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THE WHITE HOUSE

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March 14, 1984

National Security Decision
Directive 133

UNITED STATES POLICY TOWARD YUGOSLAVIA (S)

As pointed out in the interagency report on United States Policy toward Yugoslavia, an independent, economically viable, stable and militarily capable Yugoslavia serves Western and U.S. interests. Yugoslavia is an important obstacle to Soviet expansionism and hegemony in southern Europe. Yugoslavia also serves as a useful reminder to countries in Eastern Europe of the advantages of independence from Moscow and of the benefits of friendly relations with the West. (S)

The severe financial situation facing Yugoslavia could pose a serious threat to Yugoslavia's ability to maintain those policies which best serve our interests. We must work closely with our Allies and the other major industrial democracies in supporting Yugoslavia's determination to remain an independent and viable force on the Warsaw Pact's southern flank. It is in U.S. interests that Yugoslavia be able to resist pressures from the Soviet Union and the Warsaw Pact. We will also continue to encourage Yugoslavia's long-term internal liberalization. (S)

I have determined that, in pursuing our long-established policy of support for the independence, territorial integrity and national unity of Yugoslavia, the following measures will be taken:

-- The U.S. will continue its close cooperation with other friendly countries to support Yugoslavia's efforts to overcome its financial difficulties. We will seek to expand U.S. economic relations with Yugoslavia in ways which benefit both countries and which strengthen Yugoslavia's ties with the industrialized democracies. U.S. policy will be to promote the trend toward an effective, market-oriented Yugoslav economic structure. (S)

-- The U.S. will pursue the well-established dialogue with Yugoslav leaders on issues of mutual interest and concern. We will take the opportunity provided by high-level official visits to reiterate U.S. support for Yugoslav independence, territorial integrity and national unity. Our policy will continue to be to encourage Yugoslavia to play a moderating role within the Nonaligned Movement and to counter Cuban and Soviet influence in that organization. (S)

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D. Dan Tressel, National Security Council F-90-770

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-- The U.S. will strive, in accordance with our established arms transfer policy toward Yugoslavia and consistent with the policies established in NSDD-5, to facilitate military cooperation with that country. We will foster sales to Yugoslavia of arms and equipment required for their legitimate defense needs on a case-by-case basis, subject to appropriate technology safeguards and financial arrangements. The U.S. will encourage Western European Allies to follow similar policies. (S)

- ° GSMIA. The U.S. Government will negotiate a General Security of Military Information Agreement between the U.S. Government and the Government of Yugoslavia. (S)
- ° MOU. The U.S. Government will review the existing Memoranda of Understanding with Yugoslavia regarding transfer of technology in light of current standards, which are more stringent than those of the late 1970s. In this regard, the U.S. Government will conduct an interagency review of the adequacy of the MOUs with Yugoslavia and, specifically, will compare them to the Swedish and Austrian MOUs. The U.S. Government will then inform the Government of Yugoslavia whether the existing MOUs require modification or are adequate. (S)

Ronald Reagan

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