

# YUGOSLAVIA

## PART ONE

### 1918-1967

It's clear that those in power in Yugoslavia are faced with a growing number of problems. 217% inflation is the least of their worries in a period when strikes are becoming ever more popular. As we go to press we can read in the paper about an invasion of parliament by 2,000 strikers from a rubber plant (5/20/88).

For us, partisans of worldwide social revolution, pooling our understanding of struggles in various parts of the world is crucial if we are to help kill off the capitalist monster once and for all.

This text is the first instalment of our analysis of the development of capitalism and class struggle in Yugoslavia since 1918. Part two will cover the period 1968 to the present day. Any criticism, communications or abuse should be addressed to us at the following address:

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Proletarian defeat.

Having declared the "Kingdom of Serbs, Croats and Slovenes" into formal existence in December 1918, its rulers were faced with the need to restore Statist order in conditions of utter chaos and post-war crisis. On another side of the class divide, the misery of the small class of urban proletarians was exacerbated by unemployment, war damage, inflation and shortages of food and housing.

During 1919 and 1920 Yugoslav proletarians fought their enemies by means of strikes and riots which were repeatedly crushed by troops. In November 1919 the government thought that a coalminers' strike might well lead to severe disruption of winter food supplies, and maybe even to a general stoppage. They couldn't allow it to continue, so they reacted by formally criminalising all agitation for working class violence, revolution, or even for a "mere" general strike.

The violent suppression of a countrywide rail strike in April 1920 was followed by a police ban on a Mayday demonstration in Belgrade. The "Communist" Party, despite its original opposition to both Serbian and non-Serbian nationalisms and its refusal to tag along with peasant demands for bigger private plots, was nevertheless more interested in its own electoral chances than in helping to spread strikes and stir up revolutionary trouble in the streets. In July there were strikes in a number of industries against Allied intervention in the Russian civil war (1), followed by a wave of strikes which continued throughout the summer.

During the winter of 1920-21 there was another strike wave, but by mid-1921 the ruling royalist autocracy of Serbian military top brass and big banking interests was successful in crushing workers' associations and imposing "White Terror".

Capitalist agrarian reform and its limits.

One of the major planks on which the new post-war regime had been founded was land reform. The enactment of this reform varied from region to region. In some of the former Habsburg lands (the northern regions of Slovenia, Croatia-Slavonia and Vojvodina) there were large private estates which generally belonged to Austrian-German and Magyar landowners, while in Bosnia-Herzegovina and Dalmatia there were remains of feudal relationships. After unification, the new government brought in the principle of the abolition of feudal rights and duties. Another principle it established was the division and redistribution of large estates. In practice the landlords were given time to organise and bargain over varying amounts of compensation.

In the northern provinces, all estates above 100 hectares were subject to redistribution to landless peasants or to those who were less than self-sufficient. The State compensated the landowners by giving them government bonds, and most peasants who received land found themselves liable to repay the State over a period of 30 years. (In modern terminology, the government aimed to reap simultaneous benefits from both nationalisation and privatisation). In Bosnia-Herzegovina and Dalmatia peasants won individual ownership of the land on which they already lived and worked, thus being released from feudal obligations. The Muslim landlords in Bosnia won financial compensation even for the loss of feudal rights, thanks to a political deal struck with the central authorities.

Because of the massacres of the first imperialist world war, the arable land of southern Serbia and Macedonia was relatively sparsely populated, and a government land reclamation programme encouraged land-hungry peasants to rush in from the barren mountainous regions of Montenegro and Herzegovina. Eventually an end was put to the contrast between the large estates of the former Habsburg territories and the small peasant holdings of Serbia and Montenegro.

Despite the expansion of individual land ownership most petty rural property-owners (i.e. peasants) remained too poor and indebted to afford to invest in improved farming methods. The government gave some loan support to peasant co-ops, but this suffered from intrigue and "corruption" on the part of the State bureaucrats responsible for its allocation.

Capitalist agriculture, whose development demands that most peasants are dispossessed of the means of subsistence and (if market conditions allow) turned into wage-workers producing surplus-value for capitalists, hardly moved forward in Yugoslavia during the 1920s. The overwhelming majority of holdings were primarily still subsistence units worked with primitive methods. Agricultural yields rose very slowly, and the rural "surplus population" (2) grew faster than urban employment and capital investment. Between 1919 and 1930 about 250 000 peasants emigrated (including 95 000 who returned), thus becoming wage-workers in countries whose rulers had a greater demand for labour-power.

#### The State and Croatian nationalism.

During the 1920s the main brokers of State power were the Serbian armed forces, on whose strength depended the unity of the monarchist South Slav State. The peasants and bourgeois of Croatia were generally in favour of a degree of nationalist independence within the "Kingdom of Serbs, Croats and Slovenes", and some of them were republicans and parliamentary democrats. During 1924-25 the Croat Peasant Party was affiliated to a "Peasant International", run from Moscow by the urban ruling class which had just reached a major compromise with private Russian peasants and entrepreneurs under the terms of the NEP (3).

The South Slav ruling classes continued to be split into two "camps". On the one side there were the Serbian military officers and State bureaucrats, who had bought the allegiance of the few Muslim ex-landlords and could rely on support from Serbian nationalist interests in Bosnia and Croatia. Their motto was "Unity" : one King, one people, one State. On the other side was the "Zagreb" camp, based in the Croatian capital and consisting of Croatian nationalists and federalists. With "Harmony" as their slogan, they had additional support among Macedonian and Albanian peasants in southern Serbia.

#### State capital and foreign investment.

After the defeat of the post-war proletarian movement, capitalist industrial development continued, with a lot of help from the State. The State itself was the biggest capitalist; it owned and controlled telecommunications and railways, as well as many forests, mines, lumber-mills, spas, sugar refineries and the tobacco and salt monopolies. Its portfolio included a quarter of the coal industry and 90% of the iron ore industry, and it controlled the production of armaments. As is often the case in less developed countries, private capitalism was closely associated with the State, which directed many of its trends. The government invested heavily in transport (so as to integrate the rail network), and also in the State-owned industries. A high protective tariff was introduced in 1925.

But domestic capital was limited. Yugoslav capital was incapable of carrying out the sort of agrarian reform which would have provided a surplus which could have been traded for additional industrial goods; moreover, it had neither colonies nor the military power to carry out a Stalinist-style primitive accumulation of labour-power from the countryside. Foreign capital was attracted with favourable concessions; the indigenous rulers had little choice. French interests in the Bor copper mines and British interests in the Trepča lead mines of pre-war Serbia continued. All of the larger (and therefore, in that epoch, the most modern) enterprises were owned by foreign companies, whether French, British, German or Czechoslovak. Of course it was true that foreign firms were wary of (nationalist) political instability within the borders of the new South Slav State, but nevertheless in 1927 the stabilisation of the dinar encouraged further investment from abroad. During the 1920s most industrial workers enjoyed a growth in real wages and there was no repeat of the strikes and riots of 1919-20.

#### The onset of crisis : nationalist troubles and State "rationalisation".

In 1927 falling world farm prices began to affect Yugoslavia even before the world depression reached its trough. Trade was hit as industrial import prices rose and agricultural export prices fell. In several areas downright starvation occurred among the peasants.

Meanwhile trouble between Serb and Croat nationalists was boiling over. In June 1928 a pan-Serbian chauvinist assassinated the leader of the Croatian Peasant Party. Four months later the Croatian nationalist leader Ante Pavelic published a separatist manifesto. The Croatian Peasant Party's nationalism became more thorough as it began to take up the claims of urban Croatian bourgeois as well as those of the peasants.

In January 1929 the King decided to step in. He took over as supreme ruler and banned all associations not expressly approved by the government, whose members were to be directly appointed by the Crown. He put himself across as a "Mr. Clean" intent on establishing a cohesive South Slav patriotic unity through propaganda ~~dispensed~~ by the schools, the army and the youth organisations, and bent on ridding his State apparatus of "corruption". In 1926 a "corruption" scandal had forced the PM to resign, and in the following years Serbian liberals had kicked up a fuss about "corruptionists", and much was heard of the "Čarsija" clique (a Turkish nickname roughly corresponding to the French "200 families"). The King aimed to "purify" the State by restructuring it and by replacing the "excesses" of Serb chauvinism with a common South Slav patriotism. He even changed the name of the country to "Yugoslavia" (i.e. South Slav). Legislative power was fused with the executive and transferred to the Crown.

The Croatian nationalists, many of whom fled the country, were in two distinct factions. There were the fascist terrorists, fervently trying to achieve a sovereign Croatian fatherland unconnected with Serbia, who drew their support mainly from students and bourgeois. And there was the Peasant Party, in favour of nationalist autonomy but unwilling to back States hostile to Yugoslavia.

The new government took measures in favour of the peasantry. Even before the war, the shortage of capital had led a section of smallholders in both Serbia and the South Slav Habsburg territories to group together in cooperatives as a shrewd business move. (In particular, this made it easier to acquire credit). Now this was given renewed backing by the State, which intervened to encourage diversification and intensive farming and to stimulate export outlets. But such conditions were shortlived. The world economy was about to slump to ever lower levels.

#### The 1930s : bourgeois-democratic and peasant opposition.

Relations between government and peasants deteriorated as grain prices fell to starvation levels. Foreign countries turned to protectionism and cut their imports. Emigration also ground to a virtual halt.

Following the return in 1931 of parliamentary-democratic dictatorship, bourgeois democratic opinion underwent a revival. In 1932 the "Zagreb Manifesto" called for federalisation of the State, safeguards for the peasants, and a fully bourgeois political system, "popular sovereignty". The manifesto was signed by the leader of the Croatian Peasant Party, and Slovenian nationalists and Muslim leaders expressed their support.

Peasants' loan repayments were postponed during the years 1932-36 and peasants were at long last finding guaranteed markets (in Germany). But a large part of the retail price of agricultural produce failed to reach the smallholders themselves, and they generally remained antagonistic towards the government. Peasant discontent with the authorities was later to be the main impetus behind the Partisan movement of the early 1940s.

#### State investment and German capital.

From 1933 onwards trade with Germany boomed. Germany paid relatively high prices for Yugoslav raw materials and agricultural produce, and met orders for the renewal of machinery which Yugoslavia had received in the form of war reparations. In a limited way the Nazi economic recovery began to supply oxygen to Yugoslav capital. Germany already possessed considerable interests in Yugoslav industry and banking, and after the Anschluss of Austria, the annexed firms gave Germany decisive control even over Yugoslav imports and arms production.



Government investment also stimulated the accumulation of industrial capital, even though 60% of the capital invested in industry was foreign. The Yugoslav economic base was more highly industrialised than those of the other Balkan States. Textile industry boomed. So did the minerals sector. But capitalist development was still unable to absorb the "surplus population" of the countryside.

The lead-up to war : capitalist opposition from democrats, Stalinists and Ustashi.

Meanwhile, throughout the 1930s those who managed the State were increasingly under fire from bourgeois democrats and Croatian nationalists. The King's government refused to give way in face of the Zagreb Manifesto, and in 1934 the King himself was assassinated by Croatian fascists (of whom more later). Prince Paul, who became the senior Regent, was bombarded with reformist demands from bankers, artists, ex-Ministers and leading Croatian Catholic priests.

Croatian nationalism boiled over during the 1930s. Fascist "Ustasha" bands launched armed incursions into northern Dalmatia in an attempt to win support among the poor peasants of that barren region. A few months later some bombs were set off in Zagreb.

In 1935 a government of "national reconstruction" took office. Its cabinet was multi-national, and there followed a degree of Statist federalisation. An attempt to solve the Croat problem via a concordat with the Vatican was strongly resisted by the Serbian Orthodox clergy. (Historically, Orthodox Christianity has been ---and still is--- the "spiritual" seat of Serbian national identity, and Catholicism has played the same role in Croatia and Slovenia, just as in Poland and Ireland. Thankfully as yet there have been no strikers' assemblies kneeling in front of giant crosses [as in Poland] or glorying in sectarian racism [as in Northern Ireland/ ).

In Croatia the Peasant Party was worried by the "radicalisation" of the students, who were increasingly turning to the ultra-racist and Catholic-nationalist Ustashi. The Croatian Peasant Party and the leaderships of the old Serbian parties agreed that the "Croat problem" had to be solved if Yugoslavia were to survive the coming European crisis in one piece. After 1936 their nationalistic resistance to the political implications of the government's pro-Axis orientation brought them even closer together. A "United Opposition" was declared; it called for the convocation of a Constituent Assembly which would restructure the State and bring back real parliamentary rule.

The so-called "Communist" Party followed the democratic gravy-train. It ditched its former bagful of "secessionist" nationalisms in favour of a broader pro-Popular Front Yugoslav nationalism. In response, party leaders in Croatia and Slovenia stuck to the now-shunned "liberationist" position of pure patriotism.

The expansion of the working class, in the absence of significant proletarian struggle, gave the Stalinists new possibilities for building up their strength, which they did via joint trade union work with the orthodox socialdemocrats. They also gained strength among the Belgrade students. From a low of 200 members in 1932 they claimed 6000 by 1939, some of whom had acquired some counterrevolutionary military experience in the defence of the bourgeois Republic in Spain. They were joined by growing numbers of artisans, peasants, students and rich urban youth. By 1940 they claimed 12000 members plus 30000 youth. They benefited from an increase of anti-German nationalism.

State policy switches and the outbreak of war.

The increasing likelihood of another **major** bosses' war in Europe, and growing restlessness on the part of the supporters of the exiled Croatian "Poglavnik" (Führer) Ante Pavelić, led Prince Paul to reach agreement with the leader of the Croatian Peasant Party regarding more independence for Croatia.

In 1941, two years after the outbreak of the second imperialist world war, the government was forced to sign a pact with the Axis powers. This was realistic, given that the country was now virtually surrounded by German and pro-German forces.

A day later the British secret intelligence service (MI6) helped organise a bloodless military coup by pro-Allied airforce officers, backed by the old Serbian party leaderships, Belgrade academics and students, the Orthodox Church and younger army officers. The Stalinists demonstrated in support of the coup d'état.

Germany invaded ten days later. Amid the agglomeration of forces which rallied to the defence of the national capital (i.e. Yugoslav capital, not Serbia, Croatia, Slovenia or any other constituent nation taken in isolation), the composition of the post-war ruling class began to take shape.

German victory ensured the disintegration of Yugoslavia as a distinct multinational State. Germany, Hungary, Italy, Albania and Bulgaria all annexed parts of what had formerly been Yugoslav territory; elsewhere various "Vichy"-type regimes were set up.

#### Croatia : the Ustashi in power.

In the newly-formed Independent State of Croatia (ISC), State power rested on German and Italian arms but was exercised by the Ustashi under Pavelić. The new regime was ultra-racist and ultra-Catholic. Ustasha bands carried out mass extermination of Serbs and Jews. Sometimes they relented and offered Orthodox Serbs the chance of mass conversion to Catholicism, almost as a sort of throwback to the Middle Ages. Mussolini extended Italian military occupation to the whole of Italy's "zone" of the ISC, in order to put a brake on the massacres. The Nazi military leaders in Zagreb even spoke to Hitler against the huge scale of the Ustasha terror.

Some Catholic priests were openly pro-Ustashi, while others took a more moderate position and denounced the new State's "excesses". Ustashi activists came not only from the priesthood and lay clergy, but also from the ranks of professionals, army officers, urban intellectuals and, above all, students.

Like all fascisms, the Ustashi were an aggressively urban movement. When they looked to exterminate the Serbian peasants in Bosnia (which had been incorporated into the ISC), the peasants formed bands and looted police-stations and small garrisons for arms. Ustasha terror brought chaos, and order could only be restored with German and Italian help, after which regular ISC army units were no longer considered loyal enough to carry out anti-Serbian action without being accompanied by special Ustasha squads.

#### Serbia : the new regime and the Chetniks.

In Serbia, a collaborationist government was set up under General Nedić following a few months of direct administration by the Nazi military. His primary aim was to maintain the existence of some sort of Serbian (or maybe even Yugoslav) nation-State following the imposition of the "inevitable" Pax Germanica.

Nedić's position wasn't very secure. Many Serbian army officers refused to see the "inevitability" of German victory, and disobeyed the capitulation order. Their leader was General Mihailović, a pious pro-Allied Serbian monarchist. Their aim was to bide their time and husband their resources, whilst building up a network which could win the confidence of existing local government bodies, eventually being able to coordinate nationalist resistance according to the plans of the exiled royalist government based in London. They were known as Chetniks and were originally based in the Ravna Gora region of western Serbia.

#### Peasant insurgency and the rise of the Partisans.

The Chetniks were not the only anti-German, nationalist, political armed force. There was also the so-called "Communist" Party. Germany invaded Mother Russia in June 1941, a date unforgettably marked in the Stalinist diary as the metamorphosis of the "imperialist war" (bad) into the "great patriotic war" (good) (4). Tito's

Stalinists (5), who had until then been based in Belgrade, soon set about organising acts of sabotage, armed raids and ambushes of German convoys. Their immediate aim was straightforward: peasant insurrection to drive out the Axis forces and overthrow their collaborators. In the summer of 1941 peasants rebelled across Serbia, as if in mockery of Chetnik tactics. Soon a string of smaller towns was in insurgent hands. Chetniks and Partisans launched joint sieges of German-held towns in Western Serbia. Some subordinate Chetnik commanders went over to the Partisans.

In September Hitler signed a reprisals order. A hundred Serbs were to be killed for each dead German. The Chetniks' response was to disperse and lie low; not surprisingly, tension developed between Chetniks and Partisans. In November the Partisans won a major engagement to take a town from the Chetniks. But by December the Partisan units had been forced out of Serbia by a German offensive. Chetniks generally managed to escape German reprisals by passing into the service of Nedić. Mihailović was left undisturbed in Ravna Gora, and the Chetniks were permitted de facto control over much of the Serbian countryside, where their immediate aim was to hunt down Partisan survivors. Nevertheless, the Serbian rising was the biggest headache for German forces until they lost the battle for Moscow.

The "Communist" Party also took part in an anti-fascist rising in Montenegro, which was defeated by Italian troops by the end of 1941. The party gained some support among Montenegrin peasants, mainly because they were pro-Russian and had suffered from the police. Local Chetnik commanders allied with Italian forces against the Partisans.

Tito established a base in Bosnia. The Partisans recruited on a Yugoslav nationalist basis, and were joined by Serbs as well as Croats, Montenegrins, Muslims, Macedonians and Slovenes. Meanwhile the Serbian Chetniks were reaching ad hoc agreements with Nedić's collaborationist troops.

In November 1942 Partisan leaders met at Bihać to form the Anti-Fascist Council for the National Liberation of Yugoslavia, which was effectively a nat-lib government. It immediately guaranteed national, religious and property rights and proclaimed that it had no intention of introducing any "radical changes whatsoever in the social life and activities of the people except for the replacement of reactionary village authorities." It represented an insurgent peasantry mobilised into an army run by a Stalinist-controlled popular front.

Partisan support grew. Since the Ustashi found their own "Serbian problem" to be insoluble, Pavelić was eventually forced to accept German command of ISC forces. The hinterland between Croatia and Bosnia provided many recruits for the Partisans, especially among those peasants who had suffered the most. The Partisans were also boosted by their successful infiltration of ISC armed forces. German, Ustasha and Italian pillage led many young Serbs to flee to the woods and mountains; many joined the Partisans, and were later joined by Croats avoiding conscription on the Russian front.

#### Royalist chaos.

Meanwhile the royalists were unable to find real unity. Mihailović was appointed chief of staff of the King's forces, but the London government-in-exile was riven with constitutional Serb-Croat wrangles and disputes over post-war regional borders. Serbian Chetnik leaders in Croatia tended to take up a pan-Serb position which went too far even for Mihailović.

In 1943 the war intensified. A British landing in the Balkans seemed imminent, German forces unleashed a ferocious repression, and Partisans fought ferocious battles with Chetniks. By the time Italy changed sides and the Allies landed in Sicily with mafia connivance, both Chetniks and Partisans possessed strong geographical power-bases. Each one was fuelled by a part of the Serbian peasantry, but only the Partisans were able to develop a Yugoslav base. Whilst many local government bodies recognised Mihailović's authority, and the majority of Nedić's officers backed the Chetniks against Partisan and German forces, the Serbian Chetnik leaders in Bosnia and Croatia stuck to their pan-Serb guns. Mihailović's project

was conceived of as a pan-Yugoslav military movement, but in practice Ustashism and residual pan-Serbism ensured that it remained almost entirely Serbian in composition. Serb-Croat cooperation in the anti-Axis nationalist struggle became more and more exclusively associated with the Partisans.

#### Partisan victory.

Tito's support also grew among Macedonian peasants when his party backed Macedonian self-determination against Bulgarianisation and 'Great Serb' chauvinism. In ISC territory the Partisans picked up support as the Ustashi's autonomy vanished. Many Catholics and Muslims looked to the Partisans for fear of Serbian excesses on the part of "vengeful" local Chetnik commanders.

Another reason for the Partisans' success was their mode of organisation. Unlike the Chetniks, their permanent forces were mobile and non-territorially based, consisting of Stalinist party-members and uprooted peasants. They also proved efficient at populist propaganda. Among non-Serbs, Chetniks were painted as fanatical Serbian avengers; among Serbs they were painted as British agents (largely untrue) and collaborators with German forces (often true).

The London royalists were hardly political adepts. In effect they were a divided collection of civil servants dependent on MI6 and a twenty-year-old monarch; moreover, their operational clout inside Yugoslavia was virtually non-existent. British political rulers gave increased backing to Tito. The BBC de-heroised Mihailović and switched to full support for the Partisans.

In late 1943 the Partisans received the Italian surrender in Slovenia and out-maneuvred the local Catholic political leaders and pro-Mihailović armed units. In Croatia thousands of ISC troops joined the Partisan army (quaintly named the "People's Liberation Army" or PLA). ISC officers kept their rank if they entered the PLA (6).

Churchill instructed his envoy (a Tory MP) "simply to find out who was killing the most Germans and suggest means by which to help them kill more." In December he must have been well pleased when Stalin and Roosevelt met him in Teheran and agreed to give Tito all necessary help. However, Mihailović's forces were still strong in Serbia. British political rulers tried for a while to unite Chetniks and Partisans, but the fighting between them intensified, even despite the exiled King's formal recognition of Tito as sole leader of the nationalist military resistance. The Partisans received some British aid, but Stalin gave greater support when 'Soviet' troops invaded Serbia in September 1944 as guests of the PLA. A month later the Partisans captured Belgrade (the capital of Serbia), with only a little help from the 'Soviet' army.

In May 1945 thousands of Catholic-nationalists and pro-Ljotić troops (7) fled into British-occupied Carinthia, to be handed back to the Partisans and summarily executed. By the end of the month only 2000 troops were assembled under Mihailović's orders. The Partisans had won the four-year-long capitalist civil war.

"The exploiters have always considered themselves the vanguard of the exploited."

ANTE CILIGA,  
Croatian revolutionary.



### The Partisans in power.

The Partisan movement was an army of peasant insurgency. Its unifying structure was provided by the so-called "Communist" Party, which during the civil war had been joined not only by people suited to become guerrilla NCOs in a nationalist army, but also by large numbers of peasants. By the end of the war, half of the 470 000 party members were peasants, and most Party leaders were themselves of peasant origin.

Fanonism and Castro-Guevarism are the false consciousness through which the peasantry carries out the immense task of ridding precapitalist society of its semifeudal and colonialist leftovers and acceding to a national dignity previously trampled on by colonists and retrograde dominant classes. Ben-Bellaism, Nasserism, Titoism and Maoism are the ideologies that announce the end of these movements and their privative appropriation by the petty-bourgeois or military urban strata: the reconstitution of exploitative society, but this time with new masters and based on new socioeconomic structures. Wherever the peasantry has fought victoriously and brought to power the social strata that marshaled and directed its struggle, it has been the first to suffer their violence and to pay the enormous cost of their domination. Modern bureaucracy, like that of antiquity (in China, for example), builds its power and prosperity on the superexploitation of the peasants: ideology changes nothing in the matter. In China or Cuba, Egypt or Algeria, everywhere it plays the same role and assumes the same functions.

M. Khayati, "Contributions toward rectifying public opinion concerning revolution in the underdeveloped countries", in "Internationale Situationniste" No. 11, October 1967 (8).

The main planks of the Partisans' platform were as follows: expropriation of big landowners (especially the Catholic Church), State expropriation of collaborators and foreign bourgeois, and the creation of a federal constitutional regime. This was the project of a more modern and independent form of capitalist dictatorship, freed from foreign and big landed interests. Political parties with other policies had virtually withered away; to all intents and purposes their structures were swallowed by the NLF.

Post-war Yugoslavia stood apart from other South-Eastern European countries by reason of the strength of the peasantry. In Bulgaria and Rumania the "C"Ps came to power with a lot of help from the "Red" Army, and by forming coalitions with fascists. The Bulgarian Fatherland Front included both fascists and Stalinists in its ranks, and the 'Soviet'-installed Rumanian government, which was similarly a fascist-Stalinist alliance, joined the 'Soviet' Army in successfully crushing a movement of armed peasant guerrillas (9). This was not the case in Yugoslavia, where the Partisans were able to set up a stable and strong apparatus of local government during the later stages of the war.

### Nationalisation and industrial discipline.

All enterprises owned by foreign bourgeois had been taken over by the Nazis, and the nationalisation of these firms, together with those owned by collaborators, brought 80% of industry into State hands. The indigenous classical bourgeoisie was thus unable to mobilise a forceful right-wing opposition, for it was the Partisans who owned the State which owned industry. There was not much left for the State to take over when in December 1946 the remaining industrial enterprises and mines, wholesale and foreign trade enterprises, banks and transport facilities, were formally nationalised by the Stalinists. Currency reform and rent controls hit the pockets of the urban petty bourgeoisie, and by 1947 the only large group operating on the free market, apart from the peasantry, was the class of craftsmen and artisans.

The Yugoslav State was only the second to fall under Stalinist control, and not surprisingly the original aim of the new exploiters was to emulate Stalin by means of a rapid accumulation of capital, funded by massive investment in heavy industry and regulated by a system of direct bureaucratic administration. Ministries determined prices, allocated raw materials and set output and investment levels.

Many ex-Partisans were recruited into positions of economic management.

Sacrifices were imposed on the workers by the new Party-led trade union organisation, and workers' choice of job was restricted. Shock workers received bonuses, but consumption was kept at a low level for most of the working class. The Partisans' military intelligence organisation became a State security service and ensured a general atmosphere of police terror.

The small size of the Yugoslav proletariat in 1945 can be deduced from the fact that industrial workers numbered only 500 000 out of a total population of 17 million. Urban bosses were starved of capitalist expansion's basic resource: workers. This proved an insurmountable problem. If Yugoslav capital were to have retained a Stalinist form, full-scale capitalist collectivisation of the countryside would have been a necessity. As things remained, though, one result of the sectoral imbalances caused by the new rulers' "teleological" economic plan was a shortage of food in the towns. Peasants ~~thought~~ it safer to stay on the land even despite rural unemployment, and no force was strong enough to dictate to them in such a way as to allow urban capital accumulation at the level achieved in the USSR after 1929. ~~Actual accumulation levels were attained~~ via the reconstruction of war-damaged industries, the receipt of war reparations, and the simple mobilisation of unskilled labour. Moreover, the new rulers were unwilling to accept the subservient economic position demanded of them by Stalin as a condition for continued 'Soviet' aid, and the Tito-Stalin split of 1948 was merely the recognition of the fact that the "Red" Army was in no position to retain Yugoslavia as a mere supplier of cheap goods to the Motherland. The removal of 'Soviet' aid was another nail in the coffin of Yugoslav Stalinism.

#### The peasantry and post-war agriculture.

The Popular Front introduced significant measures of land reform. Land taken from collaborators and Volksdeutsche totalled about 4 million acres. Two million acres, half of which was forest land, were kept by the State, and the remainder was distributed among 250 000 poor peasant families. Less than 7% of this land was given to peasant co-ops.

Large estates, whether owned by banks or by rich private individuals, were broken up and redistributed. Popular Front policy was similar to that espoused by the Croat Peasant Party 30 years earlier. Moreover, peasants had their debts cancelled, and they benefited from the division of estates formerly owned by the Catholic hierarchy.

Whilst food was in short supply and peasants' nominal profits were high, the nascent ruling class of urban officials creamed off a high rate of tax. <sup>But</sup> although compulsory deliveries of agricultural produce to the local authorities kept up the class tension between the peasantry and the new rulers, many peasants had more money in their pockets than they could ever remember.

#### The crisis of Stalinism.

The crisis was twofold. Industrial Stalinism was in poor health due to the impossibility of finding adequate investment funds, the strength of the peasantry, and the irrationality of administrative methods under such conditions. Secondly, in the immediate aftermath of the 1948 Tito-Stalin split, Yugoslav party leaders over-compensated for renouncing their Uncle Joe by trying harder to copy his methods, thus accentuating their problems. Stakhanovism came to the Yugoslav factories (10), foreign-currency coupons exchangeable in special shops became far more valuable than the official currency, and in 1949 there was a big drive for rural collectivisation. By the next year 17% of cultivable land was owned by collectives, although collectivised peasants never lost the right to retain small private plots.

In the Spring of 1950 the government was faced with extensive peasant resistance and riots, especially on the borders of Croatia with Bosnia and Serbia, the same frontier district from which so many recruits had flocked to the Partisans in 1941-44. There were a number of fatal casualties in clashes with special armed detachments. Faced with the additional problem of Serb-Croat tension, not to mention the unclear international situation, the urban elite was in such a predicament that it had to reform or die.

### The crisis solved: capitalist reorganisation.

There was no crisis of capital, only a crisis of capitalist economic and political organisation. This is another way of saying that capitalist production and reproduction was not under threat from a thriving proletarian social movement (11). Nevertheless, if the crisis can be seen to have had both an industrial and a rural dimension, we can also identify a structural crisis internal to the bureaucracy, or in other words a crisis of centralism. Capitalist rationality (12) demanded a class recomposition of those who personified capital, which was completed in the early 1950s.

One of Stalin's main political charges against Tito was that the Yugoslav Party was submerged in the Popular Front, which meant in effect that it was incapable of making war on the peasantry. The other reason was, of course, the independent nature of the Yugoslav Party, which was not fully reliant on 'Soviet' "aid" and could not therefore be forced into a subservient position. The purges of "Cominformists" in Yugoslavia and "Titoists" elsewhere in Central Europe were part of the recomposition of the national capitalist classes according to the structures of the conquering armies and the potential for capitalist development of the productive forces under their control (13).

In the aftermath of the split with the Motherland, the renewed Stalinist drive was inevitably short-lived. In fact in many ways it was reversed. In the countryside, peasant sabotage was one factor in ensuring that agricultural yields in 1952 were a mere 50% of the pre-war level, and between 1951 and 1953, the urban ruling class made a number of concessions. Peasants were allowed to withdraw land and livestock from co-ops, and by the end of the year 75% of co-ops were either disbanded or else completely transformed. The system of compulsory purchase at fixed low prices was abolished and rural taxes were slashed.

More economic and political power was assumed by the six republican governments. Several Belgrade ministries were simply shut down, and their functions were taken over by republican authorities. But this was not all, for in May 1949 the district bureaucrats of the "People's Committees" were given increased economic and political weight. This was another outcome of the structural form taken by the Partisan movement during the war.

### Industrial reform.

Industrial management was likewise de-Stalinised. The famous "Basic Law on Workers' Self-Management" was introduced in 1950. "Workers' Councils" were created to ensure a more democratic and participatory management of capitalist exploitation. Annually-elected councils were given the power to choose a management board. This delegated the day-to-day running of its enterprise to a professional manager chosen by the local authorities. The list of council candidates was drawn up by the union branch at the enterprise, and often council members also held positions in the union, or in local bodies of Party or State.

In 1951 individual enterprise authorities won limited rights to engage in foreign trade, and by 1953 they were able to decide all questions concerning product range, investment, output, supplies and customers. In most cases they could set their own prices. Soon only the building, transport and targetted producer-goods industries remained subject to the direct influence of central government, which retained the power to set down sums of revenue available to each industrial branch. Enterprises were also affected by decisions taken by district planning bodies and investment bodies, which were no longer subject to federal control but which were given increased scope to impose local taxes.

Wages were set within centrally-fixed limits, but enterprises were free to introduce "profit-sharing" schemes (i.e. productivity bonuses) and their flip-side, unemployment. Numerous workers were sacked by enterprises which were forced to rewrite their "irrational" payrolls. For a time it was usually the women who were sacked first, but many sacked workers were able to find jobs in the "parallel" economy.



### Internal Party reform.

Even the Party was decentralised and partly de-bureaucratized. Top-level committees were deprived of the power to appoint nominees to direct regional and local bureaucracies. Party cells within the official State apparatus were abolished. So were many of the perks and special privileges enjoyed by officials; from 1950 onwards it became clear that cash was more important than privilege in determining ruling class consumption. But in 1954 Milovan Djilas, who had been one of Tito's chief henchmen during the war, continued to complain about the absence of puritan morality among the top bosses (or so the story goes), and even went as far as calling for the Party to hasten its own dissolution into the People's Front (renamed the "Socialist" Alliance of Working People of Yugoslavia, or SAWPY), which was a broad organisation which ran various "social" and "educational" activities and was therefore more in tune with the needs of capitalist civil society. Djilas represented the extreme liberal wing of the ruling class, associated on an international level with the British Labour Party. His expulsion from the Party bureaucracy preceded his condemnation to a life as the chief Yugoslav court jester, a staunch defender of liberal democracy and capitalist civil society against the "excesses" of those who walk the corridors of the capitalist State.

Nevertheless, the decentralisation of the Party did not prevent tension developing between the new "self-managing class", which comprised not only the enterprise managers but also those in charge of welfare and "education", and the officials of federal, republican and local governments. This tension was primarily evident between the "self-managers" and the political activists of the so-called "Communist" Party (14).

### Capitalist problems and divisions.

The mid-late 1950s saw a complex network of relationships develop within and among the various organisations involved in managing the capitalist economy and State. The main role of the trade unions was no longer to mount productivity campaigns, but to act within the "Workers' Councils" as proxies for the local Party hierarchy, which led to a certain conflict of bureaucratic interest. At the same time, local and specialised banks sprouted alongside the National Bank branch system, and took part in the organisation of capital flow on a district level. As the decade wore on, the ruling class was hit by macroeconomic problems such as high interest rates, inflation and trade deficits. Central government began to intervene by means of import, price and interest rate controls, and as these controls multiplied the increasing fragmentation of Party political power gave increased scope to the regional and local authorities to make use of them as they saw fit.

### Workers' use of the strike weapon.

Capitalist power is not, of course, a thing in itself. It is primarily power over the proletariat, power expropriated from the men and women who are forced to sell their creative power in order to buy back the means of survival. Thus conflict between capitalist forces always concerns (among other things) differences over how to organise, divide, police and recompose the proletariat. One obvious area is wages policy.

In 1957 the federal authorities decided to lay down a minimum wage for each enterprise, and subject to this the enterprise managers were given the right to work out wage-rates for their "own" workers. Trouble was just around the corner. In December a major strike broke out in the Trbovlje coalfields in Slovenia, and there was a promise of it spreading to other mining districts. In January 1958 a two-day strike brought out all the employees at the Trbovlje mines and was supported by a strike in a nearby town. Three top Party leaders rushed to Slovenia and tried to save the Party from flak by reorganising the trade unions, whose weakness had been shown by the force of the strike (15). In the following years the unions increasingly favoured a greater decentralisation of economic management, and during the 1960s became associated with the reformist wing of the party. On the workers' side, the Trbovlje strike was a watershed. Work stoppages, usually on a smaller scale than Trbovlje, became a fairly common method of struggle, and have remained so until the present day.



### Liberals, conservatives and the North-South divide.

By 1960-61 a confrontation had developed within the ruling and middle classes between liberals and conservatives. The main disputed areas were investment, taxation and wages policy. The liberals, who were for lower taxes and greater enterprise independence, even to the point of greater self-management within the departments of single enterprises, naturally had backing from many managers and trade union officials. The leadership of the Trade Union Congress of Yugoslavia (TUCY) was especially liberal in that it fought to have each enterprise's wages based on local productivity. The conservatives, on the other hand, were against the local cliques, which they saw as being closed shops of local State officials, enterprise managers, "Workers' council" members and bank managers, with a tendency towards autarchy which obstructed the efficient flow of capital. They strove to reassert Party centralism, and not surprisingly they were backed by most regional and local Party apparatchiks.

The struggle between liberals and conservatives also had a nationalistic element. Industrialisation policy during the 1950s had been directed at evening out the developmental differences between the various republics, which meant that preferential consideration had been given to the construction of plant in the Southern (less-developed) regions: Bosnia, Macedonia, Montenegro and Southern Serbia. Value had been continuously transferred from North to South. The liberal-conservative strife thus tended also to be a confrontation between on the one hand rulers who stressed a degree of Croat and Slovene independence along with economic efficiency, and on the other hand those who were concerned with the preservation of the machinery of centrally-directed investment, the all-round development of the national capital, and the pre-eminence of Belgrade and the largely Serb administrative apparatus.

Whereas the conservatives saw liberalisation as a danger to Yugoslav unity and were in favour of high investment rates, especially in the South, the liberals were for a decentralised system of investment and fewer priority subsidies. The liberals were against the elaborate fiscal regime and saw high investment as a disincentive to produce, particularly when the resources for this investment were taken from the North rather than the South. Generally they thought that higher wages would be a more rational incentive for workers to work harder and produce more surplus-value. The conservatives responded by calling for higher rates of investment, even at the price of a lower average rate of profit in the short term.

Early in 1961 the liberals won a partial victory when the minimum wage was abolished and 85% of enterprise income was to remain at the disposal of local managers. But the central State kept the right to distribute the "social investment fund" (the main conduit for the transference of value from North to South), and to control imports and exports. Indeed, later in the same year an economic downturn forced the reimposition of many of the abandoned economic controls, and in 1962 Djilas was reimprisoned.

But the reintroduced controls had little success. Too many enterprise managers were profiting from their monopoly positions, and "political" credits were still being granted for the construction of factories "unnecessary" from the viewpoint of the ruling class as a whole. In 1962 Tito, who as ex-Partisan supremo, head of the Belgrade government and an ethnic Croat, was the supreme representative of the collective interests of the Yugoslav ruling class, spoke of breaking up the little "private groups" which brought together enterprise managers with the chairmen of local State committees. The "unrealistic" Five-Year Plan for 1961-65 was cancelled, and more resources were directed towards the tourist industry.

### Liberal economic reform.

The years 1963-66 were the heyday of economic reform. The new Constitution of 1963 cut federal budgetary influence and gave more power to the republican authorities. Over the next two years the "social investment fund" was phased out and its functions were taken over by regional, local and specialised banks. "Aid" to the South depended on a special federal fund and was no longer built into the system. In 1965 the major reforms were introduced, according to which direct State taxes on enterprises were abolished, as were all restrictions on the ratio between each

enterprises's accumulation fund and its wages fund. Managers had to finance their own enterprises out of sales and bank loans.

The commercial bank reforms of 1965-66 greatly enhanced the role of the banks. Territorial limitations were abolished, and all banks were entitled to compete for business in any part of the country. Another reform measure made them responsible to the companies which founded them. Local authorities' holdings were subject to a ceiling of 20%, so it is clear that there was also a redistribution of financial power from the local State to the enterprise managers. Bank shares were transferable between enterprises, but capital mobility was still restricted by the absence of bourgeois-style marketable shares in the companies themselves.

We can summarise by saying that the aims of the 1965 reforms were to increase the role of the market, to reduce the role of the political State in investment, to liberalise foreign trade in order to stir up competition within the national economy, and to reduce the administrative role of the Party in the economy. They were certainly reforms which benefited the economic and commercial managers vis-à-vis the political bureaucrats.

#### Working class recomposition and struggle.

Whereas between 1953 and 1965 over a million workers had moved out of peasant agriculture and into wage-labour, the percentage of proletarians (employed or unemployed) in the total labour force remained roughly fixed from 1965 to 1970 (16). During these years, capitalist economic change did not involve the expansion of the internal waged labour force; it recomposed it whilst making concessions to those who remained peasants or petty bourgeois (17). For the proletariat, the most visible results of the reforms were a growth in redundancy and unemployment, and an expansion of jobs in the tourist sector, particularly in hotels. Workers reacted by finding jobs abroad or in other parts of the country, and by launching an increasing number of unofficial strikes.

#### 1. Unemployment and migration.

The devaluation of the dinar in 1965, designed to stimulate international competitiveness, helped cause a high rate of inflation. The deliberate fall in government-financed investment was not offset by any increase in investment by the enterprise managers. Unprofitable enterprises were shut down, even despite the system whereby wages were calculated after enterprise operations and were therefore easier to cut because they were not fixed by contract.

Unemployment rose, particularly in the South. The axe fell on uneconomic ("political") factories in Montenegro, Macedonia and even Serbia. Local members of the ruling class lobbied the Belgrade authorities in defence of their interests. But the main proletarian response to unemployment was to pack up and move town. During the 1960s, 250 000 people moved from the less developed to the more developed regions, mainly from Bosnia, Kosovo and Montenegro to Croatia, Slovenia and the more developed parts of Serbia.

Internal migration was modified by ethnic and linguistic considerations. Slovenia, with its national language, and Vojvodina, with its many Hungarians, did not attract as high a proportion of migrants as Croatia. And Macedonia, with a strong national culture and language, provided relatively few internal migrants. Prospective migrants from Kosovo, which has a large Albanian majority, faced similar difficulties, but the economic pressures in this backward region were much stronger.

After 1965 the most important immigration regions were the two most developed republics, Croatia and Slovenia. At the same time, large numbers of workers left the North to look for work abroad, especially in West Germany, where the rulers had a strong demand for "guestworkers", but also in Austria, France, Sweden and Switzerland. By 1970, a million Yugoslav workers had jobs abroad.

The removal of restrictions on those seeking employment abroad was a deliberate part of government policy. Like tourism, it brought in foreign currency and pushed up the export figures. It also prevented an even greater increase in unemployment and the consequent trouble that might have been caused for the ruling class.

A large proportion of emigrants were highly-skilled workers from the more developed regions. Of those who left the country to find work between 1965 and 1971, twice as many came from the more developed as from the less developed regions. This was to change during the 1970s, but not without further problems, as we shall see below. Northern emigrants were not only in a majority, they were also twice as likely to be technically qualified than their fellow emigrants from the South. Whilst many workers went abroad with ideas of earning enough foreign currency to be able to buy or build a house, buy agricultural equipment, or even start a business, generally it was the workers from the North who stood more chance. However, not all Northern emigrants were skilled. Between 1965 and the early 1970s, a total of more than 300 000 workers left Croatia and Slovenia to go abroad, and much of the resulting deficit in unskilled and semi-skilled labour was made up by workers from the South, particularly from Kosovo.

## 2. Wildcat strikes.

The years following the 1965 reforms saw an increased number of strikes. Enterprise union officials were usually against strike action, but often they gave formal "support" to its objectives while trying to bring it to a swift end. Sanctions were occasionally taken against strike instigators after the return to work.

The vast majority of strikes were about pay. Nearly two-thirds involved less than 100 workers, and only 11% more than 300. Most were very short-lived; three-quarters lasted a day or less, and only 5% more than four days. One reason for the average length of strikes being so short was that the managers often made prompt concessions. According to one source, about 60% of strikes achieved their "stated objective", although this is subject to various possible interpretations, since we don't know now or by whom these "objectives" were "stated".

The underlying reason for the increase in the number of strikes was the credit squeeze inflicted on a large number of enterprises. But despite this it is clear that most strikers didn't see themselves as being in the same boat as their managers. Over 70% of stoppages broke out before "available channels for settling disputes" were exhausted. At the same time, however, 85% of stoppages included at least one member of a representative organ, which gives us some idea of the resilience of the Yugoslav recuperative machinery.

The unofficial strike movement had two other major weaknesses.

-1- It took the form of a number of localised stoppages, and the strikers were unable to centralise their action in order to win greater concessions.

-2- Three strikers out of four took part in stoppages limited exclusively to manual workers, and so within the proletariat there can't have been much of a breach in the manual/non-manual divide.

## Inter-capitalist struggles.

The growing power of the managerial class and the political ascendancy of the liberals had various effects throughout the second half of the 1960s. In 1966 party conservatives who resisted reform suffered a major setback when the liberals won Tito's backing and brought about a full-scale purge and decentralisation of the State security service, which had formerly been a bastion of conservatism and Serbian chauvinism. In 1967 a number of seats in the federal and republican parliamentary assemblies were contested by more than one candidate. Liberal hegemony meant the victory of those among the rulers who wanted to concentrate investment in the developed republics, and rulers from the less developed regions fought them tooth and nail. Bitter nationalist struggles shook the party.

After the purge of the security service, the federal authorities gave more leeway to the cultural and religious trappings of nationalism in Macedonia, Kosovo, and Bosnia and Herzegovina. This policy met considerable opposition from some of the Serbian party leaders, and Serbs began to flock to Serbia in retreat from Islamic resurgence in Kosovo and Bosnia. Many members of the Serbian intelligentsia rallied to the chauvinist cause, in fond memory of Kosovo as the mediaeval centre of Serbian monarchy and Orthodoxy. Meanwhile in Croatia a group of party leaders were unsuccessful in their fight for a reform package which included more power for the republican authorities. Serb-Croat trouble intensified within Croatia itself.

The complex weft of Yugoslav national rivalries began to take on the forms which still thrive today, and which will probably continue to thrive into the 1990s. Nationalism, as an element of modern false consciousness, remains a powerful material force within the various social classes. In Yugoslavia it is aimed first and foremost at rival Yugoslav nationalisms, particularly at those associated with a different religion. We shall see below, for example, how the Albanian and Serbian national identities are mutually supportive.



## NOTES.

- (1) At this time, of course, information on the Bolshevik counterrevolution was still very hard to come by. The Yugoslav strikers must have launched the July strikes because they wanted to help Russian proletarians by hitting their own bosses, thus simultaneously helping themselves. A fine aim. The working class revolution in Russia had in fact largely been defeated before the outbreak of the official civil war, and the Bolshevik leaders in charge of the "Comintern" were able to call for strikes against Allied intervention because they really were afraid of the Whites and because they weren't expecting much more trouble from their "own" proletariat. But this is not the most important point. What was decisive was that the world proletariat was not strong enough to break out of the national cages in order to act militarily and internationally to reverse local defeats. For the record, we should add that the original proposal of an international strike against Allied intervention came from the West-European Bureau of the "Comintern", which was shut down by the Bolsheviks in May 1920 because it did not tag along with their parliamentarist and trade-unionist positions.
- (2) The "surplus population" was by definition only "~~surplus~~" from the standpoint of the national capitalist class.
- (3) The NEP, or New Economic Project, was known by Myasnikov as the "New Exploitation of the Proletariat", although in fact it was only a new stage in this exploitation, which had never been completely overthrown.
- (4) World War 2 was both patriotic and imperialist. National capitalist classes needed to intensify internal patriotic unity, i.e. the unity of exploiters and exploited, which demanded even greater acceptance of sacrifice on the part of the exploited. This is called patriotism. And rulers were faced with the need to seize territory in military offensives, in order to profit from capitalist production over a wider geographical area. This is called imperialism. Meanwhile, guess which class became the dying class.
- (5) We use the word "Stalinist" to describe the Yugoslav "C"P of this period because it aimed to administer commodity production and circulation on the basis of a bureaucratic one-party dictatorship in control of all levels of the State, ~~and~~ because it employed a "workerist" ideology as one tool with which to police the proletariat, and because it was in favour of the rapid accumulation of State capital. As things turned out, full-scale Stalinism hardly got off the ground in Yugoslavia. See further on in the text.
- (6) One general had held commissions under the Habsburg 'dual monarchy', the Yugoslav monarchy and the ISC before being accepted into the PLA. Earlier in the century, the officer class of Trotsky's so-called "Red" Army had likewise been stuffed full of ex-Tsarist top brass.
- (7) Ljotić was the leader of the indigenous Serbian fascist movement and of the pro-Nazi Serbian Volunteer Corps, a paramilitary political militia.
- (8) Good English translations of this and other texts from issues of the same journal have been published by the Bureau of Public Secrets in the "Situationist International Anthology" (Berkeley, 1981). We have quoted from Khayati at length in order to make his position clear. Whilst we agree with him that the post-war ruling class was formed out of the elements who had previously marshalled the struggle of the national peasantry, we do not think the Yugoslav peasantry has been "super-exploited". Other useful criticisms of the Situationists are made by J. Barrot in his "Critique of the Situationist International", included in the pamphlet "What is Situationism" (Unpopular Books, London, 1987).
- See A. Anderson, "Bulgaria 1956" (Black and Red, 1976), pp.15-18. Our reference to peasant movements in South-Eastern Europe should not be taken to imply passivity on the part of the proletariat of the entire area, for in 1944 Bulgarian workers and soldiers launched a sizeable insurrectionary movement. This, however, lies outside the scope of the present text. For more information see the pamphlet "Bulgaria - a new Spain?" (Kulak Press), but ignore the stupid title.

- (10) Stakhanovism was a 'Soviet' labour policy first introduced in 1935. Under the ideological cover of State lies about fantastic "records" of production, the ruling class launched an assault on most workers based on speed-up, reduced earnings, a deterioration in safety standards, and a widening differential between the majority of workers and the privileged "record-breakers" (who tended to be young male scabs). Naturally, Stakhanovites were often attacked by less "efficient" workers; sabotage and assault were common, and a few Stakhanovites were killed. The last major pre-war strikes in the 'Soviet' Union had taken place in 1934, and the fight against Stakhanovites was a sign that the proletarian struggle had been forced to adopt new forms.
- (11) We use the term "crisis of capital" to mean a period where capital itself is in danger of destruction or collapse. This was clearly not the case in post-war Yugoslavia. We do not have any reliable information on the kinds of struggle engaged in by the proletariat at the time, although judging by the absence of strike reports (at a time when, if there had been strikes, news would probably have leaked out quite easily), we can assume that the struggle in the late 1940s took the same sort of shape as it did under 'Soviet' Stalinism: go-slows, absenteeism, shop-floor sabotage, etc. The struggle in the 'Soviet' Union today is still mainly in this form, although we know that there has been a history of strikes, riots, mutinies and occasional revolts dating back to 1946.
- (12) Capitalist rationality rests on a stable relationship between productive capital and capital in its abstract form (the various kinds of money: cash, privilege, perks, bureaucratic diktat, etc.), and on the internal structural security of the ruling classes. Proletarian combativity generally affects capitalist rationality on both levels.
- (13) It would be fallacious to suggest that the post-war political re-coloration and economic reconstruction of Central Europe and the local ruling classes were simply decided upon at the Yalta conference of 1945. No document signed by Churchill prevented MI6 fighting for the British rulers' interests in Hungary, for example, in league with anti-'Soviet' nationalists. Similarly, the 'Soviet' Union backed Yugoslav support for anti-British Greek nationalists in the Greek civil war, until Tito decided to withdraw his collaboration.
- (14) For analysis of the conflict between economic managers and political bureaucrats in China during the 1960s (a conflict which split the ruling class in two and brought the country to the brink of civil war), we recommend C. Brendel's "Theses on the Chinese Revolution" (1967), and "The Explosion Point of Ideology in China" by the Situationist International. Both texts are included in "China: the revolution is dead, long live the revolution.", published in 1977 by Black Rose Books.
- (15) In Britain too governments have tried to ensure legislatively that workers' flak is directed at particular union leaders rather than at the State, although union bureaucrats and residual working class faith in trade unionism as a whole, along with gut combativity, have ensured that things haven't quite turned out as governments have wanted. Barbara Castle's "In Place of Strife" Bill was defeated by striking workers, and Tory trade union legislation in the 1980s hasn't restricted workers to fighting within the union framework; on the contrary, despite the very low level of employed workers' struggle as compared to the 1950s, '60s and '70s, groups of workers such as the printers and miners have still proved willing to go out onto the streets to confront the State... although in the vast majority of cases they have retained trade unionist ideas. Governments would prefer it, though, if dissatisfaction with union leaders were channelled into democratic confrontations within the unions.
- (16) Available figures for the composition of the labour force are as follows:  
Paid Employment: 1965: 43.7%, 1970: 43.6% / Registered Unemployment: 1965: 2.7%, 1970: 3.6% / Net worker emigration: 1965: 0.2%, 1970: 8.9% / Workers in Peasant Agriculture: 1965: 53.4%, 1970: 43.9%.
- (17) In 1967 peasants won the right to buy agricultural machinery (such as tractors), and to borrow from banks to do so. Prices paid to farmers rose by 60%. Beginning in 1963 the ruling class made a number of concessions to private employers in the handicraft, hotel and agricultural sectors.