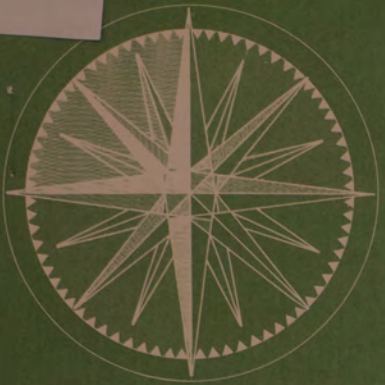


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✓ 19 February 1965

SC No. 00658/65A
Copy No. 002

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SPECIAL REPORT

YUGOSLAV PARLIAMENT GROWING INCREASINGLY INDEPENDENT

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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Authority NWJ.001.232.001/26

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19 February 1965

YUGOSLAV PARLIAMENT GROWING INCREASINGLY INDEPENDENT

At the explicit direction of the Communist Party's leadership, Yugoslavia's Federal Assembly (parliament) has in the past several months assumed a position of authority second only to the party in the Yugoslav political system. Specific legislative proposals prepared by the Federal Executive Council on the basis of broad policy lines set by the party now are subjected to parliamentary discussion and revision before becoming law. The first faltering steps toward a limited type of democracy are being taken, and the prospect is that Yugoslav voters will in future parliamentary elections have a genuine choice among several party-approved candidates. The father of these developments, Edvard Kardelj, Assembly president and a party secretary, as a result may find himself in a strong position in the inevitable struggle for power following Tito's death.

From "Rubber Stamp"
To Reorganization

Four years ago, Yugoslavia's parliament was only a rubber stamp body which several times a year provided a propaganda sounding board for the decisions of the government's executive body, the Federal Executive Council (FEC). It was unprecedented in December 1961 when a parliamentary deputy criticized from the floor and voted against the proposed 1962 economic plan.

As it turned out, the deputy was vindicated by subsequent events. In late 1961 and 1962, Yugoslavia suffered a serious recession when a program of economic liberalization foundered on the shoals of entrenched bureaucracy. The party's leadership concluded that the country's economic and political health could be restored and improved

only by a vigorous reorganization of the regime's institutions and their functions. As one part of this upheaval, the new constitution of 1963 reorganized parliament and established it as the ultimate repository of power in the government.

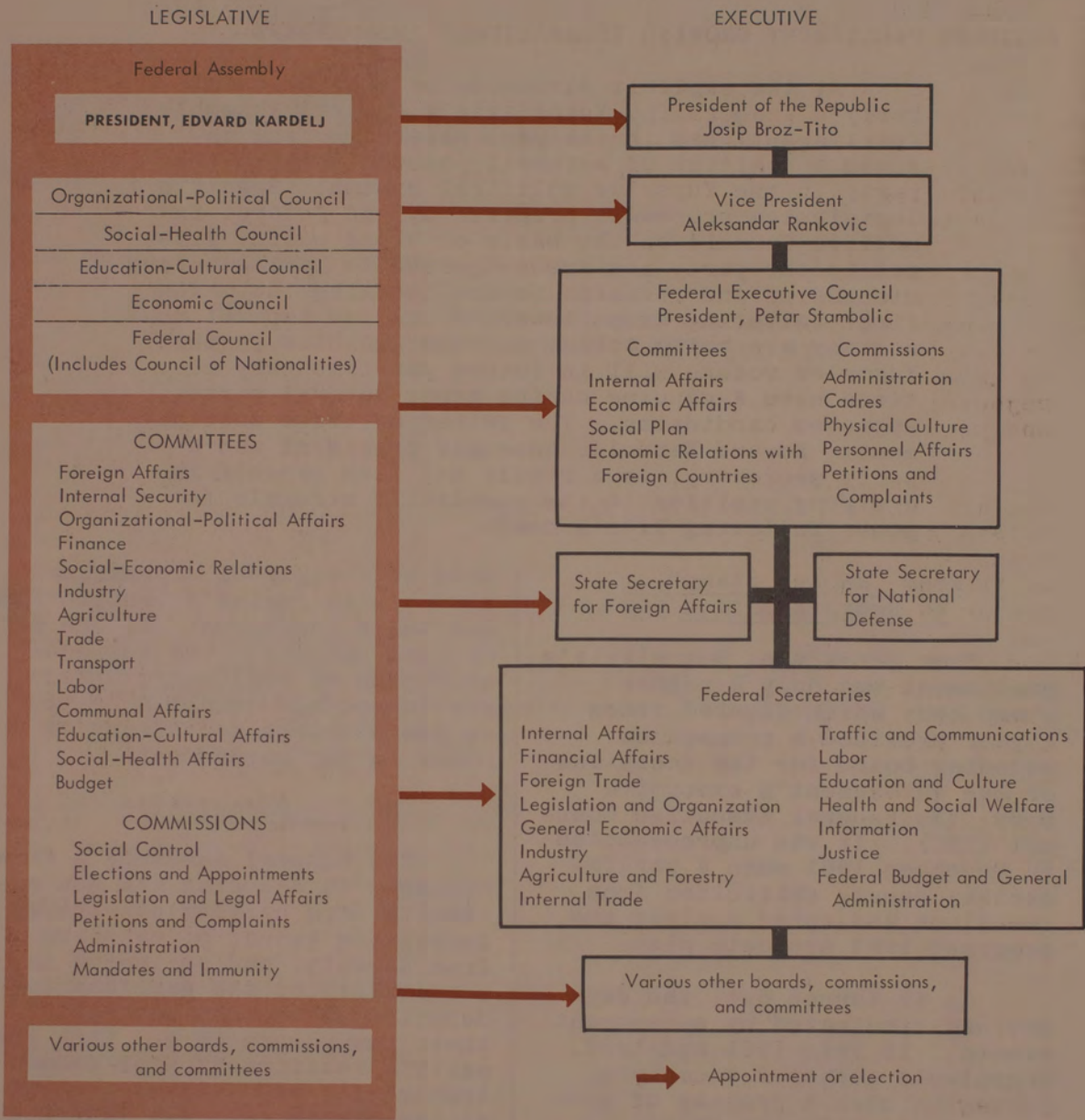
Policy Formulation

The Federal Assembly's first attempts to exercise its new authority were halting despite an impressive amount of cajoling from Kardelj, and reflected the uncertainty of the parliamentary deputies as to just how real their new powers were. With the party's reaffirmation of decentralization and self-management at its eighth congress last December, however, parliament began flexing its muscles.

The FEC's proposed annual economic plan for 1965 was

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YUGOSLAV GOVERNMENT'S MAIN LEGISLATIVE AND EXECUTIVE BODIES



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drastically modified so that it advanced--rather than retarded as would have the original draft --the present trend toward a self-managed, consumer-oriented economy. Parliamentary critics of the plan as it was first presented claimed that, contrary to policies adopted at the party congress, it failed to decentralize investment funds and authority to enterprises and provided inadequately for an improvement in living conditions. Before it was finally adopted on 26 January, the assembly twice rejected the 1965 economic plan and put it through 11 revisions.

In the past two months, the assembly also decided to retain subsidies for railway commuters in 1965, contrary to an FEC proposal to cancel all transportation subsidies during the year. It rejected a proposal which would have empowered local government bodies to reduce minimum incomes of enterprise workers and referred back to the FEC several tax bills as "contrary" to the country's economic trends.

The assembly has not as yet exercised the supervisory authority granted to it over foreign affairs, where appropriate executive agencies of the government still implement policies laid down by the party. A change even in this field was hinted recently, however, when an official Yugoslav news broadcast called for increased public debate of foreign policies and a considerable expansion of the work of the assembly's Committee for Foreign Affairs.

Shades of Western-Type Democracy

Apparently, the assembly is just beginning to feel its oats. An assembly spokesman indicated last month that the growth in the exercise of authority by the assembly had not reached even the halfway point and expressed the hope that it would soon begin to initiate legislation, as well as to exercise a veto over that proposed by the FEC.

With the party clearly on record as favoring a continued liberalization of the economy, assembly deputies will probably be under pressure from their home constituencies to give substance to such a program. The development of political give and take seems certain, even though the vast majority of parliamentary deputies are subject to party discipline. The deputies will be competing more actively with one another in the assembly to have legislation passed which is particularly favorable to their respective republics and localities. Moreover, the electoral law was amended in November to allow competition--albeit among candidates acceptable to the party--in elections for parliamentary seats; elections for roughly half the seats will next occur in April.

Liberals in Ascendancy

The assembly, which is already exercising its authority over the FEC, may soon take over some of the functions that were formerly handled directly by the party. At its recent congress

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The Aging Dictator and the Chief Contenders



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RANKOVIC



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the party decided to abdicate the active role it once played in the management of day-to-day affairs. This does not mean that party control has weakened in Yugoslavia, however, nor is the one-party system threatened. Rather, this demonstrates the ascendancy for the present of party leaders who favor less direct party involvement in the country's administration and in local affairs.

Assembly president Kardelj stands to gain considerable personal prestige and power as the assembly asserts more and more

its views on policy. Although Vice President Aleksandar Rankovic is apparently Tito's heir apparent, Kardelj has the opportunity to exert more influence on the day-to-day management of the country than does the vice president. If Tito lives long enough, moreover, Kardelj may in the long run establish an independent power base from which to challenge Rankovic. Kardelj's important positions in the party--he probably is responsible for the party's economic and political policies--further enhance his prospects. (CONFIDENTIAL)

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