

But, at a just-concluded Belgrade session of the Yugoslavia-EEC Mixed Commission, the Yugoslav delegation warned that imminent new protectionist measures by the EEC, when Yugoslavia is already marking sharp deficits vis-a-vis these trading partners, will force the government to import from a sector where a better balance of trade exists — the Soviet bloc.

However, Jenkins and Healey are not the only wing of the EEC reaching into Yugoslavia. Yugoslav ties to the EEC were high on the agenda of Tito's October talks in France, where he was accompanied by a large delegation of trade officials and others. The two countries established a working group to collaborate in the field of nuclear energy.

Yugoslavia's 1971 Crisis Of Decentralization

In the fall of 1971, a group of Serbian generals reportedly threatened Yugoslav President Josip Broz Tito with a military coup.

The crisis that forced these generals to bring the country to the brink of civil war began nearly two years before, at the Croatian Central Committee's 10th Session in January 1970. That session saw the emergence of "Croatian Communism," a movement for Croatian autonomy which would mean the decentralization of political and economic authority in the country.

The opponents of the "Croatian Communists" were the predominantly Serbian "unitarists," including certain levels of the army and federal government who traditionally favored a centralized Yugoslavian state. The "unitarists" and their allies were attacked by the Croats as the "principal threat to democratic socialism and the Yugoslav self-managing way."

Western analyses usually treat these factional battles as ethnic squabbles, an epiphenomenon of the "Balkan character." This ignores the crucial political-economic aspect of the fight: the economic and political demands of the Croatian "reformers" for decentralization coincided with the International Monetary Fund-World Bank's insistence that the country dismantle the remnants of socialized planning and force down the standard of living of the population.

Attributing these factional battles to national jealousies, likewise obscures the reality that many of the ethnic movements in Yugoslavia have been thoroughly infiltrated and controlled by Anglo-American intelligence networks since World War I.

At the beginning of the 1970s, Yugoslavia's economic picture was grim, with exports stagnating while imports and inflation increased exponentially, despite the enactment of a formal price freeze. The Croatian triumvirate of Savka Dabcevic-Kucar, Mika Tripolo, and Pero Pirker constituted itself in 1969 with the endorsement of Vladimir Bakaric, a member of Yugoslavia's collective presidency. At the 10th session of the central committee, the Croatian leaders proposed to reform banking, foreign trade, and the foreign currency systems to harmonize with IMF demands that the federal government had already declared unacceptable. The Yugoslav dinar was devalued in January and again in December of 1971 by 18.8 percent and 18.7 percent, but this failed to improve the economy, instead, fueling social unrest.

A key base of regional insurrection was *Matica Hrvatska*, a "cultural" organization credited with aggressive awakening "Croatian nationalist consciousness."

The concepts of Croatian nationalism were largely

developed by Vladimir Bakaric and his proteges. In the years immediately following the 1948 Tito-Stalin split, Bakaric fought to dismantle Yugoslavia's collectivized agriculture. He and his associates hoped that a new "liberal Croatia" could set an example for the rest of the country of successful "modern democratic socialism." (Later Bakaric condemned the overtly chauvinist activities of the Croatian leaders.) The significance of the Croats' demands was not lost to British intelligence. The MI-6-linked Royal Institute of International Affairs (RIIA) sponsored a recent book, *The Yugoslav Experiment 1948-1974*, by D. Rusinow that notes:

"What was new in the strategy was that the effort to reform the system at the federal level was temporarily given up: modern socialism could be built in one republic."

In an attempt to pacify the Croatian malcontents, the federal government adopted a new constitution in June 1971 that provided for far-reaching decentralization of legislative and executive power. The reforms marked the first official appearance of the Basic Organization of Associated Labor (BOALs), and other instruments of continued decentralization of Yugoslav society. Other reforms were: an increase in the number of government representatives from each region; the reduction of the powers of the federation; changes in the banking and the foreign currency systems.

These constitutional reforms however did not satisfy the insurgents and the Croatian nationalist manifestations escalated. The crisis which originated in Croatia developed into a crisis of the whole Yugoslav system.

The nationalists continued to demand "liberal" reforms whose goal was full political and economic autonomy of the Croatian republic. During this "national euphoria" numerous nationalist excesses were recorded; including the murder of the Yugoslav Ambassador in Stockholm in April, 1971 by two young Croat immigrant workers connected to the Utashi terrorist movement.

In September 1971 the Soviets intervened. For the first time in five years, the Warsaw Pact military-forces conducted maneuvers in the Balkans, in Czechoslovakia, and in Bulgaria, precipitating a strong reaction from the Croats. Brezhnev visited Belgrade that month to meet with Tito for what was termed a significant "improvement" in the Yugoslav-Soviet relations.

On September 29, Ivan Miskovic, a Serbian who favored central government, was appointed Tito's personal security advisor. (He was subsequently purged in 1973.)

The Croatian nationalist agitation of the summer reached dangerous proportions by the fall. The November 1971 Zagreb student strike, ostensibly over foreign currency, was a replay of the student demonstrations organized by British intelligence-related groups in the West in 1968.

The Soviets were not the only ones who were anxious about the increasing chaos. The Serbian-dominated Yugoslav Peoples Army, fearing that the country was on the verge of civil war, ominously conducted military exercises in Croatia. On November 30, 1971, the Serbian Generals called Tito to Karadjordjevo — the army-controlled hunting grounds outside Belgrade — and gave him the choice of purging the Croatian nationalists in the Party leadership or face a military coup. General Djoko Jovanic was one of the leaders of this move. This meeting became officially known as the 21st Session of the Yugoslav League of Communists (LCY).

Directly from Karadjordjevo, Tito proceeded to Zabreb and accused the Croatian inner leadership of Dabcevic-Kucar, Tripalo, and Pirker of "vacillation and deviationism in its ideological and political approach to nationalism." On Dec. 12, these three resigned all their party and government positions.

A new party leadership was elected: Milka Planinc as President and Josip Vrhovec as Secretary of the Croatian central committee. Shortly afterward, Tito gave a speech stressing the role of the armed forces in defending Yugoslavia's independence, integrity, and the achievements of the revolution. On Dec. 22, the 30th anniversary of the founding of the Yugoslav Peoples Army,

he said: "If the question is one of to be or not to be, then we shall defend our achievements — and here is our army. This should be known."

The purges of the Croatian nationalists gained momentum during early 1972 and several hundred government officials resigned or retired. Similar events were witnessed in the other Republics, the regional chauvinist officials being expelled from the Party or forced to retire. The LCY's apparatus was entirely cleansed of chauvinist liberals.

In the economic sphere, the pendulum began to swing back from decentralization. A new strong Party line emerged at the Party's Second Conference Jan. 25, 1972 with Tito's affirmation of the process of recentralization:

"The Yugoslav Peoples' Army will probably receive a special role in safeguarding the party's achievements and the unity of the revolution, together with its large veterans' organizations the army will be one of the strongest supporters of the new party policy."

The position of the liberal leaders of all the Republic weakened considerably in 1972. (The liberal "Praxis Group" however, was not banned until early 1975, when eight members of the Belgrade Faculty of Philosophy were finally suspended.) Due to the recentralization of the Yugoslav economy, changes in the structure of the foreign trade and the export structure, the net result of 1972 was a balance of payments surplus of \$250 million — the first surplus in 25 years. For the time being, at least, the crisis was over.

— Mira Petrovic