

# Inside Capitalist Yugoslavia

By Ivan Pavlovic

This article was written before the Yugoslav revisionists held their 9th Congress on March 10. The decisions reached at that gathering, in many ways, concur with the conclusions of this article. The Tito clique long ago destroyed the essence of the Yugoslav Communist Party and embarked on the road of capitalist restoration. At the 9th Congress it went one step further: it destroyed the form of the Communist Party. Tito, the father of modern revisionism, has been, so to say, in the vanguard of the other revisionist cliques. His and his colleagues' boldness has of late been matched by the sharpening struggle of the working class. This article attempts to document some of the more blatant capitalist measures in Yugoslav economy and their effects on the Yugoslav working people. No attempt is made to analyze the Tito clique's ideological formulations, i.e., its anti-Marxist and anti-Leninist theories which are becoming popular among some European "socialists" (Sartre). Marxist-Leninist should by no means underestimate the strength of the specifically Titoist form of revisionism, because it is the most consistent and open revision of Marxism under the label of "contemporary" and "anti-statist" socialism. This article is a small contribution to a much larger task of thoroughly unmasking and repudiating Titoist revisionism.

## THE ROAD BACK TO CAPITALISM

At the New Year's Eve party given for the Yugoslav revisionist chieftain, Tito, was charmed by the following tale, told by the official toastmaster: a factory is being initiated by a functionary who announces that the factory belongs to the workers. He is interrupted by a worker who proposes that since the workers now own this enterprise, they should sell it, divide the proceeds and each buy a cow, or an acre of land, etc. "Well, how do you propose to earn your living, where will you work?" asks the official. "We'll work for the gentleman who buys the factory," quickly replies the worker.

The reader will appreciate that this is a story designed to produce mirthfulness only among a limited number of people—those who are restoring capitalism in the formerly socialist countries. However, not everybody has equal merits in this "enterprise." The Yugo-

slav Tito clique happens to be in the vanguard of world revisionism. From its experience we can foretell where its counterpart cliques, including the center in Moscow, will travel on the road back to capitalism. Lest somebody get the wrong impression, they are not yet selling "public" enterprises to individual capitalists in Yugoslavia. The capitalists have to "content" themselves with building their own factories! All in due time. Nor can Tito afford to laugh about Yugoslav workers. In real life they strike and raise hell against their deplorable condition, instead of suggesting better ways for their bosses to exploit them. Nevertheless, the Tito clique has up to now withstood the wrath of the masses. It expects 1969 to be a year of the still greater consolidation of the road on which it advances. And what is this road?

One of the most pronounced tendencies of Yugoslav revisionism has been the importance it ascribes to its "relationship" with Western imperialism. This relationship is based on the Tito clique's dependency on imperialism. U.S. imperialism and its West European counterparts have for years been giving "aid" to Yugoslavia. This usually takes a form of monetary loans. Last summer, on August 5, for example, Robert McNamara, head of the International Bank for Reconstruction and Development, signed a protocol with a representative of the Tito clique, giving Yugoslavia an additional \$16 million in credits at 6.5% interest. (In 1967 the Bank gave Yugoslavia \$10.5 million.) Similarly, the British government granted £10 million credit at 5.5% interest to the Yugoslav Investment Bank last June.

In addition, Yugoslavia has become a market for all types of imperialist commodities. In 1967 \$657 million worth of goods or 40% of all imports, were imported from the Common Market countries alone into Yugoslavia. Footwear and textiles from Italy, Greece and Austria are currently flooding the Yugoslav market. Having long since done away with the state monopoly of foreign trade, the Tito clique is counting on the good graces of its two chief trading "partners," Italy and West Germany, for arranging a special status for Yugoslavia within the European Common market. The above figures given for imports do not of course include the commodities produced in Yugoslavia under the licenses obtained from the Western capitalist



companies. Among other examples, Yugoslavia currently produces four car models of Italy's Fiat Motor Co. (manufactured under the name "Crvena Zastava" which ironically enough means "Red Flag"), Lorillard-licensed "Kent" cigarettes, various soft drinks, etc. In greater or lesser degree many factories that engage in licensed production of Western commodities are in fact assembly plants for those who own the licenses. In some cases many parts of the final product are imported from abroad ("Crvena Zastava"), in others the license-owner retains the right to control the quality of the product. (Lorillard supervises the production of Niš Tobacco Industry's "Kent.")

#### FOREIGN CAPITAL WELCOME

However, the most significant way in which the Tito clique has integrated itself with the capitalist world market is by allowing for the direct investment in Yugoslav industry by the U.S. and European imperialists. Yugoslav revisionists are openly saying that their participation in the international (capitalist) division of labor means undertaking certain re-adjustments. J. Bilić, one of the leading revisionists from Croatia, publicly proclaimed on July 5, 1967 that "if Yugoslavia as a socialist country, which leads the policy of coexistence wishes in the future to play a significant role in the world, it...must add the program of economic coexistence to political coexistence." How can a "socialist" country do this? As Tito himself put it in his May 9, 1968 interview with a Western capitalist delegation, "We, of course, cannot annul our socialist regulations because of the foreign capital's participation in the country's development. But we can give guarantees for your invested capital and for an appropriate profit. That is the main thing." Indeed it is! For all the members of the delegation cared, this renegade can enjoy the luxury of labelling "socialist" a system which guarantees them profits from the surplus created by the Yugoslav workers.

In the summer of 1967, the Yugoslav Federal Assembly passed a series of laws guiding the nature of foreign investment in Yugoslavia. They limited the foreign investment in the joint companies to 49%. From the outset it became clear that the Tito clique was principally interested in this form of "partnership." According to its organ, Borba, of August 14, 1968, "the Institute for the Market Research of the Federal Chamber of Commerce...[has concluded that] 664 big companies...cooperate with a foreign organization...170 have established cooperative relations, 29 economic organizations jointly invest [with foreign capital] in new objects, six cooperate on the basis of the use of li-

censes, 24 on the basis of capital imports, 10 cooperate in assembling and re-modeling, 9 jointly invest capital, and 38 have agreements about joint market participation." Borba noted with pride that some major enterprises operate in one of these ways with the foreign "partners." Besides the "Fiat"-"Crvena Zastava" relationship, it mentioned "partnerships" between "Castor" (Turin)-"Rade Končar" (Zabreb), "Alfafrigo" (Turin)-"Obod" (Cetinje), "Saurer"-FAP (Priboj), and "Tomos" (Koper)-"Citroën" (France). Another newspaper, Politika, explained in its January 21, 1968 edition the nature of the second most profitable of these deals, the one between "Castor" and "Rade Končar." The Italian and Yugoslav companies jointly produce about 10 different washing machines. "Končar" produces electromotors and radiators for these machines, mounts them and tests the quality of the product. The two companies' 5-year-old relationship has

Political Get-together of Five Citizens  
JEŽ, May, 1968



— НЕМА ГОВОРА О НЕКИМ ПРИВАТНО-КАПИТАЛИСТИЧКИМ ТЕНДЕНЦИЈАМА, ЈЕР СУ НАШЕ ПРИВАТНО ПРЕДУЗЕТЕ ОСНОВАЛИ СВЕ САМИ БЕСКОМПРОМИСНИ БОРЦИ ЗА СОЦИЈАЛИЗАМ И ФУНКЦИОНЕРИ ИЗ ДРУШТВЕНОГ СЕКТОРА.  
М. ТИРИЋ

"There is no sense talking about some private-capitalist tendencies because our private company was founded only by the uncompromising fighters for socialism and the functionaries from the public sector."

yielded \$24 million in output. The Yugoslav revisionists never tire of promoting these and other ways in which they have become a part of the world (imperialist) market. Only recently (1/21/69) the N.Y. Times reported the efforts of Dr. Božidar Linhart of the Yugoslav Bank of Foreign Trade, who traveled to the U.S. in order to solicit the U.S. capitalists' investments in "his" country. The Times noted that this Tito clique legate offered the advantages of "low production costs and wages." So far 8 investors have been found, including 2 from the United States. In this way the Tito clique is serving U.S. imperialism with outlets for its export of capital, guaranteeing it superprofits from an area that is relatively developed. In this way it is setting up the Yugoslav working



people for ruthless exploitation by imperialists—and all, cynically, in the name of socialism.

### RISE OF DOMESTIC CAPITALISTS

The 26 Street frontiers for the Soviet revisionist clique (whose job is to convince all the gullible people that you can work with the revisionists and live to tell about it) never cease demanding the names and addresses of capitalists in the revisionist countries. This they consider to be a "clever" argument against the Marxist-Leninist position that the socialist economies owned by the whole people under the condition of the dictatorship of the proletariat, have in these countries become the property of the bureaucrat-comprador bourgeoisie under the condition of the dictatorship of the bourgeoisie. Not only has the Tito clique brought in Western capital, exposing the working people to this type of exploitation, it has also permitted the rise of domestic capitalists. The Tito clique has consistently encouraged the development of the private capitalist sector in Yugoslavia. The extent of the private sector is difficult to determine. The Tito clique would like to bring all the petty capitalists under its tax laws. Since many of the entrepreneurs operate in an illegal manner, the reports about their activities are contradictory. In Serbia alone, 100,000 persons are self-employed. This has "solved" the problem of services in the opinion of the Tito clique. However, it is also known that there are 10,000 unregistered craftsmen in Serbia. The lengths to which some entrepreneurs go to escape taxes is a telling comment on the laissez-faire policy of the Tito clique vis-a-vis the private sector. As different municipalities charge different tax rates, it is known that some private truck owners establish phoney residences in those counties where the rates are lower. For example, the Samobor municipality which charges taxes 200,000 dinars less than its neighbor Zagreb is the fictional residence of many of the private transporters. Municipality Vrgorac performs a similar "service" for the transporters from Split, Makarska and Metković. There are four other municipalities in Croatia alone, where the authorities actually cooperate with the transporters, in some cases going to the absurd length of acknowledging the municipal halls as the residence of their "clients." Private enterprise and petty capitalist accumulation are thriving in Yugoslavia. In some cases it actually drives the "public" establishments out of business. In Mladenovac a private baker has taken on the "public" bakery, "Makovica," taking  $\frac{1}{3}$  of its customers. The impudence of some entrepreneurs has no bounds. One private mechanic from Opatija—operating under the grand name of "Rapid"

Motors, has imported tires, fenders and other parts from Italy, bought motors from "21. maj" factory and chassis from "Crvena Zastava" and put together his own version of Fiat 750. The culmination of the process was the Veble, Djordjević and Bosnić affair.

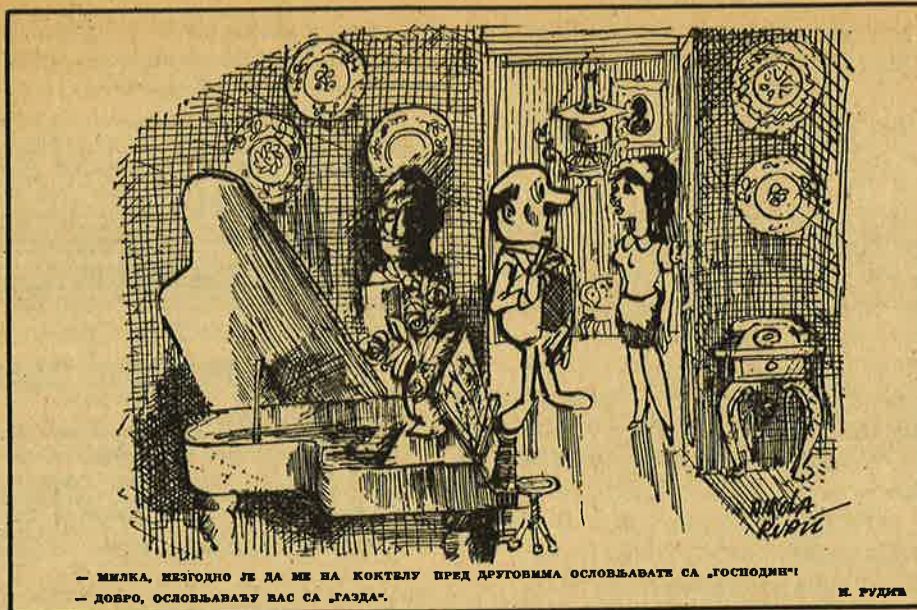
On April 13, 1968, Stjepan and Vera Veble, Miroslav and Dušanka Bosnić, Konstantin Milenković and Vlado Arambašić submitted a plea for the registration of their private textile factory to the County Assembly in Slavenska Orahovica, Croatia. The authorities in question quickly authorized the building of this factory towards which the four principals (plus two wives) contributed \$160,000 in private capital! Considering that an average Yugoslav worker receives a monthly salary of approximately \$80, the Orahovica entrepreneurs were good examples of where the encouragement of private



Veble, Djordjević and Bosnić before court

accumulation of capital at the expense of the working people inevitably leads. Admittedly, the name of Stjepan Veble is not as sonorous as that of Rockefeller, but not even the CPUSA could deny that this Yugoslav craftsman, an owner of an electric appliances repair shop in Osijek, the chief mover behind the Orahovica factory for which he planned to hire 120 (!) workers, is precisely the proverbial individual owner of the means of production that they insist be produced as evidence by those who label the social practice in the revisionist countries as capitalist. Or not quite! Based on Title 13 of the Tito clique Constitution, which allows citizens to form a private company, the Basic Law about companies provides in its Title 127, "that the means capital that the





He: "Milka, it's unfortunate that you addressed me as 'sir' in front of the comrades at the cocktail party."  
She: "Alright, I'll call you 'master' from now on."

JEŽ, June 1968

citizens gave for the founding of the company's work become social property." Thus, although (as was later learned) Veble and Bosnić planned to expropriate 70% of the profits created in their factory, the workers in the textile mill (organized into a self-governing workers' council—on which more later) had the "comfort" of knowing that the means of production in their enterprise were "socially owned." Despite the justifiable indignation of the Yugoslav working people against the introduction of overtly capitalist relations in production, Veble and Co. would have most probably completed their plan of starting a textile factory, had not the sources of their capital been exposed as moneyplundered from "public" enterprises.

The details of Veble and Bosnić's transactions are a good illustration of the true nature of how the Tito clique's "public" enterprises are really run. The Tito clique never tires of boasting about its "new socialist democracy" based on "workers' self-government" in the "public" enterprises. In reality this is the most serious example of its betrayal of socialism, since under the cloak of "workers' self-government" the Tito clique has attacked the concentrated ownership of the means of production by the state of the dictatorship of the proletariat. The comprador bourgeoisie which the Tito clique represents naturally completely opposes the dictatorship of the proletariat. In Yugoslavia, this stratum has long since turned the dictatorship of the proletariat into a dictatorship of the comprador bourgeoisie. Thus, given the concrete historical circumstances, even in the absence of a predatory parasitical stratum, even if the workers actually did run their factories,

this practice would still be opposed to the interests of the working class since it weakens the foundations of the workers' class dictatorship. But not even these conditions exist in Yugoslavia, where the existence of Veble & Co. clearly indicates the presence of an exploiting class, and where the system of "workers' self-government" is no self-government at all. The so-called "workers' councils" are a grotesque farce, which rubber-stamp the decisions of bureaucrat-comprador capitalists who manage the enterprises. The story of how Veble obtained the machinery for his factory clearly shows how the managers of the "public" enterprises under "workers' self-government" dispose of the surplus created by the working class! It exposes these managers as cruel exploiters of the Yugoslav working people. Utilizing the information supplied by K. Milenković, textile technician of "Branko Krsmanović" state textile factory in Paraćin who was to become his partner, Veble learned that the Paraćin factory was replacing 44 old pieces of machinery. He persuaded his other partner, Dobrosav Djordjević, director of "public" company "Trgocentar" in Leskovac, to buy the Paraćin machinery. As soon as Djordjević did this, he sold the machinery to Veble. The workers of "Trgocentar" were robbed of \$24,000 in this transaction by "their" manager—a person who theoretically merely carries out the decisions of the "workers' council." This is by no means an isolated example.

Some people might say that were the managers of the "public" firms truly responsive to the interests of the workers this would not happen. The validity of this opinion rests on our under-



standing of what is truly in the interests of the working class. Marxists-Leninists hold that the strengthening of the dictatorship of the proletariat is in the interests of the working class. However, the logic of "self-government" theory in industry is to weaken or (in the Yugoslav case) destroy the dictatorship of the proletariat. On January 16, 1968 Borba reported the case of the "Vrbas" furniture factory in Banja Luka whose "honest" managers had smuggled in a piece of production machinery from West Germany "in the interest of the collective." By defrauding the state the "Vrbas" managers improved the position of their "public" enterprise vis-à-vis its competitors. Although this is quite normal under capitalism, we would be hard pressed to explain how it is possible that the managers responsible to the workers can actually conspire against the state that supposedly represents the workers' rule. The answer is that the Yugoslav "public" enterprises are actually run for the benefit of the comprador bourgeoisie who have usurped the workers' dictatorship and established their own class rule. The system of "workers self-government" is the formula by which this rule is perpetuated. Thus, Veble's private factory and the "companies of groups of citizens" (to use a Tito clique euphemism for private firms) are not that much different from "public" firms run in the interest of the comprador bourgeoisie.

Some of the forms introduced in the financing of Yugoslav industry reinforce this view. The above-mentioned "Crvena Zastava" aided by the Yugoslav Investment Bank has recently (Borba, July 4, 1968) decided to sell shares of stock to other institutions as well as to individuals. The purchaser will receive 6% annual interest for his investment in shares which will become redeemable beginning with (ironically) May 1, 1971. The minimum investment for different "public" organizations is \$4,000 and \$40 for individuals. Some Titoist propagandists such as M. Djekić, a commentator of the newspaper Politika, have actually supported what they call "shareholding socialism." Djekić asks in his appropriately entitled article "My Share of Socialism" (my emphasis--I.P.) (Politika 4/16/68) why shouldn't Yugoslavs invest in "Crvena Zastava" and other enterprises when Italians can? Citing \$508,400,000 in the savings account of Yugoslav citizens alone, Djekić suggests that it's a shame to leave all of that money in some cold vault...and since there are no regulations against the issuing of shares of stock...

So much for "public" enterprises. It was suggested before that the Veble case ended unfortunately for this gang of capitalists. The reason for this is that in the process of build-

An Advertisement From Borba, June 9, 1968  
Inviting Private Investments in Fiat Deal

КОРИСНО И НОВО — ОБВЕЗНИЦЕ »ЗАСТАВА«  
УНЕСУЈТЕ ОБВЕЗНИЦЕ

**Zavoda „Crvena Zastava“**  
КОЈЕ ГАРАНТУЈЕ ЈУГОСЛОВЕНСКА ИНВЕСТИЦИОНА БАНКА

Обвезнице нове 6% камате. Амортизација обвезнице од врши у року од 5 година почевши од маја 1971. године у изједнава постојећим амортизација нове обвезнице и новцу. Камата се исплата месечно: обвезници камата се у готовцу. Исплату обвезница и отплату готовцу врши Југословенска инвестициона банка. Обвезница се могу продавати и у иностранству сапуште као валута и одлично средство финансирања организација и Југословенска инвестициона банка (промена, путари и сл.)

**RADNE ORGANIZACIJE!**

Циљ ове обвезнице: Обвезнице издати су у име „Црвена Застава“ и Круговне организације и одговарајуће организације. Обвезнице се могу продавати и у иностранству сапуште као валута и одлично средство финансирања организација и Југословенска инвестициона банка (промена, путари и сл.)

**ГРАЂАНИ!**

Учешће обвезнице Завода „Црвена Застава“ издати и исплативани су:

- УДЈЕЛЕТВУ СИНУРАН ПОСАО
- ДОБИЈАТЕ 4% ГОДИШЊЕ КАМАТЕ
- СТИЧЕТЕ ПРИОРИТЕТ У НАБАВИ КОЈА ПРОИЗВОДИ ЗАВОДА „ЦРВЕНА ЗАСТАВА“ У РОКУ ОД 30 ДАНА ОД ДАНА ДОБИЈАЊА ОБВЕЗНИЦА И УПЛАТЕ ЗА КОЈА.
- УЧЕСТУЈЕТЕ У ЛУТРИЈИ КОЈА СЕ ПОВТАРИ 1969. и 1970. ГОД. СА СПЕДЕЊИМ ЗГОДИЦИМА.

FIAT-ZASTAVA 125	FIAT-ZASTAVA SPECIAL 850
FIAT-ZASTAVA 124	FIAT-ZASTAVA COUPE 850
ZASTAVA 1300	ZASTAVA 750
FIAT-ZASTAVA 850	11 lovačkih karabina Zastava
FIAT-ZASTAVA 1100K	11 lovačkih pušaka Zastava

Translation of Advertisement Above

Useful and New—"Zastava" Shares underwrite the shares of INSTITUTE "CRVENA ZASTAVA" guaranteed by the Yugoslav Investment Bank

Shares carry 6% interest. Amortisation of the share is conducted in a period of 5 years starting with May 1971 in equal annuities which contain repayment and interest. The interest until the amortisation of the shares will be paid in cash.

The circulation and the payment of shares is conducted by the Yugoslav Investment Bank. The shares can be sold and at the same time can serve as the coverage for the undertaking of various financial arrangements at the Yugoslav Investment Bank (guarantees, etc.)

WORKING ORGANIZATIONS.

The widening of capacities of the automobile factory Institute "Crvena Zastava" from Kragujvac makes possible directly or indirectly the widening of your capacities. By underwriting the shares of Institute "Crvena Zastava" you make possible the widening of your own capacities, better business transactions, prosperity and certain affirmation of your products at home and abroad. By underwriting the shares you are investing your means into safe business and at the same time you are contributing towards the realization of the aims of the economic reform. The shares are made out to the investor. The smallest amount which can be purchased equals 50,000 dinars (\$4,000) the underwritten sum can be paid at once or at most 3 installments, bearing in mind that the entire sum must be paid by April 30, 1969.

CITIZENS.

By buying shares of Institute "Crvena Zastava" you are at the same time saving money

- investing into a safe business
- receiving 6% annual interest
- receiving a priority in delivery of the automobiles of Institute "Crvena Zastava" in a period of 30 days from the day of purchase of shares and payment for the car
- participating in a lottery for 1969 and 1970 with the following prizes:

- |                    |                             |
|--------------------|-----------------------------|
| Fiat-Zastava 125   | Fiat-Zastava Special &50    |
| Fiat-Zastava 124   | Fiat-Zastava Coupe &50      |
| Zastava 1300       | Zastava 750                 |
| Fiat-Zastava 850   | 11 hunting carbines Zastava |
| Fiat-Zastava 1100B | 11 hunting guns Zastava     |
- (details follow)



ing their private factory Veble and Co. defrauded some other firms. And this is the only reason! The Tito clique tried to tame the public indignation against private factories by bearing down hard on the Veble group (its members are currently being tried for fraud and embezzlement) but at the same time emphasizing that it was only opposed to excesses and not to "personal work" (Vjesnik 7/15/68). As of July 7, 1968, there were according to Borba 390 private firms in Yugoslavia. Although these firms currently account for a small percentage of the total revenue of Yugoslav economy, it is important to stress that the phenomenon is still in its infancy but growing extremely rapidly for the simple reason that the Tito clique is encouraging it. How else can one interpret the following statement in Vjesnik which condemns "...all of those conservative forces which are waging a stubborn struggle against everything that doesn't have a trademark of a socialist enterprise. Those same forces who have consistently utilized the reports of excesses for only this type of a conclusion: that personal work in our society equals the return to capitalism, that the non-socialist manifestations are contrary to our social development, that this is an example of an evil, perhaps a necessary one, which must nevertheless be fought."

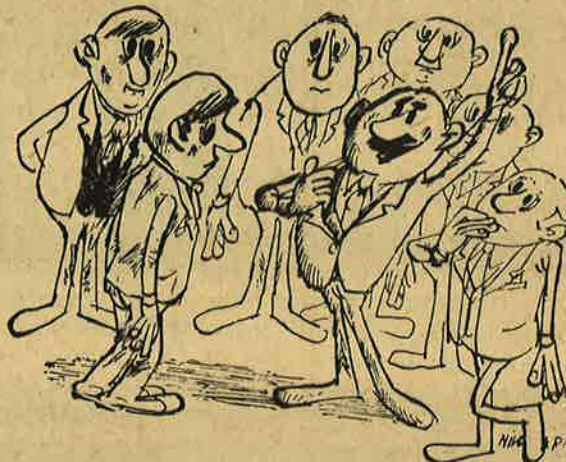
#### YUGOSLAV WORKERS SUFFER FROM MASS UNEMPLOYMENT AND EXPLOITATION

So far we have discussed the investment of Western imperialists in Yugoslav "public" firms, the degeneration of the socialist enterprises into the comprador bourgeois-run firms under "workers' self-government" as well as the phenomenon of private firms. What are the implications of these developments for the working people of Yugoslavia?

The position of the Yugoslav workers is not at all distinguishable from that of the working class of any capitalist country. As part of their move to introduce capitalist relations of competition and rivalry and to do away with socialist relations between different enterprises, the Yugoslav revisionists have introduced their so-called "economic reform" which in Tito's own words "has limited further employment since it is vital for Yugoslav industry to attain the highest possible level of labor productivity, and for the economy to make itself capable, from the technological standpoint, of meeting competition on foreign markets (Review I, 1968). On April 20, 1968, Politika carried a story about the municipality of Sid in the rural district of Srem. Several illustrations from Politika's narrative go a long way in helping to explain the situation of the working people vis-à-vis the "economic reform." For years the "Gradjevinar" con-

struction company has been under contract by the Sid municipal government. Under the policies of the "economic reform" the city fathers discovered that the firms "Rad" and "Crnotravac" could do the same job much cheaper. As a result 30 workers from "Gradjevinar" lost their jobs. Since this firm was not at all happy about its competition it threatened the municipality with firing 100 more workers unless its contract was

— ЈА САМ АВАНГАРДА. ПРВИ САМ НАБАВИО АУТО,  
ПРВИ ДОБИО СТАН, ПРВИ САГРАДИО ВИЛУ... Н. РУДИЋ



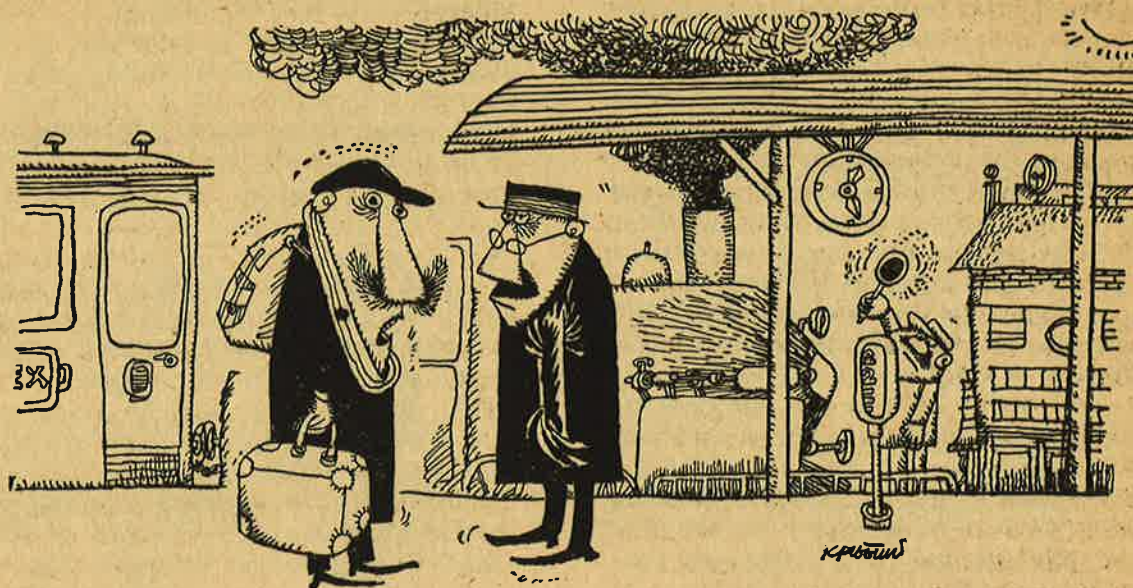
"I am the Vanguard. I was the first to buy a car, the first to get an apartment, and the first to build a villa."  
JEŽ, May 1968

renewed. Since the contract has not been renewed the firm has put its threat into practice. Meanwhile 450 workers of the Sid meat packing plant "Srem" have lost their jobs as the result of the factory's closing. Credits, taken under unfavorable circumstances, plant modernization work, unfavorable situation on the foreign market, the fall of domestic prices etc., have been responsible for the factory's \$800,000 deficit. The factory machinery will be auctioned and the workers will have to look after themselves. These are by no means isolated examples. In 1967 there were 260,000 unemployed Yugoslav workers. That means 6.8% of the working population. In the first months of 1968 the figure had risen to 280,000. This figure represents only those unemployed known to the Yugoslav Federal Bureau of Employment. A more realistic figure is approximately 600,000 unemployed in a country of 20,000,000 people. Some major industries such as the coal mining industry "Kreka" have fired 15,000 miners and operate at from 5 to 6 million tons of coal under normal output. So far the Tito clique has not found even a temporary cure for the chronic unemployment. One answer has been to encourage the emigration of Yugoslav workers. There are now around 300,000 Yugoslavs working in Austria, West Germany, France and the Scandinavian countries. The Yugoslav Federal Bureau of Employment has become a service station for the West European manpower-hungry capitalists. "The



'It's not worth looking for jobs in Sweden; they're putting 'reforms' into practice there, too!'

JEZ, June 1968



— У ТОЈ ШВЕДСКОЈ НЕ ВРЕДИ ТРАЖИТИ ПОСАО. ТАМО СПРОВОДЕ НЕКАКВУ РЕФОРМУ.

M. KRŠTIN

Federal Bureau for Employment' writes Borba (8/21/68) 'basically satisfies the demands of foreign employers. There are, however, cases that as many as ten representatives of individual West German firms daily find themselves at the Federal Bureau, of which at least half have no appointments, and often with demands that workers be immediately placed at their disposal.' Does this not invoke images of slave trading in the antebellum South? Not only does the Federal Bureau for Employment "satisfy" the demands of the labor-hungry European industrialists, it has actually made a strategy of making state-to-state pacts on labor emigration with such countries as Sweden, West Germany, etc. Tito clique diplomats have made a point of advertising the advantages of Yugoslav labor, much as France boasts of its wines and Japan of its optical industry. Furthermore, these emissaries of the state of "workers' self-government" have had remarkable "successes." Thus, the Swedish assistant general director of the state agency in charge of employment of foreigners, Rehnberg, has stated that "Sweden will mainly concentrate on Yugoslavia, because...Swedish economy values the working and other qualifications of the Yugoslavs" (Vjesnik 8/17/68). Often the West European capitalists hire the Yugoslav workers in anticipation of more militancy on the part of the indigenous working class. Thus, the French automobile factory "Peugeot" has recently hired 800 Yugoslavs.

Unemployment has become such a serious

social problem that it has recently been characterized by Representative Nikola Kotle "as such a sensitive economic as well as a political problem that it makes possible the appearance of all kinds of demagogies and the creation of extremely weighty consequences" (Politika 4/26/68).

Obviously, the Tito clique is worried. It is particularly worried because of the wave of strikes which has of late swept Yugoslavia. In a rare moment of candor one of the revisionist economists, Milan Škrbić, has recently written the following lines: "It is an illusion to think that the work stoppages are merely spontaneous, momentary outpourings of bitterness on the part of the workers against the unconsidered acts of the management. The frequency of strikes, their massiveness, sharpness and determination in individual cases, witness that this is, despite the unsatisfactory social climate in which they occur, the commonly accepted form of active self-defense and self-organization of the workers deserted by their class organizations in the crucial stages of their struggle" (Vjesnik 6/3/68).

The majority of strikes in the recent past has been around the question of low wages. The Yugoslav workers are ruthlessly exploited under the system which drives every enterprise to make profits or be closed. To hold their costs in line with those of competitors the managers' favorite method is to lower the wages of their workers. In May of 1968, 1,000 workers of the automobile factory "Tomos" from Koper went on strike



against the 40% decrease of their salaries to an average monthly grand total of between \$32 and \$40. When a 9% pay decrease was announced at the "Litostroj" steel mill near Ljubljana 3,800 workers staged a walkout. In both of these cases the creditors' demands on the management made the latter attack the workers' economic position. On June 19, 1968, 300 workers of the garment shop "Beograd" in Belgrade struck against the ridiculously low monthly wage of \$36. Although Borba agreed that the wages were extremely low it rejected the demand for the equalization of salaries for all the persons who work in that shop. That would clearly have threatened the class interests of the parasitical managers' caste. Similar strikes for better wages have recently occurred at the Plaško sulfate cellulose factory, which lasted four days and on the docks of Ploče, where 1,000 longshoremen stopped working for a day in protest against the \$24 a month wage they had been receiving for several months because of the harbor's poor economic situation. The full extent of the workers' militancy is hard to determine. Nevertheless, it is absolutely correct to state that the masses of Yugoslav workers seriously worry the Tito clique with their determination to fight back.

#### CAPITALISM RESTORED IN COUNTRYSIDE

Ever since 1951, when the Yugoslav revisionists took a big step in favor of capitalist restoration in the countryside by abandoning collectivization, several developments have been observed in this sector. First, one of the characteristics which accompanied the de-collectivization was the tendency of polarization between the rich and poor peasants. It was the former who left the collective farms most readily. Under the series of laws passed by the Tito clique, private holdings which could not nominally exceed 24.7 acres in many cases exceeded 74.1 acres. In 1959, 33% of land was in the hands of 13% of peasant households. The Yugoslav revisionists attribute these contradictions to the differences between fertile lowlands and poor mountain regions as well as to the persistence of small-holder farming. Their recipe for the Yugoslav land problem is not to check the development of larger holdings at the expense of smaller, but the opposite: to stress the uneconomic nature of small holdings and recommend the capitalist solution of accumulation of land by the large holders. They complain that while in the U.S. the worker-land area ratio is 1:64 acres, in Yugoslavia it is 1:3.2 acres. Nevertheless, the social differentiation in the countryside is worrying the revisionist leadership. "The problem of 'small peasants' is gaining its political dimensions," remarked Politika in a recent article. Indeed it has!

Revisionists are faced with the growing discontent of the poor peasants. Membership in the League of Communists has dropped considerably in the countryside. In Croatia, 30,122 or 21.8% party members were peasants in 1953. In 1968 Croatian peasants make up 10,430 or 4.8% of party members.

In order to promote a big holder/capitalist solution in the countryside, the Tito clique has organized its "General Agricultural Cooperatives." These entities engage in collaboration with private landholders on the basis of contracting, performing various services for private farms (i.e. mechanized plowing, sowing, harvesting & threshing) and act as purchasing agents for peasant produce. In 1959 there were 4,803 such "General Agricultural Cooperatives" with revolutionary membership of 1,502,000 peasants. Recently, the monopoly given to these Cooperatives in purchasing of peasants' produce has been lifted. It has resulted in cutthroat competition between different buyers for the peasant's favor. The alternative to these middlemen has been an all-out capitalist Kulak-type cooperative. Politika (6/20/68) has noted the new phenomenon of "private cooperatives," which are organized on a similar basis as the enterprises of "the groups of citizens." In Boljevac Country of Serbia this occurred in the areas where the "General Agricultural Cooperatives" were forced to close because of losses. The fault found with these "private cooperatives," helpfully notes Politika, "is that they as yet engage only in trade, and do not attempt to develop agricultural production." In this way the Tito clique encourages the rise of the Kulak associations which rise on the back of the rural proletariat, the growing number of landless peasants who hire themselves out either to the cooperatives or to the individual Kulaks.

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#### A German Firm Advertizes in Yugoslav Newspaper for Cheap Labor

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Inexpensive meals  
Room & board guaranteed

Vjesnik, August 31, 1968.



## STUDENTS REBELL AT BELGRADE U.

Last summer there occurred a serious student uprising at Belgrade University. It was a further attack on the comprador bourgeoisie. Despite the student movement's weaknesses the Belgrade students' uprising was a genuine revolutionary movement for the same reasons which Mao Tse-tung gave in explaining why the Chinese students' May 4th Movement (1919) was a genuine revolutionary movement. That is because it rightly opposed a government of national betrayal which conspires with imperialism and oppresses the people. It passed the test for determining whether a student movement is revolutionary because it integrated itself with the Yugoslav workers and peasants in word and in practice. No other East European opposition movement (whether student or otherwise) managed to perform this task with these politics in such a mass way, ever since the need for it arose twelve years ago. Yugoslavia has come full circle. Its people led by the working class waged a revolutionary war against Hitlerite fascism and in the process wrested state power from the native bourgeoisie. The fruits of the socialist revolution were, however, soon usurped by a group within the Communist Party of Yugoslavia, which, led by Tito, embarked on the road of capitalist restoration, an expression of its comprador interests.

On the evening of June 3, 1968 a group of students attempted to enter a concert hall near the Student City in New Belgrade where a pop-music performance was to be given. They were rudely rebuffed by the organizers of the event

who had previously agreed to hold the concert on a nearby field. A scuffle broke out. This brought more students out of the dorms. A large crowd gathered. Within minutes a small group of police came to the area. They were followed by a much larger group of their helmeted colleagues who charged the crowd beating as many students as they could find. Soon they retreated, leaving a fire truck behind them. The scattered students quickly drew around the truck which became a platform from which the student leaders denounced the brutal suppression by the police. They decided to march to the Marx-Engels Square in the center of Belgrade and protest the police terror and the intolerable social conditions. Shouting militant slogans—such as "We want jobs!" "Down with the 'red' bourgeoisie!" "We don't want capitalist restoration!" — etc., the students marched down the highway leading to the center of Belgrade, across the river Sava. At the bottleneck, where the highway is crossed by a railroad bridge, they met hundreds of police. In an attempt to avoid the clash, the students sent a delegation to negotiate with the police. The delegation didn't even reach its destination when the barrage of rocks started flying from the police lines. The students retaliated in kind. They also burned the captured fire truck and pushed this gigantic torch towards the advancing policemen who were now using firearms. A worker, Dragan Savić, 17, was shot. Tens of other students were badly beaten. One student recalled how two policemen who were escorting him to the Police Station enumerated



Veljko Vlahović "reasons" with the students



all the benefits the Yugoslav society had given the students. Each philanthropic deed they mentioned was confirmed with one blow of the nightstick. No doubt the Yugoslav society has many merits, as the student in question was later treated for severe beating. The pools of blood around the Student City dried as the dawn announced the new day.

At 8:30 A.M. on the morning of June 3, the students held a rally in the Student City. They denounced the police terror and demanded the dismissal of the police chief Bugarčić, "chief of the murderers," who had further compromised himself with a cynical claim that the police didn't use firearms. In a banned issue of the university periodical Student the atmosphere of the rally was described in the following way: "In their speeches the students pointed to the more and more expressive social differentiation in society, the question of unemployment, the examples of strengthening of private property and the undeserved enrichment of one stratum, the difficult position of the working class and the need of constant application of the principle of distribution according to work. These speeches were interrupted with vigorous applause and chants: 'Students—workers,' 'We are the sons of the working people,' 'Down with the "socialist" bourgeoisie,' 'Freedom of press and demonstrations' ...'" (Student 6/4/68).

By this time the Yugoslav rulers could smell the birth of a movement that could mobilize the masses of the working people. They moved on two fronts: In handling the students they decided to use conciliatory tactics; in attempting to distort their political message they defamed them in the mass media and before the meetings of the workers in the factories. Veljko Vlahović, a veteran Titoist functionary, was sent to the students' rally where he attempted to convince the students that their "realistic" demands could be solved without recourse to violence. The self-confidence of the gentleman in raising this argument, with full knowledge that it was his cops who resorted to violence, was amazing to the students. Vlahović, a veteran of the International Brigades in Spain, was often reminded of that other era with shouts of "Veljko, remember Spain!" He didn't. The banned issue of Student quotes this statement by a worker who approached Vlahović and said: "Comrade Veljko, today the students went to the streets; you can expect the same from the workers. Because they have things to demonstrate about. I have worked 20 years and have a salary of \$35.00 a month. I am a proletarian. You were that... once. My name is Radulović. I work in Metalac factory.... Injustice. How many there are who own villas." Coordinate your demands, was

Vlahović's reply, as the crowd refused to hear any more of his phoney arguments. With his tail between his legs, Vlahović and his entourage left the scene as the second police attack within 12 hours commenced with shouts and merciless beatings. The conclusion of the Prorector Toma Bunaševac, who witnessed these acts was expressed in the following way: "Even before the war I participated in student demonstrations and I often clashed with the royal police, but I have never seen anything similar to what is happening now in New Belgrade" (Student 6/4/68). An attempt to conciliate the students had met a temporary defeat, so the other pole of the dual tactics gambit—the club—ended the day on the student front.

On June 4, the students gathered at their various faculties for a series of meetings that lasted for more than a week. Their first act was to rename the university Karl Marx Red University. Conscious of the importance of their movement, they plastered the facades of the university buildings with the militant slogans and pictures of Marx and Lenin and enormous red flags.

One cannot for a moment underestimate the powerful conviction that a crushing blow had been dealt to the gravediggers of Yugoslav socialism, that this was a turning point and that, as Dragoljub S. Ignjatovic wrote in his officially-damned article to the students of the Red University in Književne Novine, "a tie was made with the sans-culottes and the communards, with the red sailors of the Baltic fleet and the red workers of Kadinjača..."

The Political Action Program of the students boiled down to the following demands:

1. To stop existing sharply expressed social inequalities;
2. To stop rampant growing unemployment;
3. To stop the rule of the bureaucratic forces (which unfortunately wasn't formulated as an attack on the comprador stratum and thus tended to create an illusion that it can be achieved without an all out political revolution).

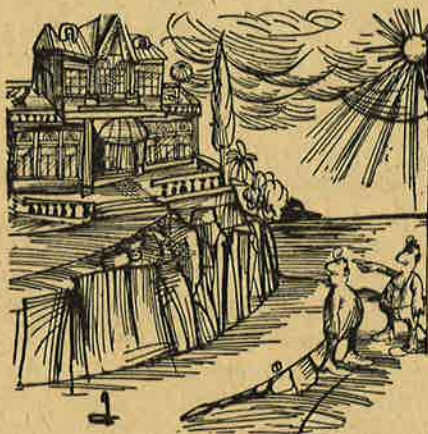
Other demands called for more worker and peasant children to be admitted to the universities and for an abolition of tuition. The students also attacked the government policy of inflaming national chauvinism in order to set one nationality against another.

It was inevitable that the militant demands of the student movement would inevitably pose certain questions with which the movement was not ideologically prepared to deal. The fact that "the future, offered to us so arrogantly and hypocritically by the instituted bureaucracy and the constituted bourgeoisie, was challenged," inevitably posed questions about the limitations of the movement's program in coping with its adversary. Speculation on these topics forced



Tito to come out of his seclusion in order to defend his regime by deception, since his hacks couldn't do it alone despite all the other methods at their employ. True, mused Tito, the demonstrations were spontaneous, and they do reflect certain problems that we have. But, on the other hand we are doing our best to solve them. There is unity in reaching conclusions about these problems in the Yugoslav leadership, but when these conclusions are put into practice different viewpoints emerge with the result that little gets done.

So far so good... Having "established" that there are no basic contradictions between "us" and "them," Tito proceeded to build his case for the effectiveness of his solutions for the "certain negative phenomena," by largely neglecting to include the analysis that went into the students'



— ДРУГ СИМА ЈЕ ОВУ КУЉУ СТЕКАО ЛИЧНИМ РАДОМ... ДРУГОВА ВУКОЈА, ЈОВА, АЛЕКСЕ, ИТД.!!

On the campaign against personal villas, supposedly illegal: "Comrade Sima built this house with the personal labor of Comrades Vukoje, Jova, Alexa, etc.!!" JEZ, June 1968

case. Yet he couldn't leave the impression that the recent upheaval was internal to the analysis he presented or that it flew from this analysis. Hence, he added, in the student movement "there are different tendencies and different elements, from the most reactionary to the most extreme pseudo-radical elements who echo Mao Tse-tung's theories." This was the origin of the scapegoat explanation which was picked up by the Yugoslav press in order to conceal the objective origin of the upheaval. It is no wonder that Tito's speech was universally praised by his class allies. The Western press agencies and yes, the *N.Y. Times* devoted pages and pages to the positive reaction to his speech. Not to forget the "pseudo-radicals" *Politika* (6/11/68) had this to add to its article on the panegyric articles, "Even the Chinese *Renmin Ribao* offered 'support' to the Belgrade students in its own way. Under the title "The Rule of Revisionism Will Not Last Long," the Peking daily

characterizes the student demonstrations as a 'struggle against the Titoist traitors.' The revolutionary mass movement in Yugoslavia is not accidental, philosophizes *Renmin Ribao* claiming that the 'Tito clique' transformed Yugoslavia into an imperialist colony. Obviously with identical tendencies, the organ of the Albanian Party of Labor *Zeri I Popullit* characterizes the recent events in Yugoslavia as a 'wide movement which represents a new expression of hatred and revolt against the complete degeneration of the revisionist Tito clique.'" Why protect so much?

The Maoists, to use that epithet for the revolutionary socialists who value the example of socialist China and its leader, had to be discredited because the analysis of the student movement inevitably led to the class analysis identical with the views presented as "hilarious" in *Politika's* review of the Chinese and Albanian press. Thus, this nucleus of the subsequently denounced "new movements" trend, was made to seem external and foreign (by the use of the familiar racist imagery) to the Yugoslav peoples, and furthermore as accomplices of the despised Djilasites and Rankovičites. But socialist revolutionaries are not external to the Yugoslav revolution, to the Yugoslav peoples. They are external to the comprador bourgeoisie. Hence the hatred and vilification on the part of the Titoists.

"You, it appears, already suspect that revolutions do not come after victories," wrote D.S. Ignjatović in the previously quoted letter to the students. This realization is the fact which students stumbled upon in their fight against the government of national betrayal. Precisely for this reason, the Yugoslav students and workers, the Yugoslav peoples, are now ideologically stronger. They see certain necessities. They see the necessity of struggle. They see the necessity of organization. For these reasons the Yugoslav authorities have set out to destroy the movement that will bring forth a party of revolution. They have managed to delay the storm, but only at the cost of exposing their predatory nature. And for those same reasons the Yugoslav students have written a new chapter in the revolutionary history of East Europe, a chapter that bears no resemblance to the general move to the right in that unhappy area—which in fact, as *A.P.* noted with alarm has no "previous instances" since the end of the war. This explains why the *Times* and the other bourgeois papers consciously ignored and misrepresented this extraordinary event which by comparison makes the Czechoslovak case look trivial.

Only three years ago, Radovan Zogović (a Serbian poet and one of the thousands of Yugoslav Communists-internationalists who were



jailed and persecuted for their loyalty to socialism after 1948) wrote a poem about his beloved Belgrade in which he juxtaposed his memories of liberation of the city (that spring of liberty, my last spring) to the current situation in

“...that city, in which so many cut out under-  
and poems/ according to fashion journals,  
Parisian and other, proud, swaggering/  
that they are modern and Parisian..”

Radovan Zogović should not have despaired of  
the people of Belgrade. This year they have  
created if not a spring of liberty, at least the  
first step in that direction.

## CONCLUSION

The rebellious spirit of the Yugoslav workers and students is very significant. No revisionist country has gone as far as Yugoslavia in restoring capitalism. As we have seen, the Tito clique has permitted foreign capitalists to share with the domestic comprador bourgeoisie in the plunder of the social surplus produced by the Yugoslav workers. The “public” enterprises have thoroughly degenerated into exploitative units under the system of “workers’ self-government.” The League of Yugoslav Communists is not a Marxist-Leninist party, it is a party of the comprador bourgeoisie. The logic of the class ideas that it represents are manifested in its organizational policy in ways that are completely opposed to the Leninist principle of democratic centralism. Politics are organized on a strictly bourgeois self-serving basis. There is a struggle for power between the rival cliques in practically every municipality. The extreme example is the municipality of Tutin in Serbia. Tutin currently has two municipal chairmen, three secretaries of the League of Communists and two presidents of the mass organization, the Socialist League.

Nothing demonstrates better how far the revisionist political entities are divorced from the working people than the “affairs” that accompany the electoral campaigns. In Tutin, for example, one of the cliques actually participated in the destruction of a bridge over the Ibar river in order to prevent the voters they suspected of favoring their rival from coming to the

balloting site. More common are the denunciatory pamphlets that rival cliques publish at each other’s expense. In the process no tool is considered unworthy; reactionary nationalism is whipped up in a multi-national country, which has a history of violent rival chauvinisms whipped up by the old bourgeois regimes.

Clearly, the Yugoslav revolutionaries cannot hope to intensify the struggle against revisionism through the vehicle of the Titoist revisionist party. Cadres devoted to revolution cannot possibly find a home in the Yugoslav League of Communists. The Tito clique, as we have seen, is mortally afraid of the progressive aspects of the Yugoslav people’s struggle against the restoration of capitalism. The revisionists’ fear of the people’s movement is intensified with the prospect that Marxist-Leninists might be influencing or even leading the workers’ and students’ struggles.

This fear of the revolutionary leadership of the people’s struggles is based on the revisionists’ consciousness of their class role. The Tito clique knows very well that it cannot solve the people’s problems. In launching frenzied attacks against any movement that espouses revolutionary socialism, the Titoist revisionists are in fact trying to exorcise the specter of Marxism-Leninism in their midst. Revolutionaries have learned and are learning a great deal from Tito’s vanguard role in the history of modern revisionism. Revolutionaries (particularly those who live in the revisionist-ruled countries) will undoubtedly learn a great deal from the Yugoslav Marxist-Leninists’ vanguard role in the struggle against revisionist cliques which have usurped the workers’ state power. Yugoslav revolutionaries have a great task before them. They must throw themselves into the thick of the workers’ struggle. To be effective they must organize. They must build a Marxist-Leninist party. The Yugoslav workers have always understood the need for such an organization. During the war against fascism they sang of their Communist Party:

“...if the Party didn’t lead the struggle the people wouldn’t receive freedom..”

These lines should be grasped by the Yugoslav revolutionaries in their struggle for socialism.

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