

*Mem 44-226*

Tito's defection did not signify any fundamental change in production relations in Yugoslavia. True to his Russian model, the trade unions had been liquidated into the State, the guiding principle of factory directors was to sweat the workers "by thoroughly utilizing working hours." This Article (14) of the Five Year Plan, introduced in 1947, was not changed after the break with Russia and the introduction of a "New Law on Peoples Committees." Tito's nationalism is Stalinism in Yugoslav dress. The fact that Tito's country is very small and very backward, and independent of Russia, does not make his "socialism" any different so far as the Yugoslav workers are concerned. They continue to labor under the same state ~~under~~ capitalist exploitative conditions. The break from Russia, however, was a blow to that pole of world capital. That America recognized this at once is seen in the aid granted Yugoslavia.

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