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E.O. 12958, as amended
June 19, 2008



ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

Approved 22 Feb 1974

INTERNATIONAL
SECURITY AFFAIRS

Refer to:
1-1700/74

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with US Ambassador to Yugoslavia (U)

Participants:

Department of State

US Ambassador to Yugoslavia Malcolm Toon

Department of Defense

Acting Assistant Secretary of Defense (ISA) VADM Ray Peet
Director, European Region, OASD(ISA) BGen H. Lobdell, Jr.
Assistant for USSR and East Europe, European Region (ISA) Captain
Ronald J. Kurth, USN

Time: 1509-1530, 15 February 1974

Place: Office of ASD(ISA)

1. (C) Military-to-Military Cooperation

VADM Peet opened the conversation by saying that he did not have good news for Amb. Toon. ISA had been working very hard on closer military-to-military cooperation with Yugoslavia for sometime when, last fall, everything fell apart. SecDef told ISA that the signals had changed. All pending actions in the program with Yugoslavia were to be suspended. Later, in January, SecDef became even more chilled toward the Yugoslavs when they gave extensive public exposure to a misrepresentation of remarks SecDef made in the course of a TV interview. Amb. Toon replied that SecDef's reaction was understandable. Yugoslav behavior had been abominable. However, there appear to have been some results from plain talking in Belgrade. The Yugoslavs may have learned to move with more caution in the areas of US vital interests.

Amb. Toon said that the Yugoslavs have a peculiar notion that they can compartmentalize different aspects of their relations with the same country. If they do not like what a country is doing they believe that they can say so, while on the other hand believing that they are continuing to improve relations with that country. Amb Toon said that he

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continually points out to them that policy is made by people and that people get offended. He believed that the message had gotten across to the Yugoslavs. In the last six weeks particularly, Amb. Toon thought there was evidence of a change in the Yugoslav handling of issues involving the US. Furthermore, in the Yugoslav view the Ambassador thought that the US had begun to appear less pro-Israel. Therefore he was confident that time would help to cool the rhetoric. Amb. Toon thought that ADM Peet might be able to get word through (to SecDef) about the change. As a result, perhaps US-Yugoslav relations could get back on track. Amb. Toon emphasized his opinion that the US would not be doing the Yugoslavs a favor. Rather the US would be pursuing its own interests.

ADM Peet responded that he was confident that the DOD policy regarding Yugoslavia was well coordinated with senior levels in the US Government and that this consensus could not be easily turned around. ADM Peet felt certain that SecDef would want specific illustrations showing change in Yugoslav conduct. He volunteered to help Amb. Toon but repeated that only specifics would do the job. Amb. Toon said that it would be difficult to meet such a requirement. VADM Peet felt that under current leadership DOD policy would never be allowed to suggest even remotely that the US was grovelling. He added that unless the US takes a firm stance with Yugoslavia, and most of the countries in the Middle East in addition, they would continue to kick us in the shins with a net loss to the US interests.

2. (C) SecDef Visit

Amb. Toon repeated that his interest in generating cooperation with Yugoslavia was not a favor to that country. Rather it was in our national interest to counterbalance other influences present there. For example, he had tried to get a SecDef visit to Yugoslavia as a counter balance to similar Soviet visits. ADM Peet replied that SecDef had been willing to visit Yugoslavia until the events of this fall. However, the reaction to recent Yugoslav policy had reopened the whole question of a visit. Amb Toon replied that he understood and agreed. He would hope for the best.

3. (C) Yugoslav Missed Opportunities

BGen Lobdell pointed out that the Yugoslavs had given us no response to our support for sending an Olmstead Scholar to Yugoslavia despite our frequent prods. BGen Lobdell considered it hard to understand how the Yugoslavs could be seriously pursuing closer relations and still not be responsive to a relatively low-level proposal like the Olmstead Scholar. ADM Peet added that there had also been evidence of a great deal of Yugoslav foot dragging on FMS offers in the past. BGen Lobdell reminded the group that there had been no substantive results or even personal communications resulting from the visit of Major General Alagic and the Yugoslav Air Force Team last fall. Amb. Toon acknowledged these circumstances but said that the important thing to remember is that the military will be a key factor after Tito goes. It is to our advantage to know the Yugoslav military personally in order to know what they are

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thinking. The Ambassador said that high-level visits could accomplish this purpose. ADM Peet responded that Dr. Nutter had done a lot of spade work previously for just this reason. Amb. Toon agreed and reiterated that he would assume military-to-military relations to be on the back burner for the future.

4. (C) Yugoslav UN Representation

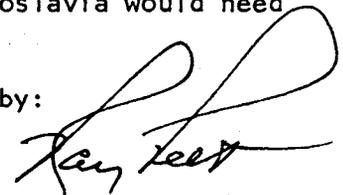
Amb. Toon said that one area of improvement promised to be Yugoslav activities in the UN. The current representative was being replaced, and the Ambassador was certain that the new man could only be an improvement. The existing representative caused a great deal of difficulty for US Ambassador John Scali.

5. (C) Yugoslav-Soviet Relations

BGen Lobdell asked for Amb Toon's views on Yugoslav interaction with the Soviets. Was the Yugoslav position tilting more toward Moscow? Amb Toon replied that the Yugoslav-Soviet relationship had warmed up, but as a result of change in Soviet behavior, not in Yugoslav behavior. Secondly, Amb. Toon thought that Yugoslavia may be moving more eastward economically because of increasing trade barriers associated with the Common Market. Thirdly, he thought that the Yugoslavs may be favorably impressed by the easy Soviet credits offered them. However, he concluded that these factors have not tipped the balance. Yugoslavia is still pro-west in its trade interests; there is still a very large Western credit presence in the country; and the Yugoslavs are determined to be free and non-aligned. In sum, he could not see a move toward Moscow. The Ambassador added that the Yugoslavs know the Soviets far better than we. The Soviets have a long memory, and the Yugoslavs know it. The Soviets could harbor resentment against the Yugoslavs for being fundamentally responsible for the breakup of solidarity among the Communist nations. The current tightening of internal controls in Yugoslavia could be a result of an eye on Moscow. Amb Toon said that it was Marshal Tito's view that Yugoslavia would need a tight Party and a strong military after his death.

Memorandum of Conversation
Prepared by:
Captain R. J. Kurth, USN

Approved by:



Date: 2/22/74

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