

DEPARTMENT OF STATE
POLICY PLANNING COUNCIL
WASHINGTON

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INFORMATION MEMORANDUM

May 4, 1967

FROM: S/P - Zbigniew Brzezinski *253*

SUBJECT: Political Crisis in Yugoslavia

prospects
Tito's death is likely to usher in a period of instability in Yugoslav politics.

I. BASIC SOURCES OF TENSION

Two basic forces could transform this political instability into something far more grave:

1. Economic Conflicts. *?* *Italy*

Yugoslavia is a North-South problem in a microcosm. The two northern constituent Republics, Croatia and Slovenia, have a standard of living about twice as high as that of the southern regions of the country. (\$935 per capita annual income in Slovenia; \$725 in Croatia; Serbia \$480; Macedonia and Montenegro about \$330). In years past, the Yugoslav regime deliberately pursued a policy of economic equalization. This was bitterly resented by the Slovenians and Croats, even prompting some 800 Croat economists in 1958 to sign a letter of protest against what they considered to be the exploitation of their country by the Yugoslav Government. Recent economic reforms in Yugoslavia, resulting in a more decentralized economic system, operating on the principle of efficiency, are likely to favor the more advanced Republics. This has already been bitterly resented by the Southerners.

2. Linguistic-Nationality Conflicts.

Recent public polemics in Yugoslav press between Croats and Serbs is a reminder of the basic fact that

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nationality conflicts, which have largely shaped Yugoslav history, are far from extinct. Yugoslav Communist claims that Communist rule has created a true sense of Yugoslav nationalism have thus been refuted. Indeed, there is growing evidence that these conflicts are intensifying. Yugoslav leaders have now made frequent reference to them, and the issue of ethnic-nationality conflict has become part of the current Yugoslav political dialogue.

"Croatian and Slovenian nationalism is running high and it seems to be gradually engulfing all segments of these societies. It is even estimated by some Communists that upwards to 50 per cent of the Croatian and Slovenian Party members are displaying nationalist tendencies. Nationalism is expressed both by Communists and non-Communists so openly and violently that at times it is almost embarrassing. Foreigners often find themselves in a position of having to defend the federation. Nationalism is usually expressed in terms of 'we' and 'they'. 'We' being the Croats or Slovenians and 'they' the Federal and highest Party authority, both believed to be dominated by the Serbs." (Zagreb's A-189, 1966)

Indeed, there is evidence that even the Communist leaders of the constituent Yugoslav Republics are pressing for greater internal and external independence. Slovenia and Croatia have recently requested and obtained permission to open special offices, in Western Europe, to deal with their citizens who are working there as temporary laborers. Croat and Slovenian officials make no secret of their hope that these offices will also become active in arranging cultural exchanges, tourism and other matters of interest to their Republics (Zagreb A-108, 1966).

Yugoslavia, it should never be forgotten, is a Federation, comprising five major ethnic groups and three religions. These groups and religions have been traditionally hostile to one another. (The population distribution is as follows: 42 per cent Serb; 23 per cent Croat; 9 per cent Slovenian; 6 per cent Macedonian; 5 per cent

ethnic Muslim. The religious distribution: Orthodox 41 per cent; Roman Catholic 32 per cent; Islam 12.5 per cent).

II. POLITICAL SOURCES OF INSTABILITY

The economic disparities and the nationality tensions are closely interrelated. They have already resulted in significant disagreements between the constituent Republics. In a setting of political instability, these disagreements could become quite intense, especially because of the following political factors:

1. There is no apparent heir to Tito, who personally symbolizes Yugoslav unity.

2. There is no office endowed with sufficient legitimacy to fill the vacuum that Tito's death will create.

3. There is no unifying national institution, capable of providing organizational unity for Yugoslavia, thereby subsuming national-economic tensions. This is so because:

- a. The Party is undergoing a process of increasing decentralization; the Leninist concept of the ruling party has been virtually abandoned and the party's bureaucratic functions have been strictly limited; its leadership is badly split not only with respect to the nationality issue, but also, more generally, between conflicting liberal and conservative factions.

- b. The secret police was badly hit by Rankovic's removal, and the resulting purge. Under Rankovic, the secret police was an effective Federal institution; today, it is increasingly subject to Republican control.

- c. The state is largely organized on a Republican basis, with the recent constitutional reforms strengthening the role of Republican state machinery. The economic reforms have further strengthened the Republics, at the expense of Federal power.

- d. The Army remains the primary stabilizing force in the event of internal trouble. However, its ability to

perform that function is in jeopardy. The Army has recently been reorganized on a Republican basis, and the commanding general in each Republic now must be a citizen of that Republic. Moreover, efforts to achieve a nationality balance of officers from each of the Republics, both in the headquarters staff and in the field units, have not been successful. Field commanders are still predominately Serbs, with resulting resentment in the other Republics. It is estimated that at least 65 per cent of the officer corps is still Serbian in origin, a condition not unlike that prevailing during the monarchy, which was Serbian dominated.

III. POTENTIAL CRISIS

The linkage of the political factors with pressures emanating from economic and nationality conflicts could transform political instability into a more acute political crisis. Such a crisis could have several outcomes:

1. It could lead to a confederative arrangement, increasingly characterized by a Social-Democratic order, with a "legal" opposition even formally tolerated. For this development to take place, the Yugoslav political elite would have to show unusual maturity and the country would have to enjoy healthy economic development, a rather tall order on both scores. It is doubtful that Yugoslavia's existing economic difficulties can be solved without major external assistance.

2. It could lead to recentralization of the government, presumably under Serbian, or "Southern" domination. Such a Yugoslavia probably would be more pro-Soviet in its foreign policy outlook, since the recentralization would be achieved under the leadership of the Belgrade Communist bureaucracy, predominately Serbian. Economic stagnation in the country would encourage such a development, since the bureaucrats would in all likelihood blame it on recent liberal reforms. Popular resentment against the reforms has already been apparent, and the centralizers would certainly exploit it.

3. It could prompt a "Nigerian solution", that is a de facto split between the Republics, without a formal

dissolution of the Yugoslav Federation. This would be most likely to happen if the Yugoslav leaders failed to agree on a compromise solution, if the economic stresses in the country prevented a compromise arrangement between the North and the South, and if present reforms so reduce the power of Belgrade as to prevent a centralist coup.

4. It could even prompt a civil war, either because the first solution becomes impossible for economic reasons, as a defensive reaction to the second outcome, or as a dynamic outgrowth of the third solution.

In case of either outcomes three or four (the "Nigerian solution" or civil war) Yugoslavia's neighbors, particularly Bulgaria and Hungary, may be tempted to become involved. They have long standing territorial grievances, and Bulgaria may be particularly interested in encouraging the development of an "independent" Macedonia, subject to Bulgarian tutelage. It is conceivable that the Soviet Union might also take advantage of Yugoslav instability to encourage the development of a political regime less likely to "corrupt" its Eastern European neighbors with liberal economic and political reforms.

IV. IMPLICATIONS

The first outcome is clearly in the US interest. It would have positive implications for the further evolution of the Communist Bloc, serving as a model of political and economic evolution. It is also, however, the most difficult outcome to achieve. Accordingly, it is desirable:

1. To launch a study in depth of the problem, evaluating the factors of stability and instability in the Yugoslavia scene. I, for one, feel that the recent NIE (1567, April 13, 1967), is overly optimistic in its assessment of likely Yugoslav development, and does not sufficiently relate the likely political problems to underlying social and economic tensions.

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2. To brief key Congressional leaders on the possibility and implications of internal crisis in Yugoslavia, stressing that renewal of US economic assistance to Yugoslavia may not only forestall a domestic crisis but even a potentially dangerous and inimical international development in the Balkan region.

3. To initiate a confidential discussion in NATO, and especially with Italy, traditionally concerned with Yugoslav matters, on the subject of Yugoslavia's future. Such consultation would be in keeping with our recent efforts to give NATO a positive political role in Europe.

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