Comrade delegates,

I am very happy to be able today to greet the participants of the First Congress of Workers Councils and to wish you all success in your work, both in your discussions and in the decisions you will take to promote production, for the benefit of the producers themselves and our entire socialist community.

In a few days time it will be seven years since we passed the Law on the transfer of factories and enterprises to management by the producers, by the workers of our country. This was a major, one can say historic, act in the development of our socialist social system, an act dictated by our social needs at a particular stage, that is to say, the need for democratisation in the economy, the establishment of new, socialist relationships in production, based on the wide participation of workers, not only in the management of production but also in its further development and in distribution. The aim of this act was to make it possible for workers to develop their creative abilities and self-initiative to the maximum, a development which had been held back by centralised management of production.

At that time there was a great deal of scepticism about whether our young working class, during its influx from the country into the towns and factories at the peak of the
industrialisation period, would be fit for such a complex task as the management of factories and enterprises. We, however, did not entertain any doubts about our working class when we passed this law. Because even then we were able to see for ourselves its creative potentialities in action. Yes, we were aware that most of our working class were young, but then — so was the great achievement of our revolution, the new Yugoslavia itself. As a heritage from the old underdeveloped Yugoslavia there was a very small number of skilled, competent personnel; and then again the Liberation War, that is to say, the People's Revolution, had claimed from the most skilled ranks of the small working class particularly heavy sacrifices. But we saw that our young workers were full of amazing zeal and skill in mastering the techniques for the production of various complicated machines, particularly in making high quality products and creating technical means, including various equipment for new factories and electric power stations. The problem of creating and training a new skilled labour force, as demanded by the ever increasing rate of industrialisation, could in fact be settled by transferring the factories and enterprises to management by workers' collectives; which, as has been shown, has produced outstanding results.

Should we then have hesitated and harboured doubts about whether our workers, who had shown such creative skill in production, would be capable of taking over the management of that production? No. We believed that they would master that, although we were aware of the various difficulties and obstacles in the way of the development of social management, something which you here today know best yourselves.

Here you will be talking about these various shortcomings, because they must be pointed out so that they may be overcome as soon as possible, particularly those of a subjective character. There are difficulties and shortcomings of an objective character, but there are also subjective ones, which are more easily eliminated or avoided, because that is something depending on you yourselves. The objective difficulties which were in the way of a more rapid and suitable development of workers self-management must be discussed by those of us who are responsible for the overall development of socialist construction in this country. For we cannot and must not fail to admit our responsibility for delays in eliminating certain obsolete regulations and devices which slow down the rate of production and, as a result of this, curb the rise in our workers' living standards. In so far as in the immediate past there have been certain difficulties of an objective character, difficulties of a material nature, we are not to blame for them, for it is outside our power to eliminate them. But it does happen that difficulties of an objective character become subjective; and then, we who are in leading positions must do all we can to remove these shortcomings as quickly as possible, because that depends on us, in the leadership. Such is the case, for example, with the wage system,
which has been pending a settlement for some time now, and this is something on which a rise in labour productivity very largely depends.

Allow me, comrades, since I am talking about undesirable phenomena occurring here and there in the workers' collectives, to mention the most marked of these, which, if they are not eliminated, might have very bad consequences on the building up of our monolithic socialist community. First in this category is localism, failure to take account of the interests of the whole community. Such localism shows itself in various forms, and it is incompatible with a proper understanding of socialist relations in our community. It should not be forgotten that our socialist society is an enormous collective in which the interests of the individual must coincide with the interests of the whole community. It is very harmful for the community if, instead of real socialist relationships in factories and undertakings, the principle of the stronger prevails. Disloyal competition, and the setting up of a number of enterprises of the same sort, merely for the sake of competition with already existing enterprises, is exceedingly harmful, because too much investment is absorbed which could be more usefully employed for other purposes. Another harmful practice is when certain enterprises refrain from any co-operation which might result in cheaper production of certain products, and so on. These and similar shortcomings must be eliminated, for it will be to the benefit of the workers themselves and the whole of our community.

But, comrades, when we talk of our difficulties and shortcomings in workers self-management, we must compare them with the enormous positive results that have been produced in this short period of seven years. This should be discussed here at this Congress, in order that there may be a sharper picture of how splendidly our workers have passed through their ordeal in this great work of building socialism. This was a period of schooling on a giant scale, when one third of the workers employed, that is to say more than six hundred thousand workers and employees, participated in management. This was a most severe period for our country, because we had to contend with almost insuperable difficulties, particularly ones of an economic character; and in this period our working class bore the brunt of the burden on its shoulders. While creating better economic conditions, it had to give up a great deal, to the detriment of its own standard of living, for the benefit of our industrialisation and for the benefit of the transformation of our country. If we survey our country today, we shall see numerous factories and enterprises with up-to-date equipment, which is transforming a once backward Yugoslavia into an increasingly industrially developed country. The creative energy of our working people found the greatest expression precisely during this most difficult period. Having faith in their own abilities, our workers gave proof during that period, of a wonderful, all-round self-initiative and made it possible for us to overcome the economic difficulties in our development, difficulties which appeared
to be unsurmountable. We can boldly say that the part played by our working class in workers self-management is largely responsible for our having extricated ourselves from an exceedingly difficult situation.

When the apologists of a certain dogmatism of doubtful origin today contest the value of our system of workers self-management, calling it anarchy and such like names, we have not the slightest need to justify theoretically, from the Marxist standpoint, the rightness and outstanding efficiency of our system of workers self-management, because it has proved its value to the full in practice. The results speak for themselves. But at the same time it has shown the vital force and rightness of the Marxist theory of socialising the means of production, in that the producers themselves are managing the means of production, whereby truly democratic and socialist relations in production are established.

It goes without saying that we have no intention of imposing our system on anyone else, as is often alleged against us; but we do have the duty of defending it against those who are blind and deaf to the facts, who refuse to see the real state of affairs in our country. I think that the positive results achieved in practice are the best proof of the soundness of our system. These results are not only seen by the direct participants in production, our workers who are the managers, but they are also seen and felt by the whole population, and indeed they are known far beyond our frontiers.

Neither have we any intention of competing to see whose system is better and more democratic, because that is a matter which the producers can best judge for themselves, the wide masses of workers in every socialist country. Our workers have come to the conclusion that their self-management in factories and enterprises is a great achievement which offers them the best prospects for creating a better life and prosperity for themselves. Since our working class are satisfied with this system of self-management, and I am convinced that they are and that they are always ready to defend their great achievement with their lives, then it is hard to understand why certain people outside our country are so much concerned whether the system of workers self-management is good or not, and why do they deny its socialist character. In this connection I must note that some foreign critics often pass judgement on whether it is or is not something socialist, although many of them do not possess anything like the necessary qualifications for this or indeed possess none at all. I should not like to mention and enumerate all the sorts of absurdity that are talked and written about our workers self-management, and I’m not going to refute them, because the best answer to all that will be given by this Congress and by the facts about our social system. But I would recommend now that all who doubt the achievements of workers self-management should come here and see for themselves. We shall be very glad to explain everything to them, attempt to explain, if any of the sceptics should be so
inclined.

Since we are on the subject of foreign criticism of our internal development, we must declare that on the basis of experience so far it cannot be said that such criticism is well-intentioned or objective, — it is more like malice. Because it usually exploits our own criticism of certain shortcomings and then generalises on it, and it refuses to see the causes behind possible difficulties and shortcomings; it refuses to admit that our worst difficulties have come from outside, and does not wish to speak or write about the successes we have achieved in spite of certain shortcomings. If only these critics would admit that certain shortcomings that have been in evidence in the past seven years are completely overshadowed by our positive achievements, then it would be harder for them to proclaim as revisionism our way of building socialism. I think that the time has come to drop this and that everyone should first of all mind his own business, — everyone should build socialism as best he can and as conditions permit. Others too have their difficulties and shortcomings — we know they have them, and in abundance — but we are not pleased about this, we want them to overcome their difficulties as quickly as possible. There should be mutual support, not destructive criticism; and I am convinced that in such a case it will be very easy for not just normal, but good friendly, relations to be maintained between the countries of socialism. On the other hand, present practices in this respect, in certain countries building socialism, are incompatible with our desire for good relations, a desire also expressed by many leaders of these countries. One cannot talk of sincere and good relations between us and certain Eastern countries, if only lip service is paid to the need of good relations with Yugoslavia, while on the other hand internal directives are issued to party members and the wide masses that Yugoslavia is bristling with revisionism, that it is not a socialist country, that it co-operates with the imperialists to the detriment of the socialist countries, and so on and so forth.

This new sort of “comradely” criticism, as it is called today, has a very uncomradely tendency, because at the beginning something positive is stressed only to be followed by the familiar “but,” to be followed in turn by a list of our difficulties and mistakes, — often in a distorted form, or pure fabrications, - in order that the article can end with a confutation of everything constructive and show Yugoslavia up as a sort of hotch-potch of anarchism and capitalism. Is that comradely criticism? Is that the way to create confidence and friendship? It goes without saving that it isn't. An end must be made of this, because it leads to no good for countries that have the same aim, — the achievement of socialism.

Good relations must be based on something real, they must be founded on sincerity and trust. It is not possible to hoodwink us with empty words, while the deeds are quite different. Where would it get us, if we were to start listing and criticising everything
that was not as it should be in certain countries, or things which we didn't like? Yes, there are things which ought to be criticised, but it is not difficult to distinguish between constructive criticism and criticism that is unconstructive and ill-intentioned. We can't be indifferent to the light in which Yugoslavia is presented in countries building socialism, that is, in the countries of people's democracy, and in general in the international working class movement. We expect people to write and talk the truth about us, not to keep silent, about the real state of affairs and to bring up only imperfections, and in a distorted form at that. I think that is the least we can expect from comrades in the countries of people's democracy and socialism, and from others. If this conception of international relations prevails, I am sure they will be not merely good but durable and benefical to the entire socialist world.

I cannot help mentioning here the criticisms of our entire social order made by many Western critics, in which they deny its democratic character. They too should come into our factories and talk to our workers, and then try to understand where the roots of true democracy lie: in multiparty political squabbling, which is doggedly proclaimed as the perfect democracy but where there exists a legalised right for every capitalist to exploit the labour of others for his personal enrichment, or in a system where the means of production are at the disposal of the producers themselves, and where the widest masses of the people have the opportunity to participate themselves, and do participate, in management, both in the economy and in other fields of social life. For such critics there is no democracy if individuals are not given the right to botch together some little reactionary party with various demagogic procedures or by fraud. We have nothing against it if the peoples in the West are satisfied with more than one or a number of parties which bicker among themselves (that's their affair!), but we have succeeded in creating something new — the Socialist Alliance of Working People, around whose programme the vast majority of our people are rallied. The Alliance also includes among its members some who were once adherents of various parties and they have realised that this had never brought any good to our country. These men are today builders of socialism who know what they want. It is an enormous organisation, which also includes the League of Communists of Yugoslavia; and in it there are frank discussions and truly democratic procedures leading to the best possible decisions, which are then implemented by the efforts of our entire socialist community.

Comrades,

I am convinced that it is clear to you all that this Congress has to give a new, even stronger, impetus to further development and improvement of workers management. One of the basic problems is to increase the productivity of labour and improve the organisation of production. It goes without saying that we must eliminate as quickly as possible the elements which do not conduce to the productivity of labour and which still
hamper the creative talents and initiative of the workers, preventing them from developing to the full. When we speak of greater productivity of labour, we must at the same time think of increasing the living standard of the workers. We can't go on making appeals to the sense of duty of the workers to get them to produce more, unless they too are to feel the results of their efforts, in the form of increased remuneration and increased living standard. That today is possible, for we are now able to invest and to set up new factories and enterprises at a more moderate rate. But here I must emphasise that once again some of these new investments have begun here and there to get out of hand, although we had decided to reduce them in order to give more for the standard of living. I think that here the workers collectives themselves can and must exercise more influence and control.

The workers councils should deal not only with the technical problems of production but also with the economic problems both of the enterprise itself and of the market, — and with other problems. We are aware that here and there certain people in leading positions in the enterprises deny these rights to the workers councils; and the workers in turn have given in too easily to such improper treatment of the role of the workers councils. More energy should be spent in eliminating such improper conceptions.

That, comrades, is briefly what I wanted to say to you; and with confidence that this First Congress of Workers Councils will make many important decisions, I once again greet you all and wish you much success in your work.