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RFE NEWS & INFORMATION SERVICE - EVALUATION AND RESEARCH SECTION

Background Report
(General Desk)HUNGARIAN ANTI-STATE WORKERS' COUNCILS

With the Hungarian Government's formal abolition (announced in NEMZETI newspapers November 17) of Hungarian "workers' councils", the KADAR regime has returned Hungarian "workers' democracy" to a position which might be called slightly liberalized Stalinism.

The action follows over a year of steady trade union and regime propaganda against the workers' councils, which came into being during the October 1956 Revolution. The main charge against the councils has been that they do not represent the workers' interests.

The fact is that their activities were restricted in such a severe way as early as the end of 1956 that they had no possibility of representing the workers' interests.

The "substitution" of "works" or "factory councils" for Hungarian "workers' councils" represents the adoption, presumably with some modifications, of the Rumanian system of "production conferences".

Thus, there remain two "workers' organizations" in Hungarian factories: the trade union's factory committee and now the "factory council". As in Rumania, however, the "factory council" is completely controlled by the trade union committee -- as the rules for the "new" factory councils show -- and the trade union by the local Party organization.

The establishment of Hungarian "production conferences" under the guise of "factory councils" is not a new move. A government decree August 1 this year ordered every factory and enterprise to hold quarterly production conferences to discuss production results. According to the factory council rules, a meeting of the council must also be held at least once every three months. In the

* On September 29, Antal ASPÖ, deputy premier and chairman of the People's Patriotic Front, said at a mass meeting at KESZMENC that the greater part of the councils had ceased to exist because their political composition "was not satisfactory" and that they were to be replaced by works councils under trade union leadership.

interim, according to the Hungarian news agency MTI's report of the new rules, the trade union committee in the factory exercises the rights of the factory council.

Factory Democracy Now Only Formal

That the "production conference" type of "worker democracy" is not intended to be more than formally democratic was made clear as long ago as last March, when the chief of the Rumanian trade union central authority, Gheorghe APOSTOL, stated in an interview with the Hungarian trade union paper, "Hepakarat", that the question of "new economic leadership" ~~was~~ not and will not arise in Rumania. He said that "production conferences" -- under the sponsorship of the trade unions and the enterprise managements -- are the "most important and efficient forms of participation of all the workers of the socialist enterprises in the leadership of production".

The precedent of a permanent body known as a "production conference" was also made in Rumania. The chairman of the newly formed Union of Consumer Goods Industry Workers, Maria NICIANU, said in May that one of the main tasks of the new union would be the transformation of informal "production conferences" into permanent bodies. The precise rules and workings of Rumanian "production conferences", however, still remain largely a mystery in the West.

Trade-Union Attacks On The Workers' Councils

Prior to and during the Revolution of 1956, the authority and prestige of the government controlled labor unions in Hungary was almost completely shattered. With the establishment of workers' councils during the revolution, the attitude of the workers was that there was hardly any need whatsoever for such regime-controlled trade unions.

But after the breaking of the revolution and the KADAR regime's arrests of worker council leaders, the regime trade union organization set about re-establishing its power. Its prestige had practically no chance of returning even to its pre-revolution low. The chances were even slimmer so long as the revolutionary "Decree on Workers' Councils" still remained formally in effect.

This decree has now been abrogated.

The announcement of November 17 reads that factory councils will be created, will work under the direction of the unions and according to the traditions of "that huge mass organization"; the unions will be the guarantee of success for the factory councils.

Plans For The New Councils

Factory councils will be formed in all State productive enterprises, in the mines, State agricultural enterprises and in other institutions such as the railway and post and telegraph systems, according to NFI.

Membership: A factory council will have from 15 to 125 members, under the leadership of the chairman of the factory trade union committee. Two-thirds of its members must also be trade union officials elected by the trade union committee. The remaining one-third will be elected by the work force in general. To qualify for candidacy in the one-third, a worker must have had no previous troubles with the law, must be loyal to the people and must have worked at least two years in the enterprise. For the election of their one-third of the council at least two-thirds of the work force must vote. A candidate must receive a majority of the votes cast. The factory director, the engineer-in-chief, the comptroller-in-chief, the secretary of the local Party organization and the secretary of the local Communist Youth Union are automatically members of the factory council.

Competence: Extends to all domains of the enterprise's life, according to NFI. The factory council has charge to, formulate suggestions, work through the development of industrial technique and control the economic life of the factory. The advice of the council is indispensable, says NFI, in the elaboration of the enterprise's plan, in fixing sums for investment, in questions of work conditions, salaries and in introduction of important innovations.

The Director: The factory director has the right of final decision but the advice of the factory council should influence measures taken. The factory council should decide on the division of benefits and profits among the workers; but the director must insure that these decisions are not contrary to realization of the plan or to the aims of the central direction. The decisions of the factory council cannot violate the principle of one-man direction of the factory.

Duties of the Council: It should aid in the direction of the factory, in improving production and in sponsoring actions in support of work discipline.

Trade Union Official Attacks Workers Councils

BUDAPEST newspapers (November 17) also published a statement by the secretary of the Central Council of Trade Unions, György VARGA.

YARZA said that the needs of socialism demand, among other things, the participation of the working class in the direction and control of economic life. But the "workers' councils" were not capable of bringing this about. The workers' councils had lost their popularity and influence among the masses when their true (reactionary) objectives became clear.

The suppression of the workers' councils, YARZA said, symbolizes the political and economic power of the Spraker-Peasant government. The major portion of the workers' councils were suppressed in the spring of this year, said YARZA, but the workers demanded an enlargement of their participation in the direction of the enterprises. It is this demand that the new factory councils must answer.

Minister Of Finance...

The Minister of Finance, Istvan ASTOS, stated in the Party organ "Tapanabodog" (November 17) that "profit-sharing" has proven a stimulant in industrial production since it caused workers in a number of enterprises to work at reducing production costs. But the share in profits will not be paid out by the regime until next March or April since it is not possible to establish before then the results of this year's plan.

Polish Workers' Council Situation

Support of Polish workers' councils still remains one of the fundamentals of the GOMULKA regime, despite the fact that Poland is now the only nation in the "socialist camp" proper whose workers' councils have even a theoretical right of existence.

The Yugoslav Communists maintain their system of workers' councils as one of the specific features on their "road to socialism". It is interesting to note that a Hungarian trade union delegation arrived in Yugoslavia over the weekend, at the same time the measure formally ending Hungarian workers' councils was published. This coincidence would appear to indicate that the Yugoslavs will not object very strongly, if at all, to the BUDAPEST action.

The East German regime shelved the worker council idea after some consideration at the beginning of the year. The East German news agency ADN was prompt to report the Hungarian action. Czechoslovakia and Bulgaria apparently never considered the establishment of workers' councils.

* See Background Report "TITO and the Hungarian Workers' Councils" 19 November 1957.

It would seem that the Hungarian action--even though it represents the formal definition of a situation which has existed for almost a year--should cause some hard thinking in WARSAW. It will probably be used by the "Stalinist" wing of the Polish [United Workers] (Communist) Party to point out the fact that Poland is out of step in the "socialist camp". The "Stalinists" have opposed the worker council idea from the very beginning.

But at the same time, the BUDAPEST action should serve to alert the "left" and "centrist" groups in the Polish Party to possible dangers from the "right" and also serve as "ammunition" against the "right".

Reporting the news from BUDAPEST, WARSAW Radio presented a confused picture of what had actually happened. The radio said a joint resolution by the government and the trade union "concerning the creation of workers' councils" had been published. The broadcast did not make it clear that the workers' councils were in fact instituted by the decree.

The Polish trade union organization was in much the same position as the Hungarians in October last year. One of the first results of the Polish October was the ousting of the "Stalinist" trade union chief, KLOSIEWICZ. With the overwhelming support given the workers' councils at the time of the 8th Central Committee Plenum in October 1956, the trade unions began judiciously to step into the background. Trade union personnel was reduced by two-thirds and in a WARSAW Radio interview (January 11) the deputy chairman of the trade union central, SAJNICKI, declared that from then on the unions would confine themselves "exclusively" to country-wide trade union problems. One of the unions' first tasks, he said, would be to work out forms of co-operation with the workers' councils and the "works councils", which are the local trade union branches in factories. (Note that Polish "works councils" are identical with Hungarian trade union "works committees".) In line with the "democratization" of the Polish trade union organization, SAJNICKI also announced that whereas all union dues had previously gone to the central authority, from then on only five per cent of the dues would be sent to the central council. Likewise, "new men, sensitive to workers' grievances and more closely connected with the workers" were being brought into the unions.

"Trybuna Ludu" of 17 October 1956, had aptly explained the situation established in Polish enterprises with the advent of regime- and trade union-accepted workers' councils. Previously, the paper said, everything had frequently been decided by a "triangle consisting of the secretary of the basic Party organization, the (plant) manager and the chairman of the (works) council." Now, "Trybuna Ludu"

said, the workers' councils would not become a "kind of fourth power" but would be a single "supreme and true authority, that of the staff." In these conditions, the manager would become an executive authority in the true sense of the word; the "works councils" (trade union committees) cease to be "an authority but become a true organ for the defense of the workers' interests"; and the Party organization would at least be able to devote all its efforts to its main task: the exercise of political leadership in the works.

The triangle mentioned above is certainly what has now been re-established for Hungarian enterprises, since the works manager, Party chief and trade union committee chief are all automatic members of the "factory council."

The progress of Polish workers' councils since the beginning of the year has not been smooth. The original flood of publicity for workers' councils has ebbed to something the size of a trickle; from all indications criticisms of the worker council theory has not ceased despite its official acceptance at this year's Ninth and Tenth Central Committee Plena.

To a large extent the future of workers' councils has been linked with the preparation of Poland's "new economic model" and the later is by all indications still primarily in the talking stage. A PZP report on a meeting November 4 of the Economic Council attached to the Council of Ministers related, for example, that one of the participants, Professor NEMC, said that any "future reform" of the price system must be related to other problems such as the wage system and the structure of production. NEMC said this was a lengthy research project. Another of the persons present at this meeting, Roman FIDELSKI, said that in his opinion the further adoption in January 1958, of the type of experiments now being carried out in certain Polish factories was "inadvisable".

The independence and effectiveness of the workers' councils would also seem, according to the Hungarian example, to depend on the role played by the trade unions. What role Polish unions would like to play is becoming somewhat unclear.

Whereas GAJDUSKI in the beginning of the year promised full union support for the workers' councils, an article in the November 14 issue of the trade union organ "Glos Pracy" did not mention the councils but stressed that it is a "false conception" that trade unions should have "a non-political character." Likewise, it was "necessary" to see the unions, representing the interests of the working masses, as a "contracting party in relation to the people's government." How can one on one side have the unions, representing

the working class, and on the other the peoples power "which is precisely the power of that class" the paper asked.

This, says "Giles Tracy", is an attempt to undermine the "principles of the dictatorship of the proletariat" because the trade unions are co-responsible for the people's power. Not only can they not be a contracting party opposed to the people's power but they must oppose all activity which could weaken that power.

Such a statement is bound to make one wonder whether the trade union central is not attempting a return to the pre-thaw philosophy for which it was condemned so completely by Poland's October.

Any return to such thinking would certainly have an effect on Poland's "workers' councils".

B. L.

End