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 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.

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

cc: Chairman, Joint Chiefs of Staff
Assistant to the President for International Economic Affairs