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Yugoslavia: Problems in Slovenia [REDACTED]

A major personnel shakeup may be under way in the republic of Slovenia that could have serious, negative repercussions on the delicate post-Tito succession machinery. The problem came to light at a Slovenian party Central Committee session on 24 June when it was disclosed that Dr. Anton Vratusa was being removed as head of the Slovenian Government. [REDACTED]

The Slovenes, throughout the post - World War II period, have played a leading role in the nation's development. They include Yugoslavia's leading businessmen and bankers and, more than any other nationality, they have made the complex national political system work. With grumbling in the other republics over the collective system and evidence that the Serbs may be attempting to dominate the new leadership, Yugoslavia can ill afford to have Slovenia weakened by political factionalism. [REDACTED]

In addressing the plenum, Franc Popit, head of the Slovene party, delivered a biting criticism of the republic's economic performance and hinted that others in the government, business circles, and the Slovenian Chamber of Economy may also be dismissed. While the republic's economic problems include apparent enterprise mismanagement, and the failure of local officials to make progress in implementing an economic stabilization program, the real problem appears to be the republic government's failure to follow party directives. [REDACTED]

Slovenian frustration over the state of the economy also appears to be contributing to the republic's insistence that limits be placed on Slovenia's financial aid to Yugoslavia's underdeveloped regions. The Slovenes have long maintained that they must retain a greater portion of their earnings in order to modernize their industrial plant. If they do not make these investments, they argue, their exports will become less competitive, the republic will risk economic stagnation, and the

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nation's hard currency earnings will decrease. Despite the current Slovenian demands, the republic does not appear to have abandoned its commitment to a unified national market and recognizes and supports the need for an economic stabilization program. [REDACTED]

Slovenia's objection to aiding underdeveloped areas has long-range, broader implications for the federal government's right to impose economic policy on a nationwide scale. In effect, the Slovenes not only want to decrease the amount of the development fund and to limit disbursements to one region (rather than the current four recipients) but also want the right to negotiate the amount and terms on their own, free from federal dictate. This questioning of federal authority comes at a time when Tito's heirs are trying to implement a politically unpopular but economically essential national stabilization program. [REDACTED]

Popit's emphasis on shortcomings in the administration of economic policy may explain why Janez Zemljarič, whose background is in security work, was chosen to replace Vratusa. The republic party apparently feels it needs a man willing to knock heads in order to get things done, and Zemljarič is a man with demonstrated organizational skills who is not afraid to use his muscle. He, however, is not in the same intellectual league as Vratusa, who has been considered "a comer," apparently with a favorable reputation throughout Yugoslavia. [REDACTED]

[REDACTED] a Croatian official as describing Vratusa as one of the most capable and intelligent officials in Yugoslavia. This official said, however, that Vratusa neglected practical fence-mending at the local level and only concentrated on "the big picture." In the only commentary thus far on his dismissal, the Zagreb weekly *Vjesnik* claimed that although the move was unprecedented, it was not motivated by political differences but because "different situations require different people." [REDACTED]

On the surface, the new collective leadership in Yugoslavia continues to demonstrate confidence and determination to make the post-Tito machinery work. It had been expected that the post-Tito collective leadership would face its first significant test in October, when the important post of party presidium president is

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up for rotation. Any infighting in Slovenia creates a degree of political uncertainty which could be harmful to the post-Tito leadership. Moreover, the Slovenes' current demands--having raised questions over federal authority--could develop into a significant challenge to collegial unity and federal authority before the summer is out. [REDACTED]

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