as President, he had to use power to protect U.S. interests. If the North Vietnamese failed to answer and did not release our prisoners we would act, this time not

¹² For text of the October 7 offer, see *ibid.*, 1970, pp. 825–828.

¹³ Reference is to the Lan Som operation of February 1971, in which 16,000 South Vietnamese troops with U.S. air support tried to cut off the Ho Chi Minh trail.

against Laos or Cambodia but against North Vietnam. The idea that the U.S. had no choice but to get out was totally fallacious. We did want to get out but we also intended to get our prisoners back. Consequently, if North Vietnam did not even answer our very forthcoming offer, which went beyond anything that had been said publicly, we would have to act.

President Tito expressed the views that the U.S. should discuss this with both the Soviets and the Chinese. While he had never had discussions with the North Vietnamese, he had talked with Madame Binh. However, the South Vietnamese could not make North Vietnam move if the latter did not want to. Noting that President Tito saw many leaders, the President said that those leaders might be interested in his evaluation of President Nixon just as he, President Nixon, was interested in President Tito's evaluation of Brezhnev and other leaders. He thought that the main point to put across was that he, President Nixon, was a man of peace who would consider strengthening of peace as the greatest contribution, but that his desire for peace should not be mistaken for weakness. President Tito was also a man of peace, but he was also a strong man for otherwise he would not be here today. The President continued that, for his part, he would use all power at his disposal to obtain the release of our prisoners. He stressed that while he would not ask President Tito for any comments, he wanted to be completely frank and let President Tito know what would happen.

President Tito said he was grateful for the President's remarks. As a man of peace, he could not encourage any warlike action and believed that peaceful solutions should be sought. He understood U.S. difficulties, and it was a mistake to say that he believed the U.S. should get out at any cost, because that would be regarded as weakness. At the same time, every effort should be made to obtain a peaceful solution. President Tito said that he was optimistic in this regard because of the President's forthcoming trips to Peking and Moscow and also because of Soviet willingness to talk. As Galileo had said, "The earth is moving just the same."

President Tito said that, in conclusion, he wished to stress that Yugoslav policy was not based on the ideas of one man or one group of people. Rather, it reflected the desires of all Yugoslav people, who wanted good relations with the United States, relations which had been a tradition in the history of both countries, and also as good as possible relations with other great powers. Consequently, he President Tito, could not change Yugoslav policy in any other direction. The President replied that he fully understood this. Noting that his approach was a very pragmatic one, he said that the U.S. was not interested in every nation having the same system of government as our own or in having every nation voting with us in the United Nations. It was clear that every nation had to proceed on the basis of what it regarded as its best

national interest. All we wanted was equal treatment for both sides, without the U.S. being vilified while the other side went scot free.

Asked by the President when he was returning to Yugoslavia, President Tito replied that it would be around November 6. The President stated that he had made our last and best offer to North Vietnam and that he wished President Tito to know that if we received no response until the end of November we would have to act. President Tito commented that it was very useful for him to know this.

The meeting ended at 11:05 a.m.

235. Memorandum From Robert Hormats of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, February 14, 1972.

SUBJECT

Legislation to Remove Findley Amendment Restrictions on Title I PL 480 Sales to Yugoslavia

Assistant Secretary Palmby has asked for White House views on approaching the appropriate Congressional committees with a view toward removal of restrictions which now prevent PL 480 sales to Yugoslavia. At present, the Findley amendment excludes from PL 480 sales any nation whose ships transport goods to or from Cuba or North Vietnam. Yugoslavia permits its ships to transport materials to Cuba, and exports to Cuba as well. However, Agriculture would like, in accordance with the President's desire to be helpful to Yugoslavia and at the same time do something to increase agriculture sales abroad, to provide PL 480 agricultural products to Yugoslavia. Congressional action would be necessary to do this and Palmby wants to approach the Congress to determine how best to proceed to get the proper legislative authority.

You should be aware, however, that this action would probably seriously erode our restrictive policy on trade with Cuba by other Latin

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 734, Country Files, Europe, Yugoslavia, Vol. III, 1 Sept 71. Confidential. Sent for urgent action. Sonnenfeldt and Lehman concurred.

American countries. There is considerable pressure from Latin American countries for us to countenance expanded trade relations on their part with Cuba. If we do so with Yugoslavia, it will be difficult to resist in Latin America.²

Recommendation

That you approve Palmby's approaching the Congress on this matter. Pete Peterson and all interested agencies concur.³ (A directive from Pete Peterson approving Palmby's request is at Tab A.⁴)

² Haig highlighted this paragraph and wrote a note that reads: "HAK: Could be problem?"

³ Haig checked the approval option. Sonnenfeldt and Hormats informed Kissinger in an April 27 memorandum that Congressman Findley had informed the President that he supported removing Yugoslavia from the list of nations disqualified for dollar credit sales of U.S. agricultural commodities. (National Archives, Nixon Presidential Materials, NSC Files, Box 734, Country Files—Europe, Yugoslavia, Vol. III 1 Sept 71)

⁴ Not printed.

236. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, April 20, 1972, 0700Z.

1901. Subj: Yugoslav Queries Concerning US Reaction in Event Soviet Invasion.

1. In course of Ambassador's April 13 conversation with Dolanc, latter claimed US had condemned invasion of Czechoslovakia but had done nothing about it.² He then asked what US attitude would be if country outside Warsaw Pact were invaded by USSR. Ambassador replied that response would depend on a variety of factors (e.g. identity of country attacked, circumstances of invasion, willingness of people of invaded country to resist, attitude of US public and Congress) and that concrete answer to such a broad question could not be given. Dolanc expressed his understanding and moved to another topic.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 734, Country Files—Europe, Yugoslavia, Vol. III 1 Sept 71. Secret; Exdis.

² For documentation relating to the U.S. response to the invasion of Czechoslovakia, see *Foreign Relations, 1964–1968*, volume XVII, Eastern Europe, Documents 80–95.

2. Same topic has been raised by high GOY spokesmen several times before in recent months, during conversations with important visitors from West. In course of conversation with Ambassador Forthomme of Belgium during latter's January visit, Foreign Sec Tepavac reportedly volunteered observation that prospects for help from West in event of Soviet invasion are slim. Early in February FSFA Deputy Sec Petric took same line with Senator McGee, as did Bogdan Osolnik, Federal Assembly foreign affairs spokesman.

3. Interesting to conjecture concerning reasons for such expressions of concern at this point in time. Relations with USSR have improved considerably since last summer. GOY spokesmen have told Emb that military pressure from Soviets in the Balkans is generally at low point (e.g., no hints being made to Yugoslavia about overflights or base rights); economic as well as inter-Party relations have developed steadily since Brezhnev visit. However, very fact that economic and other ties with Soviets are growing probably stimulates this kind of conjecture on part of GOY; it is both reflection of their concern and an implied explanation for Western ears.

4. Recent events inside Yugoslavia and outside have also probably played a role. Croatian party crisis this winter afforded dramatic evidence of strength of centrifugal forces here and heightened concern over possible Soviet mischief-making. Dismemberment of Pakistan has impressed some Yugoslavs with helplessness of country beset with internal strife which is invaded by stronger power bent on dismemberment. Finally, while actively promoting CSCE as well as discussion of troop withdrawals from Europe, Yugoslavs are queasy about sort of new power balance which will emerge. Aware of desire of USG to achieve further improvement in its relationships with USSR, they fear we will agree to arrangements which ignore their interests and leave them more vulnerable to Soviet pressures. Talk of new "isolationism" in US and Congressional call for unilateral troop withdrawals from Europe add to uneasiness. Thus they raise these questions with Western spokesmen, against a background of general concern, as part of probing effort during period of internal and external shifts.

Toon

237. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, April 26, 1972.

SUBJECT

Tito's Views on Soviet Policy

Our Ambassador in Belgrade, Malcolm Toon, met with Tito on April 14 in Brioni.² He found Tito in good spirits and good health. Rumors about Tito's illness were either false or else he has completely recovered.

Tito had the following comments on the Summit and Soviet policies:

—The Soviets are now taking a more realistic view of the world. Brezhnev's speech to the trade union's congress, which had been encouraging to Tito and had differed radically from what a Brezhnev speech would have been a year ago, comments to Tito by Grechko, the Soviet Defense Minister who recently had been in Yugoslavia, and Tito's exchanges with the Soviet leadership all evidence this new realism.

—The prospect of true relations between the US and USSR is reassuring to all Yugoslavs, who remember Soviet brutality in 1968.

—Grechko had initiated his conversation with Tito by saying that the Soviets had no intention now or in the future to press the Yugoslavs for overflight or base rights, as had been speculated in the press.

Tito also told our Ambassador that he deeply appreciated our offer to brief him on our Moscow Summit preparations and hopes. A prompt post-Summit briefing would also be of great help, since he is planning to visit Moscow himself in June.

Tito also discussed possible visits to Yugoslavia by Secretary Rogers, whom he would be delighted to see next summer, and by Secretary Laird or his successor, whom he would be glad to see but preferably not until next spring.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 734, Country Files—Europe, Yugoslavia, Vol. III 1 Sept 71. Secret; Nodis. Sent for information. A notation on the memorandum indicates the President saw it.

² Reported in telegram 1827 from Belgrade, April 14. (Ibid.)

238. Telegram From the Department of State to the Embassy in Yugoslavia¹

Washington, July 25, 1972, 0211Z.

134026. Subject: Secretary's Talk With Tito: Part II of IV.

1. At the start of the business session, Secretary Rogers thanked the President for receiving him, apologizing for the intrusion on his time on the same weekend when he had just received the President of India.² Tito indicated there was no need to apologize and that he welcomed the Secretary.

2. US Relations With USSR and China: The Secretary said that he and Secretary Tepavac had talked extensively the previous day³ and he did not wish to repeat their discussion. However, he said, President Nixon had asked him to come to Yugoslavia to assure President Tito that we had made no agreements with the USSR behind the backs of our friends.

Tito said the Soviets had said the same thing.

The Secretary referred to the Moscow Declaration of Principles and the Communiqué⁴ and indicated they contained many points that can serve to assist in a CSCE.

Tito said that Brezhnev had said that we had agreed to start a CSCE.

The Secretary responded in the affirmative, indicating that exploratory talks could start in November or December with a conference in 1973. He asked if Brezhnev had said anything about a fight on GDR participation in the conference.

Tito said that Brezhnev had indicated that both Germanys should be represented at the conference. The Yugoslavs, he said, think this might not be too difficult to achieve once we see how the dialogue between the two Germanys develops. He added that most Europeans want both Germanys to attend.

3. The Secretary asked if Tito had any questions to raise with him about the summit.

¹ Source: National Archives, RG 59, Central Files 1970-73, ORG 7 S. Secret; Exdis. Drafted by Springsteen (EUR) on July 9 and approved in S/S. Repeated to Moscow. A brief summary of the talks and detailed reports on the other portions of the discussion covering the CSCE and the Mediterranean and the Middle East were reported respectively in telegrams 134025, 134027, and 134028 to Belgrade. (Ibid.)

² President V.V. Giri, who met with Tito July 22-23.

³ A memorandum of conversation of Secretary Rogers's discussion with Foreign Minister Tepavac on July 8 is contained in telgrams 770 and 771 from Dublin, July 12. (National Archives, Nixon Presidential Materials, NSC Files, Box 953, VIP Visits, Secretary of State's Visit to Mid-East and European Countries, 28 June-7 Jul 72)

⁴ For text, see *Public Papers: Nixon, 1972*, pp. 633-642.

Tito replied that the Soviets had told him that we were disposed to cooperate and avoid competition. They had also said that we agreed on the need for a political settlement in the Middle East. Both the Soviets and the Yugoslavs believe that the US should put more pressure on Israel to be more flexible. He said that it is his personal impression that there may be some evolution in American policy on Israel after the U.S. elections. Moreover, there are rumors in Israel that responsible people there say that if the U.S. put pressure on Israel it would give. So, he said, the “key is in your hands.”

The Secretary responded that we always hear that.

4. The Secretary then gave President Tito the letter he had carried from President Nixon.⁵ President Tito read it, referred to his correspondence with the President and expressed his appreciation.

The Secretary said that President Nixon has no higher regard for any leader than he has for President Tito. He stressed that President Nixon took fully into account Yugoslav policies at the summit and sought to assure that nothing happened there that would be adverse to Yugoslav interests. Moreover, the President wanted to assure this point with the Soviets in writing and this was done in the Declaration of Basic Principles, particularly in points 3 and 11. The Secretary asked that these be translated for President Tito. He noted that the U.S. had insisted on the inclusion of the word “all” rather than just using the word “countries” alone. The resulting language is more specific than any previous formulation. They “recognize the sovereign equality of all states.”

5. Tito said all this has helped with the Soviets. When he was in Moscow the Soviets agreed about Yugoslav sovereignty. There was no problem when it was discussed. There was no request for bases in Yugoslavia.

The Secretary asked if this last trip to Moscow was better than previous trips.

Tito said much better. Many things were clarified. They accepted “us as we are. They want good relations with us.” We are now seeking, he said, to better our economic relations. We now have a balanced trade of \$700 million. We can sell in the USSR what we can’t sell in Western markets. The West wants only to sell, not to buy.

6. The Secretary asked Tito to comment on the future of the USSR and leadership problems. He noted that at the time of the summit we detected problems internally in the leadership but could not define what they were.

⁵ A copy of the July 18 letter is in the National Archives, Nixon Presidential Materials, NSC Files, Box 766, Presidential Correspondence 1969–1974, Yugoslavia, Pres. Tito Corres.

Tito said that the strongest man is Brezhnev and that he will continue to be so in the future. He is also taking more and more interest in foreign policy. The policies of the USSR in recent years have been those of Brezhnev and he has sought support for them within the leadership.

The Secretary noted that Kosygin did all the talking at the summit on trade and economic matters but that Brezhnev handled all else. The Secretary asked about the younger leaders, noting that Polyansky and Mazurov seemed to be strong.

Tito said both have prospects.

The Secretary noted that few in the leadership have traveled abroad and few have been in the U.S.

7. Tito asked for the Secretary's impressions of the USSR, aside from the summit meeting "where no great conclusions were reached" and particularly about the future of U.S.-USSR relations.

The Secretary said that the most important agreement reached was on Strategic Arms Limitation (SALT). It means that neither side will be tempted to start a nuclear war because neither side can defend its population.

Tito said that the Soviets had said the same. It is important that both agree on this.

Continuing, the Secretary noted that neither side can violate the agreement without detection because it takes too long to build an ABM system.

When Tito said that agreement permitted defense of the capitals and one ICBM base, the Secretary responded that the only reason for this aspect is political. It has little significance. We had two ABM sites under construction. The Soviets had one around their capital. But neither defense of the capital or of an ICBM site has any significance because a nuclear attack upon either Moscow or Washington would be successful regardless of an ABM system. What this all means is that both sides realize that if either launches a nuclear attack, the other would be destroyed by retaliatory strikes.

Tito indicated that this is clear.

The Secretary noted that the continued buildup in offensive systems on both sides will be largely political to assure that neither side has an advantage. However, when you talk of advantage you must take into account destructive ability. The U.S. now has an overall numerical superiority in warheads. The Soviets will build up over the next five years and approach our level. But this still does not change the basic conclusion, the Secretary said. And it may be that in phase II of SALT talks we can get a further limitation of offensive weapons. This would save both sides a bit of money.

8. However, the Secretary continued, starting with the premise that neither side can start a war, U.S. relations with the USSR should improve as we go along. He said we believe that the Russians are concerned about the Chinese and would like better relations with us so as not to be concerned about us. The Russians are also worried about consumer goods for their people. They look at Yugoslavia and know that they are behind in this area. Therefore, they want to develop greater ability to produce consumer goods and think the U.S. can help them. They have raw materials the U.S. needs and the U.S. could be a good market for them if better relations develop.

Tito said that the economic and political are connected together.

The Secretary noted, however, that as things open up, the Soviets will have more problems. They know that, but we are not sure how they will cope with them.

9. Tito indicated that there is a mutual fear in USSR-Chinese relations so that out of this fear for each other both look for good relations with the U.S. He said that the Soviets have no intention to threaten the Chinese but the problem is territories which the Chinese want.

When the Secretary asked if it wasn't more than that, Tito responded by saying it also included ideological factors. The Chinese are penetrating areas in Asia and Africa. There are several elements involved as China more and more becomes a key power. Moreover, the Chinese have had good results. They participated last year in the Zagreb Trade Fair, displaying electronics which they are developing for use in atomic weapons.

Tito agreed that the Chinese had started far behind as a poor country and so they want to get ahead. Like the USSR, they need consumer goods. But in the USSR, industry is badly in need of modernization.

The Secretary noted that it was interesting that the U.S. got along better with both the USSR and China than they do with each other. Tito noted that this is because the USSR and China are neighbors.

The Secretary indicated that each is competing for position in the socialist world and each is worried about the other in terms of territory. However, the Chinese are more worried about the Russians because they fear that the USSR will use the territories problem to terrorize the Chinese and eventually seize upon it as an excuse for actually taking over the disputed territories.

Tito said both must develop and neither has any need for additional territory. However, he noted that there seems to be some contact between them now. When the Secretary said that this was an encouraging development since Tito had last discussed it with President Nixon, Tito responded that in improved relations there are opportunities for avoiding catastrophe.