

# **33RD SESSION OF THE AITUC**

**(VADODARA : 15-20 DECEMBER 1986)**

REPORT, RESOLUTIONS  
AND ALL OTHER DOCUMENTS

AITUC PUBLICATION

## Contents

	<i>Page</i>
1. The Vadodara Session of the AITUC	3
2. Condolence Resolution	6
3. Welcome Address of Chairman, Reception Committee	9
4. Messages Received	12
5. Fraternal Delegates	20
6. Speeches of Fraternal Delegates	23
7. Industry Reports	77
8. Commission Reports	105
9. Resolutions Adopted	126
10. Report of the Credential Committee	164
11. List of Office bearers and Working Committee Members	168
12. List of General Council Members	169
13. President's Address	
14. General Secretary's Report	
15. Information Materials	

Price Rs. 30.00

---

Published by T. N. Siddhanta for AITUC, 24, Canning Lane, New Delhi-110001 and printed at the New Age Printing Press, Rani Jhansi Road, New Delhi-110055.

## THE VADODARA SESSION OF THE AITUC

It was again emphasised at the 33rd Session of the AITUC that there is urgency and necessity of reorientation of the working class movement so as to enable it both ideologically and organisationally, to effectively intervene in national affairs.

The new economic and industrial policies of the Rajiv Gandhi Government providing virtually an open door to monopolies and multinationals, the weakening of the Public Sector and self-reliance, the growing menace of communal and divisive forces, increasing interference of imperialist forces of destabilisation across our borders, all these underline the requirements of the present day situation and the increasing role that the organised trade union movement is called upon to play

The Conference, therefore, reiterated the necessity and possibility of unity of left-led Trade Unions, particularly of the AITUC and CITU on the basis of four common fundamental premises viz, class struggle, anti-imperialism, secularism and international solidarity. Such unity will not come about automatically, but will require sustained campaigning and struggle at all levels and the AITUC Unions will have to take more vigorous initiatives. The broader unity and united actions on common issues will of course continue and has to be strengthened

The coming period as reflected in various decisions and resolutions of the Congress is one of united struggles, of struggle for unity and national integrity, against the Government's policies and their adverse impact on the life and living of the working people.

The five Commissions appointed by the Plenary session afforded opportunity for in-depth study of the key issues facing the Trade Union movement viz., Trade Union Rights, the impact of Government's new Economic & Industrial policies, national integration and communal harmony, Un-organised Sector Workers and Trade Union Unity.

The open session of the Congress began with an impressive procession which paraded the main thoroughfares of the city of Baroda culminating at the Conference campus in a mass

rally which was addressed by the Mayor of Baroda Municipal Corporation who was also Chairman of the Reception Committee, the AITUC President Chaturanan Mishra and General Secretary Indrajit Gupta.

Earlier, the AITUC red flag was hoisted by Bhalchandra Trivedi, General Secretary, Gujarat State AITUC and also Secretary of the Reception Committee. Wreaths were placed at the martyrs' column specially erected on the occasion, by the foreign delegates and office-bearers of the AITUC.

The delegates' session started on the 16th December morning and the President along with Vice-Presidents present constituted the presidium comprising of Chaturanan Mishra and Vice Presidents J. Chitharanjan, N. K. Krishnan, B. D. Joshi, Homi Daji, K. G. Srivastava, Bhagwan Thorat and M. S. Krishnan.

The Congress adopted a resolution at the outset condoling the passing away since the Bangalore Session, of prominent personalities, Trade Union leaders and activists of India and abroad, of the martyrs of Punjab who were gunned down by terrorists, of the victims of Bhopal Gas tragedy. Special mention was made in the concolence resolution of the four AITUC leaders viz. P. Balchandra Menon, P. K. Thakur, Naresh Dutta and Kalyan Roy, and Prabhat Kar, leader of the Bank employees—who passed away during the period.

The address of the Chairman of the Reception Committee was read out in his absence.

The Conference appointed a Resolutions Committee and a Credentials Committee.

The President's address and General Secretary's report in Hindi and English, were circulated in advance to the delegates.

About forty delegates participated in the discussion on the General Secretary's Report.

The Conference decided to set up five commissions and those who will conduct the work of each of the Commissions and report back to the plenary session. The details are as follows:

(1) On National Integration—

Chaturanan Mishra, S. K. Sanyal and Madan Lal Didi.

(2) On Trade Union Rights—

Homi Daji and T. N. Siddhanta.

(3) Impact on workers of the new economic policies of the Government—

M. S. Krishnan, Y. D. Sharma and B. D. Joshi.

(4) Un-organised Sectors—

Dr. Raj Bahadur Gour, J. Chitharanjan and Srinivas Rao.

(5) T. U. Unity—

A. B. Bardhan and K. G. Srivastava.

Besides the Commission Reports which provide for guidelines of the AITUC on the key issues facing the Trade Union movement, a large number of resolutions were adopted. Some of the important ones are (a) in support of the prolonged strike of A.P. State Government employees; (b) Call for making the forthcoming one-day strike of Public Sector Workers on 21 January, 1987 a complete success; (c) against the decision of the Government to raise the drug prices by 12 to 25 percent and the new Drug policy; (d) reiterating support to the struggle of the people of South Africa against the racist regime and calling upon unions to organise collection of solidarity fund for the freedom fighters of South Africa as decided jointly by the ten central trade union organisations.

Unlike at any time in the past, in the present session, only three delegations were invited to personally deliver their message of greetings at the Plenary Session viz., that of the WFTU, the Soviet Trade Unions (AUCCTU) and the representative of South African Congress of Trade Unions (SACTU). Speeches of other delegations were circulated to the delegates and to the press and are deemed to be part of the Conference documents. Messages were received among others from the All-China Federation of Trade Unions, the All-India Kisan Sabha.

According to the report of the Credentials Committee, the 33rd Session was attended by 2245 delegates representing 3622 Unions with a total membership of 34,66,253.

Apart from the WFTU, 19 fraternal delegates representing 18 countries and 9 fraternal organisations were present.



## CONDOLENCE RESOLUTION

I. The 33rd Session deeply condoles the passing away of Prime Minister Indira Gandhi who was assassinated by terrorists backed by imperialists on 31st October 1984.

II. The 33rd Session mourns the death of:

1. Olof Palme
2. Moses Mabhida
3. James Milne
4. Sarath Muttetawegama
5. Yuri Andropov
6. Juan Pester Perez (Colombia)
7. Faiz Ahmed Faiz
8. Marshal Dmitry Ustinov
9. Chan Sy (Kampuchea)
10. Konstantin Chernenko
11. Hemmy Croes (Venezuela)
12. Md. Munir
13. Enriquo Berlinger
14. Benjamin Moloise
15. Nguyen Duc Thuan (Vietnam)
16. Samora Machel
17. V. M. Molotov
18. Le Duan
19. Mikhail Sholokov
20. Henry Winston

III. During the last three years the AITUC lost five of its prominent leaders—Kalyan Roy, Barin Choudhury, N. C. Dutta, P. K. Thakur and P. Balchandra Menon and a prominent leader of the trade union movement particularly of white collar employees, Prabhat Kar—they deserve special mention.

IV. The 33rd Session condoles the death of the following leaders and activists of the trade union movement during the last 3 years:

1. V. D. Deshpande
2. A.V.G. Nair
3. Hari Bandhu Behera
4. P. K Kurane
5. Sudhir Mukhoti
6. Rabindranath Mishra
7. D. D. Vashist
8. Umalal Sinha
9. Bhupal Dey
10. V. T. Abraham
11. Arabinda Ghosh
12. Niranjana Dihidar
13. Prafulla Chakravarty
14. Ashok Bose
15. Parimal Mitra
16. Inderjit Singh
17. J. P. Sharma
18. J. C. C. Satyanarayana
19. Shantilal Vasa
20. Suryakant Kshirsagar
21. Sibbanlal Saxena
22. Chittesh Das Gupta
23. Sur Singh Munda
24. N. Balu Rao
25. Amar Chakravarty
26. Nanjukutty
27. N C. Sekhar
28. Umesh Singh
29. Ram Deo Singh
30. Yogender Singh
31. Ram Charitar Mahato and his brother shot dead.

V. The 33rd Session pays hamage to the following prominent personalities who passed away during the period:

1. Sant Longowal
2. Tenzing Norgay
3. K. C. George
4. A. S. Vaidya

5. Abdur Rezzak Khan
6. Sarada Mitra
7. Somnath Lahiri
8. Aga Syed Ahmed
9. M. N. Govindan Nair
10. P. Sundarayya
11. Rajinder Singh Bedi
12. Dr. Nayudamma
13. Firaq Gorakhpuri
14. J. V. Subamma
15. Katragadda Gangayya
16. T. Anjaiah
17. Darshan Singh Canadian
18. Arjun Singh Mastana
19. Sumeet Singh and 14 others gunned down by terrorists in Punjab
20. S. Narayanan
21. Dr. B. K. Basu
22. Kishori Prasanna Sinha
23. Kunjuni Nair
24. Badu Jagjivan Ram
25. Mohini Srivastava
26. Shamsheer Singh Josh
27. Chandra Sekhar Singh
28. Smita Patil

VI. The 33rd Session of the AITUC pays homage to all those who fell victim to the Bhopal gas tragedy two years ago in which more than two thousand died and many more thousands affected by gas inhalation.



WELCOME ADDRESS OF THE CHAIRMAN  
RECEPTION COMMITTEE

Dr. Jatin V. Modi, Mayor,  
Vadodara Municipal Corporation

Dear Friends, comrades and  
dear guests from abroad,

I deem it a great privilege and honour to give the warmest greetings and welcome to you all, delegates who have come to this session of the AITUC, from all parts of India and fraternal delegates who have come from afar from all parts of the world, from socialist and capitalist countries, to express their solidarity with the AITUC and the Indian working class.

The historic city of Baroda welcomes you and takes pride in hosting this session of the AITUC. The AITUC has proud traditions and a glorious history. During its early years, illustrious figures of the Indian National movement like Lala Lajpat Rai, Pandit Jawaharlal Nehru and V. V. Giri, actively, participated in it and helped to shape its course. Right from its foundation, the AITUC inscribed on its banner complete independence of India from the British yoke and a socialist society as the goal of achievement for independent India. The AITUC fought glorious battles in defence of the interests of the working class and for the consolidation of Indian independence.

This session of the AITUC comes at a crucial time in the history of the world. India together with all other nations of the world, big and small, are faced with the critical choice; either go forward to a world freed of nuclear arms, a world of peace and peaceful development or face nuclear annihilation of mankind itself as the inevitable end of the nuclear arms race which is now sought to be taken by imperialism to outer space also.

India has played, and is playing, a powerful role in the world today in favour of nuclear disarmament, for peace and peaceful development. Our country's policy of peace, non-alignment and anti-colonialism, our firm stand against racism, Zionism and apartheid, has won worldwide recognition.

The Delhi Declaration signed last month by Prime Minister Rajiv Gandhi and General Secretary of the CPSU Mikhail Gorbachev has become a historic landmark in the worldwide struggle of humanity against the danger of nuclear annihilation and for a world free of nuclear arms.

This session of the AITUC will contribute significantly to the noble task of carrying forward the struggle for nuclear disarmament and peace.

The working class of our country is faced with serious problems at the present time: problems of rising prices, wages and dearness allowance, problems arising out of lock-outs, closures and retrenchment, problems of warding off attacks on T.U. rights, problems of uniting all trade unions in the struggle for class and national interests. The deliberations at this session will no doubt contribute significantly to the solutions of these problems.

The problems facing the public sector, which has a key role to play in our national economy, will no doubt receive special attention at this session.

Recent developments are an indication that imperialist forces have stepped up their destabilisation efforts against our country. Forces of separatism and terrorism are being activated and backed up from abroad and have intensified their activities in the recent period. Events in the Punjab, in Jammu and Kashmir, in the North-Eastern region, clearly illustrate this. There is a systematic plan being worked out to dismember India, to destroy its national unity and integrity, to weaken and subvert our foreign policy of peace, non-alignment and anti-colonialism. Prime Minister Rajiv Gandhi has repeatedly warned against this danger.

The massive military aid including AWACs system offered to Pakistan by the Reagan administration and the help being given to Pakistan to go nuclear has brought new dangers to our country's security environment and opened this subcontinent to the perils of a direct nuclear arms race. This is aggravated by the increased militarisation of the Indian Ocean.

The trade union movement of our country is seriously concerned about these problems, problems involving the defence of India's national sovereignty, national unity and territorial integrity.

In the recent period, ugly forces of communalism and communal conflict have raised their heads in many parts of our

country, threatening our much-cherished secular set-up. The foreign forces of destabilisation utilise these forces which present a special danger to the unity of the working class and democratic forces.

It is a welcome development that trade unions with different affiliations have now come together to fight jointly for nuclear disarmament and world peace, against communalism and in defence of secularism. This fight has to be consolidated, extended and taken to grass-root level. This session of the AITUC will, no doubt, make good contribution towards strengthening this struggle.

Friends, comrades and dear guests from abroad,

The city of Baroda extends its warmest welcome to you all. We are particularly happy to entertain in our midst as our guests such a large number of delegations from foreign countries. It is striking demonstration of international class solidarity. It has special significance at the present crucial stage in the affairs of the world when the issue of nuclear disarmament and peace or nuclear annihilation of mankind hangs in the balance and united action by peace loving forces all over the world has become the urgent need of the hour.

We, in the Reception Committee, have tried our best to make you all comfortable in this city of ours so that this session of the AITUC may carry on and conclude its work most fruitfully. But we know we have severe limitations, and as a result you may suffer discomforts and inconveniences. We do hope you will excuse us for these.

We welcome and greet you once again and wish this session of the AITUC splendid success.



## MESSAGES RECEIVED

### ALL CHINA FEDERATION OF TRADE UNIONS

On occasion AITUC 33rd Session, Chinese workers extend warm congratulations to you and salute to Indian Brother workers. Wishing Indian workers and Trade Unions continued successes in developing national economy, protecting workers legitimate rights and interests and safeguarding peace in Asia and World. May friendly relations between our two organisations continue develop, wishing your session great success.

### PANCYPRIAN FEDERATION OF LABOUR, CYPRUS

We wish to express our warm thanks for the kind invitation you have sent to the Pancyprian Federation of Labour to participate at your Congress to be held next month.

We fully agree that the presence of a delegation from our organization at your Congress would be another step towards the further strengthening of the existing fraternal relations between our two organizations.

Nevertheless, due to other urgent tasks and difficulties we won't be able to participate at this important event of the workers and the people of your friendly country.

As the General Secretary of my organization I particularly regret that in spite of my efforts to find the time which is necessary to be present at your Congress, I didn't succeed.

Assuring you that we will always do our best for the strengthening of our bonds of cooperation and solidarity we wish your Congress every success.

*Andreas Ziartides*  
*General Secretary*

### KAMPUCHEAN FEDERATION OF TRADE UNIONS

On Account of internal affairs, Kampuchean Federation of Trade Unions delegation failed to attend AITUC Congress historical significance for Indian working people. On behalf of

Kampuchean Federation of Trade Unions Central Committee  
Kampuchean working class trade unionists, I convey profound sentiments of solidarity, warmest congratulations to congress delegates and wish its proceedings brilliant success. I am profoundly convinced tasks objectives to be adopted would take Indian trade union movement to new higher stage of development for urgent legitimate interests of working people. May ties of friendship solidarity cooperation between our two working classes and unions further consolidate and develop. The assurances of my highest consideration.

*Mathly, President.*

**ASSOCIATION OF CINEMATOGRAPH TELEVISION  
AND ALLIED TECHNICIANS, LONDON**

Many thanks for your invitation to the 33rd Session of the All-India Trade Union Congress. Unfortunately, because of the economic problems at the moment existing in our industry, we would not be able to support the airfare to India much to our regret.

We would however like to express our congratulations to the All-India Trade Union Congress reaching its 33rd Session, and to assure solidarity from the Association of Cinematograph Television and Allied Technicians, the main trade union in the United Kingdom for film and television, and extend the hand of friendship to all your members for unity is strength, and unity must be on a global basis for all workers.

*Alan Sapper,  
General Secretary*

**LAO FEDERATION OF TRADE UNIONS, LAOS**

Regrettable to state that we are not able to participate in your 33rd Congress. We wish you all success in your congress work.

**GENERAL CONFEDERATION OF WORKERS OF  
PORTUGAL (CGTP-IN)**

We regret not to be able to attend your 33rd Congress. We wish you best success for your congress, and your work to strengthen unity and sovereignty of your country as well as good results in your struggle in defence of trade union rights and living conditions of workers. We assure you our desire to

strengthen our mutual ties of friendship and cooperation.  
Fraternal greetings.

*Nation Council CGTP-  
Intersindical.*

### CEYLON FEDERATION OF TRADE UNIONS, SRILANKA

We, the Ceylon Federation of Trade Unions send our warmest fraternal greetings to the 33rd session of the AITUC. We express our profound regret at our inability, due to difficult circumstances, to be present with you to share in your deliberations concerning vital issues facing the working class of India and many common problems facing the working peoples of our region.

Since the very inception of our Federation as far back as 1940 our two organisations have been bound by the closest ties of friendship and class solidarity. We have never lacked your fraternal assistance and cooperation in all our national struggles for independence, democracy and social progress.

The AITUC has set impressive traditions in militant working class struggle through out its glorious history. The working class of Sri Lanka and our Federation has constantly drawn on your strength and example, not only by virtue of our geographical proximity, but because at every stage we faced similar problems, concerns, and anxieties although the issues were much more complex in your vast environment and strategic position.

Dear comrades, after the collapse of the colonial system of imperialism, with the victory of the Great October Revolution and the birth of the World Socialist system, the third world countries have gradually come under a new and greater stranglehold of imperialism i.e., that of neo-colonialism. Our countries are increasingly drawn into the imperialist world economic system as unequal partners. The labour power of our workers has become a commodity in a world market for multinationals to pounce upon, giving rise to multiple repercussions. The internationalisation of the world economy, continuous inter-imperialist rivalry, and the advance of capitalism's general crisis is bringing on our peoples tremendous economic and political pressures. The central pressure is on labour with aim of acquiring it at the cheapest possible rates and maximising the extraction of surplus value. There takes place an increasing tie up between TNCs and local capital which is participating in this robbery.

We are faced therefore with a situation where democratic and trade union rights, which our working people had won

through years of struggle at great sacrifice, are being taken away one by one. We often hear in our countries that new authoritarian constitutions are being framed, new repressive legislation is being passed, often purporting to deal with terrorism, the state's repressive apparatus is being enhanced, emergency regulations increasingly used to suppress legitimate trade union struggles, the state sector being dismantled under pressure of the IBRD and the IMF, real wages and living standards are being depressed by inflation, workers welfare facilities denied, industrial safety disregarded, environment being polluted and of mass epidemics etc. The main attack is on trade unions, trade union rights and on the working class.

Such are the common dangers facing all of us and we believe that this situation calls for ever more cooperation among the trade union movements of our countries. It calls for common strategies and campaigns that enhance each others efforts.

Dear comrades, the imperialists are mounting their efforts to destabilise our countries and sow discord among them in our subcontinent. They have not relaxed their support including supply of arms to separatist, divisive and even terrorist forces in our countries. It is common knowledge that imperialists are irked by the independent international role of India whose authority ranks high in the world arena. Imperialism, first and foremost U.S. imperialism, would like to alter this situation for very high stakes. We express our whole-hearted solidarity in your struggle against this danger, to defend the unity and sovereignty of India and its non-aligned foreign policy.

In our country the ethnic conflict in the North and East continues to take a high toll of lives, most of them innocent civilian lives. Although certain just grievances of the Tamil minority, arising in the final analysis from common economic problems, facing the youth and the landless lay at the basis of the conflict, we have reason to believe that behind this escalation of violence is the hand of foreign reaction following the policy of divide and rule and seeking also to sow discord between our countries.

The ruling circles of our country have amply used and are using the ethnic conflict to freeze trade union struggles, to divide and weaken the struggle of the working class.

We are grateful to your cooperation and solidarity in our efforts to stop the violence and seek a democratic solution to the ethnic conflict in our country on the basis of regional autonomy within a unitary state which is in the interest of the working people of all nationalities. While we condemn the

state military violence and any pursuit of a military solution, we consider the latest proposals of the Sri Lanka government as a suitable starting point for negotiations. We support all efforts towards a speedy democratic settlement of this problem.

Dear comrades, we share in the common concern about the designs of U.S. imperialism to increase tension in the Asia and the Pacific region. Plans are afoot to step up their naval forces carrying nuclear warheads and missiles and to involve other countries in the region. We are aware of the vigorous role played by the AITUC to mobilise the Indian working class to thwart these dangerous moves by U.S. imperialism, and eventually to compel them to withdraw their naval fleets, dismantle military bases in the area of the Indian Ocean, to give effect to the proposal to declare it a Zone of Peace. Our Federation is contributing its part in actions towards these ends, along with other mass organisations in our country. We join peace forces the world over in supporting the peace initiatives of the Soviet Union to evolve a comprehensive system of security in the Asia and Pacific region, to ban the testing of nuclear weapons and eliminate them completely and to halt the insane "star wars" plan of the Reagan administration.

Dear comrades, permit us once again to convey our best wishes to the 33rd session of the All India Trade Union Congress, and wish you every success in your deliberations. We express our heartfelt solidarity in your struggle for democracy, social progress and peace.

LONG LIVE THE FRATERNAL FRIENDSHIP BETWEEN  
THE INDIAN AND THE SRI LANKAN WORKERS!  
LONG LIVE PROLETARIAN INTERNATIONALISM!

#### *THE DEMOCRATIC WORKERS' CONGRESS, SRILANKA*

We of the Democratic Workers' Congress, Sri Lanka, would have been very happy to participate at the 33rd Session of the All-India Trade Union Congress, but due to Exchange Control restrictions, we cannot purchase travel tickets.

V. P. Ganesan, General Secretary.

#### *VIETNAM FEDERATION OF TRADE UNIONS, VIETNAM*

Wish AITUC 33rd Session good success Indian working class and trade unions great successes in struggle for wellbeing democratic trade union rights national unity and country development.

TOCODO

*Vietnam Federation of Trade Unions*

## **ALL INDIA KISAN SABHA, NEW DELHI**

On behalf of the Central Kisan Committee (CKC) of the All India Kisan Sabha (AIKS) we extend to the Thirty-third Conference of the All India Trade Union Congress (AITUC) our warm fraternal greetings, and hearty wishes for full success in its deliberations.

The AITUC has got the proud privilege of remaining the premier Organisation of the working class. It has got the glorious history for fighting for the National Independence of the country and conducting innumerable struggles of the working class and the toiling masses. Its great history is the history of sacrifices, shedding blood and having a number of martyrs for the noble cause of the nation and working class. While conducting struggles, it faced brutal repression, trials and murders, but it did not dampen its spirit, on the contrary it continued to grow.

The Conference is taking place at a time when the Government is adopting so-called the new policies, which are harmful to the interests of the working class, people at large and country itself. The efforts to privatise Public Sector is the gross betrayal of the nationally accepted policies, pursued since the Second Five Year Plan. The opendoor policy to the import of foreign goods including machinery, in the name of up-grading technology and increasing competitiveness is suicidal for our own country, particularly the capital goods industry, built over years at heavy cost and sacrifices. In the name of liberalisation, the control over the monopolies are being abolished or relaxed, and the working class is being subjected to rationalisation, increasing work-load and retrenchment.

We welcome the decisions of the All India Trade Union Congress to take the lead in voicing the united protest of the Indian working class, against the policy of privatisation, by observing oneday protest strike in the state sector units on the Twenty-first January 1987. We pledge our support to this strike.

It is a matter of happiness to us that the All India Trade Union Congress and the All India Kisan Sabha have a tradition of having warm fraternal relations, and support to each other's struggles. The AITUC supports the land reform struggles as well as the struggles for the remunerative prices, and All India Kisan Sabha supports the struggles of the working class. We are of the firm belief, that our fraternal relations will continue in future also.

Allow us once again to greet all the delegates, assembled in this Conference and through them the entire working class of the country.

We assure you, comrades, that the All India Kisan Sabha shall continue to work for the well tested policies of forging close fraternal unity of the working class and peasantry in which the working class has to play the leading role.

Once again, we wish full success in your deliberations.

LONG LIVE THE AITUC !

LONG LIVE THE WORKING CLASS !!

LONG LIVE THE WORKING CLASS, PEASANT UNTY !!!

*Suraj Prasad, MP, Secretary.*

**ALL INDIA NEWSPAPER EMPLOYEES FEDERATION,  
NEW DELHI**

We are pleased to note that the 33rd AITUC Session will be held in Vadodara from December 15-20, 1986.

We are confident that the conference, keeping in mind the past glorious traditions of the AITUC in regard to working class solidarity, defence of workers' rights and advancement of their social, economic and political well-being, will take historic decisions which will go a long way in cementing the working class unity and strengthening struggles for their emancipation.

We are also confident that the conference will resolutely espouse the cause of world peace and valiantly continue to fight against nuclear holocaust which the U.S. and other imperialists are planning to unleash on the world.

Please convey to the delegates assembled our warm and revolutionary greetings on the occasion.

*K. L. Kapur  
General Secretary*

**ALL-INDIA LIC EMPLOYEES' FEDERATION**

We send on behalf of all LIC employees our warmest greetings to the 33rd Session of AITUC and wish the conference a magnificent success.

We hope, the AITUC which has always been the source of great strength for the Indian Trade Union movement will take decisions that will inspire all vanguard sections of the working class and move them into massive militant actions for national unity, socialism and world peace.

We particularly urge upon the AITUC conference to devote closer attention to the two questions of strengthening the working class unity which has come under growing strains on account of the activities of communal, divisive forces and

integrating into the movement the younger generation of workers which is on an altogether different wave length.

We also suggest to the conference to highlight the demand of full neutralisation in dearness allowance, at all wage levels, which has the driving force of uniting the workers for militant actions and also to consider bringing about participation of workers in the private sector in strike on 21st January 1987 to defeat the impending draconian Bills.

A. V. Nachane  
General Secretary.

### *HIND MAZDOOR SABHA*

The working class movement in our country is passing through a period of great discontentment and exasperation.

The policy of the Prime Minister of modernisation and open door policy towards the capitalists has endangered the job of every worker and the sword of retrenchment has been sharpened.

I have every hope that your session will declare war against it. I can assure that HMS will cooperate with you in any decision that your conference takes to launch struggle against retrenchment or against the divisive and communal forces.

Wishing success of the Conference.

Vireshwar Tyagi,  
Secretary

### *NATIONAL FEDERATION OF INDIAN TRADE UNIONS*

NFITU reckons the noble tradition of AITUC the first TU organisation of Indian toilers. On behalf of NFITU sending warm greetings to all delegates attending 33rd congress of AITUC expressing solidarity of NFITU with AITUC expecting leadership for reunification of Indian TU movement wishing every success of the session.

Naren Sen  
President

### *ALL INDIA YOUTH FEDERATION*

We reiterate strong bonds between All India Youth Federation and AITUC. We hail the unity of working class and Youth Movement. Hope AITUC would extend its full support to save India change India national programme of Youth and students.

D. Raja  
General Secretary

# FRATERNAL DELEGATES FROM ABROAD

## WORLD FEDERATION OF TRADE UNIONS

1. V. E. Mozhaev, Secretary
2. Debkumar Ganguly, Secretary
3. M. Atchuthan, Adviser to General Secretary

## SOUTH AFRICAN CONGRESS OF TRADE UNIONS

Kay Muniswamy, National Treasurer

## AFGHANISTAN

1. Abdul Wasey Karger, Member, Presidium, CCATU
2. M. Aziz Ostowar, International Department

## BANGLADESH

1. Saifuddin Manik, General Secretary, Bangladesh Trade Union Kendra
2. A. A. Rahim, Member, National Council Bangladesh Trade Union Kendra
3. Mesbahuddin Ahmed, General Secretary, Jatio Shramik Jote

## BULGARIA

1. Liliana Dimitrova, Secretary, Central Council of Bulgarian Trade Unions
2. Atanas Todorov, International Department of Bulgarian Trade Unions

## CUBA

1. Orlando Amaury Benitez Hernandez, Chief, Asian Section, Department of International Relations, CTC
2. Meenakshi Sundriyal, Interpreter

## CZECHOSLOVAKIA

1. Viliam Kozik, Secretary, Central Council of Czechoslovak Trade Unions (URO)
2. Eva Strupova, Member, International Department

## ETHIOPIA

Melaku Mirtu, Member, Executive Committee (Administration). Ethiopian Trade Unions

## FRANCE

1. Therese Poupon, Secretary, Confederation General du Travail (CGT)
2. Jacqueline Bailly, Member, International Department

## GERMAN DEMOCRATIC REPUBLIC

1. Johanna Toepfer, Vice-Chairman, FDGB
2. Max Lamprecht, Deputy Head, International Department
3. Irmtraud Wilde Member, International Department

## ITALY

1. Silvia Boba, Member, International Department, CGIL
2. Gianni Buzzoni, CGIL Committee

## IRAQ

1. Abdul Kader Mohammed, Member, Central Council, General Federation of Trade Unions of Iraq
2. Dr. Nair Al-Shafar, Consultant, General Federation of Trade Unions of Iraq

## KOREA (DPRK)

1. Lim Try, Vice-Chairman, General Federation of Trade Unions of Korea
2. Lia Cha Gil, Officer, Department of International Affairs General Federation of Trade Unions of Korea

## LEBANON

Fakhri Farhoud, Secretary FENASOL

## MONGOLIA

1. Chuluunbator, Member, Central Council of Mongolian Trade Unions
2. Madame Basaan, Interpreter

## POLAND

1. Jerry Uzieblo, Vice-President, All Poland Trade Unions Alliance
2. Stanislaw Serminski, Member, International Department

## ROMANIA

Constantin Radulescu, Member, Central Council of General Confederation of Trade Unions of Romania

## USSR

1. M Victor Mishin, Secretary, All Union Central Council of Trade Unions
2. Igor Vasilyevich, Officer, International Department

**YUGOSLAVIA**

1. Zvonimir Hrabar, Member, Presidium, CTUY
2. S. Tasousig, Member, Central Council, CTUY

**FRATERNAL DELEGATES FROM ORGANISATIONS  
IN INDIA**

**INDIAN NATIONAL TRADE UNION CONGRESS**

Raja Kulkarni, Secretary

**CENTRE OF INDIAN TRADE UNIONS**

Nrasingha Chakravarty, Secretary

**HIND MAZDOOR SABHA**

Vireswar Tyagi, Secretary

**UNITED TRADES UNION CONGRESS**

Pushpa Mehta

**UNITED TRADES UNION CONGRESS (LS)**

Tapas Dutta, General Secretary

**BHARTIYA MAZDOOR SANGH**

R. K. Bhakt, Secretary

**GENERAL INSURANCE EMPLOYEES'**

**ALL INDIA ASSOCIATION**

K. S. B. Pillai, General Secretary

**ALL INDIA BANK EMPLOYEES ASSOCIATION**

1. D. P. Chadha, President
2. Tarakeswar Chakraborty, General Secretary

**ALL INDIA PEACE AND SOLIDARITY ORGANISATION**

Perin Romesh Chandra, General Secretary

**ALL INDIA FEDERATION OF ELECTRICITY EMPLOYEES**

V. Ramachandran, Member, Central Executive Committee

**BHARTIYA KHET MAZDOOR UNION**

P. K. Kodiyan, General Secretary

**ILO, REGIONAL OFFICE**

S. Sankar Narayanan, Director



# **SPEECHES OF FRATERNAL DELEGATES**

**V. MOZHAYEV, SECRETARY  
WORLD FEDERATION OF THE TRADE UNIONS (WFTU)**

Dear Brothers and Sisters,

ON behalf of the World Federation of Trade Unions, representing 214 million organized workers from all continents and all social systems, I have great pleasure to convey to the 33rd Session of the AITUC, our most fraternal greetings of international solidarity.

The All-India Trade Union Congress with its great traditions of struggle and devoted service to advance the interests of the working people of India is today rightly acclaimed for its contributions to promote trade union unity at the national, regional and international level. The fact that other fraternal national trade union centres of India have come to greet this Congress session and the very presence of fraternal delegations from all continents, testify the growing unity, solidarity and greater understanding in the world trade union movement today.

As the Report made by Brother Indrajit Gupta, General Secretary of the AITUC and newly re-elected Vice President of the WFTU to this Congress session has pointed out, there are compelling reasons for this growing unity here in India as well as in Asia and in the whole world.

Your discussions at this Congress session truly carry forward the broad consensus in our international movement which was very well demonstrated by the 11th World Trade Union Congress which met in Berlin, capital of the GDR, in September this year. The 11th World Trade Union Congress appealed to workers and trade unions in all countries to further strengthen the unity and united action of workers in all countries in their determined struggle against the imperialist military-industrial complex who spearheads the most dangerous nuclear arms race, threatening the very existence of life on our planet. The Congress established the link between the struggles for peace and jobs, for better wages and living standards and for eco-

conomic and social development, and for the defence and extension of trade union rights.

In this respect I would like to stress that workers and trade unions in all continents have warmly welcomed the 10 points of the Delhi Declaration issued recently by CPSU General Secretary Mikhail Gorbachev and Prime Minister Rajiv Gandhi. That declaration has given a clarion call to mobilize the peoples of the world in the struggle to end the arms race, to eliminate nuclear and other mass destruction weapons and to achieve a nuclear-free, non-violent world. That historic declaration which carries forward the Panch Shila principles of peaceful co-existence responds to the true aspirations of the workers and peoples of all countries and gives a new dimension to the struggle for peace and disarmament. The 11th World Trade Union Congress has drawn up a comprehensive programme of united actions for a ban on all nuclear tests, elimination of nuclear weapons from our planet, prevention of "star wars", for general disarmament, and conversion of military industries to peaceful aims.

The important progress made in India in promoting united actions on the broad issues of peace and disarmament, national integration and the fight against the divisive forces and to mobilize support to the anti-apartheid struggle is followed with great interest in the world trade union movement. It is of great significance that affiliates of the WFTU and the ICF TU in India consult and cooperate with each other in mobilizing united actions on the issues. This provides encouragement to all those who stand for greater understanding and united actions in the world trade union movement.

As the 11th World Trade Union Congress demonstrated and your discussions here clearly point out, the present situation demands stronger trade union unity, to build a trade union front to resist and defeat the attacks on jobs, wages, working conditions and trade union rights.

In fact, as the report to this Congress Session has stressed the working class can neither defend itself nor advance, unless it consciously makes efforts to project itself as a major social force in the nation's life, standing for genuine development in the interests of the people, for national unity and for International solidarity in the struggle for peace and freedom.

History shows that these objective processes in favour of unity of the working class are sought to be countered by all sorts of reactionary forces. We see this clearly in the current situation in your country. That is why progressive forces the world over strongly denounce the fact that imperialism is trying with the help of anti-national elements, to destabilise the

political situation in India, to divide the country according to religious, national, racial, ethnic and other grounds, and to weaken the efforts of the trade unions and other democratic forces. In this context, the WFTU expresses its complete support to the united efforts of all the trade union centres in India to fight together for national unity and territorial integrity. As you are aware, the participants of the 11th World Trade Union Congress adopted a message to the workers and people of India expressing solidarity and support in this struggle. On behalf of the WFTU, I have great pleasure to join in applauding the efforts made by the AITUC and its units in Punjab and Assam and their determination to preserve working class unity and promote national integration.

The WFTU fully supports the struggle waged by the workers and trade unions and democratic forces in Asia, Australia and Africa to make the Indian Ocean a zone of peace.

In this region as well as in world as a whole, everyone will stand to benefit by putting an end to the massive non-productive expenditures on arms race and by adopting a policy to redistribute the national resources for genuine economic and social development, to promote education and culture, health protection and public welfare.

Linked with this is the struggle for a New International Economic Order. It is necessary to put an end to the policies and practices of transnational corporations and those governments acting on behalf of the transnationals to plunder the national resources of the developing countries. It is necessary to put an immediate end to the unequal and unfair inter-state economic relations.

New problems are created by the unplanned introduction of new technology. These problems highlight the fact that full utilization of science and technology can be achieved only through greater democratic intervention of the workers and trade unions specially to avoid the negative social consequences. The profit-oriented policies of capitalist monopolies, which create mass unemployment only aggravate the economic and social crisis. Drunk with economic power, the capitalist monopolies even seek to impose new technology by suppressing trade union rights and all democratic opposition. The struggle for trade union rights has achieved greater importance in this new context in this period, when we confront policies of social revenge, which are based on the attempts of world monopoly capital to wage a counter-offensive to reverse the gains of workers won through years of stubborn struggles.

The 11th World Trade Union Congress has proposed the setting up of an International Centre for Trade Union Rights as

well as an International Trade Unions Committee to examine problems created by the introduction of new technology. We believe that through international trade union cooperation, these proposals can be implemented, thus raising the scope of trade union united action at all levels.

The WFTU fully supports the demands raised by the trade unions in India for firm action against the transnational Union Carbide, for adequate compensations to the victims of Bhopal tragedy and for adequate measures to prevent such tragedies in future. There is a need for greater coordination at international level by trade union organisations of all affiliations.

The WFTU notes the significant progress in regional trade union cooperation in Asia and Oceania. The Asian and Oceanic Trade Union Conference on Development and New International Economic Order held in Delhi in February last year and the Coordinating Committee established by that Conference have greatly helped to further stimulate trade union cooperation in this region.

The trade union movement in India has always played an effective role in promoting unity and solidarity in Asia and in the World. We wish you all success in carrying forward these great traditions.

With these words, we wish your Session all success.

Long live unity and solidarity of workers of all countries in the struggle for peace and for a better life!

Long live the 33rd Session of the AITUC!

*VICTOR MISHIN, SECRETARY, LEADER OF THE  
AUCCTU DELEGATION*

Esteemed Mr. Chairman,

Distinguished Participants in the Conference,

First of all, I would like to thank the leadership of the All India Trade Union Congress for the invitation to visit your beautiful country and take part in the work of this representative Conference.

Allow me on behalf of the Soviet trade unions to convey to you warm greetings and wish you successful work aimed at defending the rights and interests of workers, at resolving the tasks of economic, social and cultural development.

We highly value the ties of close friendship between the unions of our countries, which play a major role in the normalisation of the international situation, in the struggle for the cessation of the arms race on Earth and its prevention in outer space, for strengthening peace and security of the people. We

confirm our sincere desire to further develop the traditional Soviet-Indian trade union ties and cooperation in the interests of workers and peoples of our countries, consolidation of universal peace and social progress.

Common interests underline the relations of the trade unions of the USSR and India. We share a common understanding of the fact that today in the world there is a real threat of annihilation of mankind and that this threat must be prevented. We also share a common understanding of the fact that the struggle for peace, for disarmament is organically linked with the solution of the vital tasks of economic upsurge.

The cessation of the arms race will make it possible to release vast means, which could be channelled to peaceful construction, to rendering effective assistance to the peoples fighting to overcome backwardness, famine and poverty.

The Soviet Union has put forward a broad programme of a step-by-step reduction of nuclear weapons and their elimination by the beginning of the XX1st century, a set of other specific proposals aimed at providing reliable guarantees to all peoples for their peaceful development. For the sake of bringing these goals closer our country has undertaken a major practical step—the moratorium on all nuclear explosions has been in force for almost one and a half years.

The Soviet Union's sincere desire for a world without nuclear and space weapons has found convincing confirmation at Reykjavik, which has marked a qualitatively new stage in the struggle for a world without nuclear weapons. Our proposals in their totality were not accepted by the American side, but they are still valid. Reykjavik has demonstrated that real achievements are possible along the road of disarmament.

However, it has also shown that the so-called Strategic Defence Initiative of the United States is the chief obstacle in the way toward any real agreement in that field.

Today, as never before, it is necessary to have a powerful counterweight to the aggressive policy of imperialism, which is the development of the world revolutionary process, mass democratic and antiwar movements, expanding and intensifying the vast potential of peace, reason and good-will.

The Soviet trade unions and workers warmly welcome the results of the talks between Mikhail Gorbachev, the General Secretary of the CPSU Central Committee, and Rajiv Gandhi, the Prime Minister of India. The Delhi Declaration signed by the leaders of our two countries will go down in history as a symbol of new political thinking and desire to rid the Earth of the threat of nuclear catastrophe.

The Soviet trade unions actively participate in the implementation of the initiatives put forward by Mikhail Gorbachev to ensure peace and security in the Asian and Pacific region, to the unification of the efforts of all Asian states up to convocation of an All-Asia Forum, to the speediest realisation of the UN Declaration of turning the Indian Ocean into a zone of peace.

The Soviet trade unions are deeply convinced that the restructuring of international relations on an equal democratic basis and the establishment of a new world economic order free from neo-colonialism, discrimination and pressure correspond to the vital interests of the peoples of Asia.

In this context the Soviet trade unions strongly support the decisions of the Trade Union Conference of the countries of Asia and Oceania on problems of Development and A New World Economic Order held in New Delhi in February 1985, which outlined ways towards developing cooperation of the Asian trade unions, and voice their profound satisfaction at the results of the XIth World Trade Union Congress held in Berlin in September 1986, which has been a major event in the struggle for peace and securing the rights and interests of workers.

The current phase in the activity of the Soviet trade unions is a period of substantial restructuring of many forms and methods of their work and it is possible to say for sure that it will result in the consolidation of the role of the Soviet trade unions in society, expansion of their rights and possibilities. A major landmark along this path will be the forthcoming XVIIIth Congress of the Soviet trade unions to be held in late February 1987, among whose guests we also hope to see representatives of the Indian Unions.

The present-day stage in the development of the USSR is characterized by dynamism of the socio-political and economic life. Our country has entered a new stage of its development. The strategic line of our onward movement has been determined by the XXVIIth Congress of the CPSU for 1986-1990 and for the period ending in the year 2000. The chief aim for the forthcoming period is acceleration of socio-economic developments for the sake of satisfying more fully the demands of workers, further increasing the standard and quality of life of the Soviet people. Over a period of 15 years the spending for social needs will double. The real income of workers will have increased by 60-80 percent. A decisive step will be taken in the implementation of the programmatic social task aimed at providing each family with a separate comfortable apartment or a private home.

It is planned to further improve the system of pensions.

The new tasks set the new requirements to the trade unions. The acceleration of the economic and social development of society, the increased well-being of the people largely depend on how fast, concretely and effectively the trade unions will respond to the needs and proposals of workers, to what extent the methods of our work will contribute to the upsurge of their activity and initiative.

However, we are fully aware of the fact that the longterm plans of peaceful construction will be implemented more fully, the sooner the issue will be resolved concerning the arm race, reduction of the nuclear arsenals and their total elimination. The imperialist course "Armaments Instead of Development" is opposed by us with the call elevating and uniting the people: "Development Instead of Armaments".

Esteemed Mr. Chairman.

Distinguished Participants in the Conference,

In conclusion allow me to ensure you that the Soviet trade unions will be further doing their utmost for strengthening cooperation with the trade unions of India, coming out for rallying all detachments of the international trade union movement on a class anti-imperialist basis in the interests of peace, democracy and social progress.

Thanks for your attention.

*SISTER JOHANNA TOPFER,  
VICE-PRESIDENT OF THE FDGB NATIONAL  
EXECUTIVE*

Dear Brother Chairman,

Dear Delegates and Guests,

On behalf of the National Executive of the Confederation of Free German Trade Unions and on behalf of 9.5 million trade unionists of the German Democratic Republic I convey to you the delegates and guests of the 33rd Session of the All-India Trade Union Congress, cordial and fraternal greetings.

It was with great pleasure that we followed your invitation and went on this long journey to meet friends and comrades in-arms who are so close to us. Common ideas, objectives and interests bridge the geographical distance and bring us close to each other in our struggle for peace, disarmament and social progress. In the course of many years fraternal relations have been developed and strengthened between the All-India Trade Union Congress and the Confederation of the Free German Trade Unions. This is good because a successful struggle again

imperialism, racism, colonialism and neocolonialism in all their different forms is unthinkable without allies who stand side by side and can rely on each other.

A few weeks ago the 11th World Trade Union Congress which was also attended by a representative delegation of your Trade Union Congress that is rich of traditions and battle-ried finished its work in Berlin, the capital of our country.

1014 delegates from 145 countries represented 269 million trade unionists from 432 trade union organisations from all continents. As never before trade unionists of different orientation demonstrated unanimously their intention and the possibility to stand up together in solidarity for the defence of the vital interests of the working people, for peace and social progress. Now it is necessary to use the impetus given by the magnificent world forum of trade unions to intensify the activities of all trade unions for peace, detente and disarmament irrespective of their political orientation and international affiliation. The FDGB and the AITUC as active members of the World Federation of Trade Unions will not spare their efforts in this struggle. At the 11th World Trade Union Congress brother Chaturanan Mishra, President of your Trade Union Congress, expressed one wish that was voicing our innermost thoughts: "May the Berlin Congress mark the start of the final defeat of the forces of war and of the enemies of social progress."

We share with you the deep concern over the present tension in the world. Mainly responsible for it are the most aggressive circles of the USA and the NATO planning to extend the arms race into the outer space. Our century had witnessed already two devastating world wars, a third one, a worldwide nuclear war must not break out because the very existence of humanity is at stake! Nothing is more important than the preservation of peace! Only a secure peace makes social security possible. The arms race endangers peace and liquidates jobs. The arms race does not give bread to the starving people in the third world, but even impedes their social and economic development and increases their debt burden.

This is the reason why the FDGB stands in solidarity by the side of the trade unions in Asia, Africa and Latin America demanding disarmament, reduction of the huge arms expenditures in favour of economic and social progress. It was with great attention and admiration that we learned about the powerful peace march in Delhi in which 200,000 joined. For the peaceloving forces all over the world this gigantic peace manifestation in the International Year of Peace was an impressive demonstration of the will of the Indian people to stand up with deter-

mination for peaceful development on earth, to stop the US "star wars" plans and to demand an end to all nuclear tests and to the arms race. We express our deep appreciation for the endeavours and activities of the AITUC to earn the peace efforts of India still greater respect the world over and make them still more effective whether they are made in the non-aligned movement or in the group of the six states. It is with deep satisfaction that the working people and trade unionists of our country welcomed the Declaration on principles for a nuclear-weapon free and non-violent world signed by Prime Minister Rajiv Gandhi and Mikhail Gorbachev, General Secretary of the CPSU Central Committee.

Dear sisters and brothers,

We have in common this struggle to maintain life on earth. Therefore the GDR and the FDGB fully support the far reaching proposals of the USSR presented to US President Ronald Reagan at the Reykjavik summit by Mikhail Gorbachev which are aimed at a real turn in disarmament and are characterized by a great readiness to make compromises. These proposals show a realistic way how to eliminate the threat of nuclear weapons of mass destruction to humanity, how to stop the arms race and to prevent its extension into the outer space. These proposals were supported worldwide because they meet the strong desire of the peoples for peace.

In the capital of Iceland it was shown once more who is really concerned about peace and disarmament and who only pays lip service to peace but in reality pursues a policy of threats and violence to peaceloving states and peoples. We only remind you of the bombing of Libyan cities by US bombers or of the undeclared war of the United States against Nicaragua.

Dear friends,

Your country, the Republic of India, enjoys great authority on international level. The endeavours of the AITUC to strengthen independence, unity and integrity of your country are sincerely appreciated by our trade unions. At the same time your initiatives to establish the unity of action of the working class and its trade unions in the struggle to defend the achievements of the working people deserve our respect and sympathy.

On international level your Trade Union Congress plays a very constructive role to ease the tensions in your region and to create a climate of stability and security. It is from the bottom of our heart that we support your proposals and the

proposals of other trade unions of countries bordering the Indian Ocean to transform the Indian Ocean into a peace zone free of military bases. With great pleasure we note that we have found other sympathizers and allies by organising regional Asian-Oceanian trade union meetings.

Dear sisters and brothers,

At present the trade union elections in the German Democratic Republic are in full swing. In April next year they will come to an end and will be crowned by the 11th FDGB Congress. In our socialist society the trade unions play a respected and sovereign role enshrined in the GDR constitution. In our country it is a priority task for the trade unions to mobilize the working people to implement the policy of the Socialist Unity Party of Germany aimed at securing peace and aimed at the well-being of the people. Only stable socialism can preserve peace. Therefore we are working under the slogan: My work is my contribution to peace. And it has become the main motivation of millions of working people in our country to preserve peace by outstanding work, top production performances.

Political stability, dynamic economic development, improvement of the living and working conditions of the working people, no unemployment, social security and educational opportunities for everybody, broad socialist democracy, ie. participation of the working people in economic planning and management and in solving social affairs-all this characterizes today the real socialism on German soil. All this would be unthinkable without the active role played by the trade unions. Dear friends,

Please, permit me, to assure you once more from this rostrum of the unlimited and active solidarity of the FDGB with the AITUC and all its members in the struggle against imperialism, racism, reaction and neocolonialism. The Confederation of Free German Trade Unions will always be a true reliable ally for you in the struggle for the just cause of peace, democracy and social progress.

We wish your Session great success and we are convinced that the proceedings and decisions adopted by this Congress will give fresh impetus to the struggle of Indian working people and trade unionists for their social and national interests.

Long live the fraternal relations between FDGB and AITUC!  
Long live International solidarity!  
Long live peace!

V. KOZIK, SECRETARY OF THE CENTRAL  
COUNCIL OF CZECHOSLOVAK TRADE UNIONS

Esteemed Delegates,  
Esteemed Comrades,  
Dear Friends,

First of all, allow me, to thank most cordially the All India Trade Union Congress for the invitation to the Czechoslovak Trade Unions' delegation to participate in your 33rd Session. Allow me, as well, to convey to you fraternal greetings of the Central Council of Czechoslovak Trade unions, of more than seven and a half million of our trade unionists and all the working people of Czechoslovakia, and to wish you every success in the proceedings of the Session and in your further activity.

Esteemed Comrades,

The friendly relations between the CCCTU and the AITUC have been existing for many years. Our cooperation has firm foundations and is developing in many ways. I assure you, dear Indian friends, that Czechoslovak working people are observing the development in your country with great attention. They highly appreciate the efforts of your organization in creating and strengthening a broad front of all the progressive forces in the struggle against continuous interference of the world imperialism and reaction into the internal affairs of your country, against the exploitative policy of multinationals and their banks, for democracy and social progress. We also appreciate the active role of the AITUC within the framework of the World Federation of Trade Unions, especially your effort to further strengthen the unity of the international workers' trade union movement in the struggle to avert the danger of a nuclear war.

Dear Comrades,

The struggle for maintenance of the world peace we consider to be one of the most important task of the progressive trade union movement. We highly appreciate the consequential peace policy of the USSR, especially the historical peace proposals declared by comrade Gorbachev at Reykjavik leading to adoption of concrete effective measures to remove the armaments from the Earth and to ban its transmission to the outer space.

We also consider being very important the proposals of comrade Gorbachev pronounced at Vladivostok and the Delhi de-

claration signed during the recent Soviet-Indian talks, stressing the necessity to elaborate a reliable system of Asian and all-round world security and proclaim the Indian and Pacific Ocean as a peace zone. We regret that the military circles of the USA are not able to follow this example with the same responsibility and continue in the nuclear tests and violate the regulations of the SALT II agreement, and in such a way they increase the danger of a worldwide nuclear conflict.

Esteemed Comrades,

The Czechoslovak working people, faithful to the principles of proletarian internationalism, have always been supporters of the relations based on the principles of full equality and sovereignty, mutual advantage and cooperation realized in the atmosphere full of confidence and understanding and in such a spirit we also approach our XIth All Trade Union Congress which will be held in April in Prague.

Therefore we take this opportunity to express from the tribune of your session our full support and solidarity with all the revolutionary and democratic forces of Asia, Africa and Latin America struggling against the world imperialism, neocolonialism, racism, apartheid and Zionism, fascist dictatorships and all the forms of exploitation of man by man, for the right to full political, national and economic independence, democracy and social progress.

Dear Comrades,

At the conclusion, allow me, to wish once again every success to the proceedings of your session and to express my conviction that it will become a significant milestone in the struggle of your working people for a better and peaceful tomorrow.

Long live the AITUC!

Long live and deepen friendship and cooperation between the trade union movement and peoples of Czechoslovakia and India!

Long live proletarian internationalism and international trade union solidarity!

**ORLANDO BENITEZ, REPRESENTATIVE OF THE  
CENTRE OF THE WORKERS OF CUBA (CTC)**

Comrades of the Presidium,  
Distinguished Delegates and Guests,  
Comrades and Friends,

Allow us firstly to express our sincere gratitude for the comrades of the AITUC for extending us the fraternal invitation to

attend this event and at the same time to warmly greet the participants in this 33rd Session of the All India Trade Union Congress on behalf of the CTC and the seventeen national unions

We wish to take this opportunity to express our solidarity with the workers of India to whom we are bound with close and inseparable links of proletarian brotherhood and to make evident to you as well as to the comrades of the AITUC, our heart-felt gratitude for the constant and invariable manifestations of support and friendship for our country and its revolutionary solidarity in the face of every new threat or aggression by the Yankee imperialism

Comrades,

This Session is taking place at a time when there are serious and grave dangers for world peace. The North American administration continues to extend its insane arms race to the outer space, in violation of the earlier agreements for the control of armaments. It is stubbornly crushing the repeated efforts and pressures put forward by the Soviet Union for the cause of disarmament.

As it is obvious, this irresponsible imperialist policy aggravates the dangers of a nuclear conflagration and pushes the humanity a step further to a situation of unpredictable consequences.

With the same disrespect the Reagan administration interferes in the internal affairs of other countries, propitiates the assassinations of revolutionary and progressive leaders and shamelessly promotes the forces of reaction and counter revolution in different parts of the world, provokes centres of tension and confrontation that conspire against peace. Grenada, Nicaragua, El Salvador and Libya, to cite just a few, are authentic examples of imperialist aggressiveness.

Our small but dignified country because of its firm resolution to defeat the imperialist hegemony and build up a socialist society, could not leave them unpunished for their misdeeds. There have been innumerable pillages, aggressions and threats of all types, all along these twenty seven years of revolutionary power in our country which our country had to face and overcome resolutely for preserving the fruits of the revolution.

And this, now as never before, has imposed the necessity that the workers and the countries come to the forefront to give a crushing defeat to the warmongering plans of the instigators of war and to establish peaceful coexistence between

nations and respect for their self determination and national independence.

Comrades,

We reiterate from this platform our firm and militant solidarity with the workers in all parts of the world who are demanding better conditions for work and life; with the revolutionary fighters who in all corners of the planet are fighting for the ultimate liberation of their countries, with all the revolutionary and progressive forces that are fighting against imperialism, colonialism, neo-colonialism, racism and zionism; for the establishment of the New International Economic Order (NIEO), social progress and peace.

We wish every success to this 33rd Congress of the AITUC and express our conviction that it would be to the advantage of the aspirations of the workers and the people of India.

LONG LIVE THE 33RD CONGRESS OF THE AITUC!

LONG LIVE FRIENDSHIP BETWEEN INDIAN AND CUBAN WORKERS!

LONG LIVE PROLETARIAN INTERNATIONALISM!

MOTHERLAND OR DEATH

WE WILL WIN!

*MESBAHUDDIN AHMED, GENERAL SECRETARY  
OF JATIYO SRAMIK JOTE, BANGLADESH*

Dear Comrades and Friends,

The central committee of the Jatiyo Sramik. Jote of Bangladesh has the special pleasure to convey to the delegates to the 33rd Congress, to all members of the AITUC, warm fraternal greetings and best wishes for success in their future activity.

I also want you to thank for your invitation to attend your congress. Since we are in the same region and have common tradition in trade union movement we feel much interest to attend your congress.

I am sure, besides your struggle for better job condition, you will discuss about development question of undeveloped countries and question of peace.

I am sure I am echoing the thoughts of many of you when I say that workers from developed and developing countries now have a more difficult time and that the economic situation in Third world countries is worse than before. War preparations have been intensified by putting Cruise and Pershing II missiles in Western Europe and international tension has reached a new peak of intensity. East-West relations have de-

teriorated and the spectre of extending the nuclear battlefield into the realm of space will become a reality if the US Administration's 'Star Wars' concept is implemented.

Like Bangladesh, many developing countries are victim of unequal trade between developing and developed countries. The new International Economic Order implied adequate increased transfer of resources from the developed to the developing countries—with effective safeguards against unfair exploitation of both their human and material resources by Transnational corporations and international financial institutions with non-interference in their domestic policy making. However it must be realized that the new international economic order cannot be isolated from the existing international political order and the economic—political relations that emanate from it. It is linked with Global problems of underdevelopment. The Global inequalities of power and unequal balance in the centre—periphery relationship operate compounding this situation. It is well established that dependence of developing countries on foreign aid to support their immediate consumption and investment needs, strike at the very root of this power to formulate independent policies.

The trade union organisation can play a positive and dynamic role in expediting the process of building the much derived new international economic order by struggling relentlessly strengthening the democratic forces at home to adopt the appropriate policy of self-reliance, through regional cooperation for combating unitedly the imperialist on international plane to prevent frustration of peaceful development of our goal.

The major concern of the trade union organisation in developing countries like us should be to raise human dignity for a large number of people. For the millions of destitutes, a new life and new purpose must be found so that the joy of living among them could be found revitalised.

Please accept our wishes of success of your 33rd congress and fruitful implementation of your programmes for the well-being of the working people of your country.

**SAIFUDDIN AHMED MANIK, GENERAL SECRETARY,  
BANGLADESH TRADE UNION KENDRA**

Mr. President, Member of the Presidium and dear delegates,

It is a great honour and privilege for me to take part in the deliberations of this great forum of the 33rd session of All India Trade Union Congress. Please allow me to extend, on behalf

of Bangladesh Trade Union Kendra, militant revolutionary greetings to the delegates, to the session and to all workers and working people of India and wish your conference a great success.

Dear Comrades,

Our two countries are connected by traditional bond of friendship and fraternity. We always hold in high esteem the historic struggle of the AITUC against colonialism, imperialism, against the bourgeois rule and in defence of the cause of working class and broad masses of people.

Dear Comrades,

Today an explosive situation is prevailing in the international arena. The criminal jingoistic policy of U.S. imperialism and its lackeys has pushed mankind to the brink of a nuclear holocaust. It is carrying on open aggression against peoples fighting for national and social liberation. US imperialism sticks to its sinister policy of so-called "Star Wars" programme involving trillions of dollars in a world where millions still live below subhuman conditions. This insanity of Imperialism, its crimes against humanity must be thwarted. Lasting peace must be ensured of all people.

Dear Comrades,

The situation in our region is also very much unstable and complex. We observe with concern the growing involvement of US imperialism in the region. Imperialism is fanning up feelings of distrust and antagonism among the nations. It is trying to dismember India, to encircle it by hostile forces. It is instigating the reactionary communal forces, forces of terrorism and disruption inside India. Pakistan continues to receive huge supply of arms from USA, endangering peace and security of the region. The US naval base in Diego Garcia, its increased presence in the Indian Ocean, remains to be a constant threat to peace and security of the region.

We consider it very significant that all trade unions of our region, irrespective of international affiliation and political organisation, should unite and take concerted joint actions to effectively rebuff imperialist designs in our region and intensify the struggle for peace, democracy and social progress. In this connection we hope that AITUC should actively consider of having a conference of trade-unions of SARC countries.

Dear Comrades,

Perhaps you know that in our country after long and arduous effort we could unite 16 national federations of different orientations into an alliance called SKOP (SRAMIK KARMACHAR)

OIKKYA PARISHAD). This broad unity greatly inspired the working class and several successful national strikes and militant movements were organised for trade union rights, democratic liberation, against privatisation, super exploitation by the multinationals, unemployment, for higher wages and for the revolutionary transformation of rural life in the interest of agricultural workers and toiling peasants and at one stage the military government was forced to sign an agreement with SKOP and fulfil most of its demands.

The big and militant nationwide struggle of the working class created a significant left impact on the national scenario and proved that the working class in countries like Bangladesh, though young, is gaining maturity and playing more and more significant and greater role in national life.

Comrades,

The path of unity is not an easy path. Life has proved this. Reaction will do everything from bribing to killing to break unity and weaken the movement. Recently a few organisations have left SKOP. Narrow party interest and certain immediate political issues prevailed. We appealed to them to set aside disputed matters. We requested them not to impose their idea on us nor do we want to do so with them. After all, the points of agreement are more than the points of disagreement and those also are of temporary nature. But all our efforts were in vain. Now the immediate issue, the question of participation in parliamentary elections, for which some of our friends left the alliance, no longer exists. They are now raising similar demands as we are doing. We ask them, when we are raising the same demands separately why can't we do so together?

We are sparing no effort to bring back those friends under the banner of SKOP and we are optimistic.

Friends,

You know that since 1975 we are under military rule this way or the other. Recently the Martial Law, imposed in 1982 has been withdrawn. But the army is very much in the helms of the government. The policies pursued by the government, in the main under the diktat of Imperialism and its financial institutions have contributed to aggravate the socio-economic and political crisis.

A kind of parasitic, dependent peripheral and most rotten type of capitalism which is being cultivated in our soil fails to provide with minimum solution to the socio-economic problems and grievances of the masses.

As a result, the economy of our country, particularly the industrial sector, is in a deep crisis. Every day factories specially in private sector are closing leaving thousands of workers jobless and falsifying government propaganda that privatisation improves production.

The reactionary policies of the government have created deep crisis in our country. More than 15 million people are jobless. 87% live below poverty level, 58% live below extreme poverty level, 60% of the rural population do not have any land. And their number is increasing every day.

Recently SKOP organised a National Convention and raised the slogan 'Save the Industry', 'Save the Worker' and 'Save the country' and decided to launch a struggle on the basis of these slogans.

Comrades,

We believe that only a revolutionary transformation of the society in a socialist direction can ensure solution to the present crisis. We therefore believe that alongwith the struggle for democracy, the working class will have to fight for a radical change of society.

Comrades,

Please allow me to greet the conference once again.

Long live AITUC.

Long live the International working class unity.

### **B. CHULUNBATOR. MEMBER C.C. OF THE MONGOLIAN TRADE UNIONS CONGRESS**

- Esteemed delegates,

Dear Friends,

Allow me on behalf of the Mongolian Trade Unions Central Council, all the working people of the Mongolian People's Republic to convey to the delegates and guests of the AITUC 33rd Session all the working people of friendly India cordial internationalist greetings and best wishes.

The working people of Mongolia cherish feelings of friendship and solidarity with the Indian people, who lives nowadays under the conditions of escalation of aggressive actions of American imperialism against India with the aim to weaken, split and destabilize the situation in the country.

The general report, submitted by the AITUC General Secretary Indrajit Gupta, reflects the concrete tasks of the trade unions in the struggle for bettering social and economic standard of life of the working people, in defending their rights and interests.

It is notifying that your Session is taking place right after the recent official and friendly visit of the CPSU Central Committee General Secretary Com. M. S. Gorbachev to India—an important event of political significance. Taking the advantage of participating in the work of your Session, on behalf of the working people and trade unions of the MPR, our delegation welcomes the NEW DELHI Declaration on the principles of a nuclear weapon-free and non-violent world, signed by the leaders of the Soviet Union and India, their appeal to all nations to seek for adopting an international convention prohibiting the use or threat of use of nuclear weapons. This time India has once again demonstrated its firm position, sincere will to safeguard peace and prevent nuclear war.

It is a great pleasure for us to point out from the high rostrum of this Session that the friendly relations between the Mongolian Trade Unions Central Council and the prestigious organization of the working people of India—AITUC are widening and deepening on the principles of Marxism—Leninism and proletarian internationalism. It is well-known in our country that AITUC, its General Secretary—personally—Indrajit Gupta, the vice-president of the WFTU, make a great contribution in closing the WFTU ranks in developing united actions of the international trade union movement for peace and disarmament. Mongolian trade unions highly appreciate the AITUC consistency in the concern over turning Asia into a continent of peace and cooperation.

Comrades,

Mongolian working people have started carrying out the historical tasks, set forth by the MPRP XIX Congress and are successfully working over fulfilling the 1986 year plan. The successes achieved by our people in 65 year period after the People's Revolution came as a result of a selfless labour of our people, the friendship and close cooperation with the Soviet Union and other countries of socialist community. Today the role of Mongolian trade unions is growing. Actively struggling for advancing the economic and social development of the country trade unions direct their activities at raising material well-being, labour conditions and cultural level of the working people.

Now the working people and trade unions expand socialist competition and work with high political and labour enthusiasm for meeting the XIII Congress and 60th Anniversary of the Mongolian Trade Unions which are taking place next year.

## Delegates,

At present the threat of nuclear war is hanging over mankind. This is caused by the aggressive policy of American imperialism and its allies, who are militarizing space and preparing for "Star Wars" in order to achieve military superiority and behave from the position of strength.

The tense situation hotbeds in the Asian-Pacific region are still preserving, the militarism raises its head, people who have chosen the way of social progress, are subjected to aggressive actions from the side of imperialist and reactionary forces, who interfere in their internal affairs.

There is no other urgent task than to unite all efforts of the world progressive forces in the struggle for stopping the arms race. Trade union movement plays a great role in it.

The international trade union movement is a huge, potential force, which can and should promote uniting coordinated actions of the working people in the struggle for universal peace against the threat of war. The First Asian Trade Union Conference on development and the new international economic order successfully took place on February, 1985 in New Delhi. We are glad to stress that AITUC was the initiator and organizer of this important Asian TU Forum. We welcome the idea of holding the Second Asian TU Conference in Manila in 1987 and hope that all trade union organizations of our vast region will participate in the preparations and convening of the Conference.

Our delegation can see that the problems of unity are taking the main place in the documents of the Session. It is our confidence that your discussions and decisions of the Session will contribute to strengthening the unity of actions of trade unions at national, regional and international levels.

As far as we are concerned we are of the view that we should set up a wide antiwar front with the participation of all progressive and democratic forces in the region. The XIX Congress of MPRP put forward a proposal to hold an All Asian Forum for peace and security in Asia with the broad participation of all public and progressive organizations. This proposal will be discussed at the Consultative Meeting of the representatives of the communist and Workers' Parties on strengthening lasting peace and security of nations in Asia, which will be held next year in the city of Mongolia—Ulan-Bator. Mongolian working people and trade unions fully support this proposal and are ready to cooperate with all interested sides in this direction.

Mongolian working people highly appreciate and fully sup-

port peaceful proposals and initiatives of the Soviet Union, socialist and other peaceloving countries of Asia and Oceania on promoting peace and trust in the region, setting up non-nuclear zones and zones of peace in different parts of the region, about including our huge region into the process of establishing the universal system of international security.

In conclusion I would like to express our deep thanks to Indian colleagues for their kindness and hospitality and wish success to all delegates of the AITUC 33rd Session in fulfilling the decisions of this important forum, in the struggle for peace and social progress.

Thank you for attention.

*FÁKHRI FARHOUD. SECRETARY OF  
FENASOL (LEBANON)*

Chairperson, Delegates,  
Friends and Comrades,

I am most happy to be taking part in this, your Thirty-third Session, and to convey to you, and through you, the workers of India, warmest greetings from the FENASOL. I should like to thank you for inviting us, and wish you every success in fulfilling the hopes and aspirations of your working class.

Brothers and Sisters,

Your congress is taking place at a crucial time in the history of both the Indian and the world trade union movement. Just a few months ago, the 11th World Trade Union Congress was held; the documents, participation and all the discussions were marked by a feeling of unity, openness, frankness and democracy; this was a turning point in the history of the working class and the world trade union movement.

The 11th World Trade union congress focussed on one of the most important issues of our time, which is at the forefront of all our minds: the question of peace and disarmament. We are witnessing a surge in the dangers threatening humanity's future—the result of the aggressive policies of US imperialism and its allies, with a continual growth in tension and the cavalier pursuit of the arms race, particularly the nuclear arms race which the Reagan administration is determined to take into space, as part of its general plan to win back world domination. This represents an unprecedented attack on the people's right to freedom, independence and self-determination.

With these policies, imperialism is challenging all peoples, including the American people, and the will of the internation-

al community and its various organisations. One of the most flagrant examples of this is its stubborn refusal of all peace proposals by the Soviet Union and the Non-Aligned countries.

This policy is also made obvious by the position adopted by President Reagan during the Reykjavik Summit, which could have been a historic occasion, opening the way to peace, the peaceful solution of international conflicts and saving the future of humanity from the dangers which threaten it.

Brothers and Sisters,

Defending peace is a major concern for all people; for the people of developing countries, it is one of the most vital issues today. This is also true for the Arab people, who, for so many years have been the victims of successive wars, provoked by imperialism and zionism, with the complicity of reactionary Arab forces. The aim of this, the imposition of undivided imperialist domination and the transformation of the region into a support base for imperialist aggression, is part of imperialism's overall plans.

The Palestinian people are still deprived of their right to self-determination and to set up their independent state. The Golan Heights, which are part of the territory of Syria, are still occupied by the zionists. The Lebanese people are suffering from the effects of long civil war, which culminated with the Israeli invasion and occupation of part of Lebanon. These have produced serious repercussions at every level: political, economic, social and demographic. Hundreds of thousands of people have been killed, wounded or forced to emigrate. Most of the country's infrastructure has been destroyed—public services, sanitation and all cultural services have been paralysed.

Faced with this deterioration and threats for the future, the country is witnessing a protest movement which is bringing together the workers and people from all the regions of the country. The Lebanese trade union movement was behind a general strike on 4 December, which affected the whole country, in protest against the policy of impoverishment and all those orchestrating it, and supporting radical political and social reform. We are sure that this mobilisation will produce results.

Despite the barbarity of the civil war and the brutality of the occupation, our people are not without weapons. The armed national resistance finally beat the local fascists and seriously shook their power base, forcing the zionist occupying forces to withdraw from most of the occupied territory in Lebanon. This was the national resistance which forced the US

marines and the Atlantic multinational forces to pull out, after crushing defeat; it was this resistance which forced the fascist powers to abrogate the 17 May agreement, which tried to turn Lebanon into an Israeli protectorate.

This victory was possible thanks to the support and solidarity of Syria and the progressive Arab forces, the forces of progress and peace throughout the world, with the Soviet Union at the forefront, and the Non-Aligned countries, firstly India.

Brothers and Sisters,

After their defeat, the imperialist, zionist and reactionary circles stepped up their offensive to protect their vital interests under the pretext of the fight against terrorism. In addition to the savage repression and assassinations in the West Bank, the Gaza Strip and the south of Lebanon by the zionists, the US administration is now waging a provocative campaign of lies against Syria, which is being followed by Israel and the most reactionary circles in Great Britain and the FRG. This campaign, which is reminiscent of that which preceded the criminal aggression against Libya in April, is being used to prepare western public opinion for military action against Syria and Lebanon. It is being used to pressurise Syria into abandoning its anti-imperialist and anti-zionist policy and its refusal of any partial Camp David-type solution.

Brothers and Sisters.

This is all being done in the name of the fight against terrorism. But who has a greater right to complain about terrorism than the Arab peoples, who have been the victims for decades of a systematic policy of terrorism waged by US imperialism and world zionism.

We categorically and clearly state that: we are against terrorism but we support the peoples who are fighting relentlessly for their freedom and independence.

We are in solidarity with the fraternal Syrian workers and people who are faced with this hate campaign, orchestrated by the most reactionary circles in the imperialist camp.

We reaffirm our militant support for the struggle of the palestinian people, for the attainment of their legitimate and inalienable rights, to return, to self-determination, and to the creation of their independent State, under the leadership of the PLO, their sole legitimate representative.

We call for an immediate halt to the destructive war between Iran and Iraq, for a peaceful solution to the conflict on the basis of good relations and the mutual respect of the territorial unity and independence of each State. The continua-

tion of this war only serves imperialism, zionism and the reactionary forces of the region.

Brothers and Sisters,

The plots hatched against your country are no less serious than those in our region. In your case, the target is India's active role in the Non-Aligned Movement and at regional and international level.

Ours is a common struggle. It is an integral part of the worldwide struggle by all anti-imperialist and peace loving forces. The recent Gandhi-Gorbachev Summit here emphasised quite correctly that the fight for peace in the world cannot be separated from the people's just struggles for national independence and progress.

From this platform, we renew our support for and solidarity with the Indian people and working class.

We express our complete solidarity with the peoples of Asia, Africa and Latin America, of Nicaragua, South Africa, Angola, Mozambique and Afghanistan.

Brothers and Sisters,

Our people are determined to continue their struggle until the whole of our country is freed from zionist occupation and Lebanon is re-unified on the basis of democracy and radical political, economic and social reform. We are convinced that our people will win and that, as ever, you will show your solidarity with our just cause.

I wish you every success in your congress.

Thank you.

*ABDUL QADIR MUSTAFA,*  
*Representative of THE GENERAL FEDERATION OF*  
*TRADE UNIONS, IRAQ.*

Esteemed Comrades,

It gives most pleasure to stand among you to convey the greetings of the workers and people of Iraq with best wishes of comrades, the President and members of the Executive Bureau of the General Federation of Trade Unions in Iraq, and hope of success to the proceedings of this conference, and hope the Indian worker movement would perform its vital role in promoting the international struggle for achieving better conditions and more freedom and happiness of the world workers.

Dear Comrades,

Our General Federation stresses more concern in the Unionist relations between the workers of Iraq and the workers in

India, and fights for cementing this relation in the direction of the benefits of our interests and mutual causes, since the mutual struggle of our two peoples is but an intimate struggle in its various forms. Besides, the external challenges facing our peoples are the same one concerning the dangers and polarizations means by which the International circles, which stands against the movement and emancipation of peoples, increase the tension in the regional conflicts and promoting fightings and disruptions among the citizens of the same people and, in the final outcome, control the interests and resources of our peoples.

As much as we follow up the struggle of the friendly people of India and stand in solidarity with your just and legal aspiration to freedom, peace, and social justice, we must take look at what is going on in the Arab region and our steadfast country in particular, where imperialism and zionism do their best to abort the Arab Liberation movement and contain the Palestinian Revolution and press our people in the occupied Arab territories. We must say that the Arms collaboration among US, Israel, and Iran which the world openly spoke of recently, is but one circle of the series of conspiratorial circles against our people in Iraq aiming to prolong the Gulf war and widen it, then transferring the regions of the Arab Gulf and Indian sea to areas of military build up and promoting international conflicts.

Dear Friends, our people in Iraq, as you know, is a lover of freedom, justice and peace, working—since the outbreak of revolution in 1968 to devote all their resources and capabilities for development and civilized building, thus provoking the zionist and imperialist forces which found in the Khomeini regime the best means to curb the march of our people. And so, Iraq has been the target of a dangerous conspiracy represented in the aggressive war against its people. This aggression, dear friends started against our country since 1979, when Iranian jet fighters intervened Iraqi skies performing 249 aggressive raids against civilian populated areas, in addition to 244 bombing and shelling incidents in the period beginning from June 1979 till the end of 1980. However, the Iranian regime continues its shelling our border cities everyday killing many women, children and old people. We may add to these crimes, the inhuman and ill-treatment of the Iranian regime of the Iraqi prisoners of war despising all human and international considerations. The Iranian regime, moreover, started to shell the city of Baghdad with surface to surface missiles provided by the International zionist and imperialist forces, killing large number of civilians.

In return for that, Iraq and its national progressive government were responding positively to all peace calls which call for the prevailing of peace and security in its region and the immediate halt of war through peaceful settlement. Thus, we responded to resolutions of the U.N., and the Security Council positively.

We, hereby, find it very important that your conference would adopt resolution which calls Iran to respond quickly to stop the war and settle the conflict peacefully. Through this process, your conference will contribute a lot in minimizing the risks of this war which threatens the peace in the region and the world as a result of Iranian arrogance and insistence on continuing the bleeding of both the neighbouring peoples.

In conclusion, I would like to repeat the greeting of our Executive Bureau and workers of Iraq which stand in solidarity with the workers of India, wishing full success to your conference.

**MELAKU MIRTU, MEMBER EXECUTIVE  
COMMITTEE, ETHIOPIAN TRADE UNIONS**

Mr. Chairman,  
Dear Participants,  
Comrades,

On behalf of all Ethiopian workers, the Ethiopian Trade Union and myself, allow me to extend our sincere and fraternal greetings to all workers of India and the participants of this august congress.

Dear Comrades,

Our two countries have undergone a strong and long relations based on mutual understanding and fraternity. As the founding members of non-aligned countries, we have stood united in accordance with the common principles, objectives and interest we share on many international issues.

The significant role your country is playing as a leading non-aligned country, to promote the principles of non-alignment and peace is vividly clear to the workers of my country and our people at large. We clearly observe the relentless effort India is making to contribute to the preservation of world peace and the creation of mutual understanding between nations.

We firmly believe that the around agreement recently signed between our two countries will further strengthen and develop the relations and ties between our two trade unions.

THE Indian Trade Unions and the Ethiopian Trade Unions have established close contacts on common goals and objectives as members of World Federation of Trade Unions, and strong supporters of peace, equality, freedom and human progress.

IT is our strong desire to strengthen and further develop our relations with your trade union and formulate bilateral agreements which will enable us to strengthen our united action at international level.

Dear Comrades,

SINCE the eruption of our popular revolution in 1974, practical measures have been taken to restructure the political, economic, social and cultural development of my country.

THROUGH the revolutionary undertakings, the Ethiopian workers have been able to safeguard their rights and benefits.

OUR workers, under the umbrella of their union, the Ethiopian Trade Union, are fully participating in the political economic, social and cultural life of my country.

THE Ethiopian Trade Union has managed to mobilise its members to boost production and raise productivity in order to meet the demand of our society and create the desired social progress.

THE participation of our members in the implementation of national programmes at various levels is highly increasing.

AS it is vividly clear to all of you, the recent drought which severely affected several African countries, in which my own country Ethiopia is found, has affected many lives of our compatriots.

WHEN the political Bureau of the Workers Party of Ethiopia designed a programme to give a lasting solution to the problem by resettling our drought affected compatriots from devastated to the fertile areas of the country where they can become productive and self-reliant, our trade unions played an active and significant role in its practical and fruitful implementation.

In line with this programme, a new villagization scheme has also been underway in my country where maximum effort was exerted to regroup the scattered peasants of rural Ethiopia in a more favourable, fertile and accessible areas in order to adequately provide them with the necessary social services like, education, transportation, health services, electricity, filtered water etc.,

THE members of our trade union have actively participated in the implementation of this national programme which is

based on the objectives of modernization and development of our society.

AT present, our people are fully engaged with a historic task of establishing the PEOPLES DEMOCRATIC REPUBLIC OF ETHIOPIA, wherein political power will be fully exercised by the people. A draft constitution has been formulated, discussed and amended by the people and our trade union has made significant participation at all stages.

THE Ethiopian Trade Union fully participates in the national planning, formulation of policies and economic management.

Regarding our international activities, our trade union strongly supports the just struggles made to safeguard world peace, to promote disarmament, and secure equality, justice, freedom and social progress. To this end, we continue to contribute our due share to further strengthen the international workers movement towards progress and betterment of mankind.

Finally, allow me Mr. Chairman, to express my full confidence that this Congress will be a success and further contribute to the progress of Indian workers.

LONG live the relations between our two Trade Unions!

LONG live Proletarian Internationalism!

I Thank you,

*LILIANA DIMITROVA, SECRETARY, CENTRAL  
COUNCIL OF BULGARIAN TRADE UNIONS*

Dear Comrade,

ON behalf of the four million members of the Bulgarian Trade Unions, I have the pleasant assignment to welcome most cordially the delegates at the 33rd session of AITUC and all of its members.

WE attend your regular session so that we might present our most sincere respect and fraternal feelings to the working class and the working people in the Republic of India.

OUR countries are linked by a longterm friendship and fruitful economical and cultural contribution. The mutual contacts between the Bulgarian Trade Unions and the Indian ones are being developed for years now.

THE working people in the People's Republic of Bulgaria highly appreciate the contribution of AITUC and its struggle in defence of the interests of the workers, against the oppression and exploitation of the transnational corporations and national capital. Be aware, comrades, that the working people

in our country, taught in the spirit of proletarian internationalism by Georgi Dimitrov, will be with you in the struggle of the working class and the people in India against the offensive of the monopolies and the reaction for improvement of the economical and and social condition of life and labour. The Bulgarian Trade Unions highly appreciate the lasting and time-tested fraternal cooperation between our two trade union organisations. No doubt, the personal friendly contacts between the Chairman of the Central Council of the Bulgarian Trade Unions Petar Dyulgerov and the General Secretary of All India Trade Union Congress Indrajit Gupta set the pace for the ascending development of the bilateral links and relations.

Comrades,

THE Bulgarian Trade Unions are closely engaged with the realisation of the longterm strategy for the development of our country, adopted at the 13th Congress of the Bulgarian Communist Party. Our chief goal is to prepare the working people for the alterations, rising from the processes of acceleration and transition to a new economic growth of high quality; to organise them and rouse them to an active work and struggle for their realisation. The workers and employees in our country are owners of the social property, bearers of management power and relationship, while the trade union organisation is organizing the activities of the collective owners of workers and employees. The trade unions have the right of overall control concerning the application and observance of the labour legislation. They take part in the preparation and taking decisions by the collective bodies of management. The trade unions have a wide range of rights and responsibilities in the social field and labour protection.

Comrades,

UNITY in the actions of the progressive forces today attains unusual significance for peace safeguarding, for warding off the nuclear menace. In this struggle we are hand in hand with the trade unions, the democratic and progressive forces all over the world. The meeting in Rejkjavik showed that the world could be saved from the nuclear weapon. The programme, suggested by the Soviet Union is brave and feasible. It has the support of the working people, because it puts the world on a real and trustworthy road to secure a lasting and impartial peace. The Bulgarian Trade Unions thoroughly support this programme and will apply their entire possibilities in

the country and at the international stage to implement them into a political reality of today and tomorrow.

THE Bulgarian Trade Unions and the All-India Trade Union Congress are linked by the joint activities in the World Federation of the Trade Unions, by the general contribution for strengthening its authority and influence upon the international trade union movement.

AT the recently concluded 11th World Congress of the Trade Unions in Berlin, a strong desire was manifested by the representatives of trade unions all over the world to discuss peace issue, the new social and economic problems over the world, the role of the trade unions for settling vitally important questions concerning the working people. The Bulgarian Trade Unions will do their best for the realisation of the Congress decisions into live deeds.

ONCE again, accept dear comrades, our best wishes for success in your activities, for economic, social and cultural advance of the fraternal Indian people.

LONG LIVE THE FRIENDSHIP AND COOPERATION  
BETWEEN THE WORKING CLASS AND THE PEOPLE  
IN OUR COUNTRIES!

LONG LIVE INTERNATIONAL WORKERS' SOLIDARITY!

LONG LIVE PEACE ON THE PLANET!

*ZVONIMIR HRABAR, MEMBER, PRESIDUM OF  
CENTRAL TRADE UNIONS OF YUGOSLAVIA*

Comrade Chairman,  
Comrade delegates,

Allow me, first of all, to express my gratitude for the invitation and our satisfaction for being able to attend this important gathering of the All-India Trade Union Congress. I acknowledge with pleasure that the Confederation of the Trade Unions of Yugoslavia and AITUC have been developing relations of friendship and co-operation for many years. Both our organizations always made efforts in getting to know each other better and in maintaining open and sincere dialogue about all matters of common concern, through the activities on the local or international level. The co-operation between our organizations was always guided by and contributed to the traditionally friendly and fruitful relations between Yugoslavia and India, the cornerstone of which was laid by the late presidents Tito and Nehru and Prime Minister Indira Gandhi.

Everything that goes on in the world today urges the expansion and strengthening of bilateral co-operation and multilateral activities of all of us who constitute the international trade union movement. Owing to development of both production forces and forces of peace and democracy, the world is facing new prospects of global progress. Nevertheless, forces of domination and exploitation are striving to preserve their positions. The arms race, which does not stop in spite of the overall resistance of the entire peaceloving mankind, seriously jeopardizes the results achieved and even the human survival.

It is up to us, in trade unions, to support and plead for any new step that will lead to nuclear and all other forms of disarmament, allowing the resources set free in this way to be used in favour of work, overall development and prosperity. The trade unions also cannot and must not reconcile with the fact that two thirds of the mankind who live in developing countries, should remain in inequitable position in the international economic relations. Dramatic problems of undevelopment, poverty and often famine in many developing countries, unless solved on the basis of equality and balanced global development, can only endanger further prosperity and peace of the entire mankind. The world of non-alignment, in which both India and Yugoslavia have been active from the very beginning, advocates peace and development, as well as equitable political and economic relations. These are certainly the vital concerns of working class and trade unions throughout the world. Natural differences in political or international orientation between trade unions must not be an obstacle for unity of action in struggle for peace and development, for rights and interests of working class throughout the world. Regardless of where our activities take place—in North or South, East or West, many problems are common for all of us. Therefore, we must develop an open and sincere dialogue, joint activities and solidarity of all fronts.

We recently held in Yugoslavia the International Trade Union Meeting South—South, with a participation of 55 trade unions from developing countries. It was concluded at this meeting that trade unions should make all efforts to stimulate cooperation—economic and other—among developing countries in order to expediate solving of numerous problems that we face, in order to be stronger and more unified in the activities for necessary changes in the international economic relations. We also stressed the need for new trade union actions, together with trade unions of developed countries in the sphere of economic and social development and struggle against all that restricts peace and prosperity of the mankind. We are glad that

the representatives of AITUC and other trade union centres of India gave valuable contribution to the success of this International meeting.

We in the Yugoslav trade unions also face serious tasks in restructuring and modernizing our economy and enabling it for more equitable participation in the international economic exchange and division of labour. Numerous problems that we have are similar to the problems of other developing countries. We are therefore interested in developing versatile cooperation with trade unions of other developing countries, and among them, with the trade unions of this large, beautiful and friendly country.

We are convinced that by attending this meeting, as well as through talks with friends in the AITUC leadership and in other friendly Indian trade unions centres, we will be able to acquire valuable experience which will serve as a basis for new actions in bilateral relations and on the international level.

We wish you success in your work and in carrying out decisions of this meeting.

Long live the friendship between workers and peoples and between trade unions of Yugoslavia and India!

Long live the international trade union cooperation and solidarity.

*TH. POUPON, SECRETARY, CGT, FRANCE*

Comrade Chairman,  
Comrade General Secretary,  
Comrades Delegates,

On behalf of the French working women and workers, I bring you the fraternal greetings of the C.G.T.

I WANT to thank leaders of the AITUC and comrades from the Reception Committee in Vadodara for their fraternal hospitality and the excellent conditions of our stay—AITUC activists accompanying us are particularly devoted and do their utmost, in particular to acknowledge us with the conditions in your country and in Vadodara, in town which enjoys a long tradition of working class struggle and in which AITUC is particularly strong.

We have had since we are here the opportunity to appreciate the courtesy and friendliness of the population. At the same time, we have learnt about the difficulties people are facing.

COMRADE I. Gupta's report helped us to understand better the real situation in your country.

OF course there are many differences between India and France but there are common points in problems met by workers, male and female, because of the crisis of the capitalist system which worsens their exploitation. We know about the efforts displayed by AITUC to stop the insane armament race and to establish peace in the whole world.

C.G.T. itself is doing its utmost to develop, among French people, the campaign for the negotiated elimination of all nuclear weapons, and for the acceptance by France of Soviet proposals aiming at the end of nuclear tests. In this spirit, CGT condemned the recent French nuclear tests in Mururuu and supports the demand of peoples in the Pacific for a nuclear free area in their regions.

IN the same way, we condemn the blind terrorist violence which is an obstacle for the solution of the real problems everywhere in the world, in particular in the Middle-East, but also, as we see, in India in which terrorist elements are trying to destabilize the country and threatening national unity. Terrorism is a factor of division, as was stressed by Comrade Gupta, and it is often used as a pretext to increase repression against workers.

IN France, repression has been increasing recently in such an alarming way that we had appealed to the International Labour Organisation.

FOR example, a worker was fined by the management of his factory just because he had told a journalist from "L'Humanite" (Communist daily paper) about his working conditions. After a year long battle, the court finally ordered his reinstatement. But the Japanese firm Sumitoms (which owns the factory) refuses to implement the Court order.

HUNDREDS of trade union activists are now victimized, prosecuted, fired, because they organised the resistance movement to the closure of their enterprise, or a department of their factory. This is the case in Renault, first automobile firm in France. In Renault, a nationalised enterprise, rights gained by workers were formerly an example for those in other industries.

TO-DAY attacks are developing against the public sector, the condition obtained by working class in this sector, and in general, against all guarantees and rights of the wage-earners. Even our social security system is threatened. There is no guarantee for anybody in France to-day.

THE communication network, health and education systems are also under the threat of privatization.

THE French youth recently waged a massive struggle against a draft law aiming at a so-called greater autonomy of universities, which was to be the first step towards privatization of higher education, in the American way. The students' and high school pupils' movement defeated all provocations engineered by our government, which is entirely responsible for the casualties. One student died and several severely injured.

YOUNG PEOPLE gave us a splendid example in their mass and united struggle, in spite of ideological differences, for a common aim, the withdrawal of a draft law which would have considerably increased the inequalities. They have succeeded with the full support of the CGT from the beginning, without any interference from us in their movement.

In the same spirit, CGT decided to organize on January 25, 1987 a great day of action mobilizing hundreds of thousands of people from all over the country, for the defence of social security. This demonstration will be opened to all those who want to do something for the maintenance of the Social Security Scheme as it is.

WE agree with AITUC that nothing can be obtained without a struggle. Whatever are the differences or discrepancies, it seems to us necessary for workers to get together. On their unity depends the efficiency of their actions, when objectives are clear, and unequivocal as far as the respective orientations of the leaders of different trade union centres are concerned.

THIS problem of unity is for us, in France, a key question which has not been solved till now— life will give us the answer.

I would like also to stress the responsibility of an organization as the CGT in the struggle against racism. Racism is a scourge which has developed in an alarming way in France in recent years, as was underlined by the Migrant Workers' Conference we just held in Paris.

WE have fully assumed our responsibility in supporting the struggle waged by Sactu against apartheid, and for the release of the great leader Nelson Mandela, in South Africa.

Comrades We are convinced that our presence in your Congress will contribute to the strengthening of fraternal links between our two organizations and of friendship between our two peoples.

Long live AITUC 33rd Session'

LONG live International Working Class Solidarity!

**A. WASEY KARGER, MEMBER OF  
THE CENTRAL COMMITTEE OF PDPA AND CHAIRMAN  
OF KABUL CITY TRADE UNIONS (AFGHANISTAN)**

**Mr. Chairman**

**Comrades and Friends,**

ALLOW me on behalf of the Central Council of the Trade Unions of Afghanistan to express first of all my profound gratitude for the invitation and warm hospitality of All-India Trade Unions Congress (AITUC) and extend my best congratulations on the occasion of convening of the 33rd Congress of All-India Trade Unions.

NO doubt, visiting great and beautiful India which is called the reflecting place of eastern culture is impressive for every foreigner. But, it has a special meaning for us, the Afghans, who have historic sympathy and common aspects of struggle and culture with the peace loving people of India.

PERMIT me once again from this high rostrum to express the peaceable sentiments and fraternal sympathy of the Afghan people to you and through you to all brotherly people of India.

TODAY, we have gathered in this hall repleted with fiery sentiments and revolutionary solidarity at a time when the international situation has deteriorated as never before, the to the irresponsible and bellicose activities of world imperialism, above all the Reagan administration and menace of a nuclear catastrophe is lying over the humanity.

The imperialist and war mongering forces openly prepare for a devastating nuclear war and whip up the arms race from the qualitative and quantitative points of view.

PROVIDING Up-to-date weapons to reactionaries and fascist regimes Washington increasingly widens the dimensions of arms race. Making use of the US made arms, the said regimes continue their rule contrary to the will of their peoples. Dictated by the White House, they unleash "regional" conflicts. Aggravating the international tension, they pave the ground for the further sale and spread of the weapons made in imperialist countries. In this way, they entrap ever increasingly the developing countries into the orbit of militaristic policy of imperialism. This race emboldens some of the reactionary and fascist allies of USA like Israel, Southern Africa, Southern Korea and Pakistan to step in further and equip themselves with nuclear arms as well.

As far as the Asian continent, Indian Ocean and Pacific is concerned, these regions have always been focussed by the imperialist plunderers.

CURRENTLY, the USA endeavours to destabilize the situation in Asia and pave the way for realization of its hegemonistic plans. One of the aims of military linkage of Islamabad-Washington which has changed Pakistan into a spring board of aggression against neighbouring countries is covered by in the above.

US military aid to Pakistan has come to 5.8 billion dollars during 33 past years (1947-1980) it is planned to increase the aid for (1987-93) to 4.2 billion dollars in four recent years (1982-1986) out of which 80 per cent has been allocated for purchasing advanced armament.

SUCH adventurist policy of imperialism has exacerbated the dimensions of the undeclared war waged against people of revolution of Afghanistan. Washington's anti-Afghan operations carried out from the territories of Pakistan and Iran with the direct cooperation of Chinese hegemonism as a vivid example of state terrorism against national sovereignty and territorial integrity of the Democratic Republic of Afghanistan has faced a serious threat to peace in the region and the world.

AS a result of the criminal and destructive deeds of Afghan counter-revolution spearheaded by reaction, imperialism and hegemonism the people of Afghanistan have suffered much casualties and disasters. Thousands of our innocent countrymen including women, children and old people have been murdered by the counter-revolution in evil ways and their belongings including public properties were looted. The Bandits have set ablaze schools, public health centres, transport ways, bridges, highways, productive establishments and power generation stations. The total volume of the destruction have incurred over 40 billion Afghanis losses to the national economy. It should be said without hesitation that the main cause key element of the tense situation around Afghanistan is the interferences and aggressions organized against our country from Washington, Islamabad and other reactionary countries, not the selfless assistance of the Soviet Union rendered to our country which our enemies tried hard to cover it with black veil of false propaganda.

WE voice our support to the constructive initiatives and proposals of the Soviet Union and are fully convinced that their timely implementation is the only alternative for the salvation of mankind from the hideous nuclear catastrophe.

**COMRADES** and friends,

**DESPITE** the continuation of imperialist undeclared war against our country, amelioration of people's living condition is given priority by the party and state. The Trade Unions of Afghanistan which have organized over 285000 members have done a great deal for improving the worker's life and maintaining peace.

**THE** salary of workers has twice been increased. Townships have been built for workers at the vicinity of these institutions and the process is underway. Health clinics and kindergartens have been established which serve the workers and their families free of charge.

**CONSUMER** goods stores have been opened for workers. Recreation facilities have been provided for workers and their children inside the country and in fraternal socialist countries. The workers play a high role in planning and uplifting the production level.

**THE** central council of the Trade Unions of Afghanistan greatly contributes to the eradication of illiteracy.

**REALIZING** the truth of national democratic April Revolution, the workers doing their jobs voluntarily defend their institutions against the destructions of counter-revolutionaries.

**PURSUING** the foreign policy of the DRA, based on peace and principles of friendship and solidarity with the peoples of the world, the Afghan people constantly fight for the cause of peace.

**THE** experience of over eight years of war teaches us that the only way to prevent war and maintain peace, is people's unity and solidarity.

**THE** convocation of Loya Jirgah (grand assembly), high Jirgah of frontier tribes, jirgah of free tribes, elections to local organs of state power and administration as well as proclamation of national reconciliation and national compromise aimed at cessation of bloodshed were the great political events which paved the way for unity of the Afghanistan (PDPA) guaranteeing the restoration of nationwide peace in our country.

**THE** party and our popular power making use of all possibilities endeavour to put an end to the filthy undeclared imperialist war imposed on our country, so that peaceful working atmosphere be ensured. The Afghan people bid warm farewell to the return of six Soviet regiments to their country which was a rebuff to imperialist last pretends.

**NOW**, as comrade Najib, General Secretary of the PDPA CC has said:

“WE look forward that the other side will also give positive response to this goodwill and prove its interest in practice in solution of the so-called issue of Afghanistan”.

IN the present complicated international situation, where the existence of mankind has been seriously endangered by the threat of a nuclear holocaust, there is no imperative task than the relentless struggle for peace. The Delhi Declaration, signed between Mikhail Gorbachev, General Secretary of the CPSU CC and Rajiv Gandhi the Prime Minister of India, opens new vistas for reinforcing the world-wide struggle for peace and international security. We should fight for the practical realization of the Delhi Declaration which provides the ground for the peaceful solution of the existing problems.

STRUGGLE for peace presupposes the unity and joint endeavours of all those who cherish peace. We can realize the most precious possession of mankind, peace, if we act together, not separately. Unity of action is the guarantor of our present and coming successes.

Thanking you,

**CONSTANTIN RADULESCU,  
REPRESENTATIVE OF THE CENTRAL COUNCIL OF THE  
GENERAL CONFEDERATION OF TRADE UNIONS,  
ROMANIA.**

Dear Comrades and Friends,

The central council of the General Confederation of Trade unions in Romania has the special pleasure to convey to the delegates to the 33rd congress, to all members of the All India Trade union Congress a warm workers' greetings & best wishes in their future activity.

The Trade Unions, all working people of our country watch with interest the activity of the All India Trade Union Congress, of all working people in your country, meant to carry out their aspirations for peace and social progress, to strengthen the country's independence and sovereignty.

We are determined to take further actions for the expansion and deepening of the traditional ties of friendship and collaboration established between our Trade Union Centrals, believing that this is beneficial for both the working people in the two countries as well as to the strengthening of the unity of action of the international trade union movement in the struggle for peace and disarmament, for a better and more righteous world.

After the anti-fascist and anti-imperialist revolution for social and national liberation of August 23rd, 1944, deep-going political, economic and social changes have occurred in our country. Today, socialist Romania is an industrial agrarian country with a strong modern industry and an agriculture in full development. As compared to 1944 the industrial output went up 11 times, agricultural production over 4 times and the real incomes of the population more than 8 times.

Over 80 percent of our country's population has moved to new houses, while the housing problem will have been solved in general lines for the whole population of the country by 1990.

An important contribution to the fulfillment of all these achievements has been made by the trade unions.

At present, the working people in our country are fully committed to the implementation of the decisions of the 13th Congress of the Romanian Communist Party, of the provisions of the 8th five year plan (1986-1990), whose fundamental target is Romania's passage to a superior stage of development, namely from the stage of a developing socialist country to that of a country with an intermediate level of development.

The trade unions, the working people in our country are aware that these inspiring targets pursuing our country's progress and the welfare of the entire people, as well as the economic and social development of all countries cannot be achieved without peace and disarmament. That is why the entire people resolutely supports our country's peace policy, the initiatives and undertakings of Comrade Nicolae Ceause-scu, General Secretary of the Romanian Communist Party, President of the Socialist Republic of Romania, for the prevention of a nuclear catastrophe and for the building of a world of peace, without wars and nuclear weapons. We consider that the fundamental problem of our epoch is a passage to concrete measures for stopping the arms race and carrying out disarmament, primarily nuclear disarmament, for securing the sacred right of all people and nations to existence, peace, freedom and independence. In this spirit in a referendum held on November 23rd, this year the entire Romanian people expressed full support for the initiative of our country's president on a 5 percent cut, by Romania, of its armaments, troops and military spendings until the end of this year.

We consider that the unprecedented worsening of the international situation requires, more than ever before, an intensification of the struggle of the democratic and progressive for-

ces all over the world, of the international trade union movement, for the liquidation of the nuclear weapons—of all weapons in general, for strengthening the peace and security of all countries and peoples. An urgent passage from declarations to concrete, real facts is needed in order to carry out these vital aspirations of the peoples.

We resolutely stand for the exclusively political settlement of all international problems and conflicts, for the liquidation of under development and the building of a new international economic order, against colonialism and neocolonialism, against any forms of racial discrimination.

We wish the congress proceedings success. We wish to the newly elected organs, to all trade union members to carry out the decisions adopted so as to contribute to the continuous raising of the well being of the working people, to the strengthening of peace in the world.

**MESSAGE DELIVERED BY THE DELEGATION OF CGIL—  
ITALY (ITALIAN GENERAL CONFEDERATION OF  
LABOUR)  
CONSISTING OF: SILVIA BOBA—INTERNATIONAL  
DEPARTMENT, GIANNI BUZZOHI—CC OF METAL  
WORKERS UNION, (FIOM-CGIL)**

Mr. President, dear comrades and friends,

It is an honour for us to have been delegated by CGIL, the Italian General Confederation of Labour, to this 33rd Session of the AITUC, and to convey to you the fraternal greetings of CGIL leadership, in the name of its four and a half million members.

In fact CGIL was glad to accept your invitation in the belief that it is high time for us to devote a fresh interest in the developments taking in this huge and beautiful country that is India, in the struggle of its working class and, particularly, in its trade unions organisation.

The conditions in which our two unions are working are widely different and it would be ill advised to put up simplified comparisons. Still we are, true to the interests of our toiling people, taking into account the problems of the employed as well as the needs of the unemployed, striving not just for better working conditions but also for the living conditions of the workers: which leads us to the necessity of dealing with the changes brought about, both in the factory and in the society, by the swift application of new technology and with the deep

shifts going on in the property structure, especially through the internationalization of the economy. We hope that we'll have the opportunity to exchange our views on these points, in the interests of our two organizations.

Comrades, as you probably know, CGIL is an autonomous union and, as such, a member of the regional European Confederation of Trade Unions. This does not mean that we confine our activity to our industrialized region. Our engagement for a New International Economic Order started long ago and is well known. At the same time, we assure our political and material support to national liberation movements and wherever workers and peoples are struggling against oppression, repression and racism: I shall cite for all our support with the people of South Africa struggling against apartheid, our solidarity with the African National Congress and COSATU, our cooperation with the "Front line States".

Above all we are engaged in the safeguarding of peace, in the elimination of the nuclear threat, in supporting meaningful negotiations in order to reduce armaments and build up confidence among the states and peoples of the world. That is why we are against the militarization of the space and the Strategic Defence Initiative that is bringing about a new arms race.

We know that, in this part of the world, through South East Asia and farther East, a new engagement to peace is growing and that AITUC is playing an important role in the initiatives connected with it. We congratulate you and the peace-loving workers of India.

While wishing the best success to the proceedings of your Session, we do hope that our participation will contribute to a better understanding and to fruitful relations among our two organisations and our two peoples.

Long live AITUC!

Long live the working class of India!

*JERZY UZIEBLO, VICE-CHAIRMAN, ALL POLAND  
TRADE UNION ALLIANCE*

Distinguished delegates of the 33rd Session of the All India Trade Union Congress, Dear Union Friends;

On behalf of the Executive Committee of the All Poland Trade Unions Alliance representing a total of 7 million trade union members, let me express our fraternal greetings and best wishes of success in your proceedings during this session.

May your work and the resolutions you pass here serve the crucial interests of the working people of your great country.

We have welcomed your invitation to the 33rd Session of the All India Trade Union Congress with greatest satisfaction. We, Polish Union members are still gratefully bearing in mind the words of support and recognition directed by the representative of the AITUC given during the Congress of the Reborn Polish Trade Unions in November 1986 in Warsaw. May we reciprocate this recognition and extend to you our class feelings of brotherhood and friendship in the struggle for the interests of the working people, for peace, total disarmament and understanding among nations.

Distinguished Delegates, Union Friends,

The reborn Polish trade union movement is making every effort to ensure the well-being of the working people in Poland, in defiance of the noisy reckoning of a handful of worker pseudo leaders deriving their inspiration from external forces hostile to our country. We are developing dynamically, as class movement directing its attention to the socialist building of our country. Efficient implementation of our fundamental objectives—protection of the rights and interests of the working people—has won us confidence of the working class.

The recently held Congress of the reborn Polish Trade Unions has confirmed the legitimacy of the road we have chosen. We have become a mass organisation, open and independent representative of the Polish working class. We are one of the primary social forces in the process of building socialist Poland. The All Poland Trade Unions Alliance has regained the place and recognition it deserves on the international forum, and this has been due also to the support you had given us during our return to the World Federation of Trade Unions. We have undertaken important initiatives to maintain the membership of Poland in the International Labour Organisation. We are actively participating in the international dialogue of union members representing various viewpoints. We are ready to develop cooperation with all trade union organizations struggling for peace, general disarmament, against the forces of imperialism, militarism and reaction.

This year, which has been proclaimed as the "International year of peace" by the United Nations, has become a signal for the Polish union members and progressive trade union organizations throughout the world to intensify the actions to preserve peace in the world. It requires our full engagement into shaping the mentalities, conscience and attitudes of people.

Your great leaders Mahatma Gandhi, Jawaharlal Nehru and Indira Gandhi understood this very well.

We, in Poland, highly appreciate the important and constructive role of India under the leadership of Prime Minister Rajiv Gandhi in this common endeavour to build a peaceful world. The Non-Alligned Movement in which your country has played a pioneering role, has many times stressed the desire of all nations for peace and cooperation.

The programme of peace and security announced by the 27th Congress of the Communist Party of the Soviet Union and the far-reaching proposals declared by Mikhail Gorbachev in Reykjavik have shown the world the humane objectives of socialism. We fully support the noble ideas enshrined in the Delhi Declaration recently signed by General Secretary of CPSU and Prime Minister of India.

Distinguished Union Friends,

We must be unhesitating in our struggle against the forces of militarism driving to war and nuclear holocaust of humanity. We cannot allow to let the mad armaments race enter our space.

The practice of international relationships must be freed of all forms of discrimination, policies of blockades and economic restrictions. Development of co-operation substantially relies on the just regulation of the problem of debts and establishment of a new International economic order. The funds derived as a result of reducing military budgets—should be directed to benefit the developing countries.

We, Poles, well know the price of peace. Our country has suffered two world wars, which had left ruins and brought horrifying sufferings to the whole nation. It was our nation which faced the danger of extermination and biological annihilation. This is why we are so deeply devoted to the idea of peace, friendship and co-operation of the working peoples all over the world.

Distinguished Delegates,

Please accept our wishes of fruitful implementation of your resolutions and programme which will be developed during the 33rd AITUC Session for the well-being of the working people of your country, in line with the interest of the whole nation, in the name of social equity and progress.

**KONG JONG PAL, VICE-CHAIRMAN,  
GENERAL FEDERATION OF TRADE UNIONS OF KOREA**

Dear Comrades,

Expressing, first of all, our deep gratitude for having invited our trade union delegation to your conference, I warmly congratulate your conference and its participants and, through you, convey our friendly greetings to the entire members of your organisations.

Your conference is one of a very important significance in the development of All India Trade Union Congress (AITUC) and trade union movement in your country.

AITUC achieved many successes, in the past period, in the struggle for safeguarding the democratic rights and vital interests of the workers and realizing the unity of the trade union movement.

Today, AITUC is making its efforts to attain the country's democratic and independent development, united with the progressive forces in the country.

Your organization is also resolutely fighting against the U.S. imperialists' policy of a nuclear war and their manoeuvres to militarize the universe, and for converting the Indian Ocean into a peace zone without foreign troops and nuclear weapons.

The Korean working class express firm solidarity with your organization's righteous activities for protection of the working people's interests, democratic development of the country and peace.

They are now waging the struggle to hasten the independent and peaceful reunification of the country, while powerfully accelerating the socialist construction under the sagacious leadership of Comrade Kim IL Sung, the great leader of our people and the dear leader Comrade Kim Jong IL.

Today, the Korean question presents itself as a very important one to be solved at an earlier date.

The United States was occupying south Korea by force for 14 years already, enforcing their neocolonialist policy, and is intensifying the manoeuvres to provoke a new war in Korea.

The United States had deployed troops over forty thousand strong and more than one thousand nuclear weapons on the small land of South Korea.

The U.S. imperialists and the South Korean rulers are now intensifying unprecedentedly anti-communist propaganda against our Republic and continuously staging large scale mili-

tary exercises reminiscent of a real war by mobilizing extensively nuclear weapons and other war means of all kinds.

Accordingly, a dangerous state is being created in our country, in which a war may break out at any moment.

Under such situation, the Korean working class are struggling against the aggressive policy of the United States to safeguard peace on the Korean peninsula and to solve the Korean question in a peaceful way.

In order to remove the tension in Korea and create favourable conditions for the country's peaceful reunification, the Government of our Republic proposed to hold tripartite talks between the DPRK, the United States and South Korea, set forth the proposals on having broad dialogues between the north and the south and are making every sincere effort for their realization.

Of late alone, the Government of our Republic set forth the initiative on holding the talks of military authorities and the proposal of converting the Korean peninsula into nuclear-free, peace zone and took an autonomous measure to withdraw 150 thousand soldiers on service from the front area and post and draw them into the peaceful construction of the country.

The peace-loving proposals set forth by the Government of our Republic are enjoying active support of the governments and working class of various countries including socialist countries and the peace-loving peoples of the world.

Availing myself of this opportunity, I would like to express our profound thanks to AITUC for the consistent support to our people's righteous struggle against the "two Koreas" plot of the U.S. imperialists and for realizing the country's independent and peaceful reunification.

The most important problem confronted with the Asian workers and trade union organizations at the present time is to build a new peaceful and prosperous Asia, free from exploitation and oppression, aggression and war.

Comrade Kim IL Sung, the great leader of our people said: "The Asian peoples should check the danger of a new war, safeguard world peace and security and build a new independent and peaceful Asia by frustrating the aggressive war plots of the U.S. imperialists, united firmly under the banner of anti-imperialism."

The U.S. imperialists regard Asia as very important in realizing their aggressive strategy of the world.

Saying that Asia is "vital area" for "the interest of the United States" and "zone of key importance for security of the

United States", they are intensifying manoeuvres of aggression and war against socialist countries and the progressive forces with fabrication of U.S.-Japan-South Korea tripartite military alliance.

The U.S. imperialists set up military bases in the military strategic points of Asia and their surroundings and are keeping constantly enormous aggressive armed forces and nuclear weapons and continue to perpetrate machinations of military threat and intervention in Asian countries.

Along with this, they are trying to make the Asians fight themselves for fishing in troubled waters.

The present situation demands the entire workers and trade union organizations of Asia to unite and confront the U.S. imperialist aggressive strategy towards Asia with revolutionary strategy of anti-U.S. struggle.

Forming a broad anti-imperialist united front, the workers and trade union organizations of Asia should vigorously wage anti-war, anti-nuclear peace movement and powerful struggle to withdraw the U.S. troops, their military bases and nuclear weapons from this region.

The General Federation of Trade Unions of Korea is paying deep attention to developing friendly cooperation relations with the trade union organizations of the Asian countries, geographically close, under the banner of anti-imperialism.

Especially, we consider it very pleasant that the fraternal relations of friendship and cooperation between the Korean trade union and AITUC is developing in a good way and regarding it a great pride to have reliable friends in Asian continent like you.

The General Federation of Trade Unions of Korea will, in the future, too, grasp you firmly by hand and vigorously fight to realize the common aim and ideal.

In conclusion, I sincerely wish success in your conference work and many successes in your activities for implementing your conference decisions.

Long live the fraternal friendship and solidarity between the General Federation of Trade Unions of Korea and AITUC!

Thanking you.

**TO THE 33RD SESSION OF ALL INDIA TRADE UNION CONGRESS**

The Central Committee of the General Federation of Trade Unions of Korea warmly congratulate the 33rd Session of AITUC

and, through the Session and its participants, convey our fraternal greetings to the entire members of your organization.

We rejoice over and warmly congratulate the successes AITUC achieved in the struggle for defence of the democratic rights and vital interests of the workers and the unity of trade union movement in your country.

We also express our firm solidarity with your righteous struggle against the imperialist policy of nuclear war and the manoeuvres to militarize the universe and for converting the Indian Ocean into a peace zone.

Being convinced that the relations of friendship and cooperation existing between our two organizations will continue to develop in a good way, I sincerely wish you great success in your session work.

With fraternal greetings,

Central Committee,  
General Federation of Trade Unions of Korea

*S. SANKAR NARAYANAN, DIRECTOR, ILO OFFICE FOR  
BHUTAN, INDIA & MALDIVES IN NEW DELHI.*

Mr. President, Distinguished Guests, Delegates, Ladies & Gentlemen,

It gives me great pleasure of being associated with the 33rd Session of the All India Trade Union Congress and to convey ILO's fraternal greetings to all those who are assembled here from all parts of India. This session is being held exactly after three years as the 32nd session was organised in Bangalore and inaugurated on 15 December 1983. I am indeed grateful to the organisers for inviting me once again to say a few words.

I remember that the last session devoted its attention to subjects like un-employment, threats of lockouts and industrial relations, right to work and employment, problems of women workers the un-organised workers and the trade union rights. T.Uns. still remains to be of major importance to the working people and it continues to devote its efforts to teckle these problems.

Friends, you may all be aware the ILO is now in its Seventh decade and 42 years have already elapsed since the adoption of the Declaration of Philadelphia in 1944 which set the course for the ILO in the new world emerging from the ashes of the Second World War. While remaining faithful to the fundamental principles and basic objectives enshrined in its Con-

stitution and the Declaration of Philadelphia, the ILO has constantly adapted its activities and its means of action to changing circumstances in the world of work.

The world of work today is quite different in many respects from what it was in 1919 when the ILO was founded. Major issues of the early years have now receded and new or emerging problems and issues have come to the fore. Not least among these is the realisation of the magnitude—and indeed the growth—of unemployment and of extreme poverty in many parts of the world.

Over the years, the ILO has been estimating the size of the problem, identify causes and seek remedies. The challenge is a formidable one, exacerbated by one of the most protracted economic recessions the world has known, coupled with fundamental structural and technological change and various austerity measures and adjustment policies to cope with the problems of inflation, balance-of-payments disequilibrium and external debts—all this against the background of continuing population growth and shifts in the sectoral distribution of the labour force.

Based on our past experience and taking into account the new varieties of questions confronted by the ILO, we believe that the next ten years will be characterised by far-reaching changes in social values, relations between individuals, the organisation of labour and its scope. Although the population is increasing less rapidly in the developing countries, the fact remains that job-seekers of the year 2000 have already been born. The rise in the percentage of young people in the Third World will coincide with an ageing of the population in the more developed countries. Technological change is altering productive processes and deeply affecting labour market.

Some of the fundamental issues, to which considerable effort should be devoted relate to, are (a) unprotected workers, (b) working time, (c) technological change, (d) new forms of employment and employment relationship including self-employment, (e) labour market flexibility, (f) the role of the state and the public sector and (g) environment and safety. The ILO is siezed with these issues and we look forward to workers' organisations to give serious thought to these questions. We in the ILO believe that time has come for the trade unions to widen the scope of their activities and to tackle problems faced by the workers in the ever changing world today.

Mr. President, in the context of this country's present stage of development, and of the issues which should command the foremost attentions of Government leaders and trade unions

alike, I would identify two of these issues. The first is the informal sector worker, both rural & urban, who are mostly outside the pole of any social and labour protection, who are often without work and who exist in abject levels of subsistence. I wish to ask sincerely the AITUC leadership to help the vast millions of workers in this sector in an objective way, if necessary in cooperation with other trade union organisations similarly motivated.

The second issue is at the other end of spectrum that safeguarding the health, safety and work environment of the workers and the neighbouring community in new industries where modern technology is flooding in. The one Bhopal has been followed by several mini-Bhopals, ILO has for its part, offered its technical expertise in controlling major hazards in such industries, and we hope to commence very soon a major technical cooperation project with a view to prevent such major hazards and to institute the necessary monitoring and partial measures. This is indeed a matter where the cooperation and involvement of workers is absolutely essential and I do hope that AITUC will bend its efforts towards this fact.

Mr. President, at the ILO our centre of pre-occupations is the working man, his training and development, his employment and well-being. We feel that we need not only adopt man to work but can adopt work to man. In this process, our activities need to be looked at as part of a continuous effort for lifelong development of the individual in improving himself and in influencing his environment. These efforts are possible because ILO is a tripartite organisation where workers have an equal say with employers and Government in sharing common platforms and in finding out acceptable solutions.

To promote the development and growth of responsible trade unions and to help workers' organisations to help themselves, ILO has been providing technical assistance. I may add that the ILO itself does not organise workers through its Workers Education Programme, or in any way to interfere with trade union activities. The ILO is the servant of all its constituent partners, governments, employers and workers. It offers its assistance and cooperation to the trade union movement in areas relevant to ILO's terms of reference only when requested to do so by the unions themselves.

The ILO will continue to put forward concrete proposals on how better to assist, in all respect, the masses of organised, unorganised and poor workers as declared in the ILO Constitution that "Lasting peace can be established only if it is based upon social justice", and stated in Philadelphia in 1944 that

"Poverty anywhere constitutes a danger to prosperity everywhere".

Mr. President, I have tried to exposed some general policy lines on which the ILO has been trying to follow. Your session will, I am hopeful, consider some of the basic issues I have referred to. You appear to be well set to put behind our common concern the full weight of the concerted trade union efforts to get the difficult situations moving and to put the interests of the workers first at all levels. There is a greater need now than ever for more information and mutual understanding.

I am hopeful that this important meeting will contribute to common objectives and I can assure you that ILO stands ready, as in the past, to play its role together with you.

Before I close, I wish to inform you Mr. President and through you all the participants that this will be my last official attendance as I am retiring at the end of this month after serving the ILO for more than 37 years. It has all along been a personal satisfaction for me to be associated with the workers' organisations in India in general with AITUC in particular. And my interest in and concern for the cause of the workers will continue to remain in the future years as well.

Once again I express ILO's Greetings and Best Wishes for the successful outcome of this session.

Thank you.

*N. CHAKRAVARTY, SECRETARY, CITU*

Com. President, Distinguished Guests and Comrades,

On behalf of the Centre of Indian Trade Unions and also on my own behalf I warmly greet you on this occasion of your Thirtythird Session of All India Trade Union Congress.

In India, the question of Trade Union Unity is of primary importance for the working class movement and further advance. Both the CITU and the AITUC must work hand in hand for unity of the entire working class so that it could play its role in shaping up of the future developments in our country.

The CITU and the AITUC have a very common outlook on international issues. In today's situation where everybody is talking of two Super powers, the CITU and the AITUC correctly nail down the imperialists for the mad arms race and

uphold the line of peace as pursued by the USSR. This is the basis with which the CITU and the AITUC have to go ahead in forging the trade union unity in India.

We are happy that the CITU and the AITUC had been moving together on many issues. Both of us together with other trade unions and national Federations have built up the National Campaign Committee, which has led a series of struggles including the all India strike in January, 1982. The CITU and the AITUC together with all other Central Trade Unions have held conventions on national integration and against communal and divisive forces. Both together are going ahead for another token strike on 21st January 1987 against the policy of denigration and privatisation of the public sector.

The working class of our country is facing a grave economic situation. In the background of the monetarist policies of the advanced capitalist countries who have refused to implement the UN resolution on new international economic order, the bankrupt policy of developing capitalist economy in the era of its decay, adopted by the Cong(I) rulers in our country has led to a serious situation. The growing struggles of the working class is a clear proof of the fact that it is refusing to accept lying down, the attempts to pass on them the burden of the crisis.

Having failed to stem the tide of the growing struggle of workers against the pro-monopoly anti-labour policies of the Government, the Cong(I) Government at the Centre, resurrected in 1981 the very same Industrial Relations Bill which the Janata Government was forced to abandon in 1978 and passed laws like NSA, ESMA, etc., through which the Government had armed itself with arbitrary powers to illegalise strike in all branches of economic activity. Now further amendments to the Trade Unions Act and Industrial Disputes Act have been proposed which would make the formation and functioning of militant trade unions very difficult if not impossible. All strikes after the amendments are passed, would be virtually illegal and compulsory arbitration would be imposed. All unions not having a more than 25% membership and those guilty of having conducted illegal strikes would lose registration. Only the pliant unions would have the patronage of the Government. Except INTUC all have opposed this stand and we expect that a struggle on this question is imminent.

The CITU had given a call from its Fourth Conference in April 1979 for formation of a loose Confederation type body to

debate and hammer out an alternate policy of labour in the present context, so that the Indian working class can advance alternate policies on all questions. This would be something more than the National Campaign Committee. This is all the more necessary in view of the deteriorating situation in the national arena and a very large degree of areas of agreement which have since developed. A Confederation would be able to motivate the labour and draw them to progressive policies while rejecting all obscurantist or decadent theories and hope that you would give serious consideration to the same. I take this opportunity to once again reiterate the call.

Before concluding I would like to add that the impassioned plea for unity in the speeches of both Com. President and Comrade General Secretary is welcome and would be conveyed to our secretariat. I am sure that with such a keen desire as existing now in both CITU and AITUC there is every likelihood of further progress. Without going into the historical reasons to the emergence of various Trade Union Centres, I would point out that the CITU was not formed on political considerations alone and it had been consistently fighting for united action of the working class. Even in most difficult circumstances the CITU fought against exclusion of AITUC from joint forums. We believe in principled unity and formation of a Confederation would be a step to help such unity. I am sure that welcome dialogues would take place very early.

On behalf of CITU I wish your conference all success and thank you for the patient hearing.

P. K. KODIYAN,

GENERAL SECRETARY

BHARATIYA KHET MAZDOOR UNION

Comrades of the Presidium, distinguished fraternal delegates and delegates.

I consider it a privilege and honour to address this great gathering of the leaders and representatives of the fighting Indian working class. On behalf of the Bharatiya Khet Mazdoor Union, its Central Executive Committee and the millions of agricultural workers of our country, I extend my warm fraternal greetings to this 33rd session of the All India Trade Union Congress.

The agricultural workers are looking forward with expectations to the 33rd session and its decisions. The All India Trade Union Congress, the premier national trade union organisation of the Indian working class with its glorious tradi-

tions of anti-imperialist struggle, heroic battles and sacrifices for the cause of the Indian workers and other toiling people had always been a source of great inspiration to the agricultural workers in their struggles for wage, trade union rights, land and for social equality.

The resolution adopted at the 32nd session held at Bangalore to take up the cause of the workers of the unorganised sector, including agricultural workers and help in organising them to fight for their class demands, showed AITUC's deep concern at the growing exploitation and the sufferings of the poor in the urban and rural areas. This decision was very widely welcomed by agricultural workers and their organisations. We have received considerable material help from the organised trade unions for furthering our activities at a number of places. Bharatiya Khet Mazdoor Union at the central level also has received material help. We express our deep gratitude for all the encouragement and help we have received from the trade union movement.

Whether it is struggle for wage, land or social rights, the agricultural workers are facing stiff resistance and even violence from the landlords and other rural vested interests.

A large number of atrocities including killings are being perpetrated against agricultural workers, harijans, tribals and other sections of the rural poor in different parts of the country. In states like Bihar fully-equipped private armies of the landlords are let loose against the village poor who dare to fight for their legitimate rights. The administration particularly the police often side with the landlords in suppressing the struggles of the agricultural workers. Some times the police themselves resort to repressive measures against the agricultural workers and other sections of the rural poor. To fight back the landlord violence and police repression we require the active support and solidarity of the working class and their trade unions.

The bulk of the more than 65 million agricultural workers are treated as casual workers. They have no trade union rights. They have no job security, no social security, no medical and health care. They are being kept away from the benefits their brothers in the organised sector have secured after hard and bitter struggles. The minimum wages notified by central and state Governments are far below the poverty line. Even these low wages are seldom enforced. The existing labour laws have been made applicable only to those who are permanent employees of either state-run farms or some highly developed privately owned farms. But they are only a microscopical minority among the total number of agricultural workers.

Enactment of a comprehensive central law for agricultural workers assuring them trade union rights, security of employment, adequate wage, social security, medical and healthcare etc. had been one of the basic demands of agricultural workers' movement. Agricultural workers unions irrespective of their political affiliations had been demanding early enactment of such a central law. Actually Government of India were committed to the enactment of separate law for agricultural workers and had even given an assurance on the floor of the parliament on this issue. But later on succumbing to the pressure of the landlord lobby and rich peasants they backed out of this commitment. We require the wholehearted cooperation and support of the trade unions in our struggle for the realisation of this crucial demand.

We are happy to note that cooperation and unity between the trade unions and agricultural workers' movement had been increasing in recent years. We on our part have expressed solidarity with the working class in their various struggles and even participated in some of them, and the AITUC and the trade unions under its leadership have come to our aid on many occasions. The AITUC had helped in projecting BKMU in the national and international forums.

Dear Comrades,

BKMU on its part will continue to support struggle of the working class for its own demands, for defending and democratising the Public Sector, against closures and lockouts, attacks on trade union rights, against anti-people and pro-monopoly economic policies of the Government and for a self reliant growth of the national economy.

Once again, I wish the session all success.

Long Live A.I.T.U.C!

Long Live The Unity of Working Class and Agricultural Workers!



# INDUSTRY REPORTS

## REPORT OF THE PORT, DOCK & WATER FRONT WORKERS' FEDERATION OF INDIA

I. This report deals with the activities of the Federation since 1983 when it had its Vth National Conference at Madras.

II. Our Federation has its affiliates in 8 major ports out of 10 and in Haldia which is a satellite port of Calcutta. Influence in these ports varies. Representation in ports and docks reflects only partially the influence we have among the workers at large. Representation is counted only on registered workmen. Unregistered casual workmen are outside the purview of Port Trusts and Dock Labour Boards. We have considerable influence among such workers also.

<i>Port</i>	<i>DLB</i>	<i>Port Trust</i>
1. Calcutta	1 member	Nil
2. Haldia	Not constituted	Nil
3. Paradip	Not constituted	Nil
4. Kandla	Nil	1 member
5. Visakhapatnam	3 members	1 "
6. Madras	2 "	1 "
7. Tuticorin	Not constituted	Nil
8. Cochin	1 member	Nil
9. New Mangalore	Not consisted	Nil

III. Immediately after Vth National Conference in 1983, we have plunged into the nation wide agitation of Port and Dock workers based on the charter of Demands. 26 days strike (March-April 1984) was the culmination. The unity of the four federations was kept up inspite of the bickerings in between. Our Federation no doubt played a vital role in keeping up the unity. The settlement dated 11.4.1984 was the product of the joint struggle. This created tremendous enthusiasm. Significant victories were won.

IV. Workers are now agitated over the Governments attitude of not implementing several clauses of 1984 settlement viz (1) Reclassification/categorisation, (2) constitution of Dock Labour Boards in 4 major ports, (3) Decasualisation of addi-

tional categories in all other major ports, (4) filling up of vacancies and improvement of promotional opportunities, (5) Productivity linked Bonus in addition to the existing 8.33% ex-gratia etc. Consequent on the joint agitation, Government initiated several conferences in 1986, but without any positive results.

V. Adding to this is the negative attitude of the much talked about Report of the Abraham Committee appointed by Govt. on constitution of Dock Labour Boards in the 4 ports (New Mangalore, Tuticorin, Haldia and Paradip) and on the question of decasualisation of additional categories in all other major ports. Though this Report was presented in 1984, it came up for discussion in 1986 only and the result was a blank. The Report is a retrograde step. It advocates employers' views and the continuance of the existing private pools under stevedores or under certain trade unions. Unless the trade unions agree for a drastic cut in the size of the workforce the Report does not favour any regularisation and the constitution of Dock Labour Boards. This is in the name of reducing cargo handling cost. In short, the Report contains no positive recommendations.

VI. Over and above all these, the threat of modernisation is looming large. The enormous impact of the so-called mechanisation, containerisation etc. in the name of the modernisation of Port operation, is lost sight of by the Govt. and the Port managements. Huge sums are invested without caring for returns. Fat orders are placed with big monopolies and multinationals. Continuous pressures are brought upon by the vested interests against regularisation of workers and for fast privatisation.

About 25% reduction in the work force has taken place during the past decade. In Cochin, it is 50% of what it was in the beginning.

VII. In this mad run for modernisation, the Directive of the ILO is thrown over board. The directive cautions those developing countries who possess immense human resources. Before introducing mechanisation in cargo handling, it directs to assess the redundancy and the method to absorb the redundant workers in other spheres of port operations, to render them training/retraining to fit them in the new situation etc. This is completely ignored.

—Even the sanctioned vacancies are not filled up in the name of mechanisation.

—Lots of work connected with port and dock operations are given out to private pools and union pools. More such opportunities are extended to them.

—Ports have become hot beds of corrupt practices on an unprecedented scale. Even trade unions are forced to fall a prey under cover of finding jobs for their members and to boost their influences.

—Officers are parroting the theme of reduction in the cost of cargo handling and canvassing one section against the other. Unions of their liking are placated and given undue importance over others. AITUC has always been a sufferer.

VIII. The tasks before port and dock workers are multifarious. Our Federation has an important role to play. Much attention needs to be paid to this vital sphere of economic life. Strategically also ports have a unique place.

Our Federation has a 36 member working committee headed by Com. Indrajit Gupta and Com. Kalyanasundaram. Com. Bhadram was General Secretary till 1985.

When he parted ways with us I was elected General Secretary and am functioning as such from 1985 September.

*T. M. Aboo*  
*General Secretary*

### **REPORT OF THE ALL INDIA PETROLEUM WORKERS' FEDERATION**

*4/7 Asaf Ali Road, New Delhi*  
*By Y. D. Sharma, General Secretary*

The All India Petroleum Workers Federation was formed in 1952 by four Regional Unions of Petroleum Workers in the Marketing Division of the Foreign Oil Companies in Delhi, Bombay, Madras and Calcutta. The Federation later was joined by two local Trade Unions of Ernakulam and Poona. At that time the entire Petroleum Industry was in the hands of 5 foreign Oil Companies namely Burmah Shell, Standard Vacuum, Caltex, IBP and Assam Oil Company. The Trade Union which then existed in Assam Oil Co. with its Headquarters at Digboi did not join the Federation.

The Industry in the early days consisted mainly of marketing companies, and there was only a small Refinery at Digboi

which was refining about 2.5 lakh tonnes of crude oil produced locally in the Oil fields of Assam. Later on Burmah Shell and Standard Vacuum set up their refineries in Bombay, and Caltex built its Refinery at Visakhapatnam. In course of time, the workers in the Refineries were also organised and some joined the P.W.U. Bombay, whereas some others formed separate unions in different units.

In the fifties and sixties the All India Petroleum Workers Federation and its affiliated Unions conducted vigorous class struggle against the anti-labour and anti-union policies of the foreign Oil Companies. The main issues related to wages, bonus, and other working conditions as well as the abolition of the system of contracting out jobs to a number of petty contractors. Several strikes on the issue of employment of contract labour took place in various centres.

The main political campaign which the All India Petroleum Workers Federation organised and led during the period was for the nationalisation of the foreign Oil Companies.

In the sixties, the trade unions had to fight against the menace of computers, which were installed by all the foreign Oil Companies and which resulted in loss of jobs of thousands of workers. The Federation carried out an all India campaign against the use of computers and against the so-called voluntary retirement schemes resorted to by Burmah Shell, Esso and Caltex in order to retrench the staff and workmen rendered surplus by the introduction of Computers. The agitation by the Federation led to the appointment of a Commission of Enquiry into the retrenchment/retirement of thousands of workers by the foreign Oil Companies. Justice Gokhale a retired Judge of the Bombay High Court headed this commission and the workmen were represented before him by the All India Petroleum Workers Federation and the INTUC Federation, which had been formed by then.

From 1955, side by side with the foreign Oil Companies, the Public Sector in the Oil Industry began to be established in the various spheres of the industry. The Oil & Natural Gas Commission was set up to start prospecting, exploration and drilling of Oil Wells in the country. This was undertaken with the active cooperation of the Soviet Union, whose specialists and experts came to India led by Prof. Kalinin. The fruits of this cooperation are there for everyone to see. From a production of less than half a million tonnes of crude oil in India, we are today in a position to produce about 30 million tons of crude oil. In the process the ONGC has developed into the most profitable corporation in the Public Sector having deve-

loped a lot of indigenous expertise and trained a large number of geologists engineers technicians and other specialists for the Nationalised Oil Industry.

The sixties saw another Chapter in Indo-Soviet Cooperation in the Oil Industry in the field of Refining Technology. A number of Refineries at Barauni in Bihar, Koyali in Gujarat and more recently Mathura in U.P. are the symbols of Soviet help and cooperation in this field. Along with the Guwahati refinery, set up with the help of Romania, the IOC refineries put an end to our dependence on the refineries of the foreign Oil Companies, which were ultimately nationalised, in late seventies. Today India has a net work of Public Sector refineries which account for a refining capacity of nearly forty million tonnes per year.

With the progress and development of Oil Industry in India the trade union movement has also grown considerably. The All India Petroleum Workers Federation which had barely half a dozen unions in the fifties when it was formed has today 15 unions affiliated to it. In addition to these there are several other unions, which are not affiliated but are friendly to the Federation.

The Federation has its affiliated Unions in all branches of the industry, i.e. drilling and production, refining, petrochemicals and marketing. These affiliates of our Federation cover all the major public sector enterprises in the Petroleum Industry such as Indian Oil Corporation, Bharat Petroleum Corporation, Hindustan Petroleum Corporation, (all having refining and marketing activities); Oil & Natural Gas Commission, Oil India (both engaged in drilling and production; Bongaigaon Petro Chemical complex, IBP and Indian Petro-chemical Ltd. The Corporationwise break up of the Unions is as follows:—

I.O.C.	6	(including Barauni and Guwahati
B.P.C.	4	Refineries and Pipelines Unions)
H.P.C.	4	
ONGC	2	
Oil India	1	
IBP	1	
IPCL	1	
Bongaigaon Refinery	1	

We have several industrial unions which cover more than 1 public sector corporation, for instance the Petroleum Workers

Union, Delhi (AITUC) covers all the petroleum workers in the Northern Region in Indian Oil, Bharat Petroleum, Hindustan Petroleum, IBP Oil India, etc. It has also organised the workers in the private sector of Oil Industry, working under Agents, dealers and contractors of Public Sector Corporations. This activity was undertaken after the Bangalore Session of AITUC which gave a call for making efforts to organise the unorganised section of workers.

The Federation affiliated unions in Bombay, Madras and Calcutta are also industrial unions having membership both from Bharat Petroleum and Hindustan Petroleum. The other Unions are mainly confined to workers of a particular Corporation. These also include three trade unions of our Federation in the pipe-lines division of the Indian Oil Corporation. Among the affiliated unions, 8 belong to the AITUC and one to the CITU. The rest are independent unions not affiliated to any central organisation. The friendly unions exist in Indian Oil Corporation (Southern Marketing Region) and Mathura Refinery as well as a union in Marketing in Ernakulam. A number of independent unions have been formed in Bombay and in several pipelines and refineries with whom our Federation is maintaining relations and gets their help and support on different issues.

The Federation acts as a coordinating and guiding organisation for the affiliated and friendly organisations in the various enterprises of the Oil Industry. This is mainly done during the process of collective bargaining which has been going on quite successfully in all the Public Sector Undertakings in the Oil Industry. We have signed a large number of collective agreements of wages and allowances, promotion policy, uniforms and other facilities. These achievements can be gauged by a reference to the various agreements, some of which are available in the AITUC publications on agreements. The latest agreements have been signed recently in 1986 in Bharat Petroleum Corporation and Hindustan Petroleum Corporation on an All India basis. These agreements have brought very substantial benefits to the workers in both corporations.

These achievements have been possible because of the unity achieved among trade unions of different affiliations and joint struggles conducted by the united front of the Unions in which the All India Petroleum Workers Federation plays a leading role. The most recent example of this has been during the negotiations of Bharat Petroleum Corporation in which all the thirteen participating unions formed a joint action committee

and successfully conducted a one-day token strike on 20th July 1986 on All India basis.

A notable achievement of our Federation and its affiliates in the Indian Oil has been the protection of 1969 D. A. agreement in Indian Oil for which an All India strike had to be fought, AIPWF affiliates and some other Indian Oil workers are still getting their D.A. at the rate of 1.67 per point of 1960 index.

It is a matter of deep concern for the entire trade union movement of the Petroleum Workers that the Government of India under pressure from the private Monopoly Capital as well as the World Bank, IMF and the multinational corporations, have taken a retrograde decision to permit the entry of private capital in the wholly nationalised oil industry in India. Even the ONGC is inviting the oil multinationals to come back to India for onshore prospecting and drilling. An indication of this shift in Government policy was seen also in the context of the Assam accord, which contained the following clause:—

“(a) to establish an oil refinery in Assam, Government will render all possible assistance in terms of institutional and bank finance to facilitate the establishment of a refinery in the Private Sector.”

It is not Assam alone. In the case of new Refineries, (of Indian Oil in Karnal, Haryana and Hindustan Petroleum in Mangalore) the Government has decided to invite Private Capital for participation in the name of Joint Sector. The Private Capital will have 74% control of the shares and the Public Sector will have only 26%. This is a most reactionary shift in the policy of the Government of India in relation to the oil industry which must be exposed and resisted with all our strength. For this urgent task we must awaken and mobilise not only the workers in the Petroleum Industry but the entire trade union movement to join in the protest movement against such attempts to undermine the Public Sector.

#### NOTE ON THE ACTIVITIES OF THE NATIONAL FEDERATION OF ENGINEERING WORKERS OF INDIA

The National Federation of Engineering Workers of India was part of the National Federation of Metal & Engineering Workers of India. Since both these industries, namely Metal and Engineering have developed in a big manner over the years, the necessity to concentrate on the two wings separately was felt due to the complexity of the problems facing both the industries and the workers; the National Federation of Engi-

neering Workers of India has been functioning separately since last three years.

Before looking into the problems facing either the industry or the workers let us understand the relative importance of the Engineering industry in the national economy. Going by the Plan documents, the Engineering industry has been assigned a very important role in our economy. While all industry was stated to grow at 8%, the Engineering industry was expected to grow at 10.2%. However, during the sixth plan the Engineering industry has grown by 4.6% in four years and by the end of the plan it has grown to nearly 7%. It has also to be mentioned that according to the Association of Indian Engineering Industries (AIEI), in terms of value, the Engineering industry in the organised sector has recorded compound growth per annum during the seven year period 1974-75 to 1981-82 of

Value of output	16.8% per annum
Invested Capital	12.9% per annum
Value Added	12.8% per annum
Employment	3.8% per annum.

The growth and importance of the Engineering industry in our country can be realised from some of the indicators for a period from 1978-79 to 1984-85 (The latest figures could not be obtained). (See Table on next page)

From the Table we see that while industrial production has increased 1.3 times over that of 1978-79, the value of output has increased three times, and the value added has increased by 2.3 times since 1978-79. It is also interesting to note that employment during this period has not increased substantially (from 21 lakhs to 24 lakhs). The Public sector has done far better than the private sector in the matter of providing employment in this industry. However the share of the Engineering industry in total employment is 28% while the share in value added is 36.8%. It is also observed that while the share of exports of Engineering goods to the total exports constitutes only one tenth, the share of imports of Engineering goods to total imports constitute more than one third. The pursuance of the policies of increasing collaboration with foreign companies, which are mostly multinational, the increasing denigration of the Public Sector has resulted in this state of affairs. If continued in the same manner, the policy of self-reliance which is already being eroded, will be given ago bye.

<i>Sr. Select No. Indicator</i>	<i>Accounting Unit</i>	<i>1978-79</i>	<i>1979-80</i>	<i>1980-81</i>	<i>1981-82</i>	<i>1982-83</i>	<i>1983-84</i>	<i>1984-85</i>
1. Industrial Production	1970=100	152.6	154.4 (1.2)	159.2 (3.1)	170.5 (7.1)	173.3 (1.6)	184.5 (6.5)	193.6 (4.9)
2. Investment	Rs. Crores	10732	13089 (22.0)	14860 (13.5)	17394 (17.1)	19742 (13.5)	22408 (13.5)	25433 (13.5)
3. Value of Output	Rs. Crores	13468	16717 (24.1)	20102 (20.2)	24353 (21.1)	28591 (17.4)	33566 (17.4)	39406 (17.4)
4. Employment	Millions	1.928	2.150 (11.5)	2.152 (0.1)	2.185 (1.5)	2.202 (3.5)	2.341 (3.5)	2.423 (3.5)
5. Engineering goods prices	1970-71=100	196.8	232.5 (18.1)	253.2 (9.2)	289.6 (14.4)	314.0 (8.4)	332.0 (5.9)	358.0 (7.6)
6. Exports								
i) Total Exports	Rs. Crores	4726.07	6418.43	6710.70	7805.90	8834.21	9865.30	11297.00
ii) Engineering Exports	Rs. Crores	716.93	716.68	874.16	1046.99	1250.00	1170.00	1300.00
7. Imports								
i) Total Imports	Rs. Crores	6810.64	9142.59	12549.15	13607.56	14359.99	15763.00	16484.9
ii) Engineering Imports	Rs. Crores	2171.19	2812.9	3483.9	4039.8	4738.7	5558.5	6520.00
8. Engineering Goods Licences	Nos.	154	168 (9.1)	213 (26.8)	200 (-6.1)	209 (4.5)	645 (208.6)	623 (-3.4)
9. Foreign Colla- boration	Nos.	214	206 (3.7)	392 (90.3)	306 (-20.9)	465 (52.0)	500 (9.2)	571 (12.4)
10. Value added	Rs. Million	31.89	37.43	43.90	49.52	58.86	63	71.07

The Engineering industry is both old and new. It is old because we have still engineering enterprises, foundries, fabrication machine shop established years ago. There are new ones, capital intensive, with modern, sophisticated machinery with a high rate of return. Besides, the canvas of the Engineering industry is very wide. From manufacture of pins, nuts and bolts, we have the heavy electrical equipment industries, the machine tool factories, ship building, electronics and aircrafts. We have industries small, medium and large. They are in both the public and the private sectors.

In the Engineering industry the wages and wage pattern vary from region to region, in the same region and in some cases in the same type of industry. There are differing wage patterns in the machine tool industry in the same region as in the Foundry workshops. Small scale Engineering industries pay far less than the medium and large scale. The Minimum Wages Act in respect of certain classes of industry is not implemented effectively. The D.A. and other conditions of service differ. Though an effort was made by the first Wage Board for the Engineering industry to have as far as possible a uniform pattern, it has not succeeded. On the other hand several complications have arisen. The approach to the question of wages, D.A. and certain common items has been considered by the National Federation of Engineering Workers of India. At its last conference held at Coimbatore, it was resolved that we do not demand again a wage board. On the other hand we insist on bipartite negotiations, and if necessary Government intervening, as in West Bengal and settling all issues by mutual discussions. Since the T.U. movement in the Engineering industry is strong in West Bengal and since the tradition has been to have state level bipartite negotiations and arriving at settlements, it has been possible to have some rationale in the wage pattern. More than that our approach helps bring all the workers in the industry together at the state level leading to united actions and united movement.

The NFEWI desires that this process be continued in states where it exists and introduced where it does not exist. It is with this view that it was resolved to conduct regional Conventions of AITUC unions in the industry. Successful conventions were held in the Eastern and Northern regions. The South and Western regions are yet to hold these conventions. In view of the period of the settlements coming to an end in some places, and in view of the charter of demands submitted to the Central sphere public sector undertakings, it is necessary for building a movement to force the State Governments to see

that negotiations take place at the state level between the employers and employees of the Private sector and state sphere public sector. This is one of the main tasks for the coming days.

The economic policies of the Government of India, the talk of going over to the 21st century and high technology, the concessions galore given to the monopolists of the country, the free entry of multinationals into this country, the so-called stress on quality, modernisation, etc. etc., computerisation, all these have different impact on different sectors of the industry. They are affecting the working class adversely in various ways.

In the name of high technology and modernisation, in several private sector companies such as Kirloskars, Larsen & Toubro, etc. new automatic or numerically controlled machines are installed which replaces men. In the public sector Bharat Electronics Ltd., Hindustan Machine Tools Ltd., in some lines of production Robots have been introduced. The effect of all this in the number of private sector companies is shunting out the casual and temporary workers who have been working for several years as casual and temporary in the hope of becoming permanent. In the public sector as well as several private sector engineering concerns, voluntary retirement schemes are being introduced and the "Golden handshake" sought to be implemented.

"Cost consciousness" "cost reduction" are the new slogans in the public sector. While one cannot be opposed to cost reduction as such so that the public sector functions more effectively, the manner it is sought to be implemented are (a) contracting out jobs which are being done inside the factory to ancillaries and other workshops outside. (b) Taking employees on contract basis into the factory at certain levels without a proper wage nor guarantee of security of service (c) Jobs, such as cleaning or sweeping the floor and the toilets, watchmen, horticulture department, canteen etc. being given to contractors and other security agencies functioning outside. While all this has meant redundancy of men, lay offs and retrenchments, it has in the case of watchmen or security men meant some outside defective/security agencies getting into the factory, doing the job of policemen inside, leading to clashes between workers and these personnel. Some of these so-called detective agencies are enrolling thugs and anti-social elements who are used to browbeat the workers, threaten them, and act as strike breakers, and smash the trade unions.

The large scale entry of multi-national enterprises (MNEs) in our country has positively adverse effects. Firstly studies conducted by the I.L.O. and other experts in advanced capi-

talist as well as in third world countries including India have negated the contention that there would be increase in employment generation due to the MNE's. On the contrary it is less than in the case of Indian companies. Secondly, introduction of high technology in some areas and computerisation does create redundancy as in case of communication industry in India. The Japanese MNEs are rendering large number of workers surplus in the Telephone and Telecommunication services. Besides it is also reported that the wage scale in these enterprises where MNEs are operating are no better than many of the Indian Engineering companies. It is common knowledge that the profits earned by the MNEs are drained out of our country and history of other countries show how MNEs have not only come in the way of growth of a self reliant economy but have even interefered in the political affairs of the country. The NFEWI has to take up case studies in the Engineering industry, and come to proper conclusions on the various aspects such as employment, wages, etc. and give a proper direction to the TU movement.

In this period number of struggles, some long drawn out have been conducted by the engineering trade unions. Absence of reports is a constraint on giving details of the struggles.

### Tasks

Arising out of this short note certain immediate tasks flow:

- (1) To conduct a campaign in each state to force the state governments to convene joint meetings of the employers and trade unions in the engineering industry in the small, medium and large scale private sector companies as well as the state sphere public sector undertakings to negotiate and settle wages, D.A. and other conditions of service.

(The Central sphere Public Sector Engineering undertakings are not brought within this perview since their employer is the Government of India and there has to be all India campaign separately.)

- (2) To oppose the retrograde economic policies of the Government of India giving concessions to monopolies and allowing entry of multinationals etc.

- (3) To conduct struggles against closures, lay-offs and re-trenchment.

- (4) To conduct studies sectorwise, namely machine tools, electrical equipments, electronics, ship building, etc. etc. in res-

pect of the position of the industry, the multinationals and their operations, their adverse effect on the working class, and conduct campaigns against the multinationals in a concrete manner.

(5) To conduct campaigns and struggles against the contract system, contracting out the jobs, etc. and see that the casual, temporary and contract workers are made permanent.

(6) To carry out the tasks decided upon by the AITUC for defending TU rights, and to fight the anti working class policies of the Government.

(7) To carry out the decisions and tasks in respect of defending peace, support national liberation movements, against apartheid and against imperialism.

### *NFEWI and the TUI Metal*

We are a part of the Trade Union International—Metal. We received the Engineering T.U. delegation from Czechoslovakia, recently, Four comrades from India are at present participating in a Seminar at Moscow.

Com. H. Mahadevan, Secretary of our Federation participated in a seminar at Moscow.

### *Organisation*

The strength of the Federation is about 3,00,000. We have influence in number of public sector engineering unions which are not affiliated to AITUC. There are numerous organisational weaknesses which have to be overcome in order to discharge the tasks enumerated above.

(1) At present the centre is functioning from Bangalore. It would be better if it functions from Delhi. However, if this is not possible at present due to various reasons, the functioning from Bangalore has to improve. A machinery has to be set up to look into correspondence, keep in touch with state units and unions, make representations with AITUC's assistance and guide the movement generally. (2) The Secretariat/Executive Committee of the Federation should meet regularly with a specified agenda, preferably in different parts of the country. (3) Financial position of the Federation has to be strengthened. Very few have paid the affiliation fees to the Federation. (4) A monthly journal to be published in English, for the present, by the NFEWI. (5) Plan the next conference of the Federation before that zonal/state conference to be conducted.

(M. S. KRISHNAN)  
General Secretary

## REPORT OF THE INDIAN RAILWAY WORKERS' FEDERATION

The Indian Railways are the principal mode of inland transport and play a pivotal role in the country's economy. They provide an uninterrupted flow of traffic in the core sector, carrying raw materials to the centres of production and finished products for distribution all over the country. The railways also maintain supply lines to many inaccessible areas, connecting ports to the hinterland and contribute to the economic development.

The railways are the only most convenient mode of transport for the common man for long distance travelling across our vast country.

The Indian Railways are the biggest public enterprise in the country and they are expected to function both as a commercial enterprise and a public utility service.

The Indian Railways had a route kilometrage of 53,596 at the end of 1950-51 which has been increased to 61,850 Kms. as on 31st March, 1985, comprising of broadgauge lines of 33,353 Kms., metergauge lines of 24,501 Kms. and 4,424.6 Kms. of narrowgauge lines. The entire railway system is divided into nine zones. Each zone is under the control of a General Manager and each zonal railway is further divided into a number of Divisions headed by a Divisional Railway Manager.

There are four production units, viz., the Chittaranjan Locomotive Works, Chittaranjan, manufacturing electric locomotives; Diesel Locomotive Works, Varanasi, producing Diesel locomotives; Integral Coach Factory, Perambur (Madras), manufacturing coaching stock and Wheel Axle Plant, Bangalore, producing wheels and axles. Besides these, a factory is coming up at Patiala for the production of diesel loco components and a factory is also being set up at Kapurthala to manufacture coaching stock. There is a Research, Designs and Standards Organisation at Lucknow which is headed by a Director General and functions as technical adviser and consultant to the Railway Board, the zonal railways, production units and also the public and private sector undertakings in respect of designs and standardisation of railway equipment.

There are two organisations in the Public Sector under the Department of Railways engaged in providing high level consultancy services on rail technology and execution of railway projects in India and abroad. They are the 'Rail India Technical and Economic Services Limited (Rites), and the 'Indian Railway Construction Company Limited (IRCON)'.

The responsibility for the administration and management of the Indian Railways rests with the Railway Board which functions as a department in the Ministry of Transport. Previously, there was a separate Railway Ministry. But now railway is a department of the Transport Ministry which was formed in 1985. In the beginning the Transport Ministry was headed by a Transport Minister of Cabinet rank and there was a Minister of State for Railways under the Transport Minister. But in the cabinet reshuffle done this year, no one has been appointed as Transport Minister and the three departments—railways, surface transport and air transport—have each been put under the independent charge of a Minister of State.

The Chairman, Railway Board is ex-officio Principal Secretary to the Government of India in the Ministry of Transport, Department of Railways and is responsible to the Minister of State for Railways for arriving at decisions on technical and nontechnical problems and advising on matter of Railway policy. All policy and other important matters are put up to the Minister through Chairman. The Financial Commissioner for Railways is vested with full powers of Government of India in the Ministry of Transport, Department of Railways in financial matters. Members of the Board are incharges of matters relating to Staff, Civil Engineering, Traffic and Mechanical Engineering. They function as ex-officio Secretaries to the Government of India in their respective spheres. The Railway Board is assisted by three Advisers, one each for Industrial Relations, Electrical Engineering and Finance. These three Advisers exercise the powers of the Board Members in their respective spheres except in matters of policy which require specific and collective considerations.

The total investment of the railways as on 31st March, 1985 was Rs. 10,377.3 crores (an increase of Rs. 9,522.1 crores from Rs. 855.2 crores in 1950-51). The route kilometres increased from 53,596 in 1950-51 to only 61,850 in 1984-85 but the total track kilometerage which includes double and multiple tracks and tracks in yards and sidings has increased from 77,609 in 1950-51 to 106,124 Kms. in 1984-85.

In spite of growth in road transport, the Railways continue to be the primary mode of transport for bulk of the passengers, both for long distance and short distance. The occupation ratio of certain important long distance Mail and Express trains and on suburban trains during peak hours exceeds hundred per cent. Addition to the passenger fleet, has not kept pace with the growing needs of trade. While passenger traffic has risen by 159.7 per cent since 1950-51, the increase in passenger carrying fleet has only been of the order of 126.9 per cent. Similarly,

there has been more than three fold increase in the originating freight traffic (from 73.2 in 1950-51 to 236.4 million tonnes in 1984-85), but the aggregate capacity of today's wagon fleet is only 162.6 per cent more in comparison with 1950-51, while number of wagons has increased only by 81 per cent. It is to be noted that the number of wagons has gone down from 387,000 (carrying capacity 11.14 million tonnes) in 1980-81 to 353,000 (carrying capacity 10.87 million tonnes) in 1984-85, though the originating goods traffic has increased from 1959 to 236.4 million during this period.

There has been considerable headway in modernising the operation in the sphere of signal and telecommunications panel interlocking, route relay interlocking, centralised traffic control, automatic signalling, mechanisation of marshalling yards—all these have progressed. In this manner the line capacity of the existing routes has been increased. Tracks have been strengthened to meet the requirements of greater speed resulting in the introduction of superfast trains on the major trunk routes. But inspite of heavy back log in track renewals, which is a cause of serious concern from safety point of view, only 9541 Kms. of track renewals were carried out during the sixth plan period as against the target of 14000 Kms. (Actually about 27000 Kms. of track was estimated to become due for renewals during the sixth plan period).

The work of replacing the old and ineffective rolling stock and its periodical overhaul (POH) has also suffered during these years. According to the assessment of the then Financial Commissioner of Railways, over 1000 locomotives, nearly 65000 wagons and 8000 coaches were to become due for renewal during the sixth plan period. But adequate funds have not been provided for replacing these assets. According to Railway Board's own figures about 20% of locomotives on B.G. and about 16% on M.G. were ineffective and about 7% of locomotives on BG&MG were overdue POH at the end of 1984-85. Similarly about 15% coaches on BG and about 13% coaches on M.G. were ineffective and 14.3% coaches on BG and 7.04% on MG were due POH on 31st March, 1985. 14.5% BG wagons and 16.05% MG wagons were also over due POH on 31.3.1985. The main reason for this critical situation is non-provision of adequate funds for track renewals and inadequacy of workshop capacity due to 80 to 90 per cent of the machinery becoming obsolete and requiring replacement. Even then the work of modernisation of workshops is not being carried out at the desired speed. Any neglect in this respect is dangerous from safety point of view and adequate funds must be provided to improve the situation.

## SOCIAL BURDEN ON RAILWAYS

The loss suffered by the railways due to social burdens is increasing every year. In most countries these burdens are borne by the government. In 1950-51, the loss on coaching services was to the tune of Rs 59 crores and on low rated goods traffic Rs 52 crores—a total of Rs. 111 crores. In 1984-85, coaching services accounted for a loss of Rs. 895.34 crores and low rated goods traffic Rs 173.60 crores, loss on uneconomic branch lines Rs. 67.40 crores, totalling to Rs. 1136.34 crores.

The government and railway administration constantly defend the cost of social burdens, carrying certain goods at concessional rates, on the plea that this practice is aimed at keeping down prices of essential commodities. But the fact is that the prices of commodities carried at concessional rates have been steadily increasing all these years, while the cost of social burdens on railways has also been increasing. The government should, therefore, subsidise the loss suffered by railway on this account. The loss on suburban traffic (coaching services) in Bombay, Calcutta and Madras and Delhi is borne by the railway. Most of the passengers on these lines, apart from students, are employees of the big monopoly and multinational firms. In many major industrial centres such as Bangalore and Hyderabad, in public sector units, such as Hindustan Aeronautics, Hindustan Machine Tools etc., the transport of the employees is provided by the Management. Hence, a long-standing demand has been that this burden should be borne either by the government or by the employer and not placed on the railways.

The concept of social burdens which dates back to the days of the British was enforced in the name of unifying the country by declaring the railways as a public utility service under the Indian Railways Act, 1890 and the government reserved the right "in public interest, to direct the railways to give preference to the transport of certain goods at below cost." In other words, government can direct the railways to carry goods at low rates and then force the people to pay through increased fares while granting concessions to the businessmen who exploit the resources of the country. This has been the picture of social burdens all these years. If the railways are not forced to bear this social burden, the railway can utilise this huge amount in improving and extending railway services.

## CONDITION OF RAILWAY WORKERS

The number of regular staff of all categories including officers and administrative staff has increased from 9,13,600 in

1950-51 to 16,00,003. The number of casual labour working on the railways in the open line as well as on projects was approximately 210,000 as on 31st March, 1985. The figures do not include the workers under contractors who are engaged in construction and repair works in several parts of the railways.

The policy of privatisation through contract system has also been introduced on the railways for the past some years and the contract system is being encouraged for works like coal ash handling, transshipment of goods, catering service and repair and maintenance of buildings. Recently, the work of track maintenance has also been given on contract on some railways, neglecting the safety aspect.

In the name of improving efficiency, the railways have embarked upon indiscriminate computerisation on railways. While there can be no objection in using computers where high technology is involved, indiscriminate computerisation cannot be supported which adversely affects employment opportunities in a vast country like India where crores of people are unemployed. Efficiency can be improved by better management and proper utilisation of workers, without computers.

For the past some years there has been deliberate attempt to minimise recruitment of additional staff and also keep the vacancies unfilled. This has resulted in lesser employment opportunities to the unemployed youth and also in overburdening the existing staff with work. The yearly average of new recruitment of railways which was about 22000 per year from 1950-51 to 1980-81 has come down to about 8000 during the last four years.

The railway is a transport industry. While the workers in all other wings of transport industry—Air Transport, Road Transport, Port & Dock and Water Transport are being treated as industrial workers, the railway workers are treated as industrial workers, the railway workers are treated as Central Government employees and their wages are fixed by the Pay Commissions which are appointed at intervals by the government to recommend wage scales for all central government employees. These Pay Commissions have, therefore, failed to take into account the special features of the railway work as well as to measure the degrees of skill involved in different categories on which to fix the differentials. The Fourth Pay Commission has also acted in the same manner and has also rejected the demand of railway workers for parity in wages with workers of public sector undertakings. Even with the two instalments of interim relief since June,

1983 and adding all the D.A. instalments to pay and 20% of pay (subject to minimum of Rs. 75/-) as fitment benefit in the new scales of pay from 1st January, 1986, the minimum wage of Rs. 750/- of a railway worker is less by about Rs. 300/= than the public sector worker. The IV Pay Commission has not at all considered the fact that due to modernisation of different operations of the railways, the railway workers are being called upon to perform newer skills in their work. The result is that though the productivity of railway workers in all fields has increased, their wages are not commensurate with their skills and types of work which they are called upon to perform.

Whereas the demand for a uniform working week of 40 hours for all railway workers, except those whose work is of intensive nature and some of whom are already working for 36 hours a week, has not been accepted either by the government or by the Pay Commission, the government have increased the working hours of office staff from 37½ hours a week to 40 hours on the plea that the IV C.P.C. has recommended increase in their working hours, though there is no such specific recommendation.

There is no job security of railway workers, specially after the supreme court's retrograde judgement of July, 1985 on article 311(2) (b) of the Constitution under which hundreds of railwaymen and other central government employees stand removed/dismissed from service without enquiry and opportunity to defend.

The main demand of railway workers continue to be that for which the historic strike of 1974 took place that they should be treated as industrial workers for all purposes, including the right of collective bargaining and that industrial wage structure should be introduced for them, which is also the recommendation of the I.L.O. Besides this, the other important demands relate to shorter hours of work, job security, stopping of indiscriminate computerisation, privatisation of railway work through contractors, time bound promotion and a democratic industrial relations policy.

The two recognised federations of railwaymen-AIRF and NFIR, which have monopoly status due to the Railway Board's industrial relations policy based on the recognition of only two federations to the complete exclusion of all negotiating rights for all other organisations and depend on the negotiating machinery provided through JCM and PNM thereby discouraging the railway workers to take recourse to struggle.

It is, however, a hard fact that the basic demands of railway

workers cannot be achieved without united struggle and, therefore, the need of the hour is that all the organisations of railway workers, whether recognised or unrecognised and whether in the JCM or out of it, should seriously move towards united struggle for achieving the basic demands of railway workers and also to ensure job security and protection of trade union and democratic rights of railway workers.

*Sri Krishna*  
*General Secretary*

## REPORT OF THE ALL INDIA BEEDI, CIGAR & TOBACCO WORKERS' FEDERATION

The beedi industry is scattered over the entire country in urban and remote rural areas employing about fifty lakhs of labour force of men, women and children. Beedi workers are concentrated in the States of Madhya Pradesh, Maharashtra, Karnataka, Andhra Pradesh, Bihar, Orissa, Gujarat, Kerala, Tamilnadu, Rajasthan, Uttar Pradesh and West Bengal. They mainly belong to scheduled castes; scheduled Tribes, backward classes; and Muslim minority of whom more than 50% are women. Their working and living conditions are alarming. Most of them are engaged full time in making beedies in their homes as they are not provided work in the industrial premises. They work hard from sun-rise to late after sun-set but earn only a meagre amount which fall below the poverty line. The plight of beedi workers continue to be very deplorable because the statutory provisions made for their betterment are not implemented properly and the employer-employee relationship is hardly defined. Beedi industry does not require machinery or huge capital, Tendu leaves, tobacco and human force is enough to carryout simple beedi manufacturing.

### *The Labour Laws And Schemes Extended For Beedi Workers*

1. Beedi and Cigar workers (conditions of Employment) Act, 1966. (2) The Beedi Workers Welfare Cess Act, 1976. (3) The Beedi Workers Welfare Fund Act, 1976. (4) The Employees State Insurance Act, 1948, (5) The Minimum Wages Act, 1948. (6) a) The Employees' Provident Funds & Miscellaneous provisions, b) The Employees' provident funds Scheme, 1952. c) The Employees' Family pension scheme, 1971. d) The Employees' Deposit Linked Insurance Scheme 1976. (7) Maternity Benefit Act 1961. (8) Payment of Wages Act, 1936. (9) The Industrial Disputes Act 1947. (10) Payment of Gratuity Act

1972, (11) Payment of Bonus Act 1965, (12) Workmen's Compensation Act 1923, (13) The Beedi workers Welfare Cess (Amendment) Act 1981.

All the above Acts are of all India application. The actual beneficiaries however are determined in relation to definitions provided in the respective laws and to the extent the Beedi workers are organised in trade unions.

The Beedi and Cigar workers' (conditions of Employment) Act 1966 has been welcomed as MAGNACARTA by the Beedi workers in the country. But, the employers challenged the constitutional validity of the Act by filing number of writ petitions. In 1974 after a prolonged litigation of eight years, the Supreme Court upheld the Act. Yet the Act has been existing on paper. The Act can be uniformly and simultaneously enforced throughout the country and the desired result can be obtained only if the contractors and middlemen are eliminated. The licences under the Act should be issued only to the Trade mark owner and manufacturers who undertake production for marketing their products. The homemaker system as contemplated in the Act does not exist in practice. The regular workers employed through contractors are forced to roll beedies at home. So, we insist either the employers should follow home workers system strictly in accordance with law or all home workers be shifted back to industrial premises.

The home workers are subjected to exploitation by the contractors and the agents in many ways. They are not supplied with raw materials of prescribed quality and desired quantity by the contractors and agents. Rejection of beedies and illegal deductions in wages are made from them without reason. Leave and other welfare facilities under the Act are not given to them. Guarantee of daily work and service is not there.

The Government has not fixed a National Minimum wage for this vast unorganised section of working class. The State Governments are notifying wages under Minimum Wages Act 1948. There is much disparity in the wage rates fixed from state to state and within the state from urban to rural areas, though the sale price of beedies are the same whether they are made in urban zone or rural zone. The notified minimum wages are not received by workers mostly. The establishments are migrated to places where low wages prevail.

Since, there are no regular industrial premises for establishments where workers are asked to roll beedies, the employers are not maintaining registers including muster rolls of workers and production registers. Some employers evade taxes to gov-

ernment and deny statutory amenities to the workers by taking advantage of tax exemptions to unbranded beedies upto 20 lakhs production in a year.

The beedi workers due to their poverty and also on account of the fact that majority live in insanitary and unhygienic surroundings, as also because of low wages and malnutrition, they are victims of diseases like T.B., Asthma, Leprosy etc.

Beedi workers welfare fund has been constituted to provide welfare facilities under beedi workers welfare cess Act 1976 and Beedi workers welfare fund Act 1976 and Rules 1978. To finance the fund, cess was originally levied on tobacco used for beedies and later cess has been levied as a duty of excise on manufactured beedies at 10 paise per 1000 beedies though the welfare cess (Amendment) Act 1981 provided for levy of cess upto 50 paise per 1000 beedies. In 1985-86, cess income on beedies was 350 lakhs of rupees.

For implementation of the above Act and Rules in different states, nine regional offices have been set up under welfare commissioners. Central Advisory committee and state Advisory committees are constituted and their meetings are held. Our federation has three representatives in the Central Advisory committee and our unions are represented in the State Committees.

#### *FOLLOWING WELFARE SCHEMES SO FAR HAVE BEEN INTRODUCED*

##### *(1) (MEDICAL)*

114 Static and Static-cum-mobile medical units are started and nine new units recently sanctioned. For each state 4 new units will be proposed in two months period. In addition, 10 bedded hospitals in Mysore and Nimitela are run. Reservation of beds for T.B. patients with subsistence allowance, Reservation of beds to beedi workers in public hospitals; special-ised treatment for Leprosy and Cancer; grant of free eye-test and provision of glasses.

#### *EDUCATION:*

(2) Grant of scholarship to the children of beedi workers and eligible beedi workers for further studies; one crore rupees allotted for 1986-87 to scholarships.

(3) Provision of school uniform to the children studying in class one.

#### (4) HOUSING SCHEMES:

##### *Build your own House scheme:*

Prior to 1983 subsidy and loan interest free were Rs. 600 and Rs. 900 respectively. Loan recovered monthly in 9 years. Now under this scheme a subsidy of Rs. 1000/- and loan of Rs. 4000/- are given with same conditions. Proposed revised subsidy and loan will be Rs. 2000 and Rs. 8000 respectively.

Houses sanctioned: A.P. 18, Tamilnadu 3, Orissa 373, Tripura 29, West Bengal 8, M.P. 12, Rajasthan 14, Bihar 32, U.P. 47.

\* Housing scheme for economically weaker section of Beedi workers:—

The Central Government gives subsidy of Rs. 3000/- to State Governments. Remaining amount is raised as loan by State and houses constructed through agencies. State Government allots the houses to workers and collect the amount in instalments with high interest. Subsidy enhancement to Rs. 5000 is proposed.

Houses constructed: A.P. 125, Tamilnadu 150, Gujarat 63, M.P. 250.

Houses sanctioned: A.P. 488, Gujarat 120, Karnataka 425, Orissa 100, M.P. 750, Maharashtra 4000.

\* Beedi workers cooperative housing scheme is under study.

*Recreation:* The beedi workers are also entitled to excursion tour and organisation of sports for their benefit and for the benefit of their children.

*Identification of Beedi Workers* is an imperative necessity to provide all welfare benefits to the bonafide workers and their family members.

The Rule 41 of the Beedi workers welfare fund provides that the owner of an establishment, factory or contractor engaged in the manufactured Beedies shall issue to every employee an identity card in form E. on which a photograph of worker would also be affixed. With the efforts made so far 17.69 lakhs of Identity cards have been issued. For providing welfare facilities and other amenities identifying the beedi workers is the important task. It is not yet completed due to lack of cooperation from employers.

#### ORGANISATION OF BEEDI WORKERS INTO COOPERATIVES

In a Tripartite meeting on 2.2.1982 it was agreed to have beedi workers organised in the form of cooperatives. The

Chairman, Kerala Dinesh workers cooperative society as Honorary Adviser formulated a scheme to initially bring 5 lakh workers into 100 cooperatives with a membership of 5000 each at an expenditure of Rs. 17.50 crores. The State Governments are at it for taking necessary steps. Unions have to take up the issue for betterment of workers.

The Employees Provident Fund and Miscellaneous provisions Act 1952 has been extended to Beedi industry by notification dated 17.5.1977, some of the Beedi establishments were covered under the Act under the Schedule head "Trading and commercial establishments" even before 1977. Beedi manufacturers obtained stay orders to the Act from the supreme court. The supreme court passed Judgement on 25.9.85 stating that the provisions of the P.F. Act are applicable to Beedi employees in industrial premises and establishments including the dwelling houses of the Beedi workers. Five employers have implemented the P.F. Scheme to Beedi workers who are engaged in the Factory premises and the dwelling houses from the date of notification. Some beedi employers have introduced the scheme from 1.1.86 and the arrears they have not paid. Government constituted a workshop to see that the Act is implemented from the date of Notification but the object is yet to be achieved. Still majority of the beedi workers are not covered by this act.

All India Beedi, Cigar and Tobacco Workers' Federation has unions in Beedi producing states which are also affiliated directly to AITUC. In 1970 May, the First conference of our Federation was held at Gondia in Maharashtra State. Second conference at Bhopal (M.P.), Third Conference at Jhansi in U.P. and Fourth conference at Dalsinghsarai in Bihar: First regional conference for southern states to study cooperative sector at Cannanore and second regional conference for Beedi workers provident fund for southern states at Bangalore were conducted under the initiative of our All India Federation. State conferences were held in Tamilnadu, Maharashtra, Kerala, Bihar and Andhra Pradesh and State Federations are formed. We conducted mass signature campaigns for the charter of Demands and presented to the Government of India and State Governments. We conducted strikes, hunger strikes, Dharna and several other forms of agitations to win their demands. Beedi workers are militant and responsive to all forms of movements including solidarity actions.

### ORGANISATION

All India Beedi, Cigar and Tobacco Workers' Federation is neither an independent body, nor a registered organisation

functioning autonomously. AITUC affiliated Beedi, Cigar and Tobacco workers unions are brought into this Federation. Their activities and movements are coordinated to strengthen AITUC. Membership and other activities of our unions are not enough to the magnitude of the labour potential in the industry. Lack of Central office, proper cooperation from State Federations where they exist, want of state federations in other States; not holding state conferences; All India conferences regularly once in three years, lack of trade union democratic functioning, not holding meetings of committees, Annual General body-are our weaknesses.

We have to improve our organisation. Whole-time cadres have to be proposed to carry out organisational and other tasks of our Federation. After the 33rd Session of AITUC, proposed fifth National conference of the Federation will be held at Warangal, A.P.

G. Kannabiran  
General Secretary

## REPORT OF THE COAL INDUSTRY

By Sunil Sen, General Secretary  
Indian Mine Workers Federation

1. 3 years have passed since 32nd session of AITUC. It is difficult to summarise numerous effects and developments and problems of 3 eventful years. However these three years witnessed a change in entire structure of Coal Industry-relations with the working class, production, planning—a change which not only affected the coal industry or those 7 lakh workers who are working but had a farreaching effect on the entire socio-economic and political life of the country.

2. In this period, Government of India and monopoly press are carrying on systematic and calculated and relentless campaign and propaganda against Coal Industry and Public sector as a whole.

3. I shall deal with some major movements during the last three years of Coal Miners.

- 1) Struggle for full implementation of National Coal Wage Agreement—III.
- 2) Struggle to save Public Sector.
- 3) Struggle for workers participation in the management.
4. The National Coal Wage Agreement III signed on 11th November, 83. —effective from 1.1.83. During the year

84, the Coal India and the Government of India launched an attack on trade unions in various ways. They even refused to implement various clauses of the agreement i.e. job to dependant of retiring employees, abolition of contract System, housing, medical, drinking water, education of children etc. The Coal India even refused to call any meeting of JBCCI.

5. Against these, there was distinct trend towards unity and united move is developing and has already taken a concrete shape.

6. In this background, the 2nd Convention of All India Coal Miners was held on 24-25th March, 84 at Asansol. In pursuance of the decision of the Convention Coal workers all over India went on strike for 48 hours on 4th and 5th June, 1984. Except INTUC all the central organisations participated in the strike. It is significant the although INTUC opposed it but good number of followers of INTUC in different states participated in the strike.

7. Before and after the strike Government of India and Coal India started attack on workers on various ways i.e. 8 days wage cut for participating in the strike (case is now pending in different High Courts) under P.W. Act, break in service, refusal to talk with the unions etc.

8. Even then workers continued their fight jointly and Federation played important role to continue the struggle and unite other organisations.

9. Ultimately, on 9th April, '85, all the trade unions including INTUC went on strike, demanding full implementation of NCWA-III. Even then Government failed to discuss those issues with the trade unions. But workers are continuing their agitations in different areas and prepare for bigger struggle unitedly. The IMWF and their unions should play the key role.

10. Formation of Bi-partrite Committee: During this period different committees were formed. It is well known that bureaucrats are not at all happy with these committees and continuously try to sabotage them. It is our task to not only to participate in these bodies at all levels but to make them effective instruments to protect the interest of the workers implement the safety laws and improve production by suggesting concrete proposals and not allow these committees to remain as paper bodies and show pieces which the bosses want.

## PROBLEM OF THE COAL MINING INDUSTRY

After nationalisation of the Coal Mining Industry, the various problems came to light. The Government of India and the

Ministry of Coal never gone through all those problems. On the other hand, they are systematically attacking the Public Sector and the workmen. Now I am giving below some points of the problem of the Industry which need immediate attention:

1. *Problem Attributable to Shortcomings in Project Planning and Project Formulation:*

It was observed that the inadequacy of geological data at project planning stage both in respect of areas in the seam being worked and also in respect of virgin areas where new mines are opened. These problems are very serious of the underground reorganisation project planned during the initial period after nationalisation.

2. *Problem Related to Project Implementation:*

Due to absence of proper project report, several problems arose for implementation of the project report i.e. variation of the quality of coal planned to be produced as per project report and the actual grade of coal mine after the project is completed. Several instances came to our notice where there are wide gaps between the grade of coal planned and the grade of coal produced, resulting in *considerable loss of revenue and higher losses or lower profits compared to that envisaged in the project report.*

3. The development of existing underground mine is neglected. We feel the need for more emphasis in planning of underground mines keeping the long term object of meeting the need for higher quality coal in view. This is assuming more importance in view of heavy losses being apprehended from a number of open cast mines being planned.

4 **TECHNOLOGY:**

Need to consider least cost technology options having identified a source to meet the particular demand.

ii) Choosing of technology more adaptable to actual situation considering the infrastructure needs to adopt the technology. In this connection I wish to give some example for long wall mining operation.

The Government of India decided that longwall mining with power support was to be introduced in a big way. 159 such faces were stipulated to be opened up by 1982-83 and 277 by 87-88. But hardly 6 such faces with power support are operating in Coal India at present. Those 6 faces are not running pro-

perly. The reasons I already mentioned in point No. ii) above.

5 **TRAINING:** At present, the training system is inadequate. So, I suggest that proper training should be introduced. I felt that due to absence of proper trained personnel to run and maintain the equipment well after receiving the equipment at site is leading to under utilisation. In this regard I suggested that Personnel & Human resources Development Department should be more closely associated at the stage of Project planning and project development.

#### 6. **LAND ACQUISITION:**

Problem of land acquisition causing considerable time and cost over-run. The possible solution could be an advance action for land acquisition even before the projects are planned. Another reason is also withdrawal of job of land losers from 1986.

#### 7. **SUGGESTION:**

- i) **Fixing of targets on a more scientific basis of the capacity of the mine on the basis of equipment and other facilities provided to the mine;**
- ii) **Planning of production keeping the aspect of saleability and movement in view to avoid loss due to over stocking;**
- iii) **Making coal loading activity more attractive to the employees by providing proper incentive;**
- iv) **Need to improve availability and utilisation of equipment. Lack of infrastructure like work shop; quality of indigenous equipment also needs improvement;**
- v) **Development of norms for consumption of important items of inputs like POL, timber etc.**
- vi) **Providing adequate blasted coal, tubs etc. to the loaders;**
- vii) **Stricter scrutiny of replacement of equipment;**
- viii) **Quality control and avoidance of stock shortage;**
- ix) **Details Project Report should be prepared along with project report;**
- x) **Contract system should be abolished;**
- xi) **Safety should be ensured at all levels including in the project report.**



# COMMISSION REPORTS

## REPORT OF THE COMMISSION ON THREAT TO NATIONAL UNITY, INTEGRITY AND COMMUNAL HARMONY

The Commission was attended by about 200 delegates. 35 delegates participated in the discussion.

A draft working paper was submitted on the subject and discussed. The following unanimous recommendations were adopted.

Proceedings were presided over by Madanlal Didi (Punjab) and Promode Gogoi (Assam), Ramavtar Sastri (Bihar).

The Convenors on behalf of the Steering Committee were Com. Chaturanan Mishra and Com. S. K. Sanyal.

1. The threat to our national unity and integrity has deepened as never before. The national political scene is darkened with the clouds of secessionism, religious fundamentalism, communalism, casteism, and even regional and linguistic animosities. The very fabric of our people's unity is being torn assunder. It is a serious menace to the entire democratic and the trade union movement in our country.

2. The harsh reality today is the violent Khalistani movement by secessionist forces and terrorists, which are claiming scores of innocent lives through acts of shocking brutality.

3. Hindu-Muslim communal tensions and clashes are spreading to many states, resulting in deaths, burning and looting of property, etc.

4. Caste riots, pro-reservation and anti-reservation stirs have shaken up several states, deepening the traditional social cleavages and inequalities in our society.

5. Linguistic and regional animosities have led to prolonged outbursts in several parts of the country.

6. The country is becoming a hotbed of violence and tensions, of hate and revenge, of the free play of divisive and disruptive forces.

7. Imperialism which during the colonial era, played up all these forces are pursuing its policy of "Divide and Rule". This is a new dimension of communalism, arising out of the intensified crisis of imperialism, particularly US imperialism, that is

now instigating, aiding and abetting these forces through various means, in pursuit of its global strategy, its aim of destabilisation and weakening our country.

8. The opportunist politics of the ruling bōurgeois and opposition circles, of securing short-term political and electoral gains, has led to longterm damage on the above lines. Government administration, police and para-military have on several occasions, played a culpable role, rather than preventing this.

9. Communal and divisive forces have raised their heads, and multiplied their strength many fold in this situation.

A spate of senas and dals have sprung up under different communal banners, claiming to protect their respective communities from danger. While a hard core of armed thugs carry out their operations on the slightest, real or imaginary pretexts, the majority of the people have failed to stand up against this disastrous momentum. Communalisation of politics, is leading to the communalisation of social outlook, norms and behaviour. Secular values are being denied, distorted and sought to be destroyed.

10. The devisive forces are planfully choosing the urban industrial complexes, and traditional centres of handicraftsmen, as their targets. The aim is to kill many birds with one stone. In particular, to divide the toiling masses; pit them against one another, and thus weaken their social role in the fight for progress and socialism.

11. In this threatening situation, it is heartening to note how the working class and trade unions in Punjab have refused to be split, and how Hindu and Sikh workers have stood up together, and marched together with the slogans: "Neither Hindu Raj, Nor Khalistan! Long Live Hindustan." "Those who pit Sikhs against Hindus are enemies of the country!" etc. The AITUC units have played a prominent role in this. Others too have contributed their mite in this effort.

12. At several places, chiefly on the efforts of our unions, we have been able to contain or quench the flames of communal and caste clashes, and to bring relief to the victims. But it would be blindness not to see that toiling people's localities have been the scenes of clashes, all too frequently.

13. While the communal and divisive forces have been on the rampage, our intervention has been poor, not always in time, and generally after the event.

14. The initiative taken and unity achieved at the all India level by several TU centres, including the INTUC for fighting communalism and defending national unity, has been welcome

and timely. The National Convention on these issues has been followed up by some state or local conventions, but the overall mobilisation has been unsatisfactory and formal.

*The urgency, the task, and the intervention needed from the working class and its trade unions is many times more, than anything done so far.*

15. There are socio-economic dimensions to these developing divisive threats. Such as, for instance, the uneven economic and political growth and resulting disparities, the uneven cultural levels of development, the genuine core of social discrimination and inequality, the fast growing unemployment, the pauperisation leading to immigration from countryside to towns and the poliferation of slums, overcrowded localities, clusters of homeless, etc., the aggravated gulf between the affluence of the few and the poverty of the masses, the destruction of traditional industries and handicrafts on which millions have so long eked out their living, while 'modernisation' and 'liberalisation' are being ruthlessly pursued as the path of national development, etc. This has created several violences of discontent, ready to erupt at any moment.

But it would be wrong to oversimplify this situation, and not to see the complicated interweaving of several factors foreign and local, ideological and political, social and economic etc.

16. The trade unions and the working class have therefore to intervene in several spheres of activity, and not confine themselves merely to struggles on common economic issues. Such common struggles, and TU consciousness based on them, are liable to break down under the attacks from several directions, by communal and other divisive forces, as experience has shown again and again. And yet, trade unions as the biggest organised social force, have a big role to play, by uniting with all other secular and patriotic forces.

17. The task, therefore, is to campaign for a secular and democratic outlook, for a rational and scientific temper, as against theocratic, communal and obscurantist philosophies in whatever religious garb they may be dressed. The direction of the campaign should be against the forces of imperialism with its war plans and feudalism. This must form a part of our agitational speeches, our political and trade union education classes, seminars, etc. planfully organised at several levels and so on.

(b) Take note in proper time of tensions that are being built up by mischievous elements, and try and intervene to prevent deterioration, of tension building up to flash point of riot etc.

(c) While combating communalism of any hue or brand, take particular care to see that the 'minorities' in that sepecific area and context, are protected—their life and property is safe-guarded, their grievances taken up in time and that prompt administrative action is also taken. Special vigilance be exercised in all riotprone and sensitive areas. But in general all industrial areas and workers localities be paid attention.

(d) Casteism be fought, but in doing so, let the oppressed and exploited castes see in the organised trade unions firm champions of their genuine rights and grievances. Intervene against 'atrocities' wherever and whenever they are manifested in surrounding areas.

(e) Campaign for the separation of religion from the State, religion from politics, from education and other spheres. This has to be done, while protecting the rights of all to practise their religion, and without offending anyone's religious sentiments. The decisions and recommendations of the National Integration Council be implemented forthwith.

(f) To rouse respect for rich cultures and healthy traditions of various sections of the people in our country, and to bring about integration through cultural exchange, cultural admix, etc., trade unions should undertake this as a part of their activities.

(g) At all costs, trade unions and working class unity should be protected from the onslaught of communalism, casteism, and regional chauvinism. This is the basis for all other efforts.

(h) The joint initiative of several trade union centres be carried forward, through frequent contacts, meetings, joint conventions, joint delegations, joint intervention and joint peace marches, etc. This be undertaken as an ever-widening and evergrowing activity. While this is done on the basis of maximum consensus, our own ideological campaign of scientific socialism be also carried on.

(i) In order to carry out the above tasks this commission recommends that committees at National and State levels of AITUC be set up.

(j) This commission recommends to this Congress that a week commencing on the 30th January 1987 be observed as National Unity Week by organising meetings, demonstrations, pa-dayatras, etc. throughout the country.

(k) Martyrs of freedom movement be honoured every year by trade unions by suitably observing their days of martyrdom as special days.

## COMMISSION ON TU RIGHTS

The Commission met under the Chairmanship of Com. A. M. Gopu. It was attended by about 250 delegates.

Com. Homi Daji introduced the document on **TU Rights**.

More than 30 comrades participated in the discussion and gave useful suggestions which have been incorporated in the Report.

As per the desire expressed by comrades a detailed resolutions on the proposed amendments to the I. D. Act and Trade Unions Act is being separately submitted to enable comrades to launch wide agitation and campaign among the workers.

The capitalist path of development has led to the crisis of the economy. The same is being exacerbated by the Rajiv Gandhi's new economic policy of liberalisation of imports, open door to foreign capital and multinationals and concessions to monopolies. This has resulted in increased closures, sickness of industry, lay-offs, lock-outs, redundancies and retrenchment. The government and the employers want to deny the workers a need-based minimum wage and the wages of workers of the unorganised sector are being pegged at a level even lower than the official "starvation level".

All these are facing increased and united resistance by the workers. Therefore an all out attack on TU rights is being mounted to fetter workers from struggling for their legitimate demands.

With this aim, the notorious ESMA is being used to prohibit strikes and the national security act is being used to suppress the trade union movement. The Commission noted with satisfaction that these enactments and the police are not being used against the workers in states having left front governments.

The recent judgement of the Supreme Court interpreting Article 311(2) (b) of the Constitution to give wide power to the government to deny employees even the elementary right of being heard before dismissal. The Commission demanded suitable amendment of the Constitution to safeguard the full right of defence to the employees.

The CISF has been used to attack workers and suppress trade union movement in the public sector and this force is being increasingly employed. This results in explosive situation.

The employment of temporary, casual and contract labour to do regular work is another method being increasingly resorted to divide the workers and disrupt trade union activities.

In colonies owned by private monopoly houses even basic civic rights are at the mercy of the owners which seriously affect trade union activities and trade union rights.

It is regrettable that the courts of law instead of defending the workers, are used to deny their rights and help the employers

Standing Orders are being amended denying right to political activities of the workers seeking to deprive them of their constitutional rights.

Civic and trade union rights are also being curbed on the premises of Government corporations in some states.

In MP, Bombay and Gujarat the hated I.R. Act is being continued to foist lackey unions on the workers as the sole 'recognised unions', denying even elementary TU rights to all other unions.

A similar move for other states and sectors is under active consideration of the government. The Industrial Disputes Act and the TU Act are sought to be amended with this aim. The amendments seek to put the TUs in a straight jacket and emasculate the militant TU movement by imposing restrictions on the formation and functioning of TUs, curtailing their right of collective bargaining and banning of strikes, bandhs, sympathetic actions by punitive measures, to de-register TUs, debar TU officials to hold offices in TU and by even deregistering TUs for "illegal strike".

TU activists face increasing attacks by the employers' goons and the police. Repressive measures are used to detain, extern and otherwise harass the TU activists. Workers face victimisation and loss of employment for legitimate TU activities.

Repression is more fierce against agricultural workers and the landless poor whose rightful struggles are sought to be fiercely crushed by landlord senas in collusion with the police and the administration.

Lockouts and lay-offs are imposed on the workers to force them to accept conditions of service desired by the employers.

The fight for TU rights is thus inextricably a part of the workers' right for a better and dignified life.

The working class is therefore faced with the urgent task of fighting back and defeating these attacks by forging widest possible unity, increasing solidarity actions and militant struggles.

The 33rd Session calls for a broad-based trade union unity for all-India militant action to defeat this offensive of the government.

## ON THE PROPOSED AMENDMENTS TO THE INDUSTRIAL DISPUTES ACT AND THE TRADE UNIONS ACT

The 33rd Session of the All-India Trade Union Congress strongly condemns the adamant attitude of the Government of India of pushing through the anti-worker and anti-trade union amendments to the Industrial Disputes Act and the Trade Unions Act.

These amendments seek to amend the Industrial Disputes Act and the Trade Unions Act to—(i) deny the Right of Collective Bargaining' and thereby restrict trade union functioning, (ii) to negate the right to strike. The right to call for strike can be exercised only if  $\frac{1}{4}$ th of the total membership of the bargaining council vote in favour of strike.

The Bargaining Council will be constituted on the basis of check-off system which leave room for forcing workers to opt for pliant unions as against the democratic system of secret ballot. (iii) A union to become eligible to claim recognition even by check-off system will have to abide by a Code of Conduct which seeks to put trade unions under bondage with threat of punitive measures. This is in addition to the clause of unfair labour practices introduced in the I.D. Act in 1982, and seriously restricts trade union activities.

It requires 14 days notice in all cases and not only for public utility industries as at present. It bans sympathetic strikes, bandhs, go-slow and work-to-rule.

It places restrictions on the formation of unions and even seeks to regulate the right to elect office-bearers.

It empowers cancellation of registration of a union participating or supporting an "illegal" strike and disqualifies office-bearers of such unions holding any office.

It provides for stringent punishment for going on "illegal" strike, including imprisonment. Its main proposal is the setting up Industrial Relations Commission (IRC) embodying in itself the multi-pronged functions of conciliation, adjudication and registration and certification of recognition. This seriously circumscribes the right of trade unions, and more particularly the right of collective bargaining and the right of strike.

Most of these proposals have been lifted from the infamous Industrial Relations Bill (I. R. Bill) of 1978 during the Janata regime which was forced to be withdrawn by the opposition of all Central trade union organisations including the INTUC. It is deplorable that the INTUC leadership has now extended support to these measures.

These amendments taken together seek to put the trade union movement in a straight jacket and curb the militant trade union movement.

The AITUC stands for a democratic industrial relations system the fundamental principles of which are:

- a) Right of recognition and collective bargaining;
- b) Recognition by method of Secret Ballot;
- c) Right of strike; and
- d) Right of aggrieved workers to a speedy and impartial remedy.

The Government by insisting on pushing through these amendments despite opposition of trade unions made known repeatedly during the last three years, is only acting at the behest of the employers and leadership of the INTUC.

The 33rd Session of the AITUC likes to warn the Government that these reactionary measures sought to be put on the statute book will receive stiff resistance of the working class and the trade unions

The Session calls upon the workers, employees and their unions and federations, both in the public and private sectors, to organise protest campaigns unitedly against these amendments which seek to destroy militant trade unionism in the country.

The Session appeals to all central trade unions to activate the National Campaign Committee to build a resistance movement as in 1984 which compelled the Government at that time to retreat and prevented it from pushing through these amendments.

### **REPORT OF THE COMMISSION ON THE IMPACT OF THE ECONOMIC POLICIES OF THE GOVERNMENT ON THE INDUSTRY AND WORKING CLASS**

1. The Commission met on December 18, 1986. 120 delegates attended the Commission. Coms: B. S. Dhume and B. D. Joshi presided over the Commission.

2. At the outset Com. Indrajit Gupta explained the economic policies of the Government of India and its deleterious effects on the economy of the country as well as the working class. In particular he pointed out how Government is going ahead with its plans for privatisation of the public sector. Though the AITUC is not opposed to modernisation as such, though we are not opposed to introduction of technology we are opposed

to it being carried out indiscriminately and irrationally rendering thousands unemployed. The Trade Unions are sought to be weakened by such methods. Com. Indrajit Gupta warned against what is known as "concession bargaining" in western capitalist countries by virtue of which unions enter into agreements with employers on the understanding that closure could be avoided. However, this has not materialised in many cases. In a capitalist society one cannot save the workers of Trade Unions by getting into such agreements.

3. In the discussion that ensued 40 comrades participated. And they substantiated and supported the attitude and approach of the AITUC in respect of this issue.

4. On the question of modernisation, introduction of New Technology, the Commission is unanimously of the opinion that while the Trade Unions are not opposed to modernisation or introduction of technology in principle, and have also entered into agreements in the Banking and General Insurance industry, on selective basis, any indiscriminate and irrational introduction has to be opposed.

— In the Oil Industry, it is observed that ONGC has introduced the computers in areas such as Drilling, etc. But it is seeking to introduce the same in some other areas which is being opposed by the Trade Unions.

— In the Bokaro Steel Plant, in the name of modernisation of Stores 900 workers are sought to be rendered surplus.

— The biggest threat to job security and employment due to indiscriminate introduction of modern technology has been in the Textile Industry. The new textile policy of the Government of India has resulted in closure of large number of Mills in Maharashtra, Karnataka, Tamilnadu, the eastern zone, Delhi and other places. The Commission was of the opinion that the Textile comrades should take up this and chalk out a programme of action at a national level so that the retrograde policies of the Government of India could be reversed.

— In the Cement Industry by introduction of new technology in packing and other sections workers are sought to be rendered surplus.

— In the Electricity Boards, computers are being used in several States for billing, invoicing, payment of wages, etc, In Punjab alone this is likely to make 9000 employees surplus.

— In the Electronics and Machine Tool Industries in the Public Sector, in the name of modernisation or robotisation

some jobs performed by highly skilled workers are becoming obsolete. This depresses the skill of the worker and forces him to accept voluntary retirement or the Golden Handshake.

— Another feature in the Public Sector Electronic Industry was mentioned. In Bharat Electronics, while there is necessity to modernise the Components Division, the management has taken recourse to modernise the equipment division by investing nearly Rs. 6 crores. The Unions have opposed this.

— Mechanisation or modernisation in Ports and Docks have led to introduction of containers and dry land ports. This has also rendered thousands jobless.

— It was pointed out that in the Coal Industry the Government of India is investing in the Private Sector for modernisation. Instead it could nationalise this sector.

5. The economic policies of the Government of India has itself meant a green signal for multinationals to enter in a big way. In the Electronics, automobile (Two Wheelers in particular), Electrical equipment industries the multinationals particularly of USA and Japan have come in a big way. So also in the shoe, and garment making industries such as Bata and Adidas. These are already affecting indigenous industries in the medium and small scale sections in particular and quite a number of them have either closed down or are on the verge of closure. The Commission concluded that this policy of allowing multinationals in our country leads not only to crisis in our industries, but defeats the very aim of building a self reliant economy. It has also got dangerous political implications.

The Trade Union movement has to concretely study the effect of the entry of these multinationals industrywise, evolve proper slogans and carry on a powerful campaign against the multinationals and for defending the policy of self reliance.

6. 'Privatisation' of the Public Sector has been a significant result of the economic policies of the Government of India. This strikes at the very root of the Public Sector and is opposed to the nationally accepted policy of building the Public Sector as a self-reliant, core Sector. The manner and instances of such privatisation were pointed out by the participants.

— In the Road Transport Industry in Punjab and Rajasthan, denationalisation of routes is taking place.

— H. S. C. L. a public sector Construction Corporation is sought to be disbanded and work handed over to Contractors.

— In the Air India and Indian Airlines representatives of monopoly houses are brought as Chairmen of the Board of Directors. So also several other Public Sector concerns.

— Government refuses to take over Private goods transport. On the other hand even in Post and Telegraphs, Airports maintenance, security and canteen of several Public Sector Undertakings are being given away to Private agencies or Contractors.

— Power Generation, Electronics Industry and Public Sector (State Sphere) Textile Mills in Punjab are being handed over to the Private Sector. So also the work of construction of the Hoshiarpur Coach Factory in Punjab.

—In West Bengal out of 28 Private factories taken over by the Government, 5 have been denotified and there is a threat of denotification of another 14. This is being resisted by the trade union movement.

7. Another feature of the economic policies of the Government has been the increase in the system of contractors, ancillaries, sub-Contracting, etc. in almost all the Public Sector Undertakings resulting in lessening the capacity utilization of the factory, increased joblessness inside the factory, exploitation of the workers in the ancillaries, increase in corruption and nepotism—thus totally downgrading the Public Sector itself. Some of the features mentioned in the Commission are:

— Work that is being done inside the factory by the existing workers is given to some ancillaries outside,

— Some officers (even at top level) are given the ancillary workshops which manufacture components, which are already being done in the main factory.

— Some sub-Contractors are allowed to manufacture their components right inside the main factory to the detriment of the existing workers,

— The Commission resolves that all these negative and harmful features have to be resisted and combated by the AITUC.

8. The policy of liberalised import has had increasing adverse effect on the Public Sector. Some instances mentioned are:

— Liberal importing of copper has affected the Copper Mines in the country.

— State Electricity Boards are importing electrical equipment resulting in reduction of capacity utilisation of BHEL and affecting its future itself.

— Technology which is obsolete in other capitalist countries are sought to be imported.

— Technology which is available in India is not utilised; while the same is sought to be imported from outside. This affects adversely the Research and Development of indigenous technology.

9. Several comrades brought to the notice of the Commission instances of rampant corruption in the Public Sector as well as private sector. It was mentioned that though the workers in the Public Sector have brought it to the notice of the management and Government, no action has been taken.

The Commission opined that the campaign against corruption and malpractices is a continuing one, and it should not be given up, though in a capitalist society it cannot be eliminated completely.

10. It was pointed out that the increasing unemployment due to the economic policies of the Government have been further accelerated due to non-implementation of Land Reforms. Radical land reforms and effective implementation of the same assumes importance in the present context.

11. It was suggested that the AITUC should set up a machinery for study of the impact of the economic policies industry-wise.

The Commission took note of the various features and instances mentioned by the participants. It resolved that a powerful, militant, sustained campaign be conducted by the AITUC against the retrograde, anti-working class, anti-public sector and anti-people economic policies of the Government of India.

#### **REPORT OF THE COMMISSION ON UNORGANISED LABOUR: ACHIEVEMENTS OF THE AITUC AND TASKS**

The commission met on 18.12.86 for the whole day and was attended by 197 delegates. 30 delegates from 15 States and two Union territories and some from specific industries in the scheduled sector spoke in the commission. Com. Kodiyan, General Secretary of the Bharatiya Khet Mazdoor union addressed the commission. Six comrades gave their suggestions in writing.

Com. J. Chitaranjan, Vice President of the All India Trade Union Congress presided over the meeting and he together with Coms. D. K. Rao, K. Srinivas Rao and Raj Bahadur Gour constituted the steering committee.

The commission reports indicated the impressive achievements of the AITUC on this sector in all the States and more particularly where special attention has been bestowed by the

State TUC centres as in Bihar, Andhra Pradesh, Maharashtra and so on. Vast experience has been gained and a number of new problems of growth have come up. Some organisational weaknesses have come in the way and new requirements have emerged.

The growth has also been in Agricultural labour sector, where a number of unions in various States have been formed. We have expanded in forest labour sector also in certain States.

The commission noted that these achievements have been secured in the face of a number of difficulties arising from gangsterism of some employers as in Bihar, social oppression and ostracisation of the scheduled castes by the so-called upper caste, landlords, and from indifference to outright support of the employers demonstrated by the State administration in some States. The credit in this will again go to Bihar.

The growth, according to a rough assessment of the commission, has brought about 2 lakh members to the AITUC fold.

The commission noted that the AITUC has now to deal with certain "problems of growth" and rapidly gear up to the new tasks including organisational.

*What are these problems?*

i) Certain demands of a national character have emerged and require an All India campaign involving not only the unorganised but also the organised and the democratic opinion in general.

(a) The question of Government of India accepting and enforcing the ILO convention 131 regarding a national minimum wage has become serious and urgent. This will provide a minimum basis to begin with. No one could pay less than that any where in the country.

(b) Government of India must also adopt the ILO convention regarding the maximum load of 50 Kg. that one has to carry on his person. This is necessary to put an end to the cruel exploitation to which some contractors subject the head load workers:

(c) Abolition of contract system has to be an item of country wide campaign and a central law. This has become all the more important when certain production and maintenance works and servicing jobs are being handed over to contractors even in Government departmental and Public sector undertakings. And a tendency is growing in the ruling circles and

managements to placate the new rich sections in both the cities and the country side by giving them remunerative contracts.

(d) The Principle of equal pay for equal work has to be strictly enforced and any violation should be punished. This problem has been there in the case of men and women. But a new dimension has been added to it by getting tribal workers and workers from other States and employing them on lower wages. Thus not only that they are discriminated against, but they are made tools for depriving the wages level in the area.

(e) Welfare measures, like education of children, housing, medical aid, superannuation benefits, should be provided by law. ESI and EPF schemes could be extended to them.

(f) Security of service has become an urgent problem in this sector. Hiring and firing at will is more a rule than exception in this sector. This acts as a deterrent for their unionisation. A suggestion was made in the commission that identity cards be issued to all workers, whether they work under the shed or at home. In Kerala the union has been providing such identity cards to construction workers.

This has become all the more important now when certain employers, as in Bidi sector, are resorting to "dismantling" the manufactories and providing work at home, and such workmen's name are not on muster-rolls.

(g) The question of a national law for regulating the service conditions of agricultural workers has been before the Bharatiya Khet Mazdoor Union and it has been agitating for it for over a decade. The commission felt that this should now be taken up by AITUC for a country wide agitation.

(h) Agitation and problems facing certain industries have assumed all India nature and demand a centrally guided all India campaigning. Building and construction workers are one where a law governing their working conditions has already been introduced in the Parliament by Com Indrajit Gupta. This sector has to be moved. The commission has approved the recommendations of their sectional meeting with regard to an all India convention, for which they have constituted a preparatory committee too, and for a countrywide agitation jointly with others working in this sector. Bidi and small mines are other sectors where all India conferences and movements have been planned by the concerned unions.

Handloom and powerloom sector workers have also felt the need for an all India campaign as their problems mainly arise from the elitist oriented textile policy of the Government that helps the monopolies, national and multinational and that is

fast reducing powerloom sector in particular into a paying subsidiary of the monopoly man made fibre sector, while the workmen are suffering low wages and unhealthy working conditions.

(i) There should be a provision for paid weekly off and paid national & festival holidays for this sector.

(j) The question of national criteria for determining minimum wages and for providing cost of living allowance u/s 4 of the minimum wage act must be taken up vigorously.

ii) The Commission noted that:

(1) There was need for uniformity of minimum wages in all scheduled employments in a State as well as in a region. This will require statewide campaign and national conferences and joint campaigning in the area. For this the AITUC centre will be required to render help.

(2) There must be severe restriction on employers resorting to litigation even to prevent decisions taken by tripartite bodies and Government Notifications issued after tripartite boards have processed and approved them.

(3) Minimum wages are fixed and notified. But their implementation is more a casualty, than a reality. The commission felt that implementation could be guaranteed only through (a) a tripartite committee at the district level headed by the collector (b) organisation of the workers concerned and (c) a powerful supporting campaign by all the unions.

The Commission strongly felt that AITUC and the state committees should realise that the role of organised workers is very much needed to help organising the unorganised and securing their just demands. They have to help these unions financially as is the case in Maharashtra and move into supporting actions against recalcitrant employers and even indifference or complicity of the administration.

In this connection the commission felt that organisation of District and City trade union councils will be very helpful as these could be instrumental in mobilising finances and organising solidarity actions.

Attention of the commission was drawn to some new problems that AITUC units are facing.

One is that concerning self employed. Their number is growing and so are their difficulties and anxieties.

Some of them are workmen themselves, as owned rickshaw pullers or owned autorickshaw drivers. Others may be employing a few workers. The Moradabad vessels industry was one such brought to the notice of the commission.

This sector faces the problems of financing, supply of inputs as well as marketing. A comprehensive govt. policy is needed. Middle men have to be eliminated. This needs not only their own organisation, but also powerful democratic support and campaigning.

The other problem noted by the commission is that of seasonal unorganised workers. Their problem is one of employment in off season, retention allowance and guarantee of employment in the next season.

In certain sectors like building and construction or load carrying, it was reported to the commission that the AITUC unions have organised cooperatives of workers and they bid for jobs. The workers so organised in the cooperatives are getting better remuneration.

This experience could be used to expand this organisation of cooperative and force the authorities to give work on negotiated terms and not by open bidding.

Toddy tappers cooperative have also come up in many places and faring well.

The commission also noted that the employers in this sector also faced serious problems of financing of raw materials, of extension of loans, on substantially concessional interests and of marketing.

The unions must take up these issues as well and campaign for adoption of proper policies on the part of the Government concerned.

This will also raise the social image of our unions.

The commission felt that this movement needed streamlining of organisation both at the central AITUC level and also at State centre level.

AITUC must set up a mechanism under the charge of an office bearer for (a) coordination. (b) guiding countrywide campaigns where necessary and (c) exchange of information to help the states.

AITUC centre should convene periodical meeting of AITUC representatives on the various minimum wages Advisory Boards to coordinate their work.

The state centres also must put an office bearer incharge of this sector, provide functionaries and mobilise funds and solidarity actions.

Such are the recommendations of the commission and such are the achievements noted and tasks formulated.

## REPORT OF THE COMMISSION ON TRADE UNION UNITY

1. This Commission met on the 18th December. It was largely attended, and forty comrades from different states participated in the discussion. As a basis for discussion, the Commission took into account the Chapter, "Trade Union Unity is the Key" in the Report of the General Secretary, the references to this issue in the speech of the President to the 33rd Session, and the report which the Commission on this subject had adopted at the Bangalore Session.

2. The participants narrated a wide variety of experiences in the struggle for defending and advancing the cause of the working class, on the basis of their ever-expanding unity and united actions, and also gave their views on how to carry forward this struggle in the period ahead. Practical difficulties that are encountered in the process, were pointed out.

3. It was unanimously stressed that the AITUC as the first and oldest central organisation of the Indian workers, has always stood for trade union unity, and has tried to overcome the effect of splits in the movement. With this in view it initiated several moves, including the moves for setting up a National Campaign Committee during 1978, and 1981. Since the Bangalore session, these efforts have been further carried forward and intensified, at several levels and in various forms. The years 1984-86, have seen a new growth, and significant achievements in the trends of united trade union actions, on national and international issues such as Anti-War Day on September 1, for defence of World Peace and for disarmament, for national unity, integrity and security; on mass issues like price hikes, defence of democratic and trade union rights; on industrial issue and so on.

4. As a result, the N. C. C. has emerged as a broad, united platform of trade unions for action on agreed specific issues, despite differences on outlook. The INTUC has officially joined with other trade union centres for joint discussion, convention and some action on issues of Peace and Disarmament, against Separatism, for National Integration and anti-communalism, for support to Anti-Apartheid struggles. Several independent unions and federations including even officers and engineers have been drawn together for joint convention and call for a nation-wide public sector strike against the anti-public sector policies of government and so on.

5. The policy outlook and perspectives of the left-led unions, especially the AITUC and CITU have come closer, several joint initiatives have been taken, and there is today greater objective basis for closer working of these two organisations. The AITUC

has made concrete proposals to this effect to the CITU, and though no positive response has yet been received, yet it is heartening to know that serious consideration is being given to these proposals. Participants however narrated several instances from many states, where the negative attitude of the CITU, especially in relation to the AITUC, has raised obstacles in carrying the process further ahead. They however stressed that while such differences, mutual stress and even rivalries have been manifested, the over-all advance has been in the direction of more and more united and joint actions. They agreed about the urgency of continuing and pressing ahead with the efforts for a frank but fraternal dialogue, for evolving a code of conduct, and for agreement on terms and conditions which would be the basis of starting a process towards eventual merger of the AITUC and CITU. The participants underlined that the unity of the leftled unions is not counterposed to the broader unity of the TU movement but will instead accelerate the latter process.

6. All participants emphasised the new mood of the workers, which desires unity and united actions, and is prepared for intensified, militant and widespread actions in trade union, political and mass issues, wherever and whenever such unity is forged. There is greater objective basis and also need for such unity and united actions today, than ever before. Reality itself is compelling the different trends and organisations to move in that direction. Where this reality and workers' mood are ignored, the trade union leadership encounter difficulties in moving them into action. It then leads to the emergence of so-called independent or individual-led unions, or their further division into regional, local, communal, caste or categorybased unions.

7. The participants therefore insisted that the AITUC must at all times be the champion of unity and united action, must take the initiative at all levels, and strengthen the trend for unity. This imperatively calls for strengthening the AITUC unions themselves, for maintaining their own internal unity and cohesion, for defending them against any splitting activities, etc.

8. It was pointed out that trade union unity is not a narrow or formal concept of bringing certain existing unions on a common platform of action, but of consolidating working class unity, so that it can project itself as a force of social progress and change, and play its due role. This requires intense all-round efforts—ideological, social, political and cultural, against divisive, caste, community, religious and ethnic factors, and for raising their consciousness as a class.

9. The international dimensions of unity in the present situa-

tion were also underlined by some speakers, joint and solidarity actions on an international scale, for defence of peace, against the operations of TNCs and imperialism, are increasingly called for.

10. The Commission fully agrees with the assessment given in the General Secretary's report on this issue. Its conclusions can be summed up as follows:

a) The question of trade union unity has assumed topmost priority particularly in the context of the present grave international and national developments. It cannot be looked upon either as a routine slogan repeated as a matter of ritual, or a 'tactical manoeuvre'.

b) Effective national-level movements, which can move a major section of the class on the issue of anti-imperialism and peace, or against the anti-people, anti-worker and anti-democratic policies of government, cannot be built up, nor can alternative policies be projected, without broad trade union unity. Experience has shown that the unity in action of different trade unions and their centres, gives the necessary confidence to the mass of workers for going into militant and prolonged struggles.

c) However, forging trade union unity is a complex task, calling for patience and perseverance. As narrated by several speakers, too often 'talks' about unity indulged in by leaders are accompanied by actual 'acts' of disruption; unity achieved at the top level is accompanied by intense rivalry, bitter hostility and actual disruption at the plant and local levels. Even in common action, attempts are not infrequent to undercut each other. Therefore AITUC unions and cadres, have to exercise utmost vigilance, and ward off all attempts at disruption from whichever quarter they may emanate. In doing so, they must at the same time keep the objective of forging unity, in the centre of their attention and efforts, and do everything to overcome negative features, so that the over-all situation changes in favour of unity and united action. The degree of advance and success, depends on the initiative of the AITUC cadres, and the flexibility displayed by them. The forging of trade union unity is thus a process.

d) Building strong unions, which function democratically,—in the sense of involving more and more sections of workers in trade union activity, and strengthening the AITUC, is essential for advancing the cause of trade union unity. There is no question of counterposing 'independent actions' to 'joint actions' or of counterposing the task of 'strengthening the AITUC' to that

of 'forging unity' among different trade union centres. These tasks are inter-related and have to be integrated.

e) The Commission agrees with the Report of the General Secretary, about the positive significance and achievements of the trade union movement under the banner of the NCC, despite its obvious limitations. It is also of the view, that the NCC has emerged as a broad, united platform of trade unions for action on agreed specific issues—a role whose utility cannot be underestimated. How far this can be developed in the coming days, depends on the initiative of the AITUC, CITU and other left-oriented trade union centres.

f) Joint-actions on common issues under the banner of the NCC, has also to be accompanied by independent and united campaign against communalism, and other pro-imperialist reactionary trends along with all forces who are anti-communal and anti-imperialist. This is important in view of the fact that the NCC embraces such trade union centres like the BMS whose outlook has to be ideologically and politically combatted.

g) We should also try and constitute local or regional coordination committees, and joint action committees wherever possible. While doing so, the NCC calls should also be fully implemented, and where specific issues so demand, broader unity and joint action with INTUC and other independent unions or centres which have base among the workers should be forged. The joint campaign of all trade union centres, including the INTUC should be developed among the mass of workers.

h) Intense efforts should be made at federation levels, to bring in unions, which may not be affiliated to the AITUC, and even to effect merger at federation levels, on the slogan: "One National Federation for one Industry". This reflects the urge among workers within one industry, who are faced with common problems.

i) The slogan of One Union in One Undertaking should be popularised as the ultimate goal of trade union unity. This may not appear to be immediately realisable. But the fact remains, that workers in general are fed up with multiple unions existing in each undertaking.

j) The unity proposal put forward in the General Secretary's Report calling upon left-oriented unions, first and foremost the AITUC and the CITU to sink their differences, arrive at a clear-cut agreement on aims and objects as well as on the modalities of eliminating rivalries, and the Four Principles spelt out for this purpose, should be vigorously pursued, and popularised among the mass of the workers. They correctly reflect the

mood of the mass of the workers, and answer the needs of the time. The AITUC is prepared to sit down and discuss other concrete suggestions in a fraternal spirit, with all like-minded forces. An intensive campaign undertaken by the AITUC units and cadres, on the above proposals among the mass of workers, so as to educate them, and enlist their enthusiasm and support for the same, will pave the way.

This is a priority task, and should not be neglected on the plea of being 'busy with other work'. The supreme consideration to defend the working class, the people, and our country, demands a struggle for unity.



# Resolutions

## ON CONSUMER PRICE INDEX

The 33rd session of the AITUC reiterates the long standing demand for rectification of the Consumer Price Index so as to reflect the actual movement of the retail prices of essential commodities. The complaint is universal that the existing price indices compiled by the Simla Labour Bureau suffers from various shortcomings and defects and does not reflect the rises in retail prices resulting in huge losses to the workers on account of lesser quantum of dearness allowance than what is due.

On the persistent demand of the trade unions the Government of India appointed a Tripartite Committee in 1977 headed by Dr. Nikantha Rath to go into the question of Consumer price index numbers. The Committee upheld many of the contentions of the trade unions and recommended rectification of the existing 1960 series of Consumer price index on different counts. But the Government did not implement the recommendations. Instead another committee, of officials only was appointed.

The 33rd Session expresses concern at the latest move of the Government to proceed with the recommendations of this official Seal Committee and of introducing a new series with 1982 as the base year.

The session would remind the Government of the opposition of most of the trade unions to the recommendations of the Seal Committee on the ground that no proper family budget survey was conducted with the participation of trade unions to ascertain the changes in the pattern of household expenditures, weightage etc., nor the shortcomings of the 1960 series as recommended by the Rath committee are being rectified before introducing a new series

This is not only an attempt to defraud the workers of large sums due to them as D A., but also an attempt to keep the Index artificially low and conceal the real rise in prices.

The 33rd session therefore demands of the Government of India that before introducing new series the existing series be rectified as per the recommendation of the Rath Committee, a

proper family budget survey be conducted and a methodology of compilation of index be evolved in consultation with the trade unions, which will evoke popular confidence.

The conference calls upon all Trade Unions and all Trade Union centres to organise urgent actions in support of this demand.

*IN SUPPORT OF THE STRIKE OF PUBLIC SECTOR  
EMPLOYEES ON JANUARY 21, 1987*

The 33rd Session of the AITUC fully endorses the declaration of the All India Public Sector Trade Unions Conference held in Delhi in October 1986, and lends wholehearted support to the decision to conduct a day's protest strike on January 21, 1987, against the anti-Public Sector policies of the Government and for the defence, extension and democratisation of the Public Sector.

The 33rd Session of the AITUC is deeply concerned at the dangerous policies of the Rajiv Gandhi Government denigrating the Public Sector, and unleashing a tirade against this sector which has been mainly responsible for building a strong industrial base in the Core Sector leading to increased self-reliance.

By allowing greater and greater privatisation of the Public Sector, by allowing the Private Sector monopolists—whose shady deals and corrupt practices are well known, to head the Public Sector Corporations, by launching of 'Joint ventures' with the monopolists, by denotifying some and threatening to denotify others, the character of the Public Sector is sought to be eroded step by step.

By allowing more and more multinationals to enter into collaboration with the Public Sector on terms and conditions suitable to these foreign monopolies, by importing such technology which is either repetitive or obsolete, in the name of modernisation by computerisation and rationalisation in areas where it is not essential, the Government has not only allowed the country to be looted, but it has also given room for redundancy of labour, the 'golden handshake' and throwing out the workers to the wolves. More, it has helped the penetration of such nefarious pro-imperialist forces who strike at the very roots of our independence and sovereignty.

When the need of the hour is to fight the profiteering by the private sector and ensure production of consumer goods by expansion of the Public Sector so that they are available to the people at fair prices it is highly deplorable that even the exist-

ence of this sector is threatened by the policies of the Government.

The 33rd Session of the AITUC expresses its indignation at the canards hurled against the workers of the Public Sector and blaming them for the so-called losses. Instead of catching hold of the corrupt bureaucratic management in these Undertakings, instead of taking steps to end the bad planning and wasteful expenditure, instead of making the bureaucrats accountable for running the Public Sector efficiently in cooperation with the workers, it is shameful that such persons are being rewarded and workers blamed unnecessarily. The AITUC strongly deplores this approach, urges upon the Government to democratise the Public Sector by taking stringent action against erring and corrupt officials and by ensuring the participation of the workers from the shop floor level to the highest level to fight bureaucratic practices and corruption and to see that the Public Sector performs more efficiently.

The 33rd Session of the AITUC notes that it is in this background that the Public Sector Trade Unions belonging to all the National Trade Union Centres and Federations has called upon the Public Sector workers to express their protest and observe strike on January 21, 1987.

The AITUC while wholeheartedly supporting this strike calls upon all Public Sector Trade Unions affiliated to the AITUC to make all out efforts to make the strike a great success. It also appeals to the INTUC and other Federations also to extend their support to this mighty action. Since defence, expansion and democratisation of the Public Sector is not only in the interests of the Public Sector employees, but also in the interests of the nation and the people, the 33rd Session of the AITUC appeals to all other Trade Unions, agricultural workers, peasants and all other sections of the people to express solidarity with the Public Sector workers on that day.

### *IN SUPPORT OF THE STRUGGLE OF THE PEOPLE OF SOUTH AFRICA AND NAMIBIA*

The 33rd Session of the AITUC firmly reiterates the support of the Indian working class to the struggle of the people of South Africa against the racist regime, for freedom and democratic rule. The session hails the call of the non-aligned summit held at Harare for imposing comprehensive economic and other sanctions against the apartheid regime which has persistently violated the UN resolutions and decisions to end apartheid and for ending occupation of Namibia with the backing

of the imperialist powers—the USA, Britain, France and West Germany in particular. These imperialist countries and their TNCs have extensive financial and trade interests in South Africa and earn huge super-profits out of racist policy and discrimination practised against South African workers and people in terms of wages, other conditions of service, rights and benefits. By imposing emergency regulations, the racist regime has of late intensified their repression against the freedom fighters, by resorting to mass arrests, police oppression, executions, even imprisonment of children.

The Session extends warm solidarity with the heroic strike struggles of the South African miners and other industry workers which have of late forced employers to concede many of the demands of the workers.

The 33rd session of the AITUC joins with the worldwide demand for the release of Nelson Mandela imprisoned for more than two decades, symbol of the South African people's struggle against racism and for freedom, and for the release of all those others imprisoned by the racist regime.

The 33rd session of the AITUC firmly endorses the Declaration adopted by the ten central trade union organisations in the country raising the united voice of the Indian working class in support of the struggle of the people of South Africa and Namibia.

The Session further endorses the joint call given by the ten central trade union organisations for collecting funds for expressing practical solidarity and material assistance to the freedom fighters in South Africa.

The Session calls upon all AITUC affiliates and friendly unions and Federations to organise fund collections from mass of the workers and to remit the collection to the "Indian Trade Union Committee against Apartheid" latest by May Day 1987.

### *IN SUPPORT OF STRIKING A.P. GOVERNMENT EMPLOYEES*

This 33rd Session of AITUC sends its warm greetings to the 6 lakh Government employees of Andhra Pradesh for their heroic and united strike for more than 40 days now.

The AITUC deplores the adamant attitude of the State Government in not arriving at a settlement with the employees and the Struggle Committee leading the strike.

The AITUC takes note of the widest unity and widest support achieved around this historic strike in which the initiatives of AITUC State Committee and AITUC affiliated unions

have been significant. We greet Com. Raj Bahadur Gour and Com. K. L. Mahendra who have gone on hunger strike in support of the striking employees.

The 33rd Session of AITUC demands that the Government of Andhra Pradesh immediately arrive at a settlement with the Struggle Committee of Government employees and bring relief to the suffering employees and the public.

### ON BEEDI WORKERS

The 33rd Session of AITUC notes that the strength of Beedi workers in India is more than 50 lakhs spread over several States. This Sector is unorganised. It is high time for us to organise this sector which comprises more than 50% of women.

The main problems are that there is no national minimum wage linked with cost of living index. In many States the minimum wages fixed are very low without the provision of D.A. and the disparity in minimum wages affects the workers due to the migration of industry to areas where low wages prevail. We demand national minimum wage with the provision of DA should be fixed by the Central Government.

The Beedi and Cigar Workers (conditions of Employment) Act is not implemented properly and uniformly in the States. The identity cards are not issued to all beedi workers due to lack of cooperation from the Beedi manufacturers. Government should take suitable action to identify 50 lakhs of Beedi workers and issue them identity cards.

The Contract System and illegal home-workers system should be abolished and all those workers should be given work in factories.

There is much exploitation in supply of raw materials for manufacture of Beedis. The employers issue intentionally less materials and demand more beedis rolled. Thus the workers get less than the statutory wages. We demand that norms should be fixed for issue of raw materials and notified by Government.

The tax exemption on 20 lakhs unlabelled beedis has created anarchy in the beedi business. The exemption should be abolished.

The welfare facilities are not provided to beedi workers inspite of the legislation. The cess of 10 paise collection on 1000 beedis is meagre. When the cess act provides a collection upto 50 paise per 1000 beedis, the levy should be enhanced to the maximum and provide welfare facilities to all workers. The

welfare implementation machinery should be appointed in each District

The 33rd Session calls upon the bidi workers to organise themselves to secure statutory rights and benefits.

### ON ABOLITION OF CONTRACT LABOUR

Use of Contract Labour, has assumed menacing proportions. Not only private sector undertakings are resorting to this practice, on an increasing scale.

Employment of Contract Labour takes diverse form. One form is to use contract labour, to operate machines and carry on operations, along with regular employees on the floor of the employment itself. The other form is to hand over entire process or new departments, like Canteen in Industrial Establishments to contractors, for a fixed consideration. The third and more common practice is to farm out work, hitherto carried over by regular employees, to outside agencies. In all these cases the employees are paid very low wages, and deprived of the provisions of labour laws with no guarantee of employment and left to the mercies of the Contractors. Whatever may be the form, the object of this pernicious practice, is to exploit cheap labour, taking advantage of the growing unemployment and also to deprive the regular employees of the gains of their strength and their achievements. It also constitutes a threat to the employees their organizations of the regular employees.

The Abolition and Regulation of Contract Labour Act has become a mockery and its administration a farce. The Act is extremely deficient and its administration very much dilatory. Under this Act, even where employment of Contract Labour is banned, there is no provision to absorb the concerned employees in regular employment. Banning the employment of contract labour, requires a recommendation to this effect by an Advisory Committee, set up under the Act. In many states, such Committees are not set up at all, for one reason or another. And even when set up, their functioning is highly unsatisfactory and time consuming.

The 33rd Session of the AITUC expresses its serious concern over the above situation and demands its immediate correction on the following lines:—

1. Employment of Contract Labour in regular and perennial jobs in any form, shall be forthwith banned.
2. The workers who had been working as Contractors' labour in jobs mentioned in clause 1 above shall be absorbed on regular employment of the parent organisation.

3. When Contract Labour is required to be employed in seasonal factories, they shall be paid the same wages and provided with the same conditions as applicable to regular workers, working in permanent jobs.
4. Employment of Contract Labour in categories mentioned above shall be made a cognizable offence.

In view of the fact that the employment of contract labour is not only a crime and an unjustification to the workers so employed, but is also an attack on the workmen in regular employment, the AITUC calls upon all workers to fight against this pernicious practice and for realization of the above demands.

In the meantime, the unions shall actively campaign and work for the implementation of the recent decision of the Supreme Court prescribing that all contract labour be paid the same wages and benefits, as applicable to regular employees in respective categories.

### **ON SRI LANKA**

The 33rd session of the AITUC expresses grave concern at the failure of the Jayawardene Government in Sri Lanka, to solve the ethnic problem. The massacre of innocent Tamils in Sri Lanka is on the increase. The Sri Lankan armed forces are undertaking armed operations against the civilian Tamil population.

The Sri Lankan Government is taking direct help from Israel and Pakistan, with the connivance and aid from US and British imperialism, to aggravate the situation. This is in pursuance of the evil global designs of the imperialists in this part of the world, and for securing a naval base in Trincomalee. It constitutes direct threat to peace in this region, and in the world.

The Jayawardene Government is therefore dragging its feet in the several rounds of negotiations which were held with the help of good office of the Government of India, for arriving at a political settlement of the ethnic problem, and is instead stepping up its military options against the Tamil people.

This session of the AITUC condemns this attitude of the Jayawardene Government.

This session calls upon the working people of Sri Lanka-Sri Lankans and Tamils, to close their ranks, and bring pressure on the Jayawardene Government for expediting a political settlement, for frustrating the imperialist conspiracies in this region

for consolidating the friendship of the Indian and Sri Lankan people.

This session appeals to the Government of India to step up its good offices for an early solution of the problem, in the mutual interests of the people of both countries, and for defence of peace against imperialist design.

### **ON EMPLOYEES OF PRIVATE NURSING HOMES & HOSPITALS**

The employees of Private nursing houses and Hospitals are among the work sections of unorganized labour, receiving extremely low wages, strenuous working conditions and long hours of duty.

This 33rd congress of the AITUC demands that immediate steps be taken by the Government, both Central and State, to remedy this intolerable situation. The congress demands the following measures immediately:

- a) That the final notification of minimum wages for employees of private hospitals and nursing homes be issued immediately.
- b) That all the statutory provisions, benefits of maternity leave, creche facilities, National & festival holidays, Bonus, Gratuity and Provident fund be made applicable and implemented in all private institutions.
- c) That eight hour working day becomes a reality in all hospitals and nursing house.
- d) Recognition of Trade union and trade union rights of all employees.

### **ON CONSTRUCTION INDUSTRY WORKERS**

Millions of workers, both men and women, are employed in the construction industry throughout India. Most of them are hired by the Contractors, big and small, and a small minority by construction company belonging to the private sector, as well as the public sector. Their life is full of great hardship and their service conditions are generally miserable. In most cases they are paid the minimum wages rate prevailing in the cities, towns and areas where they work. Even this is denied to many workers by unscrupulous contractors.

There are no national labour laws regulating the working conditions of the Construction workers. They are therefore deprived of such minimum amenities as reasonable working hours, overtime payment, leave facilities, rest days and holidays, medical treatment, safety regulations, social security

benefits etc., and are subject to retrenchment after completion of any work.

The 33rd session of the AITUC demands the enactment of a comprehensive law for the safety, protection and working conditions of the construction workers at an early date, for job security and so on. The various conventions and recommendations of the ILO for the construction workers must also be accepted and implemented by the Government of India.

### *ON STRUGGLING WORKERS OF NATIONAL BUILDING CONSTRUCTION CORPORATION LTD., AND BRIDGE AND ROOF COMPANY UNDER PUBLIC SECTOR*

The 33rd session of AITUC hereby resolves

- 1) That this session fully supports the long drawn and militant struggles of the All India N.B.C.C. employees union and All India Bridge and Roof employees union whose members are on hunger strikes and Dharna for the last fourteen and thirteen months respectively at Delhi for abolition of subletting of work, against ban on recruitment, for regularization of their services and other facilities like medical allowance, E.P.F. and Bonus etc. And also reinstatement of the retrenched employees who were victimised for trade union activity.
- 2) AITUC request the Prime Minister of consider the urgent need to put an end to these blatantly illegal and unfair labour practices by a public sector undertaking & also for the redressal of their grievances as mentioned above.

### *ON RIGHTS OF EMPLOYEES IN INSTITUTIONS RUN BY MINORITIES*

A large number of educational institutions and Hospitals are run by minorities all over the country. They employ thousands of workmen in these institutions. In many cases, these workmen are poorly paid and minimum social welfare measures are denied to them. Their working conditions are far from satisfactory, often, even the right of organisation is denied to them.

When these workers strive to seek relief from the courts, their attempts are foiled by the managements by invoking Article 30 (1) of the Constitution. They are thus forced to live and work entirely at the mercies of the managements of these institutions, under extremely worst condition. This 33rd congress of the AITUC records its strong protest against this situa-

tion which is not only intolerable and also a violation of the directive principles, and also Article 37 of the Constitution.

This congress calls upon the Government to take immediate measures, to ensure for this category of workmen also, all the rights and privileges available to other workmen in this country under various labour and social legislations.

This congress further calls upon all organisation of workmen to agitate for the above demands to ensure their immediate implementation.

## **SAVE THE JUTE INDUSTRY**

The 33rd session of the AITUC expresses its deep concern at the serious crisis the jute industry of our country is facing today. Already many mills are closed and some more are on the threshold of closure throwing thousands of workmen out of employment. The AITUC believes that this crisis is a deliberate manoeuvre of the jute barons who have transferred the capital accumulated out of the profits from this industry to more profitable fields without investing it in the industry for replenishment of machinery in time. Now in the name of crisis of their own making they seek financial aid to modernise the industry. Moreover the captains of this industry want to produce HDPE polythene bags instead of producing jute goods on the plea of consumers preference and the Central Government yielding to their pressure has not only given licences for importing polythene granules but also for installing machineries to produce polythene fibre, thereby ensuring the gradual death of the jute industry, the oldest industry in our country earning a huge amount of foreign exchange and rendering several thousands of jute workers unemployed and ruining lakhs of raw jute producers.

The AITUC urges on the Government of India to take immediate measures to save this industry by :

- i) Nationalisation of the entire Jute industry including its foreign trade;
- ii) Canalisation of raw jute purchase through J.C.I.
- iii) Banning of the import of polythene granules;
- iv) Stopping the issue of licences for the manufacture of polythene fibre; and
- v) Giving protection to the jute goods ensuring stable and adequate market.

The AITUC calls upon all the workers in the industry throughout the country to observe "Save Jute Industry" Day on 15th May, 1987.

The AITUC urges the entire working class and the democratic forces in the country to express solidarity with the jute growers and workers of the industry.

### *ON THE ALL INDIA TOKEN STRIKE OF INDIAN ALUMINIUM WORKERS*

The 33rd Session of the AITUC greets the Indian Aluminium workers for the decision at their convention in Alupuram on an all-India protest token strike on 11th February 1987, demanding nationalisation of Indian Aluminium Company, a subsidiary of Canadian multinational ALCAN, and for provision of captive power plants in smelting, for stopping retrenchment, lay-off and imposition of new workloads.

It urges upon the Government of India and the Company to immediately accept the demands of Indian Aluminium workers.

It calls upon the working class and particularly the aluminium workers for mobilising overwhelming support and solidarity with the struggle of the Indian Aluminium workers.

### *ON CENTRAL LAW FOR AGRICULTURAL WORKERS*

The vast millions of agricultural workers who constitute one-fourth of the total work force of India and who play a vital role in the national economy even after 39 years of national independence are denied their basic rights. They are subjected to ruthless exploitation and inhuman atrocities. The minimum wages notified for them are below the poverty line. Even these woefully low wages are seldom enforced. Their movement for higher wages and better living conditions are being suppressed with repression and violence. The agricultural workers are kept away from the benefits of most labour law. Low wages, unemployment and underemployment, rising prices and above all repressive measures and violence resorted to by the landlords and even by police on many occasion make their life extremely miserable. It is high time that the total negligence shown to agricultural workers by the Government is put an end to and their legitimate rights and interests are protected.

Hence the 33rd Session of the All India Trade Union Congress urges the Government of India to enact immediately a comprehensive Central law for agricultural workers with the following provisions:

1. Assurance of trade union rights;
2. Job security with introduction of employment guarantee schemes;

3. Creation of adequate machinery for the settlement of labour dispute in the agricultural sector;
4. Living wage;
5. Social security including pension and provident fund;
6. Provision for adequate compensation in cases of injury and death while in work;
7. Maternity benefits to women workers; and
8. Medical and health care.

The 33rd session calls upon the working class and their trade unions to ceaselessly campaign for this vital demand of agricultural workers and render all possible assistance to agricultural workers and their unions in their struggle for the enactment of a separate Central Law for them.

#### *ON IV CENTRAL PAY COMMISSION*

The 33rd session of AITUC notes with serious concern that the IV central pay commission, which submitted its report to the Government on 30th June this year after a period of three years has rejected on flimsy and unfounded grounds the main demand of the 52 lakhs of Central Government employees for parity in wages with public sector workers and has failed to evolve rational wage system for them. This has resulted in not only perpetuating the existing disparity at the lowest level but would further widen the gap when new agreements are reached in the public sector industries, in the near future. Besides this, there are many other unfavourable and retrograde recommendations of the IV pay commission for increase in office working hours, introduction of modern machines in offices, abolition of overtime system, contracting out regular Government work to private sector, reduction in staff strength, curtailment in medical reimbursement facility and children's education allowances etc.

The 33rd session of AITUC notes that there has been sharp reaction amongst the central Government employees against the unsatisfactory and retrograde recommendations of the commission and strong protests have been lodged by all the organisations of central Government employees irrespective of ideological or political considerations.

The Government, however, tried to show magnanimity while accepting the recommendations of the commission and announced some improvement in the incremental rates of the three lowest scales of pay of group 'D' employees, and also decided to implement the recommendations of the commission from 1.1.86 instead of 1.4.86. The arrears accumulating from 1.1.86 to

31.3.86 have however, been deposited in GPF account of the employees and the recommendations of the commission in respect of H.R.A. & C.C.A. have been implemented only from 1st October, 1986 and thus denying thousands of rupees of arrears to the eligible employees. Working hours of administrative offices have also been increased to 40 hours from 37½ hours a week.

The Government decision confirming rejection of wage parity demand and Government's orders for increase in office working hours and other adverse and retrograde recommendations of the IV C.P.C. has caused more dis-satisfaction amongst the Central Government employees, which has been voiced by all the organisations of Government employees.

The 33rd session of AITUC therefore, calls upon all the organisations of Central Government employees to wage a united struggle to achieve the main demand of wage parity and for getting nullified the adverse and retrograde recommendations of the IV C.P.C.

#### ***ON PURCHASE OF PADDY BY T. N. GOVT. AND FOR PUBLIC DISTRIBUTION SYSTEM***

Tamilnadu Civil Supplies Corporation Limited is one of the public sector organisations under the Government of Tamilnadu. It purchased paddy directly from the Ryots. The TNCSC Ltd., has also taken the work of public distribution of the essential commodities in the villages of four districts and major townships in Tamil Nadu since 1978.

The Tamil Nadu Government has now decided to handover the entire public distribution system to Co-operative department by merging the shops run by the Public Sector with the Co-operative Department. More than 10,000 workers would be affected by this decision taken by the government. Because of the prompt service the shops run by the TNCSC Ltd., have won the appreciation from the public, Decision of the Government of Tamil Nadu is therefore retrograde.

The 33rd Session of AITUC urges upon the Tamil Nadu State Government to see that the entire public distribution system in the State be done by the Tamil Nadu Government through the TNCSC Ltd., and the G. O. immediately withdrawn.

#### ***ON LOCKOUTS. CLOSURES, "SICKNESS"***

The 33rd Session of the AITUC expresses its grave concern

at the increasing incidence of industrial "sickness", lockouts etc., throwing thousands of workers out of Job.

Number of sick units rose from 22,366 at the end of 1979 to 1,19,510, according to latest official figures, as at the end of 1985 locking up bank funds of over Rs. 4000 crores. The amount would be much more if the loans extended to these units by the public sector financial corporations are accounted for, besides the workers' dues on different counts. The Government has failed to arrest the growth of industrial sickness which is officially admitted to be due mostly to mismanagement and fraudulent financial practices. Rather than penalise such managements, the Government has for instance rewarded Ratan Tata who had closed down the oldest mill of the Tatas, by making him the Chairman of the Air India.

Industrial sickness has become a profitable business proposition for corrupt and unscrupulous managements with a view to minting money. The victims have invariably been the workers who are not only deprived of livelihood but are also denied any terminal benefits, even due wages.

It is also officially admitted that incidence of lockouts during the last few years is increasing and the proportion of mandays losses on account of lockouts has far outstripped that due to strikes. Lockout has, as a matter of fact, become an instrument in the hands of the employers to hold the workers to ransom, to impose on them harsher working conditions to break their resistance, to extract more concessions from the Government, and are mostly unrelated to industrial disputes.

Closures are also increasing as a result of Government's new policy of firstly, not taking over any sick units on the ground of nonviability, and then 'denotifying' them after years of take over. Having taken over some of the 'sick' units, and having run them for a number of years, the government of India and some State Governments are now proposing to 'denotify them', or to close them down on the plea of continued loss. There is talk of asking workers to run them as 'workers' Co-operatives', taking their Provident Fund and other dues. It is reliably learnt that 6 textile mills of the N.T.C. are proposed to be closed one way or the other. Reduction of manpower has been the watchword even in the public sector and the Government is reported to be evolving schemes of premature retirement for getting rid of existing employees by means of what is called golden handshake. Indiscriminate introduction of modern technology would further aggravate job security and

job potential in industries and services. Import liberalisation one of the pillars of the new economic policy of the Government is already having effect in various sectors of different industries which will ultimately adversely affect the workers and employees and their job security. The Session also protests at the fact, that after take-over of closed units, the government resorts to drastically reducing the work-force, cutting or deferring payment of workers' wages, and even exempting such units from operation of favourable labour laws for a period of time.

During the last three years since the last session at Bangalore, there have taken place innumerable struggles to resist this onslaught which is intensifying as a result of the pro-monopoly policies of the Government.

The 33rd Session demands stringent action against the employers who are responsible for making industrial units sick by fraudulent means and to takeover the profitmaking units of the same big business house.

The Session urges upon the Government to realise the futility of extending financial help to private big employers in the name of reviving sick units which has proved to be a drain of public money enriching in turn the concerned private employers. Nationalisation of these units and their revival with the active cooperation of the workers, is the only way out of the continuing impasse.

The 33rd Session calls upon workers and trade unions to organise a countrywide solidarity campaign in support of the struggle of the affected workers and success of such a struggle in reversing the Government policy, will alone ensure the jobs and job security of those employed.

The Session directs the AITUC Centre to take urgent steps to organise nationwide actions, along with other Central Trade Union Organisations.

### *ON THREATENED CLOSURE OF STANDARD MOTORS MADRAS*

The 33rd Session of the AITUC urges upon the Government of India to take suitable steps to avert closure of Standard Motors factory which is a pioneering automobile unit in Tamilnadu run by a non-monopoly company which has achieved indigenous content of nearly 70%.

The 33rd Session of the AITUC expresses its full solidarity with the revolutionary people of Afghanistan, who are fighting in defence of their revolutionary gains.

The AITUC Session condemns the armed intervention in that country by bands of counter-revolutionaries who are being equipped with sophisticated arms by the U. S. imperialists, Pakistan, China and Iran. Pakistan has lent itself as a base of operations for such intervention, and is utilising this very fact for securing the most sophisticated American military aid thereby aggravating tension in the entire region.

The AITUC demands an end to such armed intervention, and expresses the hope that the efforts at reaching a political settlement, which will in the first place, mean an end to imperialist intervention in Afghan affairs will be crowned with success.

The AITUC expresses its satisfaction at the move of the Soviet Union, recalling six regiments from its limited military presence in Afghanistan. This is concrete evidence of its earnestness for a political settlement.

#### **ON TEA TRADE**

This 33rd Session of AITUC requests the Government of India to set up a Commission of Enquiry to look into the national and international trade of Tea, and to make recommendations as to streamline the tea trade ensuring remunerative price for the producers, enabling the consumers to get tea at reasonable prices and to avoid loss in foreign exchange earnings.

#### **ON THE NEW TEXTILE POLICY OF THE GOVERNMENT AND SERIOUS CONSEQUENCES FOLLOWING THEREFROM**

The 33rd Session of the AITUC expresses grave concern at the persistently deteriorating situation in the Cotton Textile Industry, as reflected in the series of countrywide closures, partial closures, lock-outs, etc. of Textile units, resulting in retrenchment of tens of thousands of workers, imposing untold hardships on lakhs of their family members and dependents. Even according to the figures available with the Textile Commissioner, as at present over 80 Textile mills involving over 2.14 million spindles and over 20,000 looms are completely closed. Over 1,16,000 Textile workers have already been rendered jobless. This, of course, is in addition to nearly 70,000 workers still

out of job in the mill industry in Bombay. Further, the spate of closures and partial closures continued unabated and has now spread to the nationalised segment of the industry itself. As a consequence, lakhs of Textile workers still in employment find themselves face to face with potential threat to their jobs, besides suffering worsening of their conditions of employment and working. In many instances, the workers are forced to retain their employment by accepting wage cuts.

Far from retrieving this premier national industry from the grip of frequent 'crises' engineered by the most powerful monopolies dominating this industry, the so-called new Textile policy of Rajiv Gandhi government has resulted in further accentuating this man-made crisis.

Instead of heeding to the almost unanimous demand of the AITUC and the All India Textile Workers' Federation besides other national Trade Union centres to evolve a meaningful pro-people policy towards development of the Textile mill industry based on radical changes in its ownership pattern as well as its structure, involving complete nationalisation as well as democratisation of its management with the principal aim of clothing the mass of impoverished people, besides considerably expanding employment opportunities by harmonising the development of hand and powerloom sub-sectors of the industry, the Central Government chose to surrender to the diktats of the same Textile monopolies which have brought it to the brink of ruination. The new Textile Policy of the government has in fact added new and dangerous dimensions to the already adverse situation by providing positive official sanction to rapacious monopoly houses to go ahead with their anti-people and anti-working class policies behind the smokescreen of 'modernisation', 'diversification of product-mix' through unrestrained use of chemical or man-made fibres, 'rationalisation of labour force' through mass retrenchment, facilitated through creation of so-called Retrenchment Relief Funds.

Repeated caution sounded by the AITUC and other organisations of workers against techno-economic feasibility of indiscriminate introduction of 'high-tech' machines and equipment in the present socio-economic conditions in the country, have fallen on deaf ears. Bowing to the pressure of imperialist financial agencies like the World Bank, the Government of India undertook to finance modernisation of the Textile mills by providing substantial amount of loan to the millowners from the Industrial Development Bank of India on unusually liberal terms, conveniently forgetting that it is the very same mono-

poly-houses who are responsible for rendering a big section of the industry 'sick' by gross mismanagement and massive diversion of its resources to other high profit-yielding sector of industry, and even to speculative ventures. Yet the profit-hungry Textile monopolies have once again started clamouring for additional and totally interest-free loans on the plea that "the modernisation investments have lost their pay back capacity due mainly to severe curtailment of domestic demand and consumption of the products of the industry. Over and above, these profit-hunting sharks have of late raised the chorus of being given the right to sell-off the lands on which Textile mills and mill workers colonies in major urban centres are located in order to be able to make fantastic profit through land-racketeering at the cost of the workers and the society at large.

In framing the 'new Textile Policy' the Government has obviously given up the basic objective underlying the rehabilitation of the Textile industry, namely, to fulfill the clothing needs of the vast mass of our semi-clothed people by making available to them cloth at prices which they can afford to pay, besides maintaining the level of employment and improvement of earnings and working conditions of workers employed in the entire textile system, including the hand and power-loom sectors. On the contrary prices of cloth have been permitted to soar up even after allowing the Textile monopolies to swallow all the concessions and despite drastic reduction in complement of labour and a record fall in the prices of cotton. With continued under-utilisation of capacity and wholesale closure of weaving departments in a large number of mills falling production in the mill sector of the industry is becoming a continuing feature of its functioning. The Textile mill tycoons are increasingly transferring production of cloth to the power-looms in a clandestine manner. This enables them to mint huge profits by marketing cloth produced in their 'Benami-owned powerlooms at phenomenally low cost at increasingly high prices, while the powerloom workers are left groaning under the weight of extremely low wages, excessive working hours and inhuman working conditions. Millions of handloom workers all over the country are similarly left to their own fate, unable to eke out even a sub-human living.

The diabolical conspiracies of Textile monopolies to further intensify their attacks on jobs, working and living conditions of millions of workers in the giant textile system of the country, thus stand revealed. The Government on its part is cons-

tantly surrendering to their blackmail by shamelessly endorsing the employers' proposition to close down all "economically unviable" or "sick" units both in private as well as nationalised segments of the industry. Moves are already on to denationalise some of the NTC mills, while many relief units have already been denotified.

The Conference, consequently calls upon all the affiliated unions of Textile workers to forthwith initiate steps to forge a common front with other textile workers' organisations throughout the country to meet the offensive launched by the monopolies with the backing of the government against their jobs and working conditions.

Such a united campaign must also be made to bring together tens of millions of workers employed in the handloom and powerloom sub-sectors of the Textile system, who are also the victims of the thoroughly retrograde textile policy of the government. The campaign must also be carried to the millions of cotton-growers in the countryside already agitated over unprecedented fall in cotton prices, triggered by the new Textile policy. Alongside this campaign appropriate steps should be taken by organising seminars, public discussion in order to enlighten the people on the pernicious anti-people and anti-working class nature of this policy.

In order to express the indignation of the Textile workers over the disastrous consequences of the policies pursued by the government under the pressure of the monopoly houses, the Conference calls upon the Textile workers to unleash a united nationwide struggle on the following demands:

1. Immediate ban on all closures, partial-closures, retrenchments, lay-offs; and
2. Stop all moves to de-nationalise the NTC mills and withdraw exemption from the operation of labour laws of all relief-undertakings;
3. Immediate payment of arrears of wages and all other dues to workers in the nationalised and relief undertakings, left unpaid by their former owners;
4. Complete nationalisation of the entire Textile mill industry at the same time ensuring the democratisation of its management at all levels.

As a first step towards mobilising the Textile workers for a major countrywide struggle to secure the acceptance of these

demands, the Conference appeals to the Textile workers' organisations to observe the 21st January, 1987, as a 'Day of Protest' by launching actions, including strikes, Dharnas, Gheraos, etc., in order to demonstrate their fighting unity.

### *AGAINST DRUG PRICE RISE*

The 33rd Conference of the A.I.T.U.C. strongly condemns the decision of the Govt. of India to allow a price increase of 12 to 25% on vital Drugs. This increase is wholly unjustified as the Drug companies are making fabulous profits. The Govt. have shamelessly surrendered to Multinational and national monopolies and thrown the common people to the rapacious profiteering of the monopolies. This session demands immediate withdrawal of this price rise and Nationalisation of the Drugs and Pharmaceutical industry in order to make available essential drugs to the people at reasonable prices.

### *ON SOCIAL SECURITY*

1. The 33rd Session of AITUC views with grave concern the continued apathy of the Government of India towards evolvment of a comprehensive and integrated Social Security Scheme for the working class in India even after 39 years of Independence inspite of the provisions in the Directive Principles of State Policy in the Constitution.
2. There is no social security scheme for overwhelming majority of the working population of 22.25 crores including 14.8 crores of agricultural workers. Out of the remaining 7.45 crores the Employees Provident Fund Scheme covers only 1.3 crores and the Employees State Insurance Scheme covers nearly 70 lakh workers. Thus these most inadequate social security schemes cover hardly 6% of the total working population and 18% of the working population excluding the agricultural workers.
3. The available social security schemes have no old age, survivors and invalidity pensions, no unemployment relief, no family allowances etc. In fact the benefits available under various existing social security schemes are minimal. These schemes are mainly financed by workers and employers, the government making hardly any worthwhile contribution. The administration of these schemes is in the hands of bureaucratic machinery which is full of inefficiency and corruption.
4. Since the last session of AITUC some more benefits have been secured for the workers due to continued fight put

- up by AITUC and the working people at various levels e.g. :—
- i) The family pension for the survivors of workmen who die while in service has been substantially increased in this period. The minimum pension now is Rs. 140/- per month and the maximum Rs. 630/- per month.
  - ii) The rate of interest on Provident Funds Deposits in un-exempted establishments has been increased from 9.15% for 1983-84 to 11% for 1986-87.
  - iii) Salary limits of workers for coverage under the Provident Fund, family pension and deposit linked insurance schemes has been raised from Rs. 1600/- p.m. to Rs. 2500/- p.m.
  - vi) House building, non-refundable advances under the E.P.F. Scheme have been increased from 24 months wages to 36 months wages and many other concessions have been given in this behalf.
  - v) Advances for marriages in the family and for education of the children have been raised from 2 to 3.
  - vi) The rates of Provident Fund deductions have been raised from 6¼% to 8% in respect of 24 more industries.
  - vii) The Employees State Insurance Corporation has decided to extend medical treatment to the workers even after retirement.
  - viii) The salary limit for coverage under the payment of Gratuity Act has been raised to Rs. 1600/- p.m. and definition of continuous service has been liberalised.
5. This session of AITUC reiterates its long standing demand for a comprehensive social security scheme covering the entire working population of the country, financed by the Government and the employers and administered by the Trade Unions.
  6. In the meanwhile this session demands :
    - a) *In respect of E.P.F. Scheme :*
      - i) The conditions of Infancy period, minimum service and wage limit be removed and the coverage under the Act be extended to all industries and to all establishments employing ten or more workmen.
      - ii) The rate of contributions be raised to 10% in all covered industries as recommended by the Standing Labour Committee.
      - iii) The rate of interest on Provident Fund Deposits both in the unexempted and exempted sectors

should not be less than 12% which is allowed on National Savings Certificate and by the Unit Trust of India.

- iv) The employees Provident Fund Scheme be partially converted into an old age and survivors pension scheme immediately.
- v) All E.P.F., F.P.F. and E.D.L.I. claims be settled within 30 days and such a provision be made in the three schemes. In case the claims are not settled within this period a penalty be imposed on the E.P.F. organisation.
- vi) The pre-take-over and post-take-over arrears of Provident Fund in N.T.C. Mills must be reimbursed by the Govt. of India immediately.
- vii) Penal damages upto 100% of the amount of default be levied on the employers.
- viii) Sharp liberalisation of benefits under the Family Pension Scheme and Deposit Linked Insurance Scheme be ensured because of the huge balances accumulated under the Schemes.
- ix) Strongest possible penal action including confiscation of movable and immovable property be taken against the employers who fail to deposit the EPF deductions in order to recover nearly Rs. 200 crores of arrears. Such action be also taken in respect of 60 crores arrears under ESI Scheme.

b) *In respect of E.S.I. Scheme :*

- i) The E.S.I. Scheme be extended throughout the country and to all establishments having 10 or more workmen
- ii) Hospitalisation facilities be extended to family members of insured persons in the remaining States.
- iii) E.S.I. local offices be opened at all district headquarters and at least a 25 bed hospital be opened in each district.
- iv) The condition recently imposed that a worker must have 90 days attendance in six months in order to get sickness and other benefits must be scrapped immediately as it hits lakhs of badli and temporary workers who will contribute but will not get any benefits.
- v) Full wages be paid for sickness period and waiting period of 2 days be abolished.

- vi) Rates of compensation for employment injury and for death due to accident be increased by 100%.
- vii) Facilities for Ayurvedic treatment be made in all ESI hospitals and dispensaries.
- viii) The medical treatment be also managed by the E.S.I. Corporation and not by the State Governments.

c) *In respect of Gratuity Scheme:*

- i) The payment of Gratuity Act be amended to provide payment of Gratuity at the rate of one month wages per year of service. The conditions of 5 years service as well as 75% attendance in seasonal factories be abolished.
  - ii) Suitable amendments be made in the Act so that the Supreme Court Judgements laying down that 20 months wages means wages for 600 days and while calculating average wages, monthly salary be divided by 26 and not 30 as incorporated in the Act.  
Similarly amendment be made in the Act nullifying the Punjab and Haryana High Court judgement which has struck down the provision of payment of Gratuity on resignation.
  - iii) In case the management refuses to pay gratuity to a worker and the controlling authority upholds the claim of the worker, a heavy penalty be imposed on the employer.
  - iv) The condition of maximum gratuity of 20 months wages be abolished.
  - v) A Central Gratuity Fund be created where employers be required to deposit the amount of Gratuity in respect of all workers every year. This fund be managed by Trade Unions.
7. In the E.P.F. Central Board of Trustees and in the ESI Corporation the Trade Unions be given equal representation alongwith employers and government representatives.

The Board and the Corporation be made autonomous bodies without any interference by the Government.

A.I.T.U.C. representatives be included in the E.S.I. Corporation, regional boards and the E.P.F. regional committees in all the States.

8. The Session appeals to all the Trade Unions in the country and to all the working people to forge unity and wage a united struggle for achievement of the above mentioned demands in the field of social security. These demands are for the entire working population of the country.

### **STOP FORTHWITH IRAQ-IRAN WAR**

This 33rd session of All India Trade Union Congress makes a fervent appeal to both Iran and Iraq to immediately stop the meaningless bloodshed of two Asian peoples.

This war has entered the seventh year on September 23, 1986. During the last six years more than seven lakh people of both the countries have lost their lives. Most are described as "disappeared".

The economy of both the countries is in ruins. All development has stopped. Most industry, towns and villages are in ruins. Consumer goods and daily necessities are becoming costlier and costlier. Inflation is escalating.

What was already known to many, has now come to light that US imperialism has been fanning this war under the notorious banner of "make Asians fight Asians" and supplying arms secretly to Iran only to make peace impossible. The dirty profits made out of sale of arms to Iran have been funnelled to the wretched counter-revolutionaries of Nicaragua. Shamelessly the US has offered to sell arms to Iraq also.

The socialist and the non-aligned world, and the peace-loving people all over are keen on stopping this bloodshed. And US is doing exactly the opposite while strengthening its own positions in the Gulf of Iran and stationing its Rapid Deployment Force there.

The AITUC extends its solidarity to the heroic working class of Iraq and Iran that is opposing the war and fighting for peace as well as in defence of its living standards. Between August 1984 and March 1985 there have been more than 300 industrial strike in Iran alone.

The brave workers of Tabriz Tractor Factory have refused to sign papers for being drafted in the army.

The peace-loving people in both countries are facing brutal repression, prison, torture and executions. More than 470 patriots have been executed in Iran alone in 1985, 50 prisoners were executed in the Evin Prison in Iran.

The AITUC demands immediate end to this repression, release of all prisoners and an end to the senseless war.

The AITUC urges upon the Non-aligned Movement and Government of India in particular to intensify steps in a big way to stop this war, specially because US imperialism and its allies are doing their best to prolong the agony. We note that proposals made in the direction of stopping the war have met with response from Iraq.

The AITUC calls upon all the trade unions in India to rally their forces for an end to the Iran-Iraq war, for peace in West Asia and for launching on the path of development and social progress.

### **ON REUNIFICATION OF KOREA AND PEACE IN THE PACIFIC**

This thirtythird session of AITUC expresses its grave anxiety at the growing threat to peace and to Korea in the North Pacific. Tokyo-Seoul-Washington axis is being strengthened to thwart the movement of the great Korean people to unify their country.

U.S. imperialism is blatantly violating the armistice agreement and obstructing all negotiations for peaceful reunification of Korea. It has brought over 1000 nuclear weapons in South Korea. It has heavily armed the South Korean puppet army. It has augmented its own forces, pointing its guns towards the Democratic People's Republic of Korea. The government of D.P.R.K. have repeatedly put forth concrete proposals for reunification.

The All India Trade Union Congress hails the declaration of Pyongyang International Conference for Peaceful reunification of Korea, held in September 1986, and calls upon the trade unions in our country, all the states along Pacific, the socialist and the non-aligned in particular and the peace-loving people of these countries to unitedly struggle against U.S. conspiracies in this region and pave the way for peaceful reunification of the great Korean people.

### **ON THE SIGNIFICANCE OF COM. GORBACHEV'S VISIT AND THE DELHI DECLARATION**

This Thirtythird session of the AITUC hails the recent visit of Com. Gorbachev to our country, the joint declaration he signed along with Prime Minister Rajiv Gandhi and the various agreements reached as of great significance for our country's economic development, for our security, for strengthening our independence, and for peace in our region and the world, and for enabling us to build a self-reliant economy.

The determination of our two countries to fight for peace in Indian Ocean and for contributing our efforts for peace in the Pacific, is a blow to imperialist manoeuvres in this area and the hurdles they are creating in holding Indian Ocean Conference for the last decade or so.

The declaration inspires confidence that we can preserve peace in our region and fight the forces that are out to destabilise our economy and our political life in order to promote the global aims of US imperialism.

The declaration makes it possible to unite all the peace loving and patriotic and secular forces against imperialist war aims.

The various agreements reached if fully and speedily implemented by our government will help our country to develop its power potential, develop our coking coal and oil resources and above all strengthen and expand our foreign trade with the USSR and enable us to resist the inroads of transnationals and the neocolonial aims of imperialists.

The AITUC calls upon the entire tradeunion movement to take this great opportunity and strengthen our movement for peace, for security, for self-reliant and balanced development of our economy against the imperialist and transnational conspiracies against our country.

### *IN SOLIDARITY WITH NICARAGUA*

The 33rd session of the AITUC strongly condemns the criminal acts of aggression by the Reagan Administration against sovereign Nicaragua by extending military, economic and political support to the so-called Contras, the counterrevolutionary mercenaries who commit acts of terror, arson and murder inside Nicaraguan territory, by instigating and financing neighbouring Hondurans to commit acts of aggression against Nicaragua. The U.S. Government openly defies the International Court of Justice which gave the ruling that the American intervention in Nicaragua is violative of international law and the UN Charter.

From the recent arms supply scandal with Iran, it was revealed that President Reagan and his national security council were clandestinely supplying funds to the contras in Nicaragua even in violation of the U.S. Congress embargo on such supplies.

The 33rd session of the AITUC reiterates its full support to and solidarity with the people and Government of Nicaragua

who are heroically fighting against such blatant aggression by the U.S. Government to destabilise a sovereign and democratically elected Government.

### SOLIDARITY WITH THE PALESTINIAN PEOPLE

The 33rd session of the AITUC reiterates firm support of the Indian working class to the struggle of the palestinian people under the leadership of PLO, their sole legitimate representative, against Israeli occupation and brutal repression, for the establishment of their own independent national state on their own soil. The Session sympathises with the continued sufferings, harassments, brutal killings etc. the palestinian people are undergoing in the hands of Israeli armed forces and the reactionary armed groups in Lebanon and other places.

The 33rd session of the AITUC urges on Arab workers and people to strengthen the unity of anti-imperialist forces against the common enemy, for democratic and trade union rights.

### ON SAFETY IN MINES

The 33rd conference of the AITUC expresses its deep concern over rise in fatal accidents in coal mines and non-coal mines throughout the country. This increase is noted in both underground and open-cast mines, in mechanised and non-mechanised mines. Several mine accidents took place in the last few months i.e. Patharkera (WCL), Kirkend (BCCL), Chinakuri (ECL) where 11 workmen died. A number of mines were closed down due to violation of safety rules. As many as 217 persons were killed and large number of workers seriously injured in coal mine accidents during 1985-86 which is higher than previous years. The death toll in accident in other mines was 90 in the same years. Major accidents took place due to roof fall in coal mines. The various investigations by D.G.M.S. and series of courts of inquiry have clearly pointed out that accidents are mostly due to open and flagrant violations of Safety Regulations by the managements.

The 5th Safety Conference was held on December 1980. The 6th Safety Conference which was held on 13-1-1986 observed that: "There was a view that the implementation of the Recommendations of the 5th Conference were mainly on paper".

That entire inspecting machinery under D.G.M.S. to enforce the Mines Act and Regulations to inspect the mines to detect violations and take effective steps has been deliberately kept weak and understaffed and in a pathetic state. The specific recommendations of various courts of enquiries and J. G. Kuma-

ra mangalam Committee to strengthen the DGMS organisation have been ignored and kept in cold storage. The Rescue stations which are few and far between have either collapsed or are on the verge of collapse even after this organisation was taken over by coal companies. All kinds of deadly occupational diseases like pneumonosis, asbestosis etc. are rampant and there is no proper clinic in the mining industry to either diagnose or treat them. So, the lives of nearly one million miners both in coal and non-coal mines continue to be unsafe and insecure due to criminal negligence of the Government and management both public and private.

This Conference of AITUC takes serious view of these developments and urges on the Government to immediately implement (i) All the unanimous recommendations of 5th and 6th Safety Conferences and court of enquiries and circulars of DGMS. (ii) Strengthen the Pit Safety Committee and the D.G.M.S. organisation as per recommendation of Kumaramangalam Committee. (iii) Immediate full implementation of the Mines Act (Amendment) Bill, 1983 in consultation with the unions. (iv) Take drastic and firm action against those who are held responsible for fatal accident.

It calls upon workers to build a powerful united militant movement on these issues and compel the Government and management to accept them.

### *ON MAVOOR GWALIOR RAYONS STRIKE*

The 33rd session of the AITUC greets the 4000 workers of the Mavoor Gwalior Rayons in Calicut district of Kerala for their heroic all-out united strike against the Birla management for the past one and a half years and assures the continued sympathy and support of the AITUC.

The strike in both the pulp and fibre divisions started on 7th July 1965 on the refusal of the Birla management to discuss to renew the long term agreement on wages, D.A. and service conditions. The long term agreement of 1978 ended in December 1981 in pulp division and in June 1982 in fibre division. The Birla management also refused to negotiate and settle Bonus for the years 1982-83, 1983-84 and 1984-85 and insists on accepting their declaration of Minimum Bonus. Ever since the beginning of the factory it was the custom to negotiate and settle bonus.

This Congress of the AITUC views with concern the callous and helpless attitude of the Kerala Government in not persu-

ading the Birla management to come to a settlement on the just demands of the workers.

This Congress of the AITUC demands of the Kerala Government and the Union Government to take effective steps to bring the management to a settlement with the workers, failing which to nationalise the Mavoor Gwalior Rayons.

This Congress appeals to all unions and particularly workers of the Birla concerns to render all support to the striking workers of the Mavoor Gwalior Rayons.

### **ON NATIONALISATION OF SHIPPING**

Since independence Indian National Shipping Industry has expanded its tonnage from a mere 1.92 lacs GRT (Gross Registered Tons) to about 6.6 million GRT at present. This development has been possible completely under Government patronage. While 50% of the industry is now under Public Sector, the working capital of the 50% which is under Private capitalists is also almost entirely financed by Government Financial Institutions e.g. SDGC, Nationalised Banks, LIC, UTI, etc. Thanks to the severe recession in the capitalist world Indian Shipping is acutely suffering, and the private shipping Companies are on the one hand not paying back Government money amounting to hundreds of crores which is being misused and on the other hand throwing all the burdens of the crisis on the employees, workers and crews. The crisis ridden Indian Shipping Industry is thus in recent years contracting and being cornered by Foreign Shipping Industry in its own country. 70% of our general cargo is still carried by foreign vessels. India with a coast line 6100 KM long has tremendous possibilities of flourishing as a maritime nation, but that requires proper centralised planning.

For vitalising the Indian economy for the people of our country in general and also for safeguarding the interest of the employees, workers and crews employed in the Shipping Industry in particular the entire Shipping Industry should be nationalised and expanded.

### **ON MODERNISATION IN THE PORTS & DOCKS**

This conference of the AITUC views with grave concern the attempts of the managements of the various ports to introduce speedy mechanisation and containerisation in cargo handling in the name of modernisation. Government of India has allowed and even induced various ports to enter into unheal-

thy competitions to bring down handling cost and thus attract more ships to call at their ports. This results in huge investments for the import, erection and commissioning of modern equipments like huge unloaders capable of discharging more than 10,000 tons of bulk cargo in a shift. This is going to create redundancy of workmen on a big scale.

During the past decade the work force registered with Port Trusts and Dock Labour Boards has dwindled by 25 per cent on an average and in some cases even 50 per cent.

Large number of rank casual workmen maintained by some Dock Labour Boards to meet overflow chances are thus going to be idled for ever without any remuneration to fall back.

In the port of Paradeep about 600 employees of all categories who actually carry out jobs of permanent nature continuously for the past 6 years without break are still maintained as casual employees by the port.

Voluntary pools of workmen consisting of various categories managed by private employers exclusively and in some cases by governing bodies consisting of trade unions representatives have become a permanent feature in the ports.

In the new major ports of New Mangalore, Tuticorin, Paradeep and Haldia no Dock Labour Boards are constituted yet with the result that the cargo handling work is either managed by the private pools or by pools exclusively run by certain trade unions leading to closed shops, ruining the basic interests of the workmen.

The Abraham Committee appointed by the Transport Ministry (Surface) to go into the question of constitution of Dock Labour Boards in the four new major ports and decasualisation of additional categories in the remaining major ports has expressed satisfaction about two existing private "arrangements" as above and even recommends continuation of such "arrangements" in place of departmentalisation or decasualisation. This Committee has also suggested that the trade unions of the four new major ports should agree for a drastic cut in the work force in case they want Dock Labour Boards.

Ports are managed by Chairmen from cadres on deputation for short duration although Port Trusts are nominated for a specific period of three years. In certain cases for instance New Mangalore and Tuticorin are managed by one and the same Chairman and Deputy Chairman. This leads to lack of concentration and indifference too.

With the advent of speedy mechanisation the reserve labour pools governed by the Dock Labour Boards and the Port Trusts

are getting deflated and the private pools and agencies inflated.

This alarming situation calls for immediate and joint resistance by workmen and Trade Unions to force a reversal of the irrational and inhuman method of introducing modernisation in the Port and Dock operations.

This Conference urges upon the Government to immediately commence discussions with the Trade Unions and the four Federations to alleviate the ill-effects of modernisation in the Ports and Docks.

### *ON ELECTRICITY*

The 33rd Conference of AITUC views with grave concern the continued efforts of Government at Centre as well as States in handing over Power systems and Power Generations to Private Sector and Multinationals. The conference demands of the centre to put a stop to this dangerous trend which is not in the interest of self-reliance of the economy and arround development of the national economy.

This conference further demands that the National Grid of power systems be immediately constituted and pending disputes of inter state water and power schemes are solved, hydro-schemes taken up for increased generation of electricity. This conference demands that the resources for these schemes be strengthened by defering interest charges on loan capital for a period of 15 years. The AITUC demands democratisation of Electricity Boards and participation of workmen in the management including at floor level to improve the load factor, cut transmission losses, curb corruption. It demands of stop to growing resort to contract system in maintenance and operating work.

The session demands that the present chaos and disparities in wages of power workers be removed, and a national standard be evolved, on the basis of parity with other public sector undertakings.

### *ON INDUSTRIAL DEVELOPMENT OF NORTH EASTERN REGION OF INDIA*

The North east part of India in general and Assam in particular possess rich natural resources like coal, oil, limestone and forest resources. But the entire area has remained very backward even after 39 years of Independence and at the end of sixth five year plan.

This area is inhabited by the different groups of small nationalities along with various groups of different ethnic origin. Due to historical reasons the people from the region did not get adequate jobs available earlier in the industries like Railways, Banks, Insurance and existing business establishments etc. Against the backlog of ever increasing unemployment, the chauvinist and divisive forces are exploiting the sentiments of the local people every now and then disrupting the unity of the people. It is essential to fight such divisive forces for which it is essential that enough jobs are created for local talents by opening new industries based on the natural resources of Assam. In order to develop this area, some oil based and coal-based industries having the potentialities to offer large job opportunities should be set up as quickly as possible under the public sector. The proposed Refinery should be established in the public sector near the oil fields. This 33rd Session of the AITUC considering all the factors urges upon the Central Government to take up special schemes for rapid industrialisation of Assam by setting up big factories based on natural resources like Gas, Crude Oil, Tea, Coal, Limestone and Forest resources under Public Sector along with Projects for electricity generation and proper transport facilities by extending Broad gauge rail link to all parts of the states.

#### ON LEBANON

The 33rd Session of the AITUC expresses its strong condemnation at the continued armed intervention in Lebanon by U.S. Imperialists and Israeli Zionists. Their armed raids have led to heavy loss of life and property. The aim of these piratic raids is to force the Lebanese people to their dictates. This conference expresses its full solidarity with the people of Lebanon in their struggle against the imperialist onslaught and pledges its full support to them in their struggle. The session demands that UNO should take urgent steps to stop this open violation of UN charter.

#### ON UNEMPLOYMENT

The question of unemployment has assumed explosive proportion. Nearly 3 crore workers are registered with the Employment Exchanges and nearly 7 crores more are unregistered. Crores of others are semi-employed. Majority of these are the youth who find avenues of meaningful life closed to them, when they have just begun life. This is an explosive situation fraught with dangerous consequences. These unemployed are

easy prey to fascist, neo-fascist, communal and regional forces, who divert them into adventurist and revanchist paths.

It is therefore urgent for the organised working class to organise and champion the cause of the unemployed. If properly organised and educated they can become a strong force, who can in alliance with the working people, play an important part in the task of basic social transformations, which alone can open avenues of gainful employment and meaningful life to them.

This session therefore calls upon all unions together with the youth movement and other democratic forces to organise the unemployed for their basic right of livelihood and meaningful compensation for the period of unemployment.

The session calls upon all workers and the democratic forces to take up urgently the campaign for securing the right to work as a fundamental right in the constitution.

#### *ON I.D.P.L.*

The Indian Drugs and Pharmaceuticals Ltd. is the premier public sector undertaking in the drug industry. It has got five factories situated at Madras, Rishikesh, Hyderabad, Gurgaon (Haryana) and Muzaffarpur (Bihar).

Over the years, the IDPL made great progress and became well known as a producer of anti-biotics, synthetic drugs and a number of medical formulations of high quality at reasonable prices.

But the IDPL is a sick undertaking today. Its accumulated losses have wiped out the capital invested in the company. It has not been able to pay its loans and has to bear a heavy burden of interest payments annually. The defective Drug policy of the Government of India has made it difficult for this public sector undertaking to become viable. The Government continues to surrender to the multinational companies in the drug industry. It has failed to implement the recommendations of the Hathi Committee.

Even the Government controlled hospitals and health services continue to patronise the multinational drug companies for medicines which are produced and marketed by IDPL. The private sector companies adopt marketing methods and sales promotion practices which are not possible for the IDPL to adopt.

Instead of taking effective measures to curb the activities of the multinationals, the Government is planning to curtail the

activities of the IDPL. There are reports in the press that the Madras and Muzaffarpur plants of IDPL may be rendered unemployed.

The 33rd session of the AITUC strongly protests against the Government policy towards IDPL and demands that instead of closures of any units, the IDPL must be helped in every way to overcome its existing financing difficulties and to become a healthy public sector undertaking and a bulwark against the multinational drug companies. The AITUC demands the consolidation and further expansion of the IDPL to ensure for the people of this country medicines of a high quality at reasonable prices.

### ON PROBLEMS OF THE STATE ROAD TRANSPORT INDUSTRY AND WORKERS

This 33rd Session of the All-India Trade Union Congress very strongly condemns the Road Transport Policy of the Union Government and various state Governments and the severe attacks that the workers are facing under the pretext of "losses" "efficiency" and so on.

The policy declaration of 1957 that passenger Road Transport would be gradually nationalised has been reversed and more and more routes are either denationalised or private operators are allowed to illegally operate on nationalised routes and are away with earnings that should legitimately come to State Transport Undertaking.

State Transport Undertakings are starved of funds for replacing aged vehicles. Maintenance is poor, operational efficiency is going down and accidents and vehicle failures are increasing.

It is ignored that State Road Transport Undertakings alone are offering concessional travel facilities to students, Government employees, physically handicapped, journalists and legislators and are running economically unviable but socially necessary routes.

State Road Transport Undertakings are denied any priority for providing institutional finance. The financial structure is such that all investment by the Central and State Governments is in the nature of non-reurnable loans with interest determined by the Government.

The State Transport Undertakings are forced to pay interest, high state taxes, the high cost of High Speed Diesel, Chassis and bodies, fuel Oil and spares and tyres. The losses of these Undertakings are actually exorbitant gains of monopolies, Indian Oil and the Government.

And the workers and commuters are made to suffer low wages and high fares.

The declared policy of providing cheap, comfortable and efficient transport is thus a casualty.

The unions of All-India Trade Union Congress and the National Federation of Indian Road Transport Workers are in the forefront of the struggle for a democratic Transport Policy and defence of workers' wages and working conditions. These unions are therefore made a target of attack by the managements and Governments.

Vindictive transfers, punishments for low KMPL and tyre damage are growing without taking into consideration the hopeless road condition and the age of engines and vehicles.

Removals and Dismissals are being resorted to more and more. Suspensions and charge sheets are increasing even on flimsy grounds.

Karnataka and Rajasthan should be specially mentioned for severe attacks on the union activists.

The AITUC session demands a comprehensive Road Transport Policy whereby

- (1) Passenger Road Transport should be nationalised immediately,
- (2) The Financial structure should be reorganised,
- (3) Automobile and Tyre industry should be taken over from the monopolies both national and multinational,
- (4) Indian Oil should supply HSD at differential price to Public Sector Road Transport as it is engaged in discharging a social obligation,
- (5) Workers' full and unfettered participation should be guaranteed as a necessary step for democratisation of management.
- (6) State Transport should be extended to Goods transport sector also, and to begin with, State Goods Transport like the one of Food Corporation and the like should be handed over to State Transport Undertakings.

- (7) All victimisations should be vacated and full trade union rights should be guaranteed. Karnataka Government and KSRTC management should vacate all victimisation and implement their commitment of recognition by secret ballot.
- (8) Government should guarantee funds for expansion of vehicle fleet, and replacing the aged vehicles.
- Proper maintenance of roads and doubling the lanes where necessary should be undertaken by the administration concerned.

The AITUC extends its full support to the workers and unions in State Road Transport Sector in their relentless struggle in defence of workers' interests and for a democratic Road Transport Policy aimed at providing proper wages and service conditions for workers, security of jobs and cheap and efficient transport to our people.

#### ON DANGERS OF INDUSTRIAL POLLUTION

Due to the growing industrialisation of the country, the dangers of industrial pollution have grown tremendously. This has been further aggravated by the greedy, callous and anti-people attitude adopted by the transnational corporations and Indian capitalists. They fail to install appropriate safety devices and take adequate measures for the protection of health and safety of the workers and other people. They only cause gross pollution of air, water and landscape in the neighbourhood of their factories. The chemical processes industries have been specially guilty in this respect as has been amply proved by the Bhopal Gas disaster in the pesticide plant of the Union Carbide company of U.S.A. and some other chemical factories in Bombay, Delhi and other places.

The whole country was deeply shocked by the Bhopal Gas catastrophe in which 2500 persons were killed and lakhs were seriously affected, many being rendered invalid for life. The criminal negligence of this American transnational company was exposed before the whole world. But what also stands exposed is the complicity of the central and state authorities in Bhopal in the setting up of such a dangerous plant in the capital city of Madhya Pradesh.

This calamity has also exposed the utter inadequacy of the

legal and administrative authorities in dealing with such a situation as well as the incompetence of the state and central Government to get compensation to the affected persons and the families of the deceased. More than two years have passed and not a single rupee of compensation has been received by anyone. No body from the management has so far been punished for this act of criminal negligence leading to such collective loss of life and infliction of severe injuries on lakhs of people.

The 33rd session of the AITUC demands severe punishment of the managements of union carbide and other industries which, by their actions cause danger to the health and life of the people and full compensation to those who become victims of misdeeds and criminal acts of such managements.

The AITUC session demands that the Government must centrally pass suitable laws for the protection of air, water and landcape in order to protect the life and health of the workers and other sections of the people, but must also resolutely implement them. The violations of such laws should be severely punished. The corrupt Government officials who commit such violation, should also be effectively dealt with. The mere closure of such plants is a double edged remedy which hits the workers also by rendering them unemployed.

The AITUC session demands that pending enactment of adequate laws for this purpose, the existing machinery for the inspection of factories etc. should be made more effective by making it fully responsible for environmental protection.

The public sector plants have, on the whole, shown a much greater concern for the safety of workers and the environment, but some of them have also been guilty of pollution of air and water. The public sector managements must be made more strictly accountable in this respect and the public sector should become a model for safety and environmental protection.

The session calls upon the trade unions of the AITUC as well as all other trade unions to take up the cause of protection of environments as an important part of their activity.

The session demands that TUs as well as elected representatives of the local area concerned be associated with the work of inspection of undertakings and for environment protection.

*ON ASSAULT ON COM. LARO JONKO  
BY EMPLOYERS' GOONDAS*

The 33rd session of the AITUC condemns the attack, assault and attempt of molestation upon Com. Laro Jonko by hired goondas of contractors of Rameshwar Jute Mills owned by Birlas on 28/11/1986.

The women workers residing nearby gathered in large numbers and resisted the attempt on the woman Trade union leader of the masses from evil designs.

The AITUC condemns this attempt of assault and Bihar Government's apathy especially when this is second attempt of assault on a trade union worker of unorganized mines, and a tribal.

The AITUC demands that the Government should take stern action against the goonda elements.

*GREETINGS ON GOA'S LIBERATION*

On the occasion of the Silver Jubilee Celebration of Goa's liberation which falls on 19 December, the 33rd Session of the AITUC sends its warm greetings to the people of Goa.

The Session pays its homage to the countless martyrs who fell in the grim struggle against the four-centuries' old Portuguese subjugation of this territory. It hails those brave sons and daughters of the Indian people, political and trade union activists from within Goa, Daman and Diu, and from the rest of India who braved bullets, and prison during Goa's liberation struggle.

We are confident that shoulder to shoulder with the rest of India, Goa will march towards development and progress.



## Report of the Credential Committee

THE 33rd Session of the AITUC elected a Credential Committee of the following comrades:—

1. Kamalapati Ray, Convenor
2. K. Srinivas Rao
3. G. V. Chitnis
4. P. K. Ganguly
5. K. N. Shamasundara

THE Committee had three meetings and finalised the credential report from collected data.

1. WE have noted that at this 33rd Session there are delegates representing almost all industries and a better representation from rural and unorganised sector labour.
2. THE number of delegates upto the age of 40 years are more than 54% of total number of delegates including a greater participation of young workers.
3. 47.8% of delegates attending AITUC session for the first time. If we consider the percentage of delegates attending only two sessions including this one it would be nearly 60%.

But we must not overlook the fact that nearly 60% of the delegates are in the TU movement for more than 10 years.

4. THE educational standards of the delegates are also higher. No. of delegates having educational level of Secondary and above including Graduates, Engg. Graduates and Post Graduate level education constitute slightly more than 80% indicating the rising educational standard of our working class.
5. NO. of employed workers, white collar workers are 13%, Technically trained skilled workers 30%. Other workers of Town and Village who are unskilled workers constitute more than 17% ie. about 60% of the delegates come direct from the plant and fields.

ABOUT 40% are whole time organisers.

THE Credential Committee is happy to inform the delegates that membership of the AITUC since the last session has marked an increase and the 33rd Session has been attended by 2245 delegates representing 3622 unions with a total membership of 34,66,253.

APART from the WFTU, 19 fraternal delegations representing 18 countries and 9 fraternal organisations were present.

WE append to this report the detailed information of the delegates. We hope that the information will be of interest and useful to all delegates and functionaries.

Convenor : Kamlapati Roy

Members :

K. Srinivas Rao, K. N. Shamasundara  
G. V. Chitnis, P. K. Ganguly.

### REPORT OF THE CREDENTIAL COMMITTEE

Total No. of delegates attended the Session : 2245

Total No. of delegates submitted their credential Form : 2077

1. SEX: MALE : 2034, FEMALE : 43=2077

2 AGE GROUP:

a) upto 25 years	:	85
b) 25 to 40 years	:	1036
c) 40 to 50 years	:	531
d) 50 to 60 years	:	289
e) 60 to 70 years	:	106
f) Above 70 years	:	20
Age not mentioned	:	10

3. EDUCATIONAL QUALIFICATION

a) Literate	:	53
b) Primary	:	363
c) Secondary	:	990
d) Higher Secondary	:	297
e) Graduate & Above	:	374
f) Special Technical		

*Qualification*

- i) Skilled category
- ii) Licenciate Engg.
- iii) Engineering Graduate

4. CLASSIFICATION OF INDUSTRY

a) Steel	:	85
b) Coal & Mining	:	237
c) Engineering	:	256
d) Electricity	:	110
e) Chemical	:	92

t) <i>Textiles</i>		
i) Cotton	:	211
ii) Jute	:	42
iii) Woollen	:	8
g) Plantation	:	51
h) Service Sector	:	126
i) Leather	:	19
j) Oil & Gas	:	31
k) <i>Unorganised Sector</i>		
i) Contract Labour	:	7
ii) Bidi	:	37
iii) Construction	:	27
iv) Others	:	287
l) Transport	:	207
m) Cement	:	9
n) Paper	:	27
o) Sugar	:	7
p) Misc.	:	201
5. NO. OF YEARS IN T.U. MOVEMENT		
a) up to 1 year	:	51
b) 1 year—5 years	:	346
c) 5 years—10 years	:	484
d) 10 years—20 years	:	629
e) Above 20 years	:	567
6. POSITION IN T.U.		
a) President	:	198
b) Secretary	:	560
c) Other Office-Bearers	:	679
d) Ex. Comm. Members	:	374
e) Ordinary Members	:	266
7. NO. OF YEARS IN JAIL		
a) Upto 1 Year	:	854
b) 1-5 Years	:	115
c) Above 5 Years	:	35
8. NO. OF YEARS IN UNDERGROUND		
a) Upto 1 Year	:	179
b) 1 year to 5 years	:	78
c) Above 5 years	:	12
9. EMPLOYMENT		
a) Clerical	:	265

b) Technical	:	607
c) Labour	:	357
d) Whole-Timer	:	489
e) Officer	:	1
f) Others	:	358

10. *SESSION ATTENDED FOR THE*

1st Time	:	993
2nd Time	:	353
3rd Time	:	235
4th Time	:	185
5th Time	:	152
More than 5 Times	:	159



## **List Of Office Bearers And Working Committee Members**

*President:* Chaturanan Mishra

*Vice-Presidents:*

1. B. D. Joshi, 2. K. G. Sriwastava, 3. M. Kalyanasundaram, 4. Madan Lal Didi, 5. Bhalchandra Trivedi, 6. Dr. Raj Bahadur Gour, 7. T. N. Ram Rao, 8. M. S. Krishnan, 9. J. Chutharanjan.

*General Secretary:* Indrajit Gupta

*Secretaries:*

1. Parvathi Krishnan, 2. T. N. Siddhanta, 3. Homi F. Daji, 4. A. B. Bardhan, 5. Gaya Singh.

*Treasurer:* Harish Tiwari

### **MEMBERS OF THE WORKING COMMITTEE EX-OFFICIO MEMBERS**

1. S. A. Dange, 2. Ranen Sen.

### **MEMBERS ELECTED AT 33RD SESSION**

1. Promode Gogoi, 2. Y. Vijay Kumar, 3. K. L. Mahendra, 4. K. Srinivas Rao, 5. A. Ramulu, 6. Y. D. Sharma, 7. Raghubir Singh, 8. Piara Singh Deosi, 9. Pardumn Singh, 10. K. Vishwanathan, 11. C. R. Bakshi, 12. Sudhir Mukherjee, 13. G. V. Chitnis, 14. Roza Deshpande, 15. Bhagwan Thorat, 16. B. S. Dhume, 17. Anantha Subba Rao, 18. K. A. Rajan, 19. A. M. Gopu, 20. D. C. Mohanty, 21. Kamalapati Roy, 22. Narayan Choubej, 23. Bhowani Ray Choudhury 24. V. R. Ananda Tirtha, 25. Arun Sen, 26. Nihar Mukherjee, 27. Raj Kishore Singh, 28. Vacant, 29. Sunil Sen, 30. Shafique Khan, 31. T. M. Aboo, 32. S. C. Krishnan, 33. Sri Krishna, 34. George Vaz, 35. Ramakant Bajpai, 36. C. A. Kurien, 37. M. M. Gope, 38. Ghanshyam Sinha, 39. S. K. Sanyal, 40. K. S. Somu, 41. M. C. Narasimhan, 42. R. L. Dogra, 43. N. K. Krishnan, 44. Ramendra Kumar, 45. Chakradhar Prasad Singh, 46. M. Komaraiah, 47. Dwarika Singh 48. P. P. Mukundan, 49. M. M. Deshkar.

# General Council Members

ELECTED AT THE 33RD SESSION

## DELHI

1. Y. D. Sharma, 2. B. D. Joshi, 3. N. N. Manna, 4. M. M. Gop, 5. D. L. Sachdeva, 6. Narain Prasad, 7. J. P. Khare, 8. T. A. Francis, 9. Kailash Patra, 10. Amrit Rai, 11. Ishar Singh, 12. S. Chandra, 13. M. M. Siddiqi.

## RAJASTHAN

14. K. Viswanathan, 15. P. S. Parmar, 16. Sri Krishna (Railway), 17. Mangilal Yadav, 18. Premji Kesri Mal.

## MANIPUR

19. L. Jnanendra Singh, 20. Sharda Prasad Gupta.

## MADHYA PRADESH

21. Homi F. Daji, 22. Krishna Modi, 23. Sudhir Mukherjee, 24. Ramchandra Sarvate, 25. Mustaq Hussain, 26. Krishna Swami, 27. Sambal Chakravarty, 28. C. R. Bakshi, 29. R. S. Tripathi, 30. M. L. Jain, 31. Pritam Chawkse, 32. Ajit Jain, 33. D. K. Rao, 34. Harinath Singh, 35. Govind Shrivastava, 36. Varna Dulla Ram, 37. D. D. Sharma, 38. M. C. Soni.

## KERALA

39. J. Chitharanjan, 40. K. A. Rajan, 41. P. Bhaskaran, 42. P. F. Mukundan, 43. C. Divakaran, 44. C. A. Kurien, 45. M. T. Chandrasenan, 46. Kallat Krishnan, 47. S. Ravindran, 48. S. Ranadive, 49. K. V. Kocheriyar, 50. Mundappally Thomas, 51. Bothiraj M., 52. R. V. Ramankutty Warriar, 53. Vijayan Kunisery, 54. T. N. Prabhakaran, 55. C. Krishnan, 56. C. H. Krishnan, 57. C. K. Kesavan, 58. T. A. Joseph, 59. M. Sujanapriyan, 60. G. Balakrishnan Nair, 61. P. K. Kumaran.

## TAMILNADU

62. N. K. Krishnan, 63. Parvathi Krishnan, 64. M. Kalyanasundaram, 65. A. M. Gopu, 66. K. T. K. Thangamani, 67. K. S. Ramaswamy (Somu), 68. S. C. Krishnan, 69. K. M. Sundaram, 70. Dr. G. Kannabiran, 71. A. Govindaswamy, 72. S. Karuppuswamy, 73. W. A. Dayaratna, 74. M. Arumugam, 75. Mrs. S. Meeral, 76. S. S. Thiyagarajan, 77. N. Santhanam, 78. T. R. S. Mani, 79. K. A. Venu Gopal, 80. T. Ganesan, 81. C. K. Madhavan, 82. P. M. Ramaswamy, 83. R. Dakshinamurthi (ICF), 84. K. Gopinath (Railway), 85. V. Subbiah—Pondicherry, 86. M. Manjmi—Pondicherry.

## ORISSA

87. Prasanna Kumar Panda, 88. Durga Charan Mohanty, 39. Dusan Jana, 90. Prabir Palit, 91. D. K. Panda, 92. Ram Chandra Ram, 93. Divakar Roy, 94. Sukomal Dutta, 95. Sakaldeep Prasad Jadav.

## HIMACHAL PRADESH

96. D. R. Nirdoshi, 97. R. L. Dogra, 98. Karnail Singh. 99. Vacant.

## HARYANA

100. Raghbir Singh, 101. Darshan Singh, 102. Bechu Giri, 103. Partap Singh, 104. Man Singh, 105. Abhai Singh.

## PUNJAB

106. Piara Singh Deosi, 107. Madan Lal Didi, 108. Baba Kartar Singh, 109. Jaswant Singh Samra, 110. Om Parkash, 111. Lachman Singh, 112. Sunehri Lal, 113. Parduman Singh, 114. Mukhwant Singh, 115. Om Prakash Jul, 116. Ruldu Khan.

## ANDHRA PRADESH

117. Dr. Raj Bahadur Gour, 118. Y. Vijay Kumar, 119. K. L. Mahendra, 120. Joshibhatla Satyanarayana, 121. Amolak Ram, 122. K. Srinivas Rao, 123. K. V. Raghavlu (Vizianagaram), 124. V. V. Rama Rao (Visakhapatnam), 125. Padala Rama Rao, (Rajahmundry), 126. Stanley Chowdhry (Rajahmundry), 127. Marella Narsimha Rao (W. Godavari), 128. M. Sripathi (W. Godavari), 129. Vellanki Subba Rao (Krishna), 130. Vacant, 131. G. V. Krishna Rao (Guntur), 132. G. Ramchandra (Medical) 133. P. Nageshwar Rao (Hyderabad), 134. Salaam Shahidi (Hyderabad), 135. P. J. Chandrasekhar Rao, 136. M. Krishnamurthi (Warangal), 137. C. Prabhakar (Karimnagar), 138. Md. Abdul Qader (Nalgonda), 139. J. S. R. Anjanaya Shastri (Agricultural Workers).

## BIHAR

140. Chaturanan Mishra, 141. Gaya Singh, 142. Rajkishore Singh, 143. Shafique Khan, 144. Ramendra Kumar, 145. Sambhu Nath Jha, 146. T. N. Jha, 147. S. D. Sharma, 148. Surendra Singh. 149. Nabi Hussain. 150. Anirudh Singh, 151. A. K. Ahmad, 152. R. P. Yadav, 153. Surya Narayan Singh, 154. Dewki Nandan Singh, 155. C. M. Singh, 156. Umakant Jha, 157. Ramavtar Shastri, 158. P. K. Ganguly, 159. Ram Balak Singh, 160. Sambhu Nath Banerjee. 161. Omilal Ajad. 162. Krishna Mohan Shastri, 163. Chakradhar Singh, 164. M. S. Prasad, 165. Kapil

Deo Yadav, 166. Upendra Chawrasia, 167. Laro Jonko, 168. Satya Narayan Thakur, 169. Ghanzanfar Nabab, 170. Laxmeswar Yadav, 171. K. N. Pandit, 172. Basuki Singh, 173. J. P. Singh, 174. Md. Salim, 175. Nagendra Nath Ojha.

### **KARNATAKA**

176. M. S. Krishnan, 177. M. C. Nerasimhan, 178. H. V. Anantha Subbarao, 179. H. Mahadevan, 180. Babu Mathew, 181. C. Balakrishnan. 182. Pampapathi, 183. V. R. Ananda Thirtha, 184. A. J. Mudhol, 185. Arvind Malebennur, 186. Mohan Wooli, 187. K. N. Shamasundara, 188. M. I. Jumna, 189. H. N. Narendara Prasad, 190. A. R. Vijay Kumar, 191. H. M. Renukaradhya.

### **TRIPURA**

192. Sunil Dasgupta.

### **WEST BENGAL**

193. Indrajit Gupta, 194. T. N. Siddhanta, 195. Kamalapati Ray, 196. Bhowani Ray Choudhary, 197. Arun Sen, 198. Md. Elias, 199. Nihar Mukherjee, 200. Gobin Karar, 201. Ram Sen. 202. Nanda Dulal Srimani, 203. Jadu Gopal Sen, 204. Benarashi Tewari, 205. Narayan Choubey, 206. Safiuddin Ahmed. 207. Tahir Hossain, 208. Sunil Sen, 209. Tarun Moitra, 210. Debashis Dutta, 211. Gopal Chanda, 212. Dulal Ganguly, 213. Rabin Sinha, 214. Santosh Ghosh. 215. Abdul Mannan, 216. Nema Routh, 217. Pradip Mitra (Hindustan Cable), 218. Nema Roy. 219. Kuber Singh, 220. Nitish Sett, 221. Rohint Mondal. 222. Purnendu Sen Gupta, 224. Sunil Mohinta, 225. Gour Sikdar, 226. Gour Goswami, 227. Saral Sen, 228. Nanda Gopal Bhattacharya. 229. Sushil Chakravarty, 230. N. C. Roy Choudhary, 231. Gurudas Das Gupta, 232. Gopal Banerjee.

### **ASSAM**

232. Promode Gogoi, 233. Dhireswar Kalita, 234. Dipankar Datta, 235. A. H. Barman, 236. A. C. Hazarika.

### **GOA**

237. George Vaz, 238. Christopher Fonseca.

### **MAHARASHTRA**

239. A. B. Bardhan. 240. G. V. Chitnis, 241. B. S. Dhume, 242. Roza Deshpande, 243. S. K. Sanyal, 244. Bhagwan Thorat, 245. Sitaram Jagtap, 246. Manohar Deshkar. 247. Rajaram Gujarathi, 248. R. N. Mishra, 249. R. K. Ganguli, 250. Sukumar Damle, 251. Ram Ratnakar, 252. T. G. Sonavane, 253. Narayan Maisur. 254. Bhalchandra Kango, 255. Bal Aloney, 256. T. N. Ram Rao.

257. Sonu Ghone, 258. Madhav Mokashi, 259. Shivaji Deshmukh, 260. Budhinath Baral, 261. B. L. Barage, 262. Bharat Kalzankar, 263. P. D. Bhosale, 264. Bharat Chandrikapure, 265. Shersingh Nuhan, 266. Michael D'Souza, 267. Geeta Mahajan.

### *GUJARAT*

268. Bhalchandra Trivedi, 269. Rajkumar Singh, 270. Kishor Bhatt, 271. Bhikhabhai Waghela, 272. Narayan Prasad Bhatt, 273. Arunkant Shah, 274. Bhagat Singh.

### *UTTAR PRADESH*

275. Harish Tiwari, 276. D. K. Yadav, 277. Basudev Pande, 278. Sadruddin Rana, 279. K. K. Singh, 280. Dharmendra Kumar, 281. Ghanshyamsaran Sinha, 282. Ramakant Bajpai, 283. B. Mukherjee, 284. R. N. Upadhyaya, 285. Dwarika Singh, 286. Balwant Singh, 287. Sukhbir Tyagi, 288. C. K. Verma, 289. K. K. Tiwari, 290. R. K. Garg, 291. Om Dutt Shastri, 292. Rajkumar Vohra, 293. Rajan Mathew, 294. Lallan Rai, 295. Ram Pravesh Ram, 296. Vijay Bahadur, 297. K. G. Sriwastava.

### *ANDHRA PRADESH*

298. G. Suryan (Guntur), 299. (Vacant), 300. V. Koteswar Rao (Guntur), 301. B. Laxmiah (Ongole), 302. B. Tulsendra (Tirupathi), 303. K. Subbanna (Cuddapah), 304. Balnaganna (Kurnool), 305. M. Komaraiah (Coal), 306. B. Gangaram (Coal), 307. M. Bhaskar Rao (Coal), 308. J. Kumaraswamy (Coal), 309. R. P. Rangarao (RTC), 310. Ramulu (RTC), 311. B. Rama Rao (RTC), 312. C. Desinga Raju (Rly).

### *RAJASTHAN*

313. Kesrimal.

### *CO-OPTED MEMBERS*

314. Deb Kumar Ganguli, 315. M. Achutan, 316. K. C. Mathew, 317. S. Madhusudan, 318. G. L. Dhar, 319. S. M. Banerjee, 320. K. S. B. Pillai, 321. A. V. Nachane, 322. D. P. Chaddha, 323. Tarakeshwar Chakravarty, 324. O. P. Gupta, 325. P. K. Kodiyan, 326. Bulu Roy Choudhury, 327. Ram Narasimha Rao, 328. Abani Boral, 329. Saila Bose, 330. N. K. Chatterjee, 331. T. M. Aboo, 332. NE Rly. Mazdoor Union.



**33<sup>rd</sup> SESSION**  
**ALL-INDIA TRADE UNION CONGRESS**

***Presidential Address***

**VADODARA**  
**DECEMBER 15-20, 1986**



# PRESIDENTIAL ADDRESS

Dear Fraternal Brothers from Abroad, Delegates, Comrades, Brothers and Sisters,

It is a matter of great pleasure for us that the thirty-third session of the All India Trade Union Congress is taking place in Gujarat, the birth place of Mahatma Gandhi, who gave his life for national unity. First of all I must thank the organisers of this session who in very difficult communal situation have succeeded in organising it and it is indeed inspiring for all of us to see that the AITUC has grown here to this extent. Please accept my greetings to you all on this momentous occasion.

## POSSIBILITIES OF GREATER PEACE MOBILISATION

We are meeting at Baroda after a three-year margin since Bangalore, and during the period the international and national scenario has got further complicated.

President Reagan's total rejection of the most reasonable proposals of peace and disarmament put forward at Iceland by General Secretary Gorbachyov and his star wars programme is the stepping stone towards the total destruction of mankind. While half of the world's population is suffering from mal-nutrition and extreme poverty trillion of dollars are being spent on sophisticated weaponry. The Soviet Union's successes during and after the Second World War have given birth to a new power equation in the world against imperialism and this has helped winning of the independence of several erstwhile colonial states and the establishment of an influential non-aligned group of more than a

hundred nations. The U. S. A. wants to turn the clock back through its gun-boat diplomacy to establish neo-imperialism. She overran Grenada, bombed Libya and has been providing multi-pronged assistance to the mercenaries in Nicaragua, Afghanistan, Angola etc. The U. S. A. has the audacity to violate the directives given by the international Court of justice on Nicaragua.

It is a matter of great satisfaction that India under our Prime Minister Rajiv Gandhi is making great endeavours towards establishment of the world peace and a new international economic order, and towards the independence of South Africa and also for the defence of independence and respect of the newly independent nations.

The Indian working class has always stood for peace. This year our Bangalore Centre had convened a big convention for peace. During the last AITUC Session at Bangalore we had appealed to all the trade unions of India to come toward to join the movement for peace. It gives us great pleasure that all Central Trade Unions, including the INTUC, have issued a joint peace declaration and possibilities of a total workers participation in peace movements have emerged.

Questions are being asked whether the U. S. A. would listen to our resolutions or respond to public opinion? I believe that to-day world opinion has emerged as a very powerful force which cannot be ignored by anyone. The economic boycott of South Africa is the most recent instance. Even President Reagan had to bow before the world opinion, though only for a limited economic boycott of South Africa.

Therefore, this conference has to discuss and take in depth decision on how to save mankind and defend world peace in the light of the decisions of the W. F. T. U. Congress at Berlin.

#### NEW PAK THREAT

This is essential also because Pakistan is on the way to get or has already got nuclear bomb. The U. S. A. is

equipping Pakistan with the most sophisticated weapons including AWACS which could only be used against India.

### ACTIVE AMERICAN LOBBY

Even then, there exists in our country a pro-American lobby which in the name of procuring Super-Computer from America does not want to fight strongly against anti-Indian policies of the U. S. A. These lobbyists at times are able to influence the government decisions. Our government failed to strongly protest against AWACS delivery to Pakistan and its acquiring N-bomb during U. S. defence secretary Weinberger's visit to Delhi when even the Indian side called the talks as "successful" whereas the Americans claimed it a "wonderful success". Assistant Secretary Armitage went to the extent of saying that AWACS-to-Pakistan has India's implied sanction. Similarly, our Prime-Minister inexplicably failed to mention the American bombing on Libya at Harare and the foreign minister, who invited the wrath of U. S. A. for condemning her in U. N. O., had to go. This has created confusion in Libya and other Arab countries.

Less said the better about our bureaucracy. CIA influenced bureaucrats who sold sixty thousand rifles to Afghan rebels. Newspapers reported that some of our businessmen were secretly dealing in diamonds and textiles with South Africa which is a flagrant violation of our official policy.

### HELP SOUTH AFRICAN LIBERATION MOVEMENT

We welcome and greet the delegates from South Africa. I wish to inform them that all the Central Trade Unions in India have issued a joint declaration on the question of South Africa's independence. We have already held a national convention on this issue and we have unanimously decided to raise funds from our brother workers to help South African freedom fighters. Our guests from South Africa will be taken round our indust-

rial centres. We have to raise funds for South Africa and this session, I hope, will go a long way to help the fund-raising campaign.

In this background it is essential that our government should adopt a hard-line policy towards America. Supply of AWACS and other sophisticated arms to Pakistan should be declared a non-friendly act. We should have friendship treaty with Afghanistan. Indo-Soviet friendship be further strengthened. General Secretary Com. Gorbachyov's visit to India was very timely and has helped much in this direction. However, the Indian working class must always remain vigilant.

### FIGHTING FORCES OF DISINTEGRATION

Our Bangalore Session had warned against communalism and riots. Serious clashes have taken place during the last three years in Punjab, Delhi, Gujarat, Uttar Pradesh, Bihar, Jammu & Kashmir and elsewhere. Prime Minister Indira Gandhi was assassinated and several other prominent personalities were eliminated. The imperialist and Pakistani elements conspire and help the communal and divisive forces. Vishwa Hindu Parishad and 'Rashtriya Swyam Sevak Sangh's agitation to Free Ram Janma bhoomi, Krishna Janma bhoomi, Bishwanath mandir and hundreds of other sacred Hindu places point out a well-laid conspiracy to throw India to chaos and communal conflagrations for a long time. Similarly, Jamat-e Islamic Khaksars and other such communal forces are organising militant actions and such calls for Adam Sena have been given and they succeeded to rouse country-wide agitation on Shah Bano's case and this made the Government to retreat. If these forces succeed India will be disintegrated into pieces and the entire land would be drowned in blood. Similarly, the backward versus forward issue has reared its head in entire North India and the anti-reservation agitation in Gujarat divided even the trade unions.

The working class must come forward to arrest these

forces of disintegration. All the Central Trade Unions have held a convention for this purpose in Delhi. The leaders of Central Trade Unions visited affected areas of Punjab. But it must be admitted that we have not been able to bring down this campaign to State-level in all the States and to factory level everywhere. We have also not been able to bring all the healthy and secular forces on one common platform.

This session has to dwell in depth over this question and decide how to counter the rising communal tension. The way reactionary forces have picked up and eliminated our comrades in Punjab and Bihar has brought out the fact that these forces could not be countered if we remain "Vegetarians" and we have to evolve proper measures to counter them.

On this occasion we praise our courageous comrades of Punjab who have worked for Hindu-Sikh amity although we have not been able to help them much in this noble work. We pay our heartfelt homage to our comrades and those belonging to other parties who laid down their lives for this noble cause.

## ECONOMIC STAGNATION AND THE WAY OUT

In developed countries revolutionary changes are taking place in science and technology. This is causing very high productivity and low labour cost. After independence in our country the national bourgeoisie got a sheltered market and they exploited our people by high prices and sale of inferior quality goods without developing R & D. Indian borders could not check the large scale smuggling organised by world capital. This resulted into heavy loss of revenue. India's share of World Trade got reduced from 1.5 per cent to 0.6 per cent in the process. Our economy is high cost economy though the labour cost component is lowest, compared to developed countries. On the one hand due to machinations of world capitalism the value of our export fell down and on the other even with continuing rise of export and grant of hundreds of crores of subsidies for export during last

several years there has been heavy deficit in our foreign trade.

Due to capitalist system Indian market, which itself is potentially one of the biggest market in the world, is not expanding. One million tonnes of extra production of Steel creates recession and if the production is one million tonne less the imports begin. Due to transport problem the coal production is being pegged. China produces four times more steel and five times more coal than us because of its socialistic pattern. Due to this situation in our country since last decade virtually it has not been possible to have any new steel plant or new coal mines or such basic industries. Even in the VII Plan no new steel plant is coming. This stagnation is continuing for a decade now.

To break this stagnation it was essential to have land-reforms and large scale anti-poverty measures. Instead of Five Star hotels, airconditioners, private skyscrapers and electronic gadgets the need was to improve slums in the cities and have communication, transport, drinking water, electrification and irrigation on large scale in the villages and develop rapidly the agriculture, sericulture, fishery, diary etc., and thus improve the purchasing power of the common people.

The need is to develop more and more our own R & D. forge stronger trade links with socialist market. No one is against acquisition of high tech. What we object is opening the gates of India for foreign exploitation in the name of Hi-tech.

#### TURN 21ST JAN. AS NATIONAL PROTEST DAY

So far our national policy was to make Public Sector the commanding height of our economy but Rajiv Gandhi's Government is downgrading it and is giving opportunity to private sector and even transnationals to penetrate the Public Sector. Everywhere the private sector is being encouraged. New taxation policy is in favour of elite. Tatas & Bajajs are entering the Boards

of Management of Public Sector. There is general amnesty. for tax evaders & FERA violators. Even after Bhopal tragedy multinationals are encouraged in the name of Hi-Tech. Our R & D. is neglected. Due to liberalised import policy our own capital goods factories are facing crisis of orders and sales are going down. This has caused a foreign trade deficit of about rupees nine thousand crores. In spite of all these, Indian capital is being flown to foreign Banks in hundreds of crores of rupees. If this is not checked India may go to debt like Latin American countries.

Industrial sickness is increasing and it is touching the figure of one lakh units. Government has decided not to takeover sick mills, rather, denotifications have begun. Even public sector concerns are being closed.

And fresh wage negotiations though due, are being denied leading to unrest among the workers.

### *Labour & Productivity*

Prime Minister says that Indian workers are inefficient and workers force higher wages without earning it though facts are quite different. We take only a part of value added per month as our wages though prices are going higher and higher eroding our earnings. I give some examples of what part of new value added we get as wages:-

(In Rupees per worker)

(i. New value added per month per worker)

(ii. Total emoluments per month per worker)

Year	1983-84	1984-85	Year	1983-84	1984-85
	<b>STEEL</b>			<b>ELECTRICITY</b>	
I	2401	3726	I	6140	6381
II	2071	2074	II	1412	1734
	<b>COAL</b>			<b>HEAVY ENGG.</b>	
I	2432	3140	I	4572	5206
II	1704	1880	II	1974	1894

Year	1983-84	1984-85	Year	1983-84	1984-85
<b>CONSUMER GOODS</b>			<b>TRANSPORT</b>		
I	4043	3034	I	16,750	18,289
II	970	1363	II	2,836	2,862
<b>PETRO-CHEMICAL</b>			<b>CONSTRUCTION</b>		
I	8794	9941	I	13,880	15,060
II	1965	2326	II	1,978	2,167
<b>MINERALS &amp; METALS</b>			<b>TRADING</b>		
I	2894	3719	I	86,659	1,05,658
II	1288	1615	II	1,545	1,778
<b>PETROLEUM</b>					
I	35,964	38,023			
II	2,693	2,871			

### *Causes of Loss in Public Sector*

The main reason of heavy loss in Public Sector and of high cost economy is the constraints of capitalist market and wrong planning, workers responsibility is the secondary thing. Heavy loss in coal is due to transport problem which causes heavy pithead stocks and new projects so much needed for economic running are not opened.

The main reason for loss in electricity are the heavy line loss, establishment of thermal plants far away from the coal mines causing recurring high transport cost and not having proper proportion of hydel and thermal generation and so on.

In addition, the high interest rate, underutilisation of capacity, heavy delay in execution of Project, corruption, redtapism and dominance of Private Sector in the construction, supply and distribution etc. of the public sector, are the causes of heavy loss in Public Sector.

Instead of fighting these causes the Government has begun fighting workmen just as a bad workman fights with his tools.

It has become urgent and essential to resist this new

policy of the Government. The new economic policy is not only against the working class but against the people in general. Even when public sector was encouraged India turned to be the world leader in poverty, unemployment and illiteracy. This insulting situation can end only by socialistic method and not by encouraging capitalism. Anti-poverty schemes or large scale loan to peasants could be possible only when the Banks were nationalised. Private Sector cannot take up the burden of having a foodgrain pool of 20 million tonnes which has succeeded to meet the situation in the evil days. Private sector cannot bear the load of rural electrification. Private Sector cannot afford to rent houses at cheap rates as Public Sector is doing. And many such examples can be given.

That is why the decision of the Public Sector convention to organise countrywide strike on 21st Jan. 1987 to protest against the new anti-public sector policy of the Government is fully justified. This session of ours would add full weight to make it success. Not only the Public Sector but the Private Sector workers, agriculture labour and peasantry and town people, slum dwellers all must be organised on that day to march to make this a day of National protest. Only this will force the Government to rethink.

### *At New Higher Level*

Success in 21st Jan. strike would mean taking the working class movement to a new higher level where this class begins to intervene on the national scene to change the economic policies of the Government. We produce wealth and we must have a say in distribution of the wealth also. In fact it has become urgent that we come out of the narrow circle and take the trade union movement to a higher stage. The proposed strike of 21st Jan., joint T. U. convention against communalism, joint Trade Union convention to help liberation movement of South Africa and joint declaration on peace and dis-

armament etc., will lead to that direction of higher stage and we must firmly march on that road.

## INCOMPLETE MISSION OF UNITY

The great weakness in this respect is that even leftist trade unions are not on one platform so far. At Bangalore we decided to have unity offensive and unite all Trade Unions who believe in class struggle, secularism and national unity, defence of Peace and against imperialism and international solidarity of the working class should come together. During this year I had the privilege to meet all left Trade Unions Central leaders like C.I.T.U., U.T.U.C., U.T.U.C. (Lenin Sarani), and TUCC and found them hesitating though they all agreed on principle. There has been increase in joint activities but not on the issue of organisational unification of some form. Even CITU who once gave the slogan of confederation has not shown keenness. Bangalore decision can be successful only if we act seriously on a State and Plant level also. I do hope that this session would go in deep and work out an effective programme to unite Central Trade Unions on some type of single platform to meet the present situation.

### *Industrial Federations*

Industrial Federations can be very helpful in building all India platform of Central Trade Unions. In the last decade almost all the wage agreements on national scale had come through bi-partite negotiations and for this labour unions, including INTUC, used to take common stand and they signed it together. This shows that so far economic demands are concerned we have little difference. This situation has created an atmosphere in which all the trade unions in one industry could meet on a common platform. Here is the need to function our industrial federations in a more active and brotherly way to achieve organisational unity of industrial federations. On this issue we can take lessons from

WFTU and TUIs who combine many non-affiliated unions.

Recently in Tamilnadu joint textile strike brought all the trade unions including INTUC on common platform which should be a guide for future. In Bengal Jute strike also we had such unity and so in coal strikes. In Bengal Bandh at the instance of Central leadership however the INTUC went out; Andhra, Kerala and Karnataka have also had such united actions during this period. Only the Hindi speaking areas or such other States could not develop in that direction. This shows that the trend of unity is becoming stronger and our industrial and state Trade Unions should guide it to organisational plain.

### *Question of Recognition*

The question of recognition divides us most and this also must be tackled in a new way. In coal industry at the initiative of the AITUC a consensus was arrived at for labour participation in management which was partly based on plebiscite. The INTUC and CITU had earlier agreed to it, the CITU backed out first and others followed it. Thus it could not be implemented. This necessitates fresh attempts.

Last Indian Labour Conference has taken a decision to go ahead with the anti- trade union policies on the question of recognition, collective bargaining, right of strike and T.U. rights etc. This is in line with the present economic policy of the Government. Now instead of verification, check off is coming. We have raised this issue for 21 Jan. strike also.

However, I feel that this question be reconsidered and trade unions should aim at national consensus on this issue. Boycott of verification policy could not be successful as B.M.S. etc backed out and hence fresh approach is needed. After all we are also fed up with the rival unions formed out of seven workers' applications.

I also feel that for amending Payment of Wages Act

(which has a provision of eight days wage cut for one day's strike), contract labour abolition act which abolishes the labour itself, I. D. Act and Factories Act after Bhopal tragedy etc, the AITUC should take initiative in forging national consensus outside the tripartite meetings first so that we can succeed in moving jointly in this direction.

## UNORGANISED WORKERS

At Bangalore we advanced the slogan of organising the unorganised and celebrated the year 1984 as "organise the unorganised". Initially, good work was done and we made advances in almost all the states. I recollect how in my tour in Madhya Pradesh coal workers donated fund for organising unorganised in mass meetings. I feel that this way we should collect fund all over the country and depute whole time workers for organising unorganised separately. In some sectors of unorganising like NPCC contractor workers, Bidi etc., we have good bases and based on that all India agitation be built up for special legislation, welfare fund and social security etc., of unorganised sector. A move in this direction is already there as you know. If we fail to do this, not in distant future we shall be unable to defend the hard-gained facilities of organised sector also. Already large scale introduction of contract workers in permanent jobs and farming out etc., are taking place.

I feel that we should take lead in forging an all India movement of all the Central Trade Unions on the question of unorganised. The time has come for this.

## EXPANSION

At Bangalore we decided for strengthening our bases and expansion of AITUC. In Hindi speaking areas or North as a whole where the communal forces are very active we have not been able to function even the state TUs properly so far and thus statewide co-ordinated actions are not coming forward as desired.

This October I had toured Singrauli area where apart from coal, Aluminium, Cement, electricity etc, are also concentrated and we have good influence. Given proper help we can develop this area as our strong base. There are many such areas in the country. We must attend them properly by helping the local units.

Keeping Hindi belt in view we started "AITUC Samvad". We hoped that from all the leading industrial centres investigative reportings would be coming forward and AITUC Sambad would attract the Hindi speaking workers on a large scale. "AITUC Sambad" could not develop that way. Even the fighting fund for "AITUC Samvad" was not collected as was thought of and the AITUC has to bear the load to a considerable extent. I hope this session to attend this problem also.

Bangalore decisions regarding women & youth workers etc., need our review.

Comrades, I went a bit lengthy just to emphasise that Indian working class movement **needs new orientation**. It has reached a point to go to higher stage. The virtual stagnation in our economy, new pro-capitalist policies of the Government, situation surrounding our country and deteriorating political situation, backward caste rising for new social order, onrush of unorganised and unemployed, agitation of underdeveloped languages and various ethnic groups and communal tension, all these demand national intervention of the working class. It is essential that working class as a class and in cooperation with other toiling people should intervene on national scene and for that a national consensus of labour should be forged. The AITUC must break the present deadlock or stereotype functioning and provide successful lead to give new orientation.

I am convinced we will succeed. Once more I greet you all and thank the reception committee.

CHATURANAN MISHRA

**33RD SESSION**  
**ALL INDIA TRADE UNION CONGRESS**

**General Secretary's  
Report**

**VADODARA**  
**DECEMBER 15-20, 1986**



## REPORT OF THE GENERAL SECRETARY

Comrades of the Presidium, esteemed fraternal delegates and guests, and comrade delegates:—

We are meeting at our Congress almost exactly 3 years after the 32nd session at Bangalore. I extend my warm welcome and fraternal greetings to all of you. I hope our discussions and decisions here at Vadodara will truly reflect the problems and tasks arising out of the extremely difficult and complicated situation which confronts the working class today.

### THE STRUGGLE FOR PEACE

No trade union gathering anywhere in the world, as 1986 draws to a close, can fail to express its concern at the fact that the international political situation has taken a *dangerous turn for the worse* due to intensification of the arms race. At Bangalore we had already condemned the US Government's deliberate deployment of medium-range missiles in Western Europe, creating a threshold threat to the Soviet Union and other socialist countries, and provoking a rupture in the Geneva negotiations.

Today, three years later, not only do these Cruise and Pershing missiles remain deployed; a qualitatively new dimension has been added to the threat to peace by the Reagan administration's frantic drive to extend the nuclear arms race into outer space. The diabolical Star Wars (SDI) plan is aimed at US world domination by suspending a nuclear Sword of Damocles over the heads of the world population. Any triggering off of the new nuclear weapons, even by accident, (as feared by many US scientists) would set off a chain reaction bringing with it complete destruction of human existence within a few seconds. No part of our globe would be able to escape the terrible consequences.

On the international arena, a titanic struggle is raging between the forces of Peace and those of Imperialist aggression. During this period, the peace forces have imposed two summit meetings on the unwilling US President—at Geneva and, two

months ago, at Reykjavik. These were made possible above all by the repeated, consistent peace "offensives" of the Soviet Government, its concrete and constructive proposals for step-by-step disarmament, and the unilaterally declared Soviet moratorium on nuclear testing, extended three times since August 1985 to test US responses and sincerity. During this same period, the Americans carried out 22 new test explosions.

All this had a profound impact on world public opinion. It gained the broadest yet support of peoples and governments, including not only the "Delhi Six" and the non-aligned bloc, but even of many in the capitalist West. Reykjavik revealed, as in a flash, that a nuclear test ban, a verifiable and drastic cut in strategic weapon stockpiles, and withdrawal of medium-range missiles from Europe, were all within humanity's grasp—but an agreement was foiled only by the US obsession to go ahead with its Star Wars design.

Never was the aggressive face of US imperialism so nakedly exposed as at the Reykjavik conference table. This will bring new allies to the peace movement, not least of all within the USA itself, where even the US Congress has expressed its desire that Reagan should agree to a test ban, and more and more US scientists are speaking up against the madness of the SDI. But, for the time being, the hopes roused at the summit have been deliberately wrecked by the US President acting as the representative of the military-monopolists complex. Hence, the world continues to face a grave danger of nuclear holocaust.

By the time we have assembled at this Congress, CPSU General Secretary Gorbachyov will have already completed his first visit to India. Our people, and not least our working class, were called upon to greet him as the most outstanding fighter for World Peace, in addition to being the leader of the Soviet Union whose close ties of friendship and cooperation with India are a bulwark of Asian peace and security as well.

Meanwhile, newer and newer types of missiles and other weapons are being designed and produced, some of them are being "tested" against developing countries. The USA's European allies have given formal approval to Reagan to go ahead with manufacture and stockpiling of a whole range of chemical weapons.

For us in India, the threat emanating from the imperialist conspiracies and interventions in our region has become more serious. The recent visit of US Defence Secretary Caspar Weinberger, a notorious "hawk", to Delhi for talks with the Government of India regarding possibilities of "cooperation"

in defence matters, is a *new development* which bodes no good. His visit to some of our defence production units and his quoted remark about "improving the relationship of the US military with the Indian military", as well as Government of India's veil of secrecy over the discussions held with Weinberger, are matters causing grave public concern and call for utmost vigilance on the part of all those who cherish India's national sovereignty and security.

Weinberger, one of the President's top advisers responsible for a hard line towards the Soviet Union and for buttressing Pakistan's military regime, went straight from Delhi to Islamabad where he publicly showered praises on General Zia's role against Afghanistan and promised him further millions of dollars of military aid, including favourable consideration of the Pakistani request for an "early warning airborne platform".

Prime Minister Rajiv Gandhi owes a forthright explanation to our people as to why Weinberger was invited to India in the first place, and what is going to be the outcome of it.

The Reagan administration's backing for the Afghan counter-revolutionaries is more blatantly declared and carried out than ever before. It is part of a global strategy.

Last April saw the unprovoked aggression on Libya. The US Congress has voted one hundred million dollars as official aid to the Contras in Nicaragua—an act denounced by the International Court of Justice as flagrant violation of the UN Charter.

The Sri Lanka crisis remains unresolved with a virtual civil war going on between the Tamil militants and the Government's security forces. President Jayawardene's increasing reliance on foreign mercenaries, trainers, and intelligence services for strengthening his military operations, creates favourable opportunities for UK and US strategic designs in the Indian Ocean area, including establishing of a regular naval base on the Sri Lanka coastline.

In South Africa, the racist regime's brutalities, its "emergency" measures, its armed attacks on the territories of the front-line African States, etc. have raised the anti-apartheid struggle inside S.A. to new heights of determination and militancy. The international movement for imposition of comprehensive sanctions against the Botha Government has also become much broader and more vocal than before, making the obstinate stand of the USA, UK and FRG more isolated and indefensible.

The new in the situation is the open confrontation on this issue between President Reagan and the US Congress, in which the former has been over-ridden by the latter. The outcome of the US Congressional elections in November has made clear which way the wind of American public opinion is blowing. Its reflection has been the Democratic Party's majority 'in the Senate, hence, in the U.S. Congress as a whole.

What is new for us is that *all* the major trade union centres, including INTUC (and moreover, at the latter's initiative) have, for the first time, joined hands to observe "Anti-Apartheid Day" on June 16 and resolved to carry on a countrywide campaign for collection of a Solidarity Fund to help the South African trade unions in their struggle.

In the last resort, South Africa will win its liberation through the heroic armed and other struggles of its own people, through the strikes and other forms of united action waged by the workers of South Africa. But it is our sacred duty to give all possible moral and material support to the South African fighters and particularly to the South African Congress of Trade Unions in their epic struggle. United action of the Indian trade unions is now on the agenda, though still confined to the "top" levels. It must be transformed into a broad mass campaign among the workers in all States and all major industrial centres. The AITUC has to play a worthy role in this.

During the last 3 years, our trade unions have become more conscious of the need to make the struggle for peace and international solidarity an integral part of their day to day work. Some notable actions have centred around the observance of Anti-War Day on September 1st each year, in which the CITU and other left-led unions have also participated. Peace Conferences and demonstrations in various parts of the country show a bigger trade union participation than before. While these are positive developments, they are not yet commensurate with the immense possibilities of mass mobilisation which exist. It should now be possible to broaden the workers' movement for Peace and disarmament and against the threat of nuclear war as a result of the INTUC's readiness for united action on these issues, along with the AITUC, CITU, HMS, BMS and the UTUC's. We appeal also to the numerous and influential, autonomous organisations in different trades and services, to join the common workers' front on this fundamental question of the very survival of the human race.

No active and responsible trade union, whatever its affiliation or orientation, can today stick to the position that peace and disarmament are not "trade union business". Unfortu-

nately, however, coordination and unity are still lacking among the peace fighters. If Reagan and Gorbachyov can sit down more than once for discussions face to face, is it not deplorable that the leaders of the international trade union centres cannot meet together to discuss the questions of peace and war which affect every single worker on this globe?

We believe the WFTU's persistent efforts in this direction will eventually bear fruit. Meanwhile, it is a matter of satisfaction that here in India the national affiliates of the ICFTU and WFTU, along with others, have found it possible to declare their common resolve to campaign for peace and disarmament and for an end to apartheid in South Africa.

Fortified by the growing trends of united action, the AITUC will step up also its solidarity campaigns with the Governments and peoples of Nicaragua, Cuba, Vietnam, Kampuchea, Afghanistan, Libya, Syria, Democratic People's Republic of Korea, Democratic Yemen, Angola, Ethiopia, Mozambique, and of the great community of socialist nations, whose victories and achievements are being threatened by the imperialist plots of aggression, intervention, blockade, and destabilisation.

We stand with the peoples of the Middle East against US and zionist aggression, and with the Palestinian people in their struggle for return to their own homeland. We stand for the earliest possible end to the senseless and disastrous Iraq-Iran war, now in its seventh year.

All these, and many other issues are directly or indirectly connected with the global conflict between the forces of Peace and of War. On most of them, the stand of the Government of India and of NAM is broadly similar to our's; this should enable the trade unions, including the INTUC, to mobilise the workers through united actions which have an important contribution to make.

## STRUGGLE AGAINST COMMUNAL AND SECESSIONIST FORCES AND TERRORISTS

In the national-political scene as it has developed since the Bangalore session, certain major events have taken place which could not be foreseen at that time but which have greatly worsened the situation. Apart from other aspects of our national life, it is the unity and solidarity of the working class which is in danger of being engulfed by the tremendous and rapid growth of communal, secessionist, fundamentalist, casteist and other divisive forces. This is a serious menace to the entire trade union movement.

Developments in the Punjab are well known to all of you and do not need recounting. Nor is it proposed to analyse here all the factors responsible for such a course of events, or to speculate as to whether it could have been avoided. The harsh reality of the moment is that we are confronted with the violent khalistani movement by Sikh secessionist forces and terrorists, aided and abetted by foreign imperialist agencies and the Pakistani military authorities. The terrorist groups, highly trained, well equipped and fanatically motivated, have taken a heavy toll of life, ranging from that of Prime Minister Indira Gandhi on October 31, 1984, and Sant Longowal to our Comrade Darshan Singh Canadian and 15 others, not to mention scores of completely innocent, "non-political" citizens, mainly Hindus, as well as any who dared to criticise or oppose the killers and their cause.

We did speak at Bangalore of the dangers of regionalism and chauvinism rearing their heads in Punjab and Assam. But who could at that time have anticipated Operation Blue Star and its fall-out; and how it could be utilised to rouse religious passion among the Sikh masses? We were unprepared for the outburst of anti-Sikh riots in Delhi, Kanpur, Bokaro and other places in November 1984, whose perpetrators were allowed to go scot-free and whose victims, including hundreds of widowed women, still remain unrehabilitated. The killing of ex-Army Chief Vaidya at distant Pune, the attempts on the lives of Rajiv Gandhi at Rajghat and of Police Chief Rebeiro within the police complex at Jalandhar, are some indications of how far and wide the terrorist activities have spread, and the inadequacies of the Government's security systems.

Although efforts to provoke mass clashes between Sikhs and Hindus in the Punjab have failed so far, relations between the two communities are embittered as never before. This has stimulated Hindu communal parties and organisations to try to rally Hindus for "self-defence" against the Sikhs; outside the Punjab, there is open incitement to retaliate against the Sikhs, particularly in Delhi.

The official Akali leadership under Barnala, being under severe pressure from their own dissidents closely linked with the extremists, follows a weak and vacillating course. The bulk of the Punjab accord remains on paper. The Centre relies more on tightening up "security" measures than on political steps. In such a situation, normal life in the Punjab has been chronically dislocated.

United workers' mobilisation against terrorism and for communal harmony, for national and secular unity, is the deter-

mined running battle being conducted heroically in the Punjab by our AITUC State Committee. All glory to our Punjab comrades for the grit they have shown under the most adverse conditions. This has succeeded in keeping the industrial centres of the Punjab as islands of communal harmony and both Sikh and Hindu workers aloof from fratricidal conflict.

Electricity and railway workers, bank employees and teachers, belonging to both communities have conducted joint strikes against terrorist killings of their colleagues. The delegation sent by the central trade unions last June was greeted enthusiastically by workers' joint rallies at Amritsar and Jalandhar.

But, obviously, a *decisive* intervention cannot be expected from the trade unions alone, in a complex situation which is affected by the policies of the Central and State Governments, the administrative apparatus, the political parties, and foreign-inspired agencies on both sides of the border. Moreover, our heroic battle in the Punjab has to be supplemented by determined and conscious trade union activity outside the Punjab to maintain communal peace there, and to prevent the BJP, RSS, Shiv Sena, Hindu Raksha Samiti, etc. from provoking retaliatory attacks on Sikhs, particularly in the adjoining States. How far are we trying to do this?

But Punjab is not the only cause for anxiety.

Hindu-Muslim communal tensions and clashes have affected a number of States, resulting in deaths, arson, curfews, police firings and excesses, the majority of victims being from the minority community. The mutual hostility was aggravated by fierce controversies over the Shah Bano case, the so-called Muslim Womens' (Protection of Rights) Bill, and the Babri-Masjid-Ram Janma Bhoomi dispute. Religious fundamentalists on both sides are creating provocations on these issues resulting in riots in several towns of U.P.

Gujarat State has become an arena of chronic communal disturbances, sometimes anti-Muslim, at others anti-Harijan, frequently utilising the occasion of religious processions to ignite the spark. We must painfully admit that large sections of the working class in the industrial metropolis of Ahmedabad do fall prey to communal passions and participate in the rioting.

After the 1984 anti-Muslim riots in Bhiwandi-Thane-Bombay there has been a marked revival of the Shiv Sena in Maharashtra. The latest slogan of its leader Bal Thackeray, openly raised through public platforms and Press, is that the Hindus must "arm" themselves and prepare for the "religions war" that is coming. Sheer political opportunism seems to prevent the Congress (I) Ministry of Maharashtra from taking steps to curb such inflammatory ravings.

Bombay is a major industrial centre of our country. So is Hyderabad, where communal clashes take place repeatedly.

Another specific feature is the wave of caste killings in the Bihar countryside by armed private "senas". In the majority of these cases, it is the agricultural workers, poor peasants and Harijans who are the victims of landlord-cum-police terror. Only strong solidarity with them by the trade union movement can check the landlords' offensive. But this requires a class conscious overriding of caste considerations.

There is no need to multiply instances of the growth and expansion of these reactionary, disruptive forces. Even in the Southern States, the RSS and Viswa Hindu Parishad have been making rapid headway especially among the educated middle classes. Communal organisations among the Muslims are not lagging behind.

### CENTRAL GOVERNMENT'S AMBIVALENT ATTITUDE

The Central Government follows a dangerous policy of appeasement of the communal forces. For example, first it sought to placate the Muslims by negating the Supreme Court judgement in the Shah Bano case; later, it seeks to placate Hindu opinion by sponsoring an "optional" common civil code. Ministers and Governors publicly identify themselves with religious rites and ceremonies. The official media plays its part in propagating obscurantist ideology, instead of secular values.

I repeat the question which was posed at Bangalore: Can we expect our working class, with its multi-religious, multi-lingual, multi-cultural composition to remain unaffected by these developments? Obviously, it cannot. But what then will become of the trade union movement which rests on the unity of the workers?

More recently, we are witnessing another divisive development—the agitation in Darjeeling district of West Bengal demanding a separate State of "Gurkhaland" for the Nepalis, who constitute a majority in the region. This poses a challenge to the Left Front Government's policy towards ethnic minorities. The leadership of the movement, and its forms, are, to say the least, questionable, and a situation has been created which can easily be exploited by foreign agencies operating through Nepal. The Rajiv Gandhi Government also seeks to utilise the issue, not to find a solution, but to embarrass the Left Front by creating fresh complications. Trade union cadres and members of the Red Flag unions in the plantations are being systematically terrorised, assaulted and even killed by the agitationists. Non-Nepali people have virtually quit the area in panic.

In such a situation, the joint initiative by all trade union centres including INTUC, though belated, to counteract and expose the communal and divisive forces acquires considerable significance. But their joint declarations and calls for observance of certain "Days" to strengthen national integration, must be taken down to all States and important industrial centres for follow-up action, otherwise a good opportunity will be lost for united efforts to prevent workers from being overwhelmed by communal and chauvinistic passions.

### NEED FOR SUSTAINED IDEOLOGICAL-POLITICAL CAMPAIGN

Generally speaking, the trade unions do not carry on any sustained ideological—political campaign against the reactionary divisive forces which constitute the most dangerous threat to the unity of the working people, and which are meant to disrupt their common struggles. Is this due to mere complacency or does it also reflect the deep-rooted tendencies of economism in our work?

The Punjab experience, particularly in Amritsar, shows, that sustained political campaigning against the communalist forces and for Hindu-Sikh unity has also enabled the textile workers to keep together and to wage repeated and successful strikes and struggles for their own economic demands like wage-rise.

Simply by concentrating on common economic issues our trade unions cannot insulate the workers from the pressures of religious fundamentalists and obscurantists. We must educate our trade union cadres accordingly, because the very existence of the movement is threatened. And the internal forces working for disruption and chaos are sought to be encouraged and supported by imperialism and its agencies.

Never before did we face a simultaneous agitation for a "Sikh" State (in Punjab) a "Muslim State" (in Kashmir) and a "Hindu State" (for the whole of India). Such is the measure of the crisis.

### NEW INDUSTRIAL AND ECONOMIC POLICIES—ATTACK ON PUBLIC SECTOR

In our Report to the 32nd Session at Bangalore, we discussed how the Government of India had "radically amended the Industrial Policy Resolution of 1956 with the aim of giving the Big Business houses massive concessions and incentives in the name of stimulating production and exports, though the actual results are disappointing indeed." It was pointed out that the

two statutory provisions meant to "control" the monopoly houses—the MRTP Act and FERA—were virtually being scuttled as a result of the concessions and exemptions given.

Thus, already during Indira Gandhi's lifetime, the policy of "liberalisation" of the economy was well advanced.

This process has not only been speeded up during the last 3 years, but a new dimension has been added to it since the coming to power of the Rajiv Gandhi Government.

## PUBLIC SECTOR UNDER ATTACK

Side by side with accelerated wooing of the private corporate sector (Indian monopolies as well as multinationals) through tax-relief, incentives, subsidies, "amnesty" schemes for tax evaders, and liberal investment facilities for non-resident Indians, an anti-public sector campaign has been launched for the first time.

This is a matter of utmost concern not only for the working class, but for the nation as a whole, committed as it has been in principle to the concept of a strong and expanding public sector as the main engine for growth of a self-reliant and independent economy.

Recently we had the astonishing spectacle of the Union Cabinet Minister for Energy, Shri Vasant Sathe, publicly campaigning against the philosophy and "viability" of the public sector. His stand has naturally been welcomed by the spokesmen of private capital. It is difficult for anyone to imagine that Shri Sathe's utterances and his published articles had no sanction from the Prime Minister. It is a different matter that confronted with a storm of adverse public reaction to Shri Sathe's crusade, Shri Rajiv Gandhi had to state that there would be no "U" turn on public sector policy.

All of you are by now familiar with the main features of the economic industrial and financial policies which are leading to privatisation, downgrading and denigration of the public sector. They have been discussed in detail at our General Council meetings held in July 1985 and July 1986.

Despite an all-time record trade deficit of over Rs. 8000 crores in the current year, the policy of import liberalisation continues. It has been estimated that 60 to 65 per cent of India's foreign exchange outgo in 1985-86 was on imports of three items—synthetic fibres for the textile industry, components for automobiles, and consumer electronics. Besides, there is a mad rush for imports of even such capital and consumer goods and technologies as are available within the country or can be developed with the help of our own R and D capabilities. Our

indigenous capital goods industries, constructed in the public sector at heavy costs, are now facing the problems of idle capacities and shrinking orders (e.g. HEC, BHEL, BEL, HMT, etc.). The same is the fate of the IDPL.

In the name of raising resources, as well as of injecting efficiency and profitability into the public sector, some units are sought to be closed down (textile mills, EPI, fertiliser plants, etc.); or permitted to go in for joint ventures with the private sector (e.g. in oil and power); or to open their share-holding to private capital; or to bring in private sector agencies for monitoring and supervising the management of public sector enterprises.

Maintenance jobs in the public sector are, by and large, being handed over to private contractors. So also components and supplies hitherto produced in our Ordnance factories; security services in government offices, airports, etc.; and even postal services for some specific purposes.

In the name of modernising public sector industries with the help of new technology, collaboration with the TNC's is not only being freely allowed but encouraged. The annual number of such collaborations has risen from 389 in 1981 to 1027 in 1985, the majority of them being with US, Japanese, West German and British companies, and only 4 with the USSR. These are not transactions for mere technology transfers, but include equity participation, joint companies, setting up of TNC subsidiary and branch enterprises (these are, of course, still confined to the private sector).

Overall, we can say that the public sector is being systematically diluted and weakened even though its "core" sector may not yet be seriously affected. This is, in fact, a common phenomenon in a large number of countries afflicted by the capitalist crisis, as revealed in the deliberations of the 11th World Trade Union Congress at Berlin last September. It is sought to give the upper hand to the monopolists and the private sector under the cloak of the theory of "liberalisation" which is being pursued by many pro-capitalist governments.

During his visit to India in 1985, World Bank President Clausen complained that the climate in India for concessional assistance continued to be "unfavourable". He therefore recommended, among other remedies, further liberalisation of India's industrial and trade policies; delicensing of industries to meet the needs of the export market; resort to more commercial borrowing; higher levels of efficiency; and greater competitive pressure within the industrial sector.

Such is the prescription of the World Bank (and of the IMF

also) for stimulating and expanding a free market economy, as opposed to nationalisation and the public sector.

Will the patient swallow the prescription, or can he look for alternative remedies? The pressures of international finance capital on the developing countries are growing and bound to grow. We have to remember that the largest borrowers in 1985 from the IBRD (World Bank) were India (1,674 million dollars), Brazil (1,523 million dollars) and Indonesia (973 million dollars). The largest IDA borrower was India (673 million dollars) followed by China (442 million dollars) and Bangladesh (266 million dollars). Such is the price which is charged for enforcing conditionalities, and facilitating penetration by TNCs aimed at increasing the dependence of the borrowers on the developed capitalist countries.

Our trade union movement has never glossed over the ills of the public sector, its many defects and weaknesses, and the poor quality of management of many of its important enterprises. These are now being seized upon by some motivated critics, both inside and outside the Government, to discredit and denigrate the public sector as a whole, and to claim that only private sector investment, management and control can deliver the goods. We reject this line of argument.

## ACHIEVEMENTS OF PUBLIC SECTOR

India has developed the largest public sector of all the developing countries, with 221 enterprises covering a wide range of industries and services and a total investment of nearly Rs. 50,000 crores employing over 21 lakhs. It has grown in the teeth of opposition and blackmail from the imperialist forces, and has laid the foundations in our country of key industries like Steel, Aluminium, Oil, Electrical, Power, Heavy machine building and basic Drugs. A major factor contributing to this growth has been the massive assistance—in loans, technical know-how, equipment, and cadres training—from the Socialist countries and particularly the Soviet Union.

Nevertheless, as we have said on many occasion, and without in any way detracting from the historic role of the public sector in strengthening the basic foundations of the economy as against imperialist pressures, this is not a socialist sector and cannot be, in the given class relationships and class character of the State itself, where the bourgeoisie is holding the decisive positions of power. But it helps to defend and consolidate our independence and self-reliance, apart from creating employment opportunities and promoting regional development. It, therefore, plays an objectively progressive role and the trade

unions have rightly taken a positive attitude towards it despite all its deficiencies and shortcomings.

It is well to remember this today, at a time when a calculated and open attack has been launched on the public sector not only by the monopoly forces but also by some Government circles, and when the Prime Minister himself is a leading advocate of economic "liberalisation" which may bring disaster to the public sectors in order to boost the virtues and profits of the private corporate sector.

However, to repel this attack, which is equally directed against the job-security and standards of the public sector workers, their trade union rights and past achievements, we have to formulate and put before the country an alternative line of development which can save and defend the public sector, extend instead of restricting it, and democratise its functioning.

This cannot be done by turning a blind eye to the ills of the public sector, but by trying to analyse their causes and to suggest remedies different from those of quack doctors like "Dr." Sathé or the Tatas and Birlas, who would prefer to kill the patient.

#### ILLS OF PUBLIC SECTOR

It is common knowledge that the public sector is suffering, among other things, from highly complicated and bureaucratic procedures in decision making, delays in placing orders for equipments and in obtaining them, lack of coordination between the multiple agencies responsible for project construction, technical errors in designing, improper use of equipment, under-utilisation of capacity also due to limited demand and inefficient marketing, inflated inventories, high interest payments on Government loans, pro-private sector pricing policies, inefficient managements (albeit not in all cases), and refusal to give the workers a meaningful participatory role in management.

Regrettably also, a basically anti-labour attitude is pursued by the Bureau of Public Enterprises which is trying to utilise the Arjun Sen Gupta Committee's recommendations to beat down the active role of the trade unions and to curtail their rights of collective bargaining. Instead of seeking the workers' participation, an atmosphere of confrontation is being created.

Are these maladies incurable? We think not—provided the Government and the top managements really have the interests of the public sector at heart. To date, the Government has

not held a single conference with the representatives of the national trade union centres to discuss the problems of the public sector. Instead, Shri Sathe is content to tom tom South Korea's example as a model of "productivity" and to criticise our allegedly "surplus" manpower, while the Prime Minister has branded our workers as "the most inefficient in the world". This negative attitude is, to say the least, deplorable and extremely superficial.

The trade unions are vitally interested in correcting the deficiencies and weaknesses of the public sector, so that its performance may be improved and its positive role may be reinforced. If the workers are given a sense of participation as equal partners, they would be prepared to cooperate by consciously improving productivity and service norms on the basis of an agreed understanding, and by involvement at all levels. But this can only be done along with a campaign against the public sector bureaucrats and their corrupt practices and by pressurising the managements to fulfil their part of the common commitment. Trade unions must seek the cooperation of the engineers, technicians and scientists in this task. But all attempts at curbing trade union rights, threatening job-security and the gains already achieved, have to be firmly opposed and resisted.

## THE NEW TECHNOLOGY AND TRADE UNIONS

The advent of new technologies in our country has been more "proclaimed" than actually implemented, except in the case of computerisation.

This is partly due to the high investment costs involved, and partly to the reluctance of foreign suppliers to give the latest models. A big tussle has been going on, for example between Governments of India and USA over the proposed purchase of a super computer which is on the "hi-tech" list, and subject to rigorous American conditions.

Computers of various dimensions and capacities are, however, being increasingly installed in several industries, offices, in the airlines, railways, telecommunication services, research institutes, banks etc.

Many of these "new" technologies are elementary by standards of advanced countries, e.g. containerisation in the shipping trade, man-made fibres for the textile industry, micro-processors for clerical work and so on.

The trade unions must have a selective approach to new technology, judging every proposed innovation by its likely impact on job-security, employment potential, workers' emolu-

ments and living standards, working conditions, and the problem of "surplus" staff who are required to be deployed on new jobs after necessary training.

Development of modern technology, being an irreversible process of history, cannot be opposed in toto. Nobody can or should object to computerisation of scientific research, data processing, complex control systems and the like. The real danger arises from misuse of modern technology under the capitalist system to serve the narrow profiteering interests of monopoly groups, whose main aim is to reduce the labour force on a mass scale in the name of achieving higher "productivity" and efficiency. And generally this is sought to be done without consulting the trade unions or heeding their suggestions and objections.

The champions of new technology, including our Prime Minister, must be made to bear in mind some relevant and specific characteristics of the Indian situation:—

- \* Already there is a vast and growing army of unemployed—nearly 28 million job seekers on the registers of the employment exchanges (May 1986) and on estimated 4 to 5 times that number who are not registered;

- \* Jobs and job-security of lakhs of industrial workers and white-collar employees continue to be affected by closures of "sick" units (now numbering over 98,000), lock-outs, rationalisation measures and contracting out of jobs; and so-called "voluntary" retirement schemes;

- \* Our economy ranges from modern capital-intensive industries, to labour-intensive, even pre-capitalist, traditional occupations which fulfil a social need at our present level of development. Should induction of labour-saving microtechnologies be permitted to destroy the traditional sector and to cause mass displacement of labour?

On the basis of concrete studies of the impact of new technologies, sector by sector, our trade unions should decide their attitude and course of action. Resistance must be put up against induction of foreign technologies which are likely to result in loss of existing jobs without the means of absorbing the affected workers in alternative jobs after necessary training and without prejudice to their living standards.

Similarly, we should oppose:—

- \* import of technologies and processes which are already developed within the country;
- \* repetitive imports;
- \* those which can lead to the ruin of small-scale and other domestic industries; and

\* those which would be harmful to the interests of indigenous R.&D thereby crippling the work of our own scientists, engineers and technicians.

The drive for modernisation and the corresponding shifts in the economic and financial policies of the Government, have thus created a *new situation* which did not exist at the time of the Bangalore session three years ago.

## CAPITALIST OFFENSIVE OF JOB RATIONALISATION

Trade unions will be increasingly confronted with the new capitalist offensives which are directed not only against the workers' jobs and job-security, their living standards and established working conditions, but simultaneously against trade union rights and working-class unity itself.

International experience shows that the new changes in production processes and technologies are designed by the monopolists to maximise their profits and, at the same time, to create an atmosphere of job uncertainty and unemployment in which the trade unions would be weakened and the workers divided against each other.

It is only in the socialist countries where the transitional problems of adjusting to new technologies and new methods of production can be solved painlessly, on the basis of guaranteed full employment, redeployment wherever necessary after retraining at State expense, and trade unions' participation and control at every step of the process.

In the capitalist economies, on the other hand, fierce class conflicts are taking place between the monopolists and the unions around this issue of capitalist restructuring of industries and job-rationalisation. Examples of this struggle are multiplying every day (the historic British miners' strike against closure of "uneconomic" pits; the printing workers' struggle in UK against closure and retrenchment by monopoly press-owners; the French steel workers' struggle against plant closures and loss of jobs; the lock-out of 45,000 US Steel workers in order to enforce 15% wage-cut and the company's right to contract out work to outside people for lower wages without consulting the union, etc.)

The workers' interests are everywhere sacrificed to the capitalists' plans for "solving" the crisis of their system at the expense of jobs and wages. The situation calls for determined and united resistance to the ferocious offensive of the monopolists and the Government policies favouring them. As we prepare for the struggles ahead in both the public and private

sectors, we extend our fraternal greetings and solidarity to our brothers who are already in the frontline of this battles in the USA, UK, France and other countries.

## THE CRISIS AND ITS IMPACT

So long as our country continues to follow the capitalist path of development, it cannot escape the impact of the deepening world capitalist crisis—we gave this warning at Bangalore three years ago.

During the period since then, the disparities and contradictions between the interest of the developed capitalist countries and the developing countries have become sharper. The North vs. South conflict, the policies of discrimination and neo-colonial exploitation in the spheres of trade, finance, and developmental aid, are sharply expressed in the global struggle for a new International economic Order. At governmental levels, this struggle is being waged in the UN and various international forums by the Non-aligned movement and the Group of 77, in both of which the Government of India plays a leading and creditable role, which we of the AITUC fully support.

Our only complaint on this score is that new and dangerous economic concessions are being given in the name of new technology by the Rajiv Gandhi government (under pressure of the World Bank, IMF, etc.) to those very TNC's which are the shock-troops of international finance capital. This is a contradictory position of the ruling bourgeoisie which creates serious complications for us.

We have not forgotten, for example, the role of the US TNC, International Telegraph and Telephone Co., behind the coup by the military junta in Chile in 1973. Naturally we have misgivings when we find the representatives of this same I.T.T. being invited here to collaborate in new telecommunication projects of the Government of India!

The national economy is staggering under the combined weight of several crippling financial burdens, e.g.

- \* Rising deficits in the annual Central Budget—in 1986-87 it may go over Rs. 7000 crores;
- \* Expenditure on Defence was Rs. 8000 crores in 1985-86, this year it is bound to be higher;
- \* The trade deficit in 1986-87, is estimated to cross the Rs. 8000 crores figure, a new record;
- \* The external debt has already as on October 10, 1986 gone up to nearly Rs. 28,000 crores.

## MORE CONCESSIONS TO PRIVATE SECTOR

The Government has decided as a matter of policy not to touch the private corporate sector, but to give the monopolists as many concessions as possible. The so-called Long-term Fiscal Policy has guaranteed no increase in direct taxes during the next five years. Colossal arrears of income-tax and excise duties are sought to be legalised through the "amnesty" schemes which cover those also who are illegally holding funds and property abroad. Black money continues to be generated and amounts, at a conservative estimate, to more than Rs. 40,000 crores. The total assets of 20 large industrial houses have been growing at the rate of 40.5% annually and amounted (December 1984) to Rs. 12261.7 crores.

Under the circumstances, the only option for raising resources (apart from borrowings) is to tax the common people by increasing indirect taxes, and hiking the administered prices of essential commodities, many of which are themselves inputs for finished products and services, thereby unleashing a chain reaction of inflation and high prices.

It is, therefore, no surprise that the All-India Consumer Price Index numbers for Industrial Workers (Base 1960=100) show a steady rise. The annual average for 1983 was 532, which rose in 1984 to 576, in 1985 to 608, and in the first 9 months of 1986 to 652.

This is a measure of the decline taking place in the workers' real incomes, despite some increases won during this period in wages and the rate of dearness allowance.

Moreover, despite the plethora of concessions, tax-reliefs, incentives, subsidies, etc. given to the private sector, the growth in industrial output continued to be much below the 8.3% target fixed for 1985-86. According to the National Council for Applied Economic Research, while the growth in industrial production during the 11 months' period, April-February 1984-85 was 7.4%, in the corresponding period of 1985-86 it went down to 6%. The export performance has been equally dismal.

Are the workers responsible for this stagnation? Is it due to their "inefficiency" as hinted by the Prime Minister?

## RISE IN LABOUR PRODUCTIVITY

According to official figures, productivity in terms of value added has been increasing from 1983-84 to 1984-85 in the case of 12 different industry groups of public enterprises (Steel; Coal; Minerals & Metals; Power; Petroleum; Chemicals-Fertilisers-Pharmaceuticals; Heavy Engineering; Medium & Light

Engineering; Transportation Equipment; Consumer goods; Agro-based Products; and Textiles).

In terms of absolute percentage increase in Value added, the figures vary between 7.54 (Textiles) and 51.08 (Steel). In terms of Value added to Capital employed, the percentages vary between 6.79 (Power) and 330.45 (Consumer goods). Labour costs as percentage of the cost of production vary from 1.18 (petroleum) to 47.50 (Coal). There is clearly a wide differentiation between one group and another. But variations in productivity need to be analysed with reference not only to labour, but also to the factors beyond the control of labour, viz., management efficiency, performance of the infrastructure (power, transport, quality of coal), purchasing and marketing policies and procedures, etc.

Taking 14 major industrial groups in the private sector, it is found that the average labour cost as percentage of value of production was 12.8 in 1980-81, 12.5 in 1981-82, 12.7 in 1982-83, and 13.2 in 1983-84 (*The Economic Times*, 3.7.85).

During this period, on the other hand, lock-outs, closures, lay-offs and retrenchment affected hundreds of units and thousands of workers in the private sector. This has become a chronic symptom of the man-made "crisis", but its impact on production and productivity has not been calculated.

In the public sector, on the other hand, despite all constraints of maladministration and underutilisation of capacity, there has been an undeniable growth in volume of gross sales, gross profits, pre-tax profits, dividends, generation of internal resources, value added by manufacture (in units producing goods), and contribution to the exchequer through corporate tax, excise duty, customs duties, etc.

Much scope for improvement no doubt exists, especially as the Planners have targetted a figure of Rs. 31,000 crores as the public sector's contribution to the financial resources needed for the 7th Plan. But such an expectation itself belies the dark and gloomy picture of the public sector painted by its detractors inside and out side the Government.

## THE UNORGANISED SECTOR

During the last 3 years the workers of public sector undertakings have won some major concessions through the pressure of their united mass actions. These are well known, because they represented a big set-back for the wage-fixation "guidelines" sought to be imposed bureaucratically by the BPE. Moreover, these gains also helped the workers in the private

sector organised industries to improve their standards. But the wage-agreements of 1982-83 are now at the stage of expiry, and further wage-revisions will become increasingly difficult to achieve in view of Government's new policies. Workers' united action will have to rise to greater heights if the rights of collective bargaining are to be preserved.

This is one of the issue on which the public sector trade unions have decided, at their conference on October 21-22, 1986, to organise a nation-wide stoppage on 21.1.87.

During 1984-85, under constant trade union pressure, Government of India partially yielded ground on three important issues:—

\* An amending bill was passed in the Lok Sabha on 26.4.84 extending the coverage of the Payment of Gratuity Act to persons drawing upto Rs. 1600/- per month, and liberalising the definition of "continuous service." But the qualifying period remains at 5 years, badli workers are excluded from the benefit, and in today's conditions the salary ceiling becomes quite unreal.

\* An amending bill was passed in Parliament in December 1985 extending the coverage of Payment of Bonus Act to all those drawing up to Rs. 2500/- p.m., though for the purpose of calculating the quantum of bonus a notional ceiling of Rs. 1600/- will be applied. The minimum statutory bonus remains at 8.33%, and the formula of "allocable" bonus is also unchanged.

\* The rate of D.A. applicable to the public sector was revised upwards from the existing Rs. 1.30 per point to Rs. 1.65 with retrospective effect from 1.1.83, the arrears to be paid in 2 instalments. The Committee which had got into a dealock for months together finally opted for this settlement though it was not fully satisfactory, as the trade unions had been demanding at least Rs. 2/- per point.

However, there is now no reason why workers in the organised private sector industries should accept less than Rs. 1.65 per point D.A. Their trade unions should stand firm on this demand as a matter of principle, and should not agree to accept less, in exchange for some "other" benefits, as is unfortunately being done in some cases under pressure of the employers.

## THE UNORGANISED SECTOR

At Bangalore we gave the call for organising the unorganised sector as one of our top-priority tasks, and it remains so today. The AITUC General Council meeting in July 1985 took stock

of the situation and noted that some conscious attention had begun to be paid in a number of states to work among this most exploited section of our working class. The primary struggle for implementation of statutory minimum wages, and other benefits and welfare facilities, regularisation of employment, and against the exploitation of the contractors, was begun in some stone quarries and brick kilns, among hospital employees, handloom weavers, bidi and building workers, powerloom workers, workers of saw mills and plywood factories, small-scale engineering and forest workers. The movement has spread out to the iron-ore and other mineral mines particularly in tribal areas, to hosiery workers, to public sector construction workers, and is gathering strength among the agricultural workers in several states.

The possibilities are enormous, judging from the mass response wherever we take up the issues seriously and from the militant mood which is evident among men and women workers alike. But progress in organisational work on this sector is still slow and uneven, mainly due to lack of cadres and funds. We had pinpointed the AITUC District Councils and setting up of trade federation as the essential machinery for developing this work. Wherever the State Committees have moved accordingly, it becomes possible to implement coordinated programmes of agitation and mass actions.

A notable advance has been made among the powerloom workers of Malegaon and Bhiwandi in Maharashtra, who have fought bitter strike struggles for implementation of the Government's notified minimum wage rates and have set up a state-wide federation to carry the movement forward. A unique feature in Maharashtra has been the fraternal support of workers in the organised industries of Bombay who have contributed nearly Rs. 2 lakhs for a fund earmarked for organising the unorganised. Is there any reason why this example of practical solidarity should not be emulated elsewhere?

The AITUC General Council in its meeting at Madras this year again reviewed the situation, re-emphasised the urgency of constituting *District Councils* everywhere, and decided to concentrate on planning out central conventions and actions among Bidi workers, Non-coal miners of Orissa, Bihar and Madhya Pradesh tribal areas, and Building and Construction workers. We have to move forward from the implementation of statutory minimum wages, which are hopelessly inadequate, to a minimum living wage standard, and to regularisation of employment, plus provision of the elementary welfare facilities like

housing, drinking water, hospitals, and schools for the workers' children.

In the meantime, as per our earlier decision, some more agricultural workers' organisations at district and state levels have taken step to register under the Trade Union Act and to get affiliated to the AITUC. This would unite the forces of the rural and urban workers in a common class front. This is a welcome development, which I hope will be encouraged in all States.

## UNITED ACTIONS AND STRUGGLES

During the period 1984-86, the tempo of workers' strike struggles was affected by certain negative developments, chiefly of a political nature. The worsening situation in the Punjab, leading to Operation Blue Star and the subsequent assassination of Indira Gandhi, the formation of a new Central government under Rajiv Gandhi's prime ministership, the results of the Lok Sabha elections, outbreak of communal disturbances and heightened activity of various disruptive and chauvinist forces, the announcement of the new industrial and financial policies favouring the private sector—all these created an atmosphere of uncertainty and instability which brought about a certain lull which continues even today.

This was reflected in the National Campaign Committee's activities also, though here a contributory factor was the cropping up of policy differences between the NCC participants on the questions of Government verification of trade union membership and representation at the ILO Conference.

At NCC's call convention was held against closures and lock-outs (20-1-84) and then convention in defence of the Public sector (21 and 22.10.1986) and all-India "Days" have been observed on these issues. The NCC has also called the workers into strike actions, along with political parties and other mass organisations, on the occasions of "Save Democracy Day" (25.8.84) protesting against the unconstitutional toppling of the Andhra Pradesh Government, and on 26.2.86 against the Government's steep hike in administered prices which provoked a Bharat Bandh.

The only impressive mass mobilisation organised in this period by the NCC was on 18.4.84 when about 50,000 workers marched to the Parliament House to voice their demands against closures, lock-outs, retrenchment, growing unemployment, high prices, attacks on trade union rights, etc.

The trends in loss of mandays due to strikes and lockouts during 1983-85 are quite revealing. In 1983, out of a total of 33.48 million mandays lost (excluding the Bombay textile strike), strikes accounted for 11.54 (34.5%) and lock-outs for 21.94 (65.5%). In 1984, out of 55.13 million mandays lost, strikes accounted for 39.56 (71.8%) while lock-outs fell to 15.57 million mandays (28.2%). In 1985, the trend is again reversed, with only 29.20 million mandays lost, strikes accounting for 10.32 (31.9%) and lock-outs for 18.88 (68.1%). Figures for 1986 are unfortunately not yet available.

However, despite the unfavourable compulsions of a complex political and economic situation which developed from the middle of 1984, many heroic and long-drawn strike struggles have been waged in different industries and services. And in most of these, the workers have secured positive gains wherever they succeeded, as they did in almost all cases, in uniting the different unions for joint action on common demands.

Mention may be made here of a few of such struggles:—

In 1984, 15,000 workers of Simpson's (Madras) were on strike for 84 days; 200,000 jute workers of West Bengal on general strike for 3 months; 22,000 State Electricity Board workers of Kerala; 20,000 textile workers of Amritsar; 50,000 cotton hosiery workers in West Bengal (5 months' strike); newspaper employees of Ananda Bazar Patrika group (42 days); Hindustan Photo Film workers, Ooty (52 days); 20,000 Heavy Engineering Corporation, Ranchi workers (22 days); Larsen and Toubro workers, Bangalore (3 months); 86,000 Singareni coal miners (9 days); 300,000 All-India Port and Dock workers' (1 month); 48 hours' general strike of coal miners (8 days' wages deducted); one-day general strike and bandh in Tamilnadu (10 lakhs participate); 600,000 Bihar State Government employees (25 days), prolonged strike of Wyeth Farm workers, Goa; Textiles workers' leaders from seven states arrested in Delhi while demonstrating on issue of closed and locked-out mills.

The year 1985 opened with the New Delhi Conference of Asian and Oceanic Trade Unions on Development. Struggles continued but the curve was declining. Michael D'Souza, General Secretary, Tata Oil Mills and Allied Workers' Union, Bombay, was arrested under the National Security Act and detained without trial.

Jute workers of West Bengal again conducted a one-day general strike on May 17; Karnataka State Road Transport workers, and workers of Mysore Wire and Metal Industries were on strike; 6,000 Paid Secretaries of Andhra Pradesh Agricultural Cooperative Societies carried on their strike for 171 days; a

24-hour general strike took place in West Bengal on 12/9 against closures and retrenchment; workers of 80 Coimbatore textile mills struck work on 9/11 and 70,000 Bharat Heavy Electricals workers on 21/12; a Karnataka "bandh" on 22/11 at the joint call of AITUC and CITU, Bihar State Electricity Board workers struck for 3 weeks.

4,000 workers of Gwalior Rayons, Mavoor, Kerala, went on strike for bonus and other demands on 7-7-85—the strike is still continuing, 15 month later.

In 1986, the most significant development was the T.U.s' joint decision, including the INTUC for the first time at the national level, to campaign for peace and disarmament, against divisive and communal forces for national unity, and in support of the South African people's struggle against apartheid. This initiative has so far resulted in a joint Convention (11/5) attended by 800 delegates; a joint delegation to the Punjab, and observance of "Anti-Apartheid Day" on 16/6, "National Integration Day" on August 9th, "Peace and Disarmament Day" on November 28, and the decision to collect a Solidarity Fund for the South African trade unions. Not surprisingly, mass implementation of these programmes is as yet weak and disorganised. It all depends on what we make of the new opportunity that has opened up.

For the first time also, May Day was enthusiastically observed at the joint call of the AITUC, CITU and other Left unions.

700,000 coal miners again struck work on April 9; 40,000 municipal workers of Andhra Pradesh went on strike from 14/2; Workers of Gwalior Rayons, Nagda, fought for 6 weeks; there were strikes of 80,000 Tamilnadu textile workers against mill closures; of 20,000 Delhi textile workers for wage increase; of 50,000 employees of Andhra Pradesh cooperative banks; 70,000 workers and engineers of U.P. State Electricity Board; workers of Birla's Alloy Steel Plant, Patratu; 10,000 Amritsar textile workers for wage rise; Andhra Pradesh State Government employees; all-India strike of State Government employees against the penal provisions of Article 311(2); Faridabad Bata workers long drawn strike; the work-to-rule last month of the Telecommunication Junior Engineers, virtually paralysing all telex and long-distance telephone services for 16 days. Three state governments employees, of Andhra Pradesh, U.P. and Rajasthan went on indefinite strike last month.

This struggle diary (incomplete) shows that for specific demands at the industrial/plant level, and particularly when called upon to resist the management's offensives of closures, non-implementation of minimum wage norms and interim re-

lefts denial of justified bonus claims, etc. the workers have established the practice of closing their ranks and waging determined and protracted united struggles.

#### 4TH PAY COMMISSION

A major feature of 1986 has been the report of the Central (4th) Pay Commission whose recommendations are applicable to 52 lakh government employees. Earlier, in March 1985, an interim relief equivalent to 10% of basic pay was given to every employee.

As an exercise in wage determination, the recommendations of the Pay Commission are characterised by none-too-scientific features:—

- \* On the one hand, the prevailing 153 pay scales have been reduced to 36;
- \* On the other hand the ratio between the lowest pay recommended (Rs. 750 p.m.) and the highest (Rs. 9,000 p.m.) is 1:12 pre-tax and 1:9.15 post-tax;
- \* The demand of the employees for pay-parity with the workers of the public sector undertakings has been rejected, thereby violating the principle of equal pay for equal work;
- \* Maximum hike in pay scales has been for the higher level posts, and the rise for Class III and Class IV categories (comprising the majority of employees) has been disproportionately less;
- \* Some care has been taken chiefly of the stagnation problem by elongating the scales, improving increments, and upgrading certain posts; for fixation in the new pay scales, an addition of 20% of basic pay subject to a minimum of Rs. 50 has been allowed, which was later raised to Rs. 75/-.
- \* Compensation against price rises has been improved on a slab basis: cent per cent neutralisation for all getting basic pays upto Rs. 3500/- p.m., and 65% for those getting above Rs. 6000/-. D.A. payments will be twice a year based on percentage increase in the index level over 608 (1960=100).
- \* House rent allowances, special compensatory allowances, city compensatory allowance, medical allowances have been improved and rationalised; so also leave accumulation and educational assistance;
- \* Overtime working should be reduced to a minimum, and substituted by extended working hours (especially for office staff), greater efficiency and introduction of modern techniques and mechanisation.

On the whole, it is evident that the lower-paid employees

have got a raw deal and the officer cadre has been disproportionately benefited. Naturally the former are disappointed and discontented. Anomalies and contradictions in pay scales and grades are galore, particularly since they are unrelated to skills and job evaluation. The first major outburst on this issue has been by the Telecommunication Junior Engineers who are qualified and trained to operate new electronic and co-axial equipment. Meanwhile, in the name of the increased burden of revised pay and allowances, Government is preparing to raise a wide range of rates, fares and freights; the first to do so was the Railways which announced all-round rise in goods freight charges and parcel rates, thereby contributing to the inflationary spiral by imposing an additional burden of Rs. 320 crores. The next in the queue is Post and Telecommunications.

### NEW ANTI-LABOUR LAWS IN THE OFFING

In November 1985, after a lapse of 14 years, the 28th Session of the Indian Labour Conference took place, but ended inconclusively since there were no in-depth discussions on urgent issues facing the working class and no pointed decisions were taken in the name of a vague "consensus". The Conference was preceded by Government's abortive attempt to deny delegate status to the AITUC and CITU. This move was ultimately foiled. At the Conference, private and public sector managements spoke in the same voice.

After an interval of ten months, the Standing Labour Committee of the ILC met, and it became apparent that the Labour Ministry had by this time made up its mind to push through the anti-trade union and anti-worker amendments to the Industrial Disputes Act and the Trade Unions Act which were kept pending for the last four years due to the opposition of the majority of trade union centres. The proposed amendments have the backing of the employers and the INTUC leadership, and the sanction, when necessary, of the Government's decisive majority in Parliament.

These new labour legislations which may be described as the counterpart of the Rajiv Gandhi Government's economic and industrial policies, is aimed at destroying militant trade unionism and replacing it by a regimented trade union movement in the service of the bourgeoisie. This it hopes to achieve by stringent and punitive powers to curb the right of association, the functioning and activities of trade unions and, of course, the right to strike. Apparently it has not yet been possible to cow down the workers' fighting mood by threats of using the

National Security Act and ESMA against them, though in the recent period we are witnessing increasing use of ESMA to illegalise strikes by doctors, hospital employees, engineers, etc. As was vividly revealed in the reports of trade union delegates from several capitalist countries at the 11th World Trade Union Congress, it is the forces of organised labour which are the prime target of attack by the monopolies and the Government in this period, because they know that the trade unions are the vanguard of popular resistance to the new policies.

The rights of collective bargaining and of strike are sought to be outlawed, and erosion of wages, job-security, and other rights and benefits won after years of long struggles. Most of the proposed amendments have been lifted from the infamous Industrial Relations Bill of 1978 framed by the Janata Government, and which was opposed at that time by all central trade union organisations including the INTUC.

Functions of conciliation, adjudication, registration and certification of recognition are proposed to be handed over to a super-body known as the Industrial Relations Commission; recognition will be by means of check-off; Code of Conduct and "unfair labour practices" will be rigorously applied; strike, including go-slow, will be subjected to wide restrictions; sweeping powers of cancellation of registration and disqualification of trade union office bearers will be given to the bureaucracy.

Once again the working class has to meet this challenge by raising its united voice all over the country against these reactionary and dangerous proposals. A powerful mass movement has to be built up to defeat the Government's move to strangle the militant movement and to put trade unions in a strait-jacket.

Already the All-India Convention of Public Sector unions held in Delhi on October 21 and 22 has decided to make the amendment proposals of the Government one of the issues for the countrywide campaign and the strike of January 21, 1987.

## BHOPAL AND THE TNCs

While we were still grappling with the problems of studying TNC operations in India and formulating some concrete action programmes centred on specific TNCs, came the horror of the Bhopal gas leakage from the Union Carbide factory on the night of December 3, 1984.

Described variously as a "chemical Hiroshima", "the most dramatic accident in industrial history", "massacre committed by the transnational Union Carbide", etc. this disaster has revealed in a flash the real face of TNC's functioning in the Third

World—how they transfer industries which are hazardous and technology which is obsolete and discarded in their own countries, how they maintain double standards of safety in their lust for profits, how they callously neglect minimum precaution for the lives and health of workers and people of developing countries, how they circumvent government regulation and warnings, and how tenaciously they fight to avoid responsibility for the crime they have committed.

Estimates of the dead vary from 2000 to 5,000, and those who have been affected in varying degrees would be nearer to 200,000.

More than 2 years have passed since the tragedy, but to this day not a farthing of compensation could be extracted from the company. The hapless victims have received only the charitable relief provided by official and non-official agencies. Their case, being pleaded on their behalf by the Government of India, has travelled at painfully slow speed from the US courts to the Indian courts, where proceedings are still to begin! In the meantime, Union Carbide is reportedly selling off large slices of its assets, including its headquarters building and land attached to it at Danbury, near New York, for about 340 million dollars. It seems even this cannot be stayed pending the litigation for compensation!

Investigations show that the pesticide manufactured by the Bhopal plant—Sevin—has two lethal components: phosgene and MIC (methyl-isocyanate). The victims showed symptoms identical to those observed in soldiers poisoned during gas attacks in World War I. But the management at no stage warned the public or the health authorities, and gave no information of the gases involved, no suggestions for treatment and prevention. One year afterwards, a Company spokesman claimed that the leakage was not caused by mismanagement but by deliberate sabotage by some “discontented” individual. Could callousness and deceit go further?

Many seminars and conventions have been held by trade unions, scientists and others, demanding not only immediate interim compensation from Union Carbide, pending full settlement, but also take-over of the Company's assets in India and punishment of those guilty of negligence.

But it must be admitted that the trade union movement as a whole has done little to educate and rouse public opinion against the TNC criminals, apart from some expressions of sympathy and solidarity with the victims, and some token contributions towards relief activities. Where a major disaster has taken place on our own soil, killing thousands, crippling and poisoning a much larger number, and revealing the terri-

ble hazards of toxic pollution without any regard for safety measures, it is our duty to make concrete exposure of the criminal misdeeds of TNCs operating in developing countries.

Bata is another TNC with a considerable base in India whose manufacturing and marketing practices are known to be questionable, resulting in steady rise in prices of footwear and company profits. Moreover, the company (like many others) was caught redhanded for large-scale evasion of taxes and excise duties. The Chairman could escape criminal action only by making a public confession and apologising to the Government for "unintentional" violation of the law. Since Bata is held "in high esteem" by our Government, prosecution was dropped and business goes on merrily as usual!

But is it not high time for the Federation of Bata unions to raise its activities to the anti-TNC level of consciousness, and not to keep it confined merely to agitation for the workers' economic demands? Even the unions of Bata workers in Africa are ahead of us in the matter of exposing the TNC's misdeeds, its activities against the national interests, and its many forms of practising exploitation.

The proposal of the Multinationals Commission of the WFTU to organise an Asian regional Seminar in India during the coming year deserves our full support and active cooperation. This is particularly so because the Government's new policies have accelerated the entry of MNC's into our country, which constitutes an increasing danger to the independent development of the economy.

## TRADE UNION UNITY IS THE KEY

The crisis factors in the situation—international and national—have become more complicated and dangerous than three years ago, as indicated above.

Two inescapable conclusions follow logically:-

(1) The working class can neither defend itself nor advance, unless it consciously makes efforts to project itself as a major social force in the nation's life, standing for genuine development in the interests of the people, for national unity, and for international solidarity in the struggle for peace and freedom;

(2) Our supreme duty, as a matter of principle, is to close our ranks, consolidate united trade union action, and build up a strong trade union front to resist and defeat the attack on job security, wages, working conditions and trade union rights. Without this, too, no advance is possible; this should be obvious in a country like ours, where the trade union movement is sharply divided and fragmented, albeit for historical reasons.

All talk about trade unions' need to keep "aloof" from politics, or to confine themselves to the workers' day to day demands, has ceased to be relevant in the present world. Such theories were rejected by us always; what is new is that even reformist trade union leaders today have to recognise the objective reality.

In our country, it is in fact only the organised working class that can and must lead the popular and democratic forces in the struggle for peace, national unity, and genuine independent development, against the war threat, the divisive and secessionist forces, and the policies which favour the monopoly groups and the MNCs.

Our trade unions must assert their patriotic role as the true champions of national unity and communal harmony, while intensifying their solidarity action against imperialist aggression and conspiracies, and at the same time firmly defending their class interests against the capitalist offensive.

*1986 has seen a new growth in the trends of united trade union action.*

\* For the first time, AITUC and CITU jointly gave a call for observance of the May Day Centenary, and appealed for joint rallies and demonstrations. Both the organisations, jointly and separately, observed the Anti-War Day on September 1. The perceptions of both, on policy questions concerning the public sector, Government of India's labour policy, etc. have come closer to each other. Their joint initiatives are helpful in mobilising the support and cooperation of other Left unions also;

\* The N.C.C., despite some earlier internal differences which still persist (referred to already) looks likely to come out of the woods in the coming period, when attacks on the workers' jobs, wages, and trade union rights are going to accentuate. This provides the objective basis which enabled the NCC to emerge in 1981 as a broad, united platform of trade unions for action on agreed specific issues—a role whose utility cannot be underestimated.

The recent Convention of Public Sector trade unions, organised mainly by the NCC constituents, was able to adopt a common Declaration and a common action programme, including the perspective of an all-India strike on 21.1.87. This happened despite the policy reservations of the B.M.S. regarding expansion and strengthening of the public sector. Ultimately, in the interests of unity, the BMS leadership was prepared to go along with the majority, and supported the common Declaration

\* But perhaps the most significant new development has been the initiative for the first time of the official INTUC leadership in inviting *all* other trade union centres for a joint discussion, and necessary action, on the issues of:

- Peace and Disarmament
- National integration and fighting divisive forces, and
- Support to the anti-Apartheid struggle in South Africa.

It is not less significant that all the invitees responded, despite their sharp political and ideological mutual differences. After that, a series of consultation meetings have followed resulting in:

- \* Joint declarations on the 3 issues;
- \* A national convention in Delhi attended by 800 delegates on May 11th;
- \* Joint call for observance of Anti-Apartheid Day, National Integration Day, and Peace and Disarmament Day;
- \* A joint delegation to the Punjab;
- \* Decision to collect jointly a Solidarity Fund for the South African trade unions in their struggle.

These are truly historic decisions, jointly adopted by *all* central trade unions sitting together for the first time since 1947, and focusing on the most urgent issues of Peace, national unity and international Solidarity.

Implementation of the agreed programmes at the State, industrial and plant levels is, as yet, extremely weak, and this is not surprising. To educate and mobilise the workers behind these decisions through united actions cannot be left to spontaneity. It requires conscious and determined efforts by the leadership of the major centres to carry the message down to the grass-roots level and to work in a sincere spirit of fraternal cooperation, overcoming the prejudices and rivalries of the past (which will not disappear automatically).

As far as the AITUC is concerned, all its affiliated unions must grasp this great opportunity to begin the struggle for a broader trade union unity and an effective united front of the workers at least on the commonly agreed issues. We must have the confidence that, despite all the difficulties and obstacles which are yet to be overcome, the experience of life will increasingly bring the workers of different affiliations closer together in their common interests.

This is corroborated, above all, by the numerous strikes and

struggles which have been conducted jointly and have resulted in positive gains.

Having said this, and while welcoming the favourable pro-unity conditions which are developing, we must repeat what we stated three years ago at Bangalore, viz: that the time has come to project a qualitatively higher level of class and political consciousness based on the closer unity of all left-minded and socially progressive trade unions which share a common ideology. And this, first and foremost, should mean a deeper understanding and alliance between the AITUC and CITU, at different levels. This would, we believe, have a galvanising impact on the working class, would greatly enhance its self-confidence and militancy, deepen its consciousness and attract other Left-unions towards a closer cohesion of purpose and action.

The AITUC, in fact stands for the unity of all unions and federations which accept the principles of:

- (1) Class struggle, as opposed to class collaboration
- (2) Secularism and national unity
- (3) Peace and anti-imperialism
- (4) Defence of the gains of Socialism, and international working class solidarity.

We see no reason why AITUC and CITU should not open a frank but fraternal dialogue, evolve a mutual code of conduct, and agree on terms and conditions which would be the basis of starting a process towards eventual merger. We see no reason why "rival" unions of the Red Flag should continue to keep the workers divided in every plant and industry in the face of the ferocious capitalist offensive.

Our supreme consideration should be to defend the working class, the people and our country. What stands in the way except our mutual prejudices and sectarianism nurtured by our quarrels and rivalry for more than 20 years? Are we to reconcile for ever to an endless future of mutual conflict even if we agree on fundamental principles?

We are not advancing any inflexible, cut and dried formula here. We are prepared to sit down and discuss, in a fraternal spirit, all concrete suggestions for advancing the cause of trade union unity between the like-minded forces.

## ORGANISATION

Our organisation continues to be loose and flabby, and still requires a great deal of tightening up.

Non-implementation of central programmes and decisions is the main casualty.

The AITUC Centre has to be strengthened by a team of capable and full-time central leaders who can function collectively to perform the responsibilities of planning, guiding, coordinating, and implementing.

Study and understanding of the many and complicated problems in such a large country as ours have yet to be organised. Our central office is inadequately equipped for this purpose.

In at last half a dozen States, collective teams of leadership have not yet been established, leaving a heavy burden of work (which they cannot manage) on one or two comrades.

With these difficulties in view, it was decided at the General Council meeting in July 1985 that all State TUC's should hold special organisational conventions, to identify the main bottlenecks in each State and to fix priorities. But this decision was implemented in only 4 or 5 States. Broad guidelines had been provided by the AITUC General Council through its organisations report adopted on April 19-20, 1984. But the follow-up was disappointing.

District Councils—a key link for improving our activity in the States and for reaching out to the unorganised sector—have been set up in several districts, but many more remain uncovered, due to lack of attention and effort.

Another major weakness is in the functioning of our industrial federations, except those which have their own independent offices outside Delhi and are more or less self-sufficient, others expect too much of the AITUC Centre, and do not function as democratic mass organisations should.

Moreover, while several of the federations have played a creditable role in the united industrial actions which took place in this period, they should pay much more attention to concrete studies of each industry's problems, the impact of new technology and rationalisation in each sector, and formulation of the trade unions' own alternative programmes for development and better service.

At the Bangalore session, we had pointed out the lag in our work among working women and young workers—two important sections which are capable of being organised and activated by the trade unions on the basis of their specific problems and demands. Unfortunately, this lag still continues except for a small pocket here and there. We have been content to leave all women and their problems to the National Federation of Indian Women, and all young people to the Youth Federation. The AITUC must develop its own independent,

day-to-day work among working women and young workers and, special cadres must be allotted for the job.

In spite of repeated reminders, a large number of affiliated Unions and General Council members, and even some State Committees have not become regular subscribers to at least one of the AITUC journals, "Trade Union Record", and the Hindi "AITUC Samvad" which was a new venture launched to help our trade union leaders and activists in the Hindi-speaking region which is our weakest spot.

Circulation of both journals is still unsatisfactory, causing a heavy burden of deficit and arrears.

During this period, our central publications included "Recent Wage Agreements", "Handbook on Unorganised Workers", a special pamphlet on the May Day Centenary, "Public Sector under Attack", and the full report and documents of the 32nd Session. We should have done better.

We are at last in a position to provide you with a central syllabus of lectures, to be utilised for running trade union schools at the State level in different languages. We did not organise any central school as this practice is found unsuited for a country like ours, and also because of inadequate resources. Some State committees and unions have been running short-term classes for the worker cadres, and the facilities of the Workers' Education Scheme are also utilised but not in a planned manner.

We have been helped by our fraternal organisations in the USSR, Czechoslovakia, Bulgaria, and GDR by accommodating a number of our trade union functionaries in their schools. Some T.U.s of the WFTU, notably the Metal TUI, helped to organise very useful Seminars in a number of industrial centres.

There has been a marked improvement from most of the State TUCs in the remittance of affiliation fees arrears for 1984 and 1985.

The Hyderabad Session of the General Council, July 1985, launched an appeal for a Rs. 10 lakhs collection by May Day, 1986, as the first instalment towards the AITUC Building Fund, to provide us with our own headquarters premises. So far, a little over Rs. 6 lakhs has come in. With this amount, neither land nor building is realisable. Some possible places, suitable for our purpose, are available but at considerably higher cost, and prices are rising all the time. So we have to decide how to intensify the Building Fund drive. We express our deep gratitude to all those who have contributed so far, in spite of difficulties and other commitments. Some State Committees and large unions are still lagging behind.

AITUC's total membership has not grown appreciably in this period. In the Government's manipulated records, it has been very much deflated due to our (and CITU's) boycott of the last official verification. The boycott would have been fruitful if all the NCC constituents had firmly adhered to the boycott decision which was unanimously adopted. However, this was not to be, and the NCC was split on the issue, giving a handle to the Government to go ahead with its verification, rejecting our demand for a secret ballot.

At the next verification, our unions have to participate as per the last General Council's decision. Hence, serious preparations must begin immediately, with specific responsibilities allotted, for updating and properly maintaining all relevant records.

## INTERNATIONAL RELATIONS

During this period, New Delhi played host (February 1985) to the first Asian and Oceanic Trade Union Conference convened by the broadbased Preparatory Committee which had been formed earlier with affiliates of WFTU, ICFTU, WCL as well as autonomous organisations, on the central issue of Development. The Conference was attended by over 100 delegates from 16 countries of the region, and was a great success. It set up a permanent Coordination Committee which has been taking useful initiatives for developing joint actions and fraternal contacts embracing a wide range of trade unions irrespective of affiliation. A second Conference is scheduled to be held in Manila in August 1987.

At the invitation of the central trade union organisations of the USSR and GDR, official AITUC delegations paid fraternal visits to those countries. A protocol of mutual cooperation between the FDGB and AITUC was signed to further develop our friendly relations.

The URO-AITUC protocol signed in Prague in 1982 was renewed for a further period. Under its provisions, an official URO delegation visited India in March 1985. Industrial delegations from the transport and Engineering unions of India visited Czechoslovakia, and textile and metal workers' delegations from Czechoslovakia visited India.

In 1985, at the invitation of the Chinese Federation of Trade Unions, an AITUC delegation led by its President visited the People's Republic of China. This was the first direct contact between the two organisations after about 25 years.

An official delegation of the Central Council of Bulgarian Trade Unions led by its Chairman, Comrade P. Duglyerov, is

visiting India since December 10th this year, and we are happy to welcome its participation in this Congress.

AITUC delegations have attended the Congresses of the trade union centres of Mongolia, Syria, Sri Lanka, Bangladesh, Poland, Yugoslavia and Portugal.

AITUC representatives have participated in 2 Seminars organised by URO, 1 each by FDGB and SZOT, and annual seminars in Bulgaria. They have also been represented on 2 study tours organised by the AUCCTU, and 3 ILO Seminars.

The TUI's of Building and Construction Workers, Metal Workers and Public Service Workers have organised successful Seminars in India.

The Indian delegation to the 11th World Trade Union Congress in Berlin was a broad-based one consisting of 20 representatives from 4 national centres besides AITUC, and 7 industrial and service federations.

Our unions/federations in various industries have been regularly participating in T.U.I. activities, including Administrative Committee meetings, trade Conferences and Seminars.

To all the fraternal organisations which have cooperated with us in these activities we extend our sincere thanks and appreciation.

To all the fraternal delegations present at this Congress, demonstrating the strong ties of solidarity and brotherhood which bind us, we extend our warm welcome and greetings, thanking them for the trouble they have taken to travel long distances to reach Vadodara. Their presence here will be a source of inspiration and strength to the AITUC.

## TASKS

Guided by the broad perspectives outlined by the 11th World Trade Union Congress, in their concrete application to the specific conditions of our country, let us discuss, elaborate and concretise the following main tasks facing the AITUC in the period ahead:—

- \* Make peace and anti-war actions a regular and integral part of our trade union activities; against imperialist conspiracies;
- ° Contribute to the struggle for a new international economic order by intensifying the struggle against the MNC's, for defending and strengthening the public sector and for nationalisation of key industries;
- \* Uncompromising and continuing resistance to the communal, secessionist and other divisive forces;
- \* Strengthen actions for international solidarity with all

anti-imperialist and progressive forces, and the fighters for national independence;

- \* Resist indiscriminate introduction of new technology which harms the job security and standards of the workers, the domestic industries and indigenous R&D;
- \* Intensify united mass actions for wage-rises, commensurate with rising living costs, against closures and lock-outs, and for preventing regular jobs being contracted out;
- \* Organise the unemployed, mainly the youth, for new job opportunities, unemployment allowances, and constitutional recognition of the right to work;
- \* Continue and expand the struggle of the unorganised sector workers for minimum living wages, statutory rights and benefits, social security, housing, health facilities, education;
- \* Pay specialised attention to organising and mobilising the working women, young workers, agricultural labour, engineers, technicians, junior managers, teachers, doctors, for their own specific rights within a more just and democratic society;
- \* Resist all attacks on trade union and democratic rights, against bans on strikes and official interference in the internal affairs of trade unions and their free functioning;
- \* Organise trade union solidarity actions in support of the struggles of the rural poor, the landless agricultural workers, Harijans and Tribals, and help them to fight back landlord atrocities and police repression;
- \* Carry forward the all-trade unions' joint campaign which is developing on the issues of peace and disarmament, defence of national unity, and solidarity with the South African people's struggle against apartheid; try to extend it to defence of the public sector also;
- \* Strengthen the role of the NCC as a broad platform of united trade union action on agreed slogans and demands, and for successful implementation of its action programmes.

In order to discharge these heavy responsibilities, and to play its active initiating and leading role, the AITUC must be made a more efficient, democratic and militant organisation having close ties with the workers.

**LONG LIVE THE AITUC !**

**LONG LIVE WORKERS' UNITY !**

**LONG LIVE THE UNITY OF THE INTERNATIONAL WORKING CLASS !**

**LONG LIVE WORLD PEACE !**

**33rd SESSION**  
**ALL INDIA TRADE UNION CONGRESS**

***Information Materials***

**VADODARA**  
**15-20 DECEMBER 1986**

Published by T. N. Siddhanta for AITUC, 24, Canning Lane, New  
Delhi-110001 and printed at the New Age Printing Press, Rani Jhansi  
Road, New Delhi-110055.

## CONTENTS

	Page
1. Working Population	1
2. Selected Economic Indicators	2
3. Employment and Unemployment	4
4. The Process of Liberalisation and increasing Concessions to Monopolies	21
5. Central Public Sector Enterprises—A Profile	45
6. Growth of Monopolies	59
7. Capital Flight to Foreign Banks	74
8. Bhopal Declaration on TNCs	77
9. Growing Industrial "Sickness"	80
10. New Technology and Trade Unions	84
11. Industrial Accidents	102
12. Prices and Price Rises	107
13. Labour Cost	109
14. Industrial Relations	114
15. Provident Fund Arrears	118
16. Arjun Sen Gupta Committee Report	119
17. Central Services (Recognition of Service Associations) Rules, 1986	130
18. Privatisation	135
19. Verification of Membership of Central TU Organisations	144

CONTENTS

1 Introduction

2 Scope of the Report

3 Methodology and Data Sources

4 Theoretical Framework and Hypotheses

5 Empirical Analysis and Results

6 Discussion and Implications

7 Conclusion

8 Appendix

9 Bibliography

10 Index

11 Acknowledgments

12 Author's Note

13 Contact Information

14 Disclaimer

15 Glossary

16 Abbreviations

17 Figures and Tables

18 References

19 Endnotes

20 Footnotes

21 Appendix A

22 Appendix B

23 Appendix C

24 Appendix D

25 Appendix E

26 Appendix F

27 Appendix G

28 Appendix H

29 Appendix I

30 Appendix J

31 Appendix K

32 Appendix L

33 Appendix M

34 Appendix N

35 Appendix O

36 Appendix P

37 Appendix Q

38 Appendix R

39 Appendix S

40 Appendix T

41 Appendix U

42 Appendix V

43 Appendix W

44 Appendix X

45 Appendix Y

46 Appendix Z

**WORKING POPULATION OF INDIA**  
1981

<i>Millions</i>	<i>% of population</i>
Total — 247.1(*)	37.5
Men — 180.8	53.2
Women — 66.3	20.8

\* Taken into account were those who were employed for the greater part of the year preceding the census (eight-ninths) and the lesser part of the year (one ninth); there are no data available on the states of Jammu and Kashmir, and Assam.

(from: India: Spotlight on  
Population by Victor Petrov)

**DISTRIBUTION OF WORKING POPULATION BY  
INDUSTRY DIVISIONS**

(1981 Census in Millions)

<i>Industry Division</i>	<i>Males</i>	<i>Females</i>	<i>Workers</i>	<i>% of total working population</i>
1. Cultivators	77.6	14.9	92.5	41.58
2. Agricultural Labourers	34.7	20.8	55.5	24.94
3. Household Industry	5.6	2.1	7.7	3.47
4. Other Services	59.6	7.2	66.8	30.01
(a) Livestock, forestry, Fishing etc.				
(b) Mining and Quarrying				
(c) Other than household industry				
(d) Construction				
(e) Trade and Commerce				
(f) Transport, Storage and Communications.				
<b>Total Working Population</b>	<b>177.5</b>	<b>45.0</b>	<b>222.5</b>	<b>100.0</b>

SELECTED ECONOMIC INDICATORS (Percentage change over preceding year)

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
1. Gross National Product at 1970-71 prices	9.9	0.6	8.7	5.8	-4.7	7.5	5.3	2.6	7.7	3.7@	4.5-5.0*
2. Agricultural production	15.2	-7.0	14.3	3.8	-15.2	15.6	5.6	-3.8	13.7	-0.9	3.0
3. Foodgrains production	21.2	-8.2	13.7	4.3	-16.8	18.1	2.9	-3.8	17.6	-4.0	2.6*
4. Industrial production	7.2	9.6	3.3	7.6	-1.4	4.0	8.6	3.9	5.4	5.8	6.6†
5. Electricity generated (utilities only)	12.9	11.5	3.4	12.2	2.1	5.9	10.1	6.6	7.6	11.0	8.2†
6. Wholesale prices (on point to point basis)	-6.5	12.0	0.3	4.6	21.4	16.7	2.4	7.3	8.2	7.6	3.1‡
7. Monetary resources (M3)	15.0	23.6	18.4	21.9	17.7	18.1	12.5	16.1	18.1	18.9	13.3†
8. Imports (at current prices)	16.5	-3.6	18.7	13.1	34.2	37.3	8.4	5.0	10.2	8.4£	24.5§
9. Exports (at current prices)	21.3	27.4	5.2	5.9	12.1	4.6	16.3	12.8	12.1	17.0£	-0.7†
10. Foreign exchange reserves (including gold & SDRs-end of period) Rs. crores	1885	3242	5224	5822	5930	5542	4022	4782	5972	7243	6919†

@ Quick estimates £ over the corresponding partially revised figures of the preceding year \* Anticipated.  
 1. April-November, 1985 over the same period in 1984. 2. April-December, 1985 over the same period in 1984. 3. Between March 30, 1985 and January 25, 1986. 4. Between March 31, 1985 and January 3, 1986. 5. April-September, 1985 over the same period in 1984. 6. As on January 31, 1986.

	1980	1981	1982	1983	1984	1985
Letter of intent issued (Nos.)	946	916	1,043	1,055	1,064	1,457
Industrial licences issued (Nos.)	475	476	432	1,075	905	985
Capital goods imports approval Numbers	325	339	304	259	227	229
Value (Rs. crores)	402	397	502	607	713	747
Foreign collaboration approval (Nos.)	526	389	590	673	752	1,024
Consents for capital issues other than bonus shares (Rs. crores)	236	506	740	889	1,611	2,191
Capital raised through shares and debentures (Rs. crores)	129	414	605	826	1,304	2,052
Gross financial assistance sanctioned by financial institutions (Rs. crores)	2,524	2,826	3,220	4,049	5,607	—
Gross disbursal of financial institutions (Rs. crores)*	1,352	1,603	2,060	2,358	3,397	—

\* Financial Years.

(The Hindu, August 14, 1986)

During January-September 1986, 658 foreign collaboration proposals have been approved in which West Germany topped the list with 70 proposals followed by the U.S.A. with 65 approvals. The 1024 collaboration proposals approved in 1985 involved an investment of Rs. 125.87 crores.

Upto September 1986, the total collaborations signed since 1957 came to 10,318, according to India Investment Centre, and Rajya Sabha Reply on Nov. 24, 1986.

**EMPLOYMENT AND UNEMPLOYMENT  
ESTIMATED EMPLOYMENT IN PUBLIC & PRIVATE SECTORS**

(In '000s)

Year (End of December)	Public Sector					Private Sector			Grand Total (6+9)
	Central (b)	State	Quasi	Local	Total	Large (c)	Small (d)	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1971 ...	2,826	4,217	2,137	1,908	11,098	6,018	716	6,734	17,833
1973(e) ...	2,941	4,644	2,891	1,924	12,400	5,995	723	6,718	19,118
1975 ...	3,001	4,833	3,316	1,977	13,127	6,079	713	6,792	19,920
1976 ...	3,074	4,947	3,626	1,986	13,633	6,063	724	6,787	20,419
1977 ...	3,072	5,130	3,675	1,489	13,876	6,222	730	6,952	21,133
1978 ...	3,128	5,469	4,090	2,058	14,724	6,374	731	7,105	21,836
1979 ...	3,142	6,062	4,302	2,075	15,581	6,457	774	7,231	22,813
1980 ...	3,168	5,846	4,529	2,121	15,384	6,656	787	7,443	22,827
1981 ...	3,242	5,791	4,095	2,040	15,168	6,721	806	7,527	22,695
1982 ...	3,250	5,829	5,011	2,088	16,278	6,725	800	7,525	23,803
1983 ...	3,317	6,895	5,208	2,136	16,756	6,602	821	7,423	24,179
1984 ...	3,333	6,284	5,451	2,148	17,217	6,530	825	7,355	24,572

- Notes: (a) Includes estimated employment in defaulting establishments.  
 (b) Includes employment in Railways but excludes employment in Indian Missions abroad.  
 (c) Establishments employing 25 or more workers.  
 (d) Establishments employing 10-24 workers.  
 (e) From March 1973, the data include figures for Jammu & Kashmir State.

## GROWTH OF EMPLOYMENT IN PUBLIC ENTERPRISES

Year	No. of Enterprises	No. of employees in lakhs (Regular)	Percentage In- crease in Man- power over previous year
1979-80	169	17.75	4.23
1980-81	168	18.39	3.61
1981-82	188	19.39	5.44
1982-83	193	20.25	4.44
1983-84	201	20.72	2.32
1984-85	207	21.07	1.69

## IN PRIVATE SECTOR

Year	Employment in lakhs	% Increase/Decrease
1979	72.08	—
1980	72.27	(+) 0.26
1981	73.95	(+) 2.3
1982	75.47	(+) 2.1
1983	75.22	(-) 0.33
1984	73.43	(-) 2.4

## WOMEN WORKFORCE

According to 1981 census, women constitute 48.2 percent (33 crores out of 68.4 crores) of the total population in India. But the percentage of women in the total labour force is only 20.85 percent whereas in other developed countries it ranges from 30 to 45 percent. The work participation rate for females increased from 15.9 percent in 1971 to 23.09 in 1981 in rural areas of the country showing thereby increased participation of women in economic activities during the decade 1971-81. Roughly every fifth woman is a worker as against every second man.

The primary sector provides work for about 83 percent of women and 46 percent of them work as agricultural labourers. Workers in secondary and tertiary sectors account for five percent and 16 percent respectively.

Next to agriculture, handlooms, handicrafts and rural industries play a pivotal role in providing work opportunities to women to use their skills.

The low literacy percentage of women at 22.88 percent as compared to 47 percent among men also contributed to the limited employment opportunities for women. Lack of technical knowledge and skills limit their participation to 16 percent in the tertiary sector (such as construction, trade and commerce, transportation etc). The participation of women in Khadi and village industries is around 45 percent.

In the organised sector, women's share increased only slightly from 11 percent in 1971 to 12.4 percent in 1981.

Between 1975 and 1979, the employment of women in absolute numbers had increased in all the organised sectors, except in construction.

Out of the total employment of 22.23 million in the organised sector during 1980-81, the number of women employees was 2.76 million i.e. 12.4 percent of the total number of employees. Of all the total labour force of 265 million in India, women constitute nearly 87 million i.e. about one-third.

In the last two decades, the number of women workers in the textiles, jute and mining industries declined by 30 to 60 percent. However, where wages are low and conditions of work are poor—as in the case of bidi rolling and agarbathi-making, women constitute nearly 50 to 60 percent of the total work force.

Only a small proportion of female population in India takes part in economic activities in comparison to menfolk.

According to the 1981 census, female participation rate in economic activity stood at 14.4 percent in the total population, the rural and urban rates being 16.5 and 7.6 percent respectively. Variations in district female participation rate are found to range from less than one percent in Mainpuri (Uttar Pradesh) to 54.5 percent in Mon (Nagaland).

During the 1971 census, the female participation rate was 12.1 percent in the total population, 13.4 percent in rural areas and 6.7 percent in urban areas. At the district level, they varied from a low of 0.8 percent in Sangrur (Punjab) to a high of 61.5 percent in Uttarkashi (Uttar Pradesh).

The analysis had only been made of females of age group from 15 to 59 years, mainly because it is this age group which registers the largest participation rate.

### **A THIRD OF INDIAN LABOUR POTENTIAL UNUSED**

One-third of India's labour potential is not being used at all, according to a Soviet study of the country's censuses from 1972 to 1981.

The study, 'India—Spotlight on population', by Professor Victor Petrov, challenges official Indian statistics showing that the number of people completely unemployed is no more than a few million.

The Soviet scholar says the official figures 'understate the real situation', contending that the 1961 and 1971 censuses for instance, considered anyone who was employed on seasonal work even for one hour a day, to be gainfully employed.

Prof. Petrov says most of the working people in India are employed at enterprises where the machines and equipment are out-of-date by today's standards and labour productivity remains low. Capital investments far greater than India as a developing country can afford are needed if all these people are to be given jobs at modern enterprises, he adds.

In Indian conditions, the standing unemployment of a considerable part of the population is made even worse by the absolute size of the population and the rates at which it is growing, the professor says.

He says partial unemployment is one of the consequences of over-population. The total number of fully and partially unemployed in the mid-Fifties was over 30 million, the majority concentrated in the countryside, the professor points out.

Accelerated economic development is still inadequate to eliminate unemployment and partial employment, the professor says. Moreover, since the population is growing more rapidly than the active army of labour, a further ten million people joined those seeking jobs in the second half of the Fifties and the trend had continued since then, he adds.

An interesting sidelight of the study is the revelation of the fact that the actual involvement of Indian women in socially useful modern labour is far greater than indicated by the 1981 census. Therefore, the study says, the impact of modern labour processes on the reproduction of the population and other types of population movement is also considerably more telling than it would appear from the census data.

Prof. Petrov says there should have been only 40 million gainfully-employed women in 1975 according to the 1971 approach but the International Labour Organisation (ILO) data showed that the actual figure was more likely to have been over 70 million.

The non-observance of the principle of equal pay for equal work considerably lessened the results of the gainful employ-

ment of women and the effect of labour on demographic processes in India, the Soviet scholar says.

Asserting that the development of society depends on the rational correlation between the unskilled and skilled work force, Prof. Petrov observes that the proportion of specialists in India is close to 1.5 per cent of the total employed as against five to eight per cent in developed countries. This is impeding the development of the country's foundation, the productive forces, he says.

While adequate development of the system of professional training takes time, millions are waiting for an opportunity to apply their low-skilled labour in the economy, Prof. Petrov says. In the obtaining conditions, they can do nothing for economic progress, according to the professor.

The Indian state in these circumstances seeks to employ low-skilled labour in local industry, cottage industries and such branches of the economy as were characteristics of the distant past in the developed countries, Prof. Petrov says.

India needs medium-level qualified workers for its modern industries, and the ratio for workers with different levels of qualifications for modern production is far from optimal, he says.

The study further points out that "one cannot fail to note the colossal burden of dependants in the country; there were two dependants for every working person in 1971. This ratio is expected to change little before the year 2000."

#### EMPLOYMENT IN BEEDI UNITS—STATEWISE

(In lakhs)

Sl. No.	Name of the State	Number of Beedi Workers
1.	Andhra Pradesh	2.50
2.	Bihar	3.50
3.	Gujarat	0.50
4.	Karnataka	3.00
5.	Kerala	1.50
6.	Madhya Pradesh	5.05
7.	Maharashtra	2.50
8.	Orissa	1.00
9.	Rajasthan	1.00
10.	Tamil Nadu	2.00
11.	Uttar Pradesh	4.50
12.	West Bengal, Assam, Tripura and Meghalaya	4.50
Total :		32.75

## CHILD LABOUR

The total number of children in the country below 15 years was 230 million according to 1971 census. Out of this, the number of working children was 10.7 million (1971 census) being 4.7% of the total population of children and about 6% of the total number of workers in the country. The total number of working children as on 1st March, 1983 is 17.36 million as estimated by the Planning Commission.

The distribution of the total population of child workers in different sectors is as follows (1971 census):—

---

1. Cultivators	— 36%
2. Agricultural labourers	— 42.7%
3. Live stocks/forestry/ fishing/hunting/planta- tion and orchards etc.	— 8.2%
4. Mining and Quarrying	— 0.2%
5. Manufacturing, servicing and repairs	— 6.1%
6. Construction	— 0.6%
7. Trade and Commerce	— 2.0%
8. Transport, storage and communication	— 0.4%
9. Others.	— 3.8%

---

The 1981 census estimated India's total population at 656.8 million of which 38.4 percent were children below the age of 15 years, and those in the age group of 5-15 were 26.2 percent of the total population. Out of the 310 million children by the end of 1985, the number of working children would easily be around 110 million. Children constitute 26 per cent of the labour force despite Article 24 of the Constitution that prohibits the employment of children under 14 in factories, mines or hazardous places.

The Employment of Children (Amendment) Act was adopted by the Rajya Sabha on November 21, 1985 after it was passed by the Lok Sabha.

The Child Labour (Prohibition and Regulation) Bill 1986 on which the fate of 44 million working children depends has been passed by the Rajya Sabha on Nov. 5, '86. Now this Bill is with the Lok Sabha. Neither does this Bill offer anything new to make the condition of 27 million children working in factories, mines and other hazardous occupations any better nor does it in any way promise to solve the problem of 17 million children doing menial jobs.

There are a number of Acts which prohibit the employment of children below 14 years and 15 years in certain specified occupations. However, there is no procedure laid down in any law for deciding in which employments, occupations or processes the employment of children should be banned. There is no law to regulate the working conditions of children in most of the employments where they are not prohibited from working and are working under exploitative conditions.

India has the largest child labour in the world. The CWC claims that 100 million children are at work in India; the Operations Research Group (ORG), Baroda, puts the figure at 44 million, and the Planning Commission has put it at 17.36 million. However, the findings of the ORG have gained more credibility in the welfare circles since they are based on a nation-wide survey.

In India about 60 per cent of the children at work are below the age of 10, business and trade absorbs 23 per cent while work in the household covers 36 per cent. Nearly 18 per cent of these kids are themselves involved in child care. For every 10 boys 12 girls are at work. Quite naturally 64 per cent of the children are illiterate since they are employed in the age group of 6 to 12 years.

Shivakasi is a classic example. In 6,000 match units in Shivakasi region some 45,000 children comprise half the number employed in these factories. These children literally play with fire every minute of their lives. Their conditions are reminiscent of the era of the industrial revolution in England.

The children working in match and firework industries range from 3½ to 15 years of age. They have to work for 12 hours for just Rs 2 to Rs 8 per day. These children inhale toxic fumes and suffer from intense heat.

The glass factories of Ferozabad in U.P. which produce glass jars, bulbs, containers, beads and bangles employ more than 50,000 children. These children work barefoot at a temperature of 1,400°C near the furnaces.

In Bhiwandi 15,000 children employed in the local power-looms work from 12 to 24 hours at a stretch. In the export carpet industry in Palamau, Mirzapur, Varanasi and Allahabad about 75,000 children work. They only get Rs 3 to Rs 5 per day. Low wages combined with high craftsmanship makes child labour a precious commodity at the disposal of most of these units.

The same sordid story of helpless children runs in Kashmir brassware, in Moradabad, in private mines, an unlimited number of children are working in bidi-making in U.P., Tamil Nadu and Karnataka. These mafia-type networks are flourishing because of corrupt labour inspectors.

The phenomenon of child labour is full of ironies. The Constitution, the Factories Act of 1948 and the Shops Establishments Act of 1954 prohibit the absorption of children below 14 in unsafe occupations. The Employment of Children Act of 1938 bans child labour in carpet weaving and bidi making. The Children (Pledging of Labour) Act of 1933 bans consignment of hidden work in return for wages of services rendered.

### *Children 9 p. c. of South Bihar's Labour Force*

Children, in the age-group of eight to 15, constitute over nine per cent of the total labour force of the various industrial cities all over south Bihar.

According to official sources, over 85 per cent of these working children have come from villages that cluster round the industrial cities including Dhanbad, Ranchi, Jamshedpur, Puri, Bokaro, Jharia, Chas and Niras. Eking out their living mostly in hotels, coal pits and kiosks, they are the cheapest labour available in the country.

In 1970, over 10 million such child labourers, upto the age of 14 years, were identified in the country. Their number suddenly increased in the following five years after a massive influx of refugees from Bangladesh in 1971, sources said.

Child labourers who constituted six per cent of the country's total working force in 1971, have increased to over 15 per cent in 1984.

The average salary of such labourers below the age of 14 is Rs. 60 per month.

Besides, they get free meals daily and occasional gifts of shirts and trousers.

### *Army of working children*

According to a seminar on child labour held in Lucknow recently, child labour in hostels, tea stalls, agriculture and other industries and fields, continued to escalate under highly appalling conditions all over the world.

There were 52 million working children in the world under 15 years of age in 1979, which was more or less the total population of France and Britain, quoting ILO figures, the seminar said.

Of the world's army of working children, 38 million, or 73 percent were in Asia alone. The report added, children continue to work in dangerous fields which not only retarded their development, but exposed them to serious risks.

According to a survey conducted by the Institute of Social Understanding, New Delhi, about three lakh children were working in the capital for 12-14 hrs. for Rs. 2 per day. About 20,000 children were engaged in boot polishing and distribution of milk bottles and newspapers.

### *Child Labour in UP Carpet Industry*

Children between the ages of five and 14 years constitute roughly about 75 percent of the workers engaged in the carpet and yarn industries in Varanasi and Mirzapur districts of Uttar Pradesh and their eyesight would be terribly affected by the time they attain maturity.

Sanat Mehta, Gujarat's Labour Minister and Chairman of the committee formed to study child labour problems in four states of Gujarat, Uttar Pradesh, Tamilnadu and West Bengal, made those observations after visiting different urban and rural centres making zari sarees and weaving carpets in the two districts along with other members of Committee.

Mehta said the working conditions of these children were miserable. The system of indirectly contracted child labour was still prevailing in these industries with loomholders as middlemen and their wages ranged between Rs. 2/- and seven per day, he said. According to his personal impression, the loomholders were just like contractors providing child labour for the manufacture of carpets.

About the working conditions, he said the children working in looms were working in congested surroundings. There was hardly three feet space between the wall and the looms while the ceiling was also very low. The children engaged in the carpet industry mostly belonged to the Scheduled Castes and backward classes and for the first six months they were not paid any wages.

Similarly in Varanasi saree and zari industry, through middlemen children of six to 14 were employed. Their working con-

ditions were the worst. Eyesight of these children was terribly affected, he said.

### *Child Labour*

There is a concentration of child labour in certain industries such as the match in Tamilnadu, carpet in Jammu and Kashmir and state quarries in Madhya Pradesh, Diamond cutting in Gujarat, glass and bangle in UP, tea plantations in West Bengal and brassware in U.P.

*(Rajya Sabha Reply, July 30, 1984)*

### *Labour in Match Industry in Sivakasi*

The Labour Bureau Report of 1980 on the working and living conditions of workers in the Match industry in Sivakasi in Tamil Nadu stated that women constituted 70 percent of the total working force. Although employment of children below 14 years of age is prohibited according to the Factories Act, in course of the enquiry it was found that children even of tender age were working in all the factories and they constituted 8 percent of the total workforce in the factories.

As to the method of payment, the Report states that 85 percent of the production workers were piece-rated.

The survey results revealed that as many as 69 percent of the workers were temporary, and only 31 per cent permanent.

The minimum and maximum daily earnings of time-rated men workers ranged from Rs. 3.57 to Rs. 10.83 and those of children from Rs. 2.69 to Rs. 3.46. Helpers getting Rs. 2.51 per day. No woman was employed on time-rated basis.

The minimum and maximum earnings of piece-rated men, women and children ranged from Rs. 3.60 to Rs. 9.00, Rs. 1.62 to Rs. 9.00 and Rs. 1.35 to Rs. 5.58 respectively. The wages are inclusive of dearness allowance, wherever paid separately. In most of the concerns, however, there was no system of payment of dearness allowance. Where DA was paid separately, it was not linked with price index. There was no other allowance or concessions either in kind or cash, paid to the workers.

In regard to working hours although the records maintained showed working hours within ceilings laid down in the Factories Act, the visits to factories revealed that the actual hours worked were beyond the statutory limits as most of the workers were paid on the basis of output. The Report says: "Working hours for children were also observed to be the same as for

adults and they too were found working from early hours of the morning till late in the evening along with their parents."

None of the factories paid for any sick or casual leave.

According to the Report, earned leave with wages was being granted only to time-rated workers, that also mainly to those engaged on monthly basis. In the case of piece-rated or daily rated workers no such leave was being allowed.

The piece-rated workers were not getting wages for National Holidays in most of the factories.

"Although in almost all the units instances of overtime or late working were observed, yet there was no practice of paying wages at enhanced or double the normal rates", the report noted.

As to the welfare amenities extended to the workers, the Report pointed out that most of the units had not provided washing/bathing places for the use of their workers; a majority of the units were not having canteen facilities as required under the Rules; in most of the factories creches were not run by the employers; none of the units covered by the survey had provided any dispensary or hospital for medical treatment of their workers; in most of the factories employing less than 50 workers, first-aid boxes were not being maintained, and even where these were provided were less than required number, were not under the charge of trained first-aid personnel and the contents of the first aid boxes found deficient; only one percent of the employers had provided housing accommodation to the workers free of rent.

The Report further revealed that overwhelming majority of the units had not introduced provided fund scheme, the Employees' Family Pension Scheme was found to be in existence only in 22 percent of the units covering 33 percent of the workforce. System of payment of gratuity was found in existence in only 21 percent of the total units covered; in smaller units there was no such system at all.

Although women were employed in all the units, they were denied the benefit under the Maternity Benefit Act or the ESI Scheme.

None of the factories visited by the survey team was having any housing facility.

### *Law against child Labour Ineffective*

A study commissioned by the Union Labour Ministry on child labour in the match industry has lamented the continuing 'ineffectiveness' of legal provisions against child labour.

The study, undertaken by the Madras Institute of Development Studies (MIDS), questioned the contention that the nature of operations in the industry called for the use of children. Though the 'nimble fingers' argument was widely accepted even by those who were otherwise opposed to child labour, the study said there was scant truth in it.

An examination of the 17 processes in match manufacture revealed that children were employed in all 12 of the piece-rated or contracted operations. These were all simple chores requiring a speed of movement and coordination of actions but no special aptitude which children might possibly have and adults lose.

It said not only were adults employed in all these 16 operations, they out-numbered children in the surveyed unit and their modal rate of physical production was more than that of children.

The study observed there was little reason to accept the nimble fingers argument either on the grounds of the adults' inability to work or due to their alleged lower pace of work.

The study also controverted the claim that the economics of match manufacture was such that the wages payable were low and could therefore only form part of the children's supplementary earnings.

It said the piece-rate could not by itself show whether there was an economic advantage to the match owners in employing children. It said though the prevailing piecerates were the equivalent of daily wage rates which were substantially lower than even agricultural wages, women in large numbers were ready to work for these essentially child-earnings.

The study said there might be non-economic gains in employing child workers who were in any case outside the purview of regulatory labour legislations. Thus, docility might produce longterm economic gains in that children were more likely to execute unpaid work slipped in between piece-rated jobs and thefts of materials and wastage which were elemental forms of protest might be smaller.

Describing the policy actions needed to eliminate the evil of child labour, MIDS observed that without the active support of the households and a realistic programme of developing adult work opportunities, a coalition is likely to form between match unit owners and match work households.

This coalition, it said, backed by combined social and political support, would demand no change in the existing situation and continue clandestine employment of children if any officially sponsored change was foisted from above.

Child labour form 11 to 20 percent of the work force in the third world countries, according to a recent ILO study.

At least 100 million children are being exploited by the labour market.

The study shows poverty and unemployment as the twin ills that spawn child labour. In certain cases children's earnings constitute 30 percent or more of the family's earnings.

### REGISTERED UNEMPLOYED AND PLACEMENTS

(In thousands)

Year	Placements	Percentage of placements to registrations.	Vacancies Notified.	Percentage of placements to vacancies notified.	Live Register	Percentage increase in Live Register over the previous year
1	2	3	4	5	6	7
1975	404.1	7.4	681.6	59.3	9326.3	10.6
1976	496.8	8.8	845.6	58.8	9784.3	4.9
1977	461.6	8.7	803.4	57.5	10924.0	11.6
1978	460.6	7.5	830.7	55.5	12677.8	16.1
1979	466.3	7.6	878.7	53.1	14333.9	13.1
1980	477.7	7.8	837.7	57.0	16200.3	13.0
1981	504.1	8.0	896.8	56.2	17838.1	10.1
1982	473.4	8.1	819.9	57.7	19753.0	10.7
1983	485.9	7.2	826.0	58.8	21953.3	11.1
1984	407.3	6.5	707.8	57.5	23546.8	7.3
1985	349.0	6.5	622.0	56.1	26134.0	10.9
(Up to Nov.						
1986	—	—	—	—	26538.0	—
January						
March						
1986	—	—	—	—	27034.0	—
June						
1986	—	—	—	—	27,812	—

### UNEMPLOYED GRADUATES AND POST-GRADUATES.

The Rajya Sabha was informed that the number of Graduates and Post Graduates on the live registers of Employment Exchanges for the period ended 1982-1985 (June) is as under:-

As at the end of	Graduates	Post-Graduates
1982	15,99,294	1,70,156
1983	17,67,343	2,00,698
1984	19,39,256	2,19,907
1985 (June)	20,31,721	2,44,705

(Rajya Sabha Reply, February 1985)

**NUMBER OF JOBSEEKERS CONTINUE TO SWELL**

The number of registered jobseekers which was 1.86 million at the end of the Second Five Year Plan, rose to 23.91 million at the end of the Sixth Plan. By December 1985, the jobseekers' number has further gone up to 26.25 million which included 21.82 million men and 4.44 million women.

Of these jobseekers, 13.26 million were educated (above matric) and 11.24 million uneducated (below matric and illiterates).

	No. of Jobseekers
At the end of Second plan	1.56 million
At the end of Third plan	2.47 "
At the end of Fourth plan	8.15 "
At the end of Fifth plan	13.41 "
At the end of Sixth plan	23.91 "
January 1986	26.54 "

**NUMBER OF MEDICAL, ENGINEERING, SCIENCE AND OTHER GRADUATES (INCLUDING POST GRADUATES)**

Discipline	Number on Live Register at the end of	
	1979	1984
Medicine	13,847	21,480
Engineering	21,781	27,044
Science	3,12,427	4,60,123
Others	10,70,460	16,50,516

**PERCENTAGE INCREASE/DECREASE IN LIVE REGISTER AND PLACEMENTS EFFECTED  
IN RESPECT OF SCIENCE, ENGINEERING, MEDICAL AND OTHER GRADUATES  
(INCLUDING POST-GRADUATES)**

Year	<u>Percentage increase/decrease over previous year-end</u>							
	Live Register (as at the end of the year)				Placements (during the year)			
	Science	Engineer- ing	Medical	Others	Science	Engineer- ing	Medical	Others
31-12-1980	+7.7	+ 9.4	+20.2	+ 7.3	-13.5	-54.0	- 6.6	-2.3
31-12-1981	+8.6	- 6.7	- 2.9	+11.6	- 1.5	+ 5.5	+25.3	*
31-12-1982	+6.5	+12.7	+14.5	+ 4.4	+ 6.4	+20.6	+ 7.0	+12
31-12-1983	+7.7	+ 3.7	+ 0.9	+12.5	- 7.3	+51.8	-47.2	-2.2
31-12-1984	+9.9	+13.5	+15.0	+ 9.5	+ 2.8	-13.7	+50.7	+0.2

\*Negligible.

(Parliament Reply 1986)

## **RURAL EMPLOYMENT: SHORT FALL**

A total of 1,720.74 million mandays were generated out of the anticipated 2,050 million mandays during the Sixth Plan under the National Rural Employment and Rural Landless Employment Guarantee programmes.

A sum of Rs. 520.34 crore has been spent for 1984-85 out of the sanctioned sum of Rs. 957.53 crore under the two programmes.

*(Rajya Sabha, January 25, 1985)*

## **EDUCATED JOBSEEKERS**

The total number of educated jobseekers (matriculates and above) belonging to both technical and non-technical categories on the live register of employment exchanges in the country as on December 3, 1984 was 12.3 million.

*(Lok Sabha, April 8, 1985)*

## **EMPLOYMENT SEEKERS**

Some 78,232 engineering and medical graduates and diploma holders have registered themselves for jobs with employment exchanges between January 1985 and September 1986.

Of them, 20,236 were graduates and postgraduates and 57,996 were diploma-holders.

*(Rajya Sabha, November 4, 1986)*

## **NO RIGHT TO WORK**

There is no proposal by the government to initiate a legislation to include the right to work as part of the Fundamental Rights provided for in the Constitution.

"In our present stage of economic development, it is neither feasible nor practicable to guarantee work to everyone."

*(Rajya Sabha, August 5, 1986)*

## **INDIAN LABOURERS**

Some 4.30 lakh Indian labourers have been sent to foreign countries during the last two years.

*(Rajya Sabha, August 23, 1985)*

## **JOBSEEKERS SWELL BY 13 PER CENT**

There has been an acceleration in the rate of growth of jobseekers in the first year of the Seventh Plan (1985-86).

According to the Directorate General of Employment and Training (DGET) data, the number of applicants on the live register of employment exchanges swelled from 23.915 million

increase of 13 per cent.

In the terminal year of the Sixth Plan (1984-85) the increase in the number of job-seekers was only 1.312 million, at the rate of 5.88 per cent.

Over the last year, the acceleration in the rate of job-seekers has been quite rapid. The annual rate of growth on a point-to-point basis works out to 7.1 per cent at the end of June 1985, 19.1 per cent at the end of September 1985 and 11.6 per cent at the end of 1985.

In contrast to the first year of the Seventh Plan, the terminal year of the Sixth Plan ended with a deceleration in the rate of growth of jobseekers.

The annual rate of growth of job-seekers declined from 12.3 per cent in March 1984 to 11 per cent in June 1984, 10.5 per cent in September 1984 and 7.3 per cent by December end 1984. The rate touched a low of 5.5 per cent at the end of February 1985.

The number of registered job-seekers has risen by 4.431 million, from 22.603 million at the end of 1983-84 to 27.034 million at the end of 1985-86.

## THE PROCESS OF LIBERALISATION AND INCREASING CONCESSIONS TO MONOPOLIES AND MNCs

The process of liberalisation and wooing the private sector which is receiving vigorous acceleration under the present government of Prime Minister Rajiv Gandhi, in fact began several years earlier. It is indeed difficult to keep pace with the flow of concessions and liberalisation of the economy in the recent period. The flow has been further accelerated since the last budget for 1986-87. Along with this, taxevaders and FERA violators are provided with "amnesty" schemes.

Some illustrations are given below of the nature and extent of the concessions and opening up of the economy to monopolies and multinationals. These are not exhaustive.

But the performance of the monopolies both in respect of industrial production and exports has belied the high expectations reposed on them by the government. India experienced largest ever trade deficit in 1985-86 and industrial growth continues to suffer sluggishness. Prices as represented by the wholesale and consumer price indices, are increasing at a faster pace than previously.

The government while on the one hand continues to extend financial concessions in the form of tax cuts and duty reliefs, the burden on the common man is increased by way of increased indirect taxes and administered price increases.

The performance of the corporate sector recorded increasing profits and dividends and boom in the share prices.

The new industrial and economic policy has been enthusiastically welcomed not only by the Indian Industry and Trade, but also by the international monopolies, the World Bank and IMF.

### PM INVITES FOREIGN INFLOW

Inaugurating a four-day round table on India, organised by the EMF Foundation of Geneva in New Delhi on April 15, 1986 the Prime Minister Rajiv Gandhi said Indian industry would be thrown open to foreign competition in selected areas. He identified the four main areas where India would welcome an inflow of foreign technology as the energy sector (in-

cluding power and fossilised oil), communications, transport and the agricultural sector (from biotechnology to efficient farm management).

### **OVERSEAS ROYALTY PAYMENTS RISE SIX-FOLD**

Royalty returns to overseas companies transferring technology to India have increased six-fold in the last four years and are now worth \$50 million dollars.

Half of the agreements for technology transfer were with firms from the member states of the EEC. This point was made at a conference on technology transfer from the European Community to India at Berlin.

### **AUTOMATIC LICENSING**

The Union Government has decided to liberalise the existing industrial licensing policy by introducing a new concept of "automatic licensing" in selected industries.

The Government has chalked out a list of 20 industries where large industrial houses falling under the purview of the MRTP Act would be free to create fresh capacities or to go in for substantial expansions of existing capacities.

### **IMPLEMENTATION OF LICENCES**

The number of letters of intent and industrial licences issued in 1983 reached new heights of 1055 and 1075 respectively.

As many as 3960 letters of intent had been issued in the country during 1980 to 1983. But out of these, only 988 letters of intent had been converted into licences and of them only 313 licences were really implemented.

### **WORKING OF FOREIGN CONTROLLED COMPANIES**

The financial results of the operations of 313 foreign controlled rupee companies (FCRC) for the period 1975-76 to 1980-81 have shown an impressive overall growth over the period according to a study appearing the August 1984 issue of the *Reserve Bank of India Bulletin*.

The growth rate of net capital assets rose to 16.9 percent in 1980-81 from 4.6 percent in 1976-77.

In the years 1979-80 and 1980-81, external finances contributed 53.4 percent and 62.5 percent respectively for financing assets formation.

Industrywise, tea plantation and engineering companies showed a higher overall growth rate of sales, value of production, gross profits and net fixed assets during the period. Textile companies registered impressive growth rates of profits and net fixed assets, but had a relatively lower than average rise in sales and production. Chemicals, on the other hand, in spite

of larger sales and production growths, showed an overall decline in profits and only a nominal rise in net fixed assets.

The dividend rate as percentage of total paid-up capital, improved marginally from 13.1 percent in 1975-76 to 15.2 percent by 1980-81. The share of dividends in the profits before tax also showed a rise from 20.9 percent in 1975-76 to 22.0 percent in 1980-81.

The tax provision made by the companies declined from 54.8 percent of the gross profits in 1979-80 to 49.9 percent in 1980-81.

While the total earnings in foreign exchange of the companies rose to Rs. 369 crores in 1980-81, the total expenditure in foreign exchange also, rose to Rs. 531 crore during this period. Dividend remittances in foreign currency amounted to Rs. 44 crore in 1979-80 and Rs. 41 crore in 1980-81.

### CAMPAIGN FOR MORE LIBERALISATION

The Indo-US Joint Business Council (JBC) concluded its ninth meeting on November 29, 1984, with the contention that the process of liberalisation initiated in the fields of telecommunications, electronics and oil exploration would gradually cover all sectors of the Indian industry and that this would help break the American investors' rigid attitude.

Orville Freeman said: "We want the Foreign Exchange Regulation Act (FERA) to go and investment should be thrown open to everyone without any regulation, as in the case in the US." He did not expect this to happen immediately, but was convinced that it was in the process.

In the meeting of the 52-member highlevel Japanese economic mission with the then Finance Minister on December 4, 1984, the latter assured that liberalised economic policies with regard to foreign investment and technology collaboration would continue and infrastructure facilities would be improved—the two pre-conditions set by Japanese businessmen for higher investment in this country.

The Japanese also wanted further simplification of rules and procedures to eliminate delays in the repatriation of profits, dividend and royalty from India. However, the opening of the field of telecommunications to the private sector was appreciated.

In the meeting with the Associated Chamber of Commerce President M. S. Patwardhan in Bombay, the latter explained that the policy of liberalisation adopted since 1978 was a "well thought out long range policy." The new Government will continue with this policy. This was evident from the fact that company affairs department was separated from law and added

to the industry department. This was a purposeful move, he said. The government had recently liberalised the import of electronic equipment and computers. In the months to come, Mr. Patwardhan said, the progressive liberalisation of the policy would be in evidence. The government would also expedite the implementation of the liberalisation policy and, in fact, may intensify the policy also, he added.

The Japanese mission has conveyed to the Indian Government during the discussions that infrastructure facilities were inadequate and there was need for further liberalisations in foreign investment policies.

### **WORLD BANK ADVOCATES MORE LIBERALISATION**

The World Bank Confidential report has stated that a five percent growth rate for the Seventh Plan period cannot be expected without "substantial policy changes" in three areas—domestic industrial policies, import policies and export policies and appropriate incentives.

The World Development Report for 1985 released by the World Bank headquarters said about India that "there are still restrictive features in the economy." It advocated further reduction in the rates of corporate income taxes.

### **LICENSING RULES FOR TYPEWRITERS LIBERALISED**

As part of continuing liberalisation of licensing procedures, all types of typewriters, manual, electric and electronic, have been clubbed together in a single category giving the manufacturers flexibility in changing their product mix. The scheme of broad banding has already been introduced with respect to two-wheelers, four-wheelers, machine tools and some other industries. An industrial licence for the manufacture of manual typewriters will enable the company to produce electric or electronic typewriters within the overall licensed capacity after getting the necessary endorsement on the licence.

### **ALIEN BRAND NAME USE TO BE PERMITTED**

The Union Government has decided to permit liberal use of foreign brand names for products manufactured in India under foreign collaborations. Also, the companies falling under the FERA will henceforth be free to use the same brand names as are being used by their parent companies overseas.

### **DUTY CONCESSIONS**

The Government on May 25, 1985 announced further duty concessions in respect of raw materials for the electronic industry. On certain raw materials the import duty has been totally exempt-

pted, and on certain other inputs the customs duty has been drastically reduced.

### **FURTHER LIBERALISATION OF LICENSING RULES**

In a major step towards further liberalisation of licensing rules, the Government on May 24, 1985 announced the grant of exemption from clearance under Section 21 and 22 of the MTP Act for a wide range of industrial products.

The items exempted now number as many as 27. In addition, there are a host of sub-items under group headings like electronic components and equipment, machinery for the chemical industry, printing machinery and drugs and drug intermediates.

The announcement said the relaxation would remain in force for five years.

Among the items granted exemption are cement, pig iron, castings and forgings, electrical motors and internal combustion engines, etc.

### **LEVY CEMENT**

The Government decided to reduce the levy cement obligation for both existing and new cement units.

The existing yardstick for computing the levy cement component has also been changed to current output rather than on installed capacity.

The levy cement contribution in the case of existing units was reduced from 65 percent to 60 percent, and from 45 percent to 40 percent in the case of new cement units and sick cement plants.

On a conservative estimate, this reduction in the levy cement contribution by the cement industry will result in a net additional profit margin of about Rs. 75 to Rs. 80 crores for the industry.

The ACC with a market of over 26 percent will benefit to the tune of about Rs. 20 crores on account of the levy cement contribution alone.

### **BROAD BANDING**

The Government on June 18, 1985 announced the broad categorisation of 14 more items, liberalising the industrial licensing policy so as to provide more flexibility to the manufacturers to adjust their productmix in keeping with the market demand.

The 14 items include agricultural machinery, steel pipes, auto-ancillaries, diesel engines, railway wagons and coaches, etc.

The ministry had earlier announced the broad-banding of the machine tool industry, motorised twowheelers and four-

wheelers, chemical and pharmaceutical, petro-chemical and fertiliser machinery industry and paper and pulp industry.

It said that the companies can now apply for the manufacturing of a broad category or categories of these items instead of narrowly-defined individual items.

### **CUSTOMS DUTY CUTS**

The Union Government on July 9, 1985 announced customs duty reduction on a wide range of components, machinery and equipment and specified raw materials used in the leather and gem and jewellery industries.

### **FLEXIBILITY IN USE OF FIBRES**

The Union Government has decided to permit fuller flexibility in the use of fibres by the textile industry (July 10).

### **NEW WEAVING CAPACITY ALLOWED**

The Government has decided to allow fresh weaving capacity in the organised sector of the textile industry, in terms of the new textile policy announced by the Government on June 6, 1985.

### **FCI TO SELL ITS RICE MILLS**

The management of the Food Corporation of India (FCI) is planning to sell off all its modern rice mills, including the profitmaking ones, to private entrepreneurs. The FCI Employees' Union has opposed this retrograde step and observed a "pendown strike" all over India on July 22, 1985 to press their demands including halt to the move to dispose of the rice mills.

### **MOVE FOR PRIVATISATION OF POST OFFICES**

The private sector is reported to be shortly permitted to run post offices under a scheme approved by the government for opening licensed post offices in urban and semi-urban areas.

This is the first time that the government is allowing running of Post Offices by agencies outside the department.

### **ALL TO ENRICH MONOPOLIES**

The Economic Survey, 1985-86 has listed the concessions given since the last Budget for 1985-86 and changes in the industrial policy brought about in favour of the monopolies. These are indicated below:

1. In March 1985, the Government announced the delicensing of 25 broad categories of industries.
2. In June 1985, delicensing was extended to 82 bulk drugs and related drug formulations.

3. In December 1985, delicensing was extended to MRTP and FERA companies for 22 out of the 27 industries exempted from section 21 and 22 of the MRTP Act in May, 1985 provided that such undertakings were located in Centrally-declared backward areas.

4. For many of the industries within the ambit of industrial licensing, the facility of "Broad-banding" was accorded. "Broadbanding" was extended in stages and by the end of January, 1986 covered some 28 industry groups.

The Survey says:

"As regards broad-banding, some 17 MRTP companies had availed of this facility by the end of December 1985, mostly in the automobile sector."

5. Towards the end of 1985, the government announced a scheme of capacity reendorsement under which the reendorsement facility would be available to all licensed units which had achieved 80 percent of their licensed capacity during any of the previous five years preceding 31st March, 1985.

6. Furthermore, in cases where, even after capacity increases through the re-endorsement facility, units are left at uneconomic scales of operation, the capacity will be expanded on automatic basis.

7. The Government announced in December 1985, a simplified procedure to accelerate modernisation and replacement in industry, for cases where modernisation/replacement or renovation results in increase in capacity upto 49 percent of the licensed capacity. The locational constraints would not apply in these cases.

8. The assets threshold of MRTP companies was raised in March 1985 from Rs. 20 crores to Rs. 100 crores and as a follow-up, as many as 301 undertakings have been de-registered upto September 30, 1986.

9. In May 1985, the Government issued a notification exempting MRTP companies in 27 industries from Sections 21 and 22 of the Act which permitted MRTP companies to directly seek a licence under the Industrial (Development and Regulation) Act.

10. At the end of December 1985, the Government notified a revised and expanded list of Appendix-I industries. The new list specifies 30 broad groups of industries in which MRTP and FERA companies are permitted to set up capacities, provided the concerned items of manufacture are not specifically reserved for the small-scale or public sectors.

11. In the name of industrialisation of backward areas, the conditions permitting the MRTP and FERA companies to

establish non-Appendix I industries in backward districts has been liberalised.

The export obligations have now been reduced to 25 percent for categories B and Zero for category A.

12. "The Government has also taken steps to ease exit of unviable units....."

13. In June 1985, the Government announced the new Textile Policy.

14. As a follow-up to the new textile policy, licensing policies for synthetic yarns and fibres have been liberalised.

15. In the case of Sugar, the levy proportion for sugar produced by mills was reduced from 65 to 55 percent.

16. "An extremely liberalised policy frame work has been created for the electronic industry." Except for some consumer electronics, the industry, by and large, is not subject to upper limits on capacity.

17. The Long Term Fiscal Policy presented to Parliament on December 19, 1985 gives more concessions and assures no increase in direct taxes during the next five years.

The Survey has indicated the response of Industry to these series of concession and liberalisations according to which letters of intent numbering 1,457 issued in 1985 were more than in any of the preceding three years, term loans sanctioned by financial institutions in April-December 1985 amounting to Rs. 4,510 crores constitute 26.2% higher than that sanctioned in the previous years.

### POOR SHOW BY INDUSTRIAL SECTOR

The performance of the industrial sector during the Sixth Five Year Plan (1980-85) has been unimpressive recording a growth rate of 5.5 per cent which fell short of the revised target of seven per cent as against the originally envisaged target of 8 per cent.

This growth rate, according to the review of the Reserve Bank of India, has also been marginally lower than the trend in growth rate of 5.8 per cent per annum registered during the period 1951 through 1979 as also the Fifth Plan (1974-79) growth rate of 6.1 per cent which itself was sluggish in relation to planned rate of seven per cent.

The review says that a noteworthy feature of the Indian industrial situation is that the growth in output has been steadily decelerating over the decades.

The growth rate in industrial production as reflected in the general index with 1970-71 as base, declined from 7.6 per cent in the 50s to 6.3 per cent in the 70s.

The RBI review notes that the persistent sagging trend in

industrial production has been ascribed to a set of factors like inappropriate choice of scale and technology, poor rates of capacity utilisation, mismatches between production and demand and frequent failure of manufacturing industry.

According to the latest monthly review of Indian Economy by the Commerce Research Bureau, during the first seven months of 1986 (January-July), the index of industrial production was 5.1 per cent higher than that during the corresponding period last year.

While the rates of growth in respect of mining and quarrying as well as electricity were higher at 7.4 and 10.4 per cent, respectively, the growth rates in the manufacturing sector remained almost unchanged (six per cent) during the same period.

### *INDIA'S EXTERNAL TRADE*

According to a recent Reserve Bank study, though India has been exporting more commodities to the dollar, sterling and OECD areas—in other words to the West, it has been earning less in actual terms than what it did during the mid-50s to mid-60s.

In absolute terms, however, there has been an increase in earnings because the quantum of exports have gone to these areas.

On the other hand, the country's exports to East European region have both increased and fetched a better price.

On the basis of this price and income elasticity, the study observes that it is wrong to assume that exports under bilateral trade agreements, as is the arrangement between India and East European countries, are price inelastic.

Another conclusion of the study is that there has been a sharp decline in the percentage share of the country's exports to the dollar area in this period. This decline has been particularly marked since 1975-76.

The period covered by the study is from 1956 to 1966 and from 1966 to 1980.

### *INDUSTRY NOT PASSING ON BENEFITS TO CONSUMERS*

The then Industry Minister, N. D. Tiwari in his speech at the ASSOCHAM Conference in New Delhi on June 3, 1986, regretted that the benefits derived by industry from operations in a competitive environment and from the various liberalisation measures taken by the government were not being passed on to consumers.

... .. improving even in sectors where competi-  
tive impulses have been generated. This is somewhat intriguing because we have been led to believe that by reducing market imperfections, the consumer would benefit", he said.

"It is strange that some people constantly talk of more and more liberalisation but are not prepared or do not want to prepare themselves for the resultant steps which must be taken to modernise and enhance quality and productivity.

"Such units continue to demand all types of protection and concessions. While for interim period we may have to help them in certain matters, it is up to the management to take decisive, time-bound and firm steps to achieve the desired result."

Even then, concessions are continued to be given to industry and trade.

### **EXPORT PERFORMANCE OF BIG BUSINESS**

The Union Minister of State for Commerce Brahm Dutt said in Calcutta on August 31, 1986 that out of 30 biggest manufacturers in the country, one of them was exporting only 8 per cent of his total production while four of them 4 per cent and the rest only 1 per cent.

### **EXCISE, CUSTOMS DUTY CONCESSIONS**

On July 29, 1986, the Finance Ministry announced changes in customs and excise duties on several items, ranging from ambulances and autorickshaws to computerised numerically controlled (CNC) systems.

These changes stem from the discussions held by the Finance Minister with representatives of trade and industry at a series of open house meetings. The concessions amount to Rs. 13 crores. The finance minister on October 7 announced further concessions in customs and excise duties to the extent of Rs. 12.5 crores.

### **INTEREST RATE FOR EXPORTERS CUT**

Interest rates for exporters have been reduced by 2.5 percentage points. The interest rate on pre-shipment and post-shipment credit for exporters, with effect from August 1, 1986 will be 9.5 per cent for a period below 180 days and 11.5 per cent for period above 180 days.

The earlier interest rates were 12 per cent and 14 per cent, respectively. This announcement (on July 30, 1986) followed a meeting of the Prime Minister and the Finance Minister.

## **MANY CHEMICALS DELICENSED**

The Government on September 26 announced broad-banding and delicensing for a wide range of chemical products. Broad-banding provisions cover inorganic and organic heavy chemicals, fine chemicals, insecticides and weedicides, miscellaneous chemicals.

The broad-banding will involve 28 chemicals.

## **RBI ANNUAL REPORT FOR 1985-86**

"While it remains true that wholesale prices showed deceleration in 1985-86, this phenomenon coexists with a higher rate of rise in the prices of some essential commodities."

It shows that the price of cereals increased by nearly 12 per cent (with that of rice going up by 4.7 per cent and of wheat by 16.4 per cent), pulses by 4 per cent and milk and milk products by 2.4 per cent. The price of fruits and vegetables went up by 22 per cent. The price of sugar increased by 23 per cent. The prices of eight other commodities increased.

According to RBI findings, the wholesale prices during 1985-86 have risen less rapidly than the prices of some essential commodities whose prices have risen sharply.

The estimated growth rate of real national income during 1985-86 was around 4 per cent, for the second year in succession the rate remaining below five per cent. According to the report, the worrying features of the economy were inadequate industrial growth, trends in consumer prices and the pressures on the external payments position.

The Report said that the overall increase in the installed capacity of selected industries was of the order of 9.5 per cent in 1985-86 as compared to 7.9 per cent in the previous year.

## **LONG-TERM FISCAL POLICY (LTFP)**

According to Dr. Malcolm S. Adisheshaiyah the noted economist, the LTFP announced in last December (1985) would freeze the present inequitable tax structure and would worsen it further. The LTFP's decision to hold direct taxation to the present low level for the next five years, with indirect taxation continuing to contribute its present large receipts, the present inequitable tax structure would further be reinforced.

He said that the direct taxes collected by the Union Government as a proportion of total tax collection has declined from 27.2 per cent in 1970-71 to 21 per cent in 1984-85, while the share of indirect taxes has risen from 72.8 per cent to 79.0 per cent during the period.

In particular, the share of income tax has declined from 14.2

per cent in the first half of the year, 2.1 per cent during the Sixth Plan, with corporation tax remaining stagnant.

During the 7th Plan, while indirect taxes would grow from 6.3 per cent of GDP in 1984-85 to 7.30 per cent of GDP in 1989-90, direct taxes would increase from 1.5 to 2.1 per cent in that period.

### **INDUSTRIAL UNITS EXEMPTED FROM EXCESS OUTPUT CURBS**

The Government had decided to allow industrial undertakings to freely produce in excess of licensed or registered capacity if 10 per cent of the additional production is exported.

All conditions attached to excess production for purposes of export have now been eliminated.

In the budget for 1986-87 and thereafter new concessions and tax reliefs have been given to Big Business. Even the tax on inter-corporate dividend was also withdrawn.

Some of the recent measures in favour of industry and trade are indicated below:

#### *Licence Procedure Further Simplified*

The Government has further simplified procedures for obtaining an industrial licence under section 22 of the MRTP Act for undertakings covered under the broadbanding schemes.

It has been decided to dispense with the requirement of publishing a general notice for proposals submitted under the broadbanding schemes. Also the requirement of making a separate application under section 22 of the MRTP Act has been waived.

This is to allow undertakings falling under the MRTP Act to avail of the facilities under the broad-banding scheme.

#### *65 Industries allowed to expand*

The Government on May 28 announced that 65 industries including synthetic fibres, chemicals, drugs and engineering goods can enhance production capacities to achieve economies of scale.

The minimum operational capacities to achieve economies of scale have been laid down for these items by the industry ministry. The list of industries will be further expanded.

#### *Rs. 100 Crore Relief Package*

The Finance Minister announced a series of post-budget concessions to trade and industry which would mean a revenue sacrifice of Rs. 100 crores in a full year.

Of the Rs. 100 crore worth of revenue sacrifice, a chunk of Rs. 60 crores is accounted for by concessions in the field of electronics, where the customs duties have been reduced drastically.

### *Rs. 750 crore for Textile Modernisation Fund*

A sum of Rs. 750 crores textile modernisation fund for the next five years should meet modernisation requirements. Almost 75 per cent of the Fund would be used to help weak units. The remaining funds would be extended for modernisation assistance for healthy units on the usual terms applicable as was done by IDBI.

### *Deemed Export Facility Extended*

The Government on June 24 decided to accord the facility of deemed exports to all the indigenous manufacturers supplying their goods against global tenders. The deemed exports, however, will be to the extent of the indigenous content of the supplies, according to an official press release.

### *More Cash Compensatory Scheme*

With effect from July 1, 1986, the Cash Compensatory Scheme (CCS) has been extended to 30 new items covering different product Groups, having export potential. Barring cotton textiles items for which new rates would be applicable till December 31, 1988, CCS on all other items in different sectors would be valid upto March 31, 1989.

The new rates which will now number seven in place of existing 17 rates, would range from 5 percent to 20 percent of the f.o.b. value.

The export products in the new regime were categorised into eight major product groups for administrative convenience and simplification of procedure.

These, with the average CCS rate in brackets, were: engineering goods (13.6 percent), Chemicals and allied products (11.02 percent), Plastic goods (7.07 percent), agricultural products and processed goods items (6.22 per cent), leather goods (10.68 percent), sports goods (12.92 percent), textiles (11.49 percent), and handicrafts and carpets (12.74 percent).

### *Licensing Policy to be further Liberalised*

The Union Government had decided to liberalise the industrial licensing policy further by bringing an additional number

of industries within the fold of what is described as "minimum operational capacities."

The Government had only recently announced a list of 65 industries covering such sectors as synthetic fibres, chemicals, drugs, steel and engineering industry in general where minimum capacities in respect of each sector were laid down.

Under this liberalised policy the government has merely reversed the concept of licensed capacities where it has now stipulated minimum capacities of licensing. Under the conventional system, what is stipulated is the maximum capacities.

#### *Another Package of Concessions*

The Finance Minister announced on 20 June 1986 yet another package of excise and customs duty concessions.

Simultaneously, he announced a new rationalised duty drawback system which enhanced the rates for a number of export items, while adding new items to the draw back list.

The duty concessions will entail loss of revenue of about Rs. 30 crores. The rationalised drawback system will cost the exchequer nearly Rs. 40 crores.

This was the second set of reliefs announced since June 11 when the Government came out with concessions amounting to Rs. 100 crores.

#### *Export Subsidy*

50 percent subsidy would be provided on expenditure incurred submitting tenders for overseas projects of approved items. It has also been decided to give 10 percent project assistance on consultancy exports and graded financial assistance spanning five years for setting up offices abroad for this purpose.

The financial assistance for opening consultancy offices abroad would be to the tune of 60 percent during the first two years. It would be gradually brought down to 25 percent in the fifth year after which no assistance would be available.

#### *Synthetic Fibre and Synthetic yarn Industries Broadbanded*

The Government has broadbanded the synthetic fibre and synthetic filament yarn industries to enable units belonging to one to produce the other and vice-versa without going through the formality of obtaining the relevant licence.

The Government had recently announced schemes of broad-banding for a number of industries. In effect, this means that

now units producing polyester filament yarn with an industrial licence for the same can go into the production of synthetic fibre without the necessity of obtaining the licence for the latter and vice-versa.

### *CCS on Textiles Increased*

Cash compensatory support has been increased for a number of items in order to promote the exports of textiles, including jute goods, from July 1.

For the first time, CCS at the rate of five percent of the f.o.b. value was fixed in the case of cotton yarn.

A cash assistance of 8 percent was granted, after a gap of some years in the case of cotton readymade garments. CCS for hessian was raised to 10 percent from 8 percent. For jute soil savers, it was doubled to 12 percent.

### *Broad Banding Extended*

The Government has decided to extend the broad banding scheme to the electrical cables and wires industry. Manufacturers will be allowed flexibility for purposes of licensing to produce the following items: electrical cables, wires, conductors, strips of all types connected with telecommunications.

### *Number of Foreign Collaborations Approved*

<i>Year</i>	<i>Number</i>
1970	183
1981	389
1982	590
1983	673
1984	752
1985	1027

Of the 9,600 foreign collaborations signed between 1957 and 1985, as many as 3,428 were approved between 1981 and 1985 alone.

### *Increasing Foreign Collaboration-Impact of Liberalisation Policy*

The number of foreign collaborations by Indian Companies during 1985 rose sharply to 1024 against 752 in 1984, according to the figures released by the India Investment Centre in Delhi.

The USA has the largest number of collaborations having a total of 197, followed by the FRG at 180, the UK at 147 and Japan at 108.

In contrast the number of Indian Companies' collaboration with the USSR was only four in 1985.

Industry-wise break up shows that the highest number was in electrical equipment at 205 followed by industrial machinery at 152 and transportation at 101.

Whereas foreign collaboration in telecommunications was only three in 1984, it rose to 36 in 1985 reflecting the impact of the policy of liberalisation.

### *Economy of Scale*

Minimum scales had been prescribed for 75 items and several more will be covered subsequently. No new industries will be allowed which do not concur with the prescribed economies of scale. Projects with capacities below the minimum scales will not be issued letters of intent.

### *All Export Sectors to get Inputs at World Prices*

The Cabinet Committee on Exports have extended the facility of making raw materials available at international prices to all major export sectors. The facility will cover not only inputs but also processing accessories if they form a high percentage in the cost structure. The decision was announced on October 24, 1986.

Until now, the facility was available only to iron and steel, steel alloys, aluminium and aluminium based industries to help engineering products exports.

It was further decided that five to 10 percent of the foreign exchange earnings from exports may be made available to export promotion activities.

It has also been decided in principle to allow capital goods imports for export production in identified thrust industries, both for the creation of new capacities in the export sector, and for the upgradation of technology and product quality.

If particular items of machinery are not available in India for selected sectors with a high export potential, their import might be allowed either free of duty or at very low duty rates. This principle has already been applied to the leather goods, and diamond cutting and polishing tools apart from select equipment for marine products.

The Government has also accepted in principle the need for

granting full remission of excise duty and domestic taxes on exported goods.

In terms of the policy announced in September 1986, firms willing to export 60 percent of their output, will be accepted in principle.

Readymade garment companies will be allowed to use foreign brand names subject to the condition that they use only indigenous fabrics and that at least 75 percent of the production is exported and no royalties are sent out on domestic sales.  
*World Bank affiliate IFC*

The International Finance Corporation which has approved investments of more than 390 million dollars in Indian private sector enterprises, is seeking equity participation in some of them. The IFC wants exemption of IFC equity participation from the FERA ceiling of 40 percent foreign investment in Indian companies.

### **THE WORLD BANK WANTS MORE LIBERALISATION**

The world development report for 1985 released by the World Bank headquarters says about India:

"There are still restrictive features in the economy. It views the current rates of corporate income taxes as being 'high' and tax Laws as being 'complex'. Royalties and fees paid by Indian licencees are also subject to close scrutiny by the authorities".

*(The Hindu, 4.7.85)*

#### *World Bank Confidential Report*

To achieve its economic targets over the next five years, India should increase commercial borrowing, relax import restrictions, Government controls and put greater emphasis on exports, according to the World Bank.

The banks' recommendations are made in an annual confidential study of the Indian Economy;

The Bank supports many of the economic measures announced by Prime Minister, Rajiv-Gandhi, who has made efforts to open up some sectors of the economy since becoming premier. last October.

#### *World Bank Report*

The World Bank's latest report on the Indian economy, presented before the Aid India Consortium meeting in Paris on June 15 and 16, 1986 views agriculture and export performance as "formidable challenges", for the achievement of the Seventh Plan growth target.

The bank's report commends the policy changes, industrial, fiscal and trade—and says further changes are necessary to stimulate competition and efficiency for industrial and export growth. Greater access to imported inputs and capital goods through import liberalisation will need to be sustained, the bank says.

The pay off in terms of faster growth of manufacturing output is likely to occur with a lag: "It would be naive to think that the structure and functioning of Indian industry can be changed dramatically within 4 to 5 years."

### *World Bank on India's Economic Prospects*

The World Bank sees the outlook for India during the seventh plan period somewhat uncertain, unless industry is made more efficient and exports expand and becomes competitive in international markets.

W. David Hopper, Vice-president, South Asia region told the PTI that while India had managed its economy well in a difficult international environment and maintained growth with adjustment in the sixth plan period, "the next five years are going to be different".

India has potential and must expand its exports, bulk of the export growth has to come from Indian industry which needs to modernise and also become more competitive, Hopper said.

"A solid package of incentives is necessary and some fairly important changes in industrial policy are needed", he added. All rules and regulations which at present are geared to internal competition primarily, must be looked at in terms of what it might do to India's disadvantage when India begins to compete with middle-income developing countries and European manufacturers.

Hopper said the bank would be willing to alter its investment pattern to support whatever new industrial policy might begin to emerge in India that would foster exports and strengthen industry.

According to the chief economist, India division of the World Bank, Zafar Ecevit said the present level of exports is less than one half percent of overall economic growth. Compared to India's diversified industrial base, the export of the order of 9 million dollars is a miniscule, and India's share of world trade is going down.

Ecevit feels that India can borrow much more than one billion dollars a year from the capital market, but emphasised

this would entirely depend on sustained export performance. Exports should create enough foreign exchange resources to meet the needs of industrial sectors for imports of inputs and technology to revitalise them and increase efficiency.

India's export growth assumes greater urgency, they point out, in the context of IMF repayments which would peak in 1985-87. If India does not increase exports, it might have to cut imports to avoid a rise in debt service ratio and this would also depress the over all rate of growth.

Apart from sustained progress in agriculture, the overall growth in the next five years is bound up with industry and exports.

Bank officials favour a relaxation of the licensing system and encouragement to industry for competition abroad.

### *World Bank President's India Visit*

World Bank president A. W. Clausen told the finance minister V. P. Singh on August 13 that the climate for concessional assistance continued to be unfavourable. He sought for further liberalisation of India's industrial and trade policies. He also suggested delicensing of industries to meet the needs of export markets.

Talking to newsmen in Delhi on August 16, the World Bank president A. W. Clausen said the Bank will continue to concentrate on infrastructural aid and in areas of agriculture and industry.

On largescale commercial borrowings, Clausen said he had discussions on this with the Government, at various levels. India's credit-worthiness had improved and he had urged the Government to go in for this form of borrowing.

He said that the IDA resources were very much constrained given the demands on them. He visualised a lessening of IDA assistance to India in the coming years.

He felt India needed a more dynamic industrial sector capable of operating at higher levels of efficiency. A key requirement for improving productivity and efficiency will be greater competitive pressure within the industrial sector.

During fiscal 1985, the World Bank has revealed, the largest borrowers from the World Bank (IBRD) were India (1.674 billion dollars), Brazil (1.523 billion dollars) and Indonesia (973 million dollars). The largest IDA borrowers were India (673 million dollars). China (442 million dollars).

## *MNCs demand FERA amendment*

The Chief Executives of the world's top 140-odd multinational corporations who met in New Delhi under the aegis of the European Management Forum (EMF) have sought an amendment to the FERA so as to provide for higher levels of equity participation.

They are reported to have communicated to both the political leadership and the bureaucracy that if the government means business and was desirous of meaningful foreign participation, it is essential that the current 40 percent limit on foreign equity be raised substantially.

They have also demanded liberal terms for remittance of profits coupled with lower levels of taxation.

## *India's Credit Rating Goes up*

India's credit rating has gone up sharply in the international money markets in the last one year, according to two leading financial publications that reflect the views of the bankers.

*Euromoney's* explanation for the improvement is brief: "Lenders like the more pragmatic and pro-business attitude of the governments in the Indian subcontinent."

The rankings, endorsed by political insurers and top syndicate managers in the Euromarkets, are based on access to markets and trade finance, payments record, difficulties in rescheduling, political risk and sell down or over subscription to any loans.

## *DECELERATION IN INDUSTRIAL GROWTH RATE*

According to CSO, there was deceleration in the industrial growth rate during the first quarter of the fiscal year—April to June 1986, the index registered a 5.3 percent growth rate against 5.8 percent for the corresponding quarter of 1985. In the first six months of the calendar year industrial production was six percent against 6.1 percent during the corresponding period of 1985. For the whole of 1985 the industrial production registered a 6.2 percent growth rate.

The manufacturing sector which accounts for four-fifths of the industrial production index, recorded a growth of less than 5 percent.

While industrial production as a whole has grown by 6.3 percent per annum in the last two years, the capital goods sector has languished around an average of 3 percent. Indeed,

in April-July of the current year, the capital goods production recorded a decline of 0.9 percent.

### *Crisis in Capital Goods Industry*

The Indian capital goods industry is reeling under the impact of indiscriminate imports. The capacity utilisation of several capital goods industry, most of them in the public sector, has declined dramatically. Most do not have sufficient order to run their machines full time, like the BHEL. Its oil field equipment unit for instance, is sitting idle because ONGC is going in for imported machines.

### *Foreign Trade Deficit*

	(Rs. Crores)	
1979-80	—	2725
1980-81	—	5838
1981-82	—	5802
1982-83	—	5448
1983-84	—	5891
1984-85	—	5197
1985-86	—	8616

### *Fall in Exports to West*

India's exports to West Europe, Asia and Oceania and US recorded a substantial fall during the first six months of 1985-86. Imports from these regions, however shot up considerably during the same period.

While exports to US dipped by 19 percent at Rs 75.5 crores during April-September 1985, imports from that country soared by 43 percent at Rs. 1529.68 crores over the same period in 1984.

Likewise, against a 24 percent increase in imports from West Europe at Rs. 2587 crores during April-September, exports to that region fell to Rs. 866 crores—a 19 percent decline. Imports from Asia and Oceania were also up by 20 percent at Rs. 3644 whereas exports recorded a 5.5 percent fall at Rs. 1370.80 crores.

Against an uptrend in exports of 28 percent at Rs. 1167 crores to East Europe, imports from that region stood at Rs. 1092 crores—up 12.9 percent over the corresponding period in 1984.

India's exports to the USSR in 1984-85 went up by 26.7 per cent and imports by 8.7 per cent. Exports to the USSR at Rs. 996.88 crores during April-September were 32.6 per cent higher and imports by 11.3 per cent.

### India's Trade with USSR

(Rs. in Crores)

Year	Exports to USSR	Imports from USSR	Balance of Trade	Total Trade Turnover
1981	1,589	1,222	+367	2,811
1982	1,700	1,151	+549	2,851
1983	1,400	1,700	-300	3,100
1984	1,704	2,060	-356	3,764
1985	2,200	2,200	—	4,400
<b>Total</b>				
1981-85	8,593	8,333	(+)260	16,926

In recent years Soviet supplies accounted for 70% of India's Kerosene and Diesel fuel imports and 20% of its fertiliser imports.

In the 60s and 70s machines and equipment accounted for more than 50 per cent of all Soviet exports to India.

Between 1981 and 1985, the share of machines and equipment in the general volume of Soviet exports to India averaged 15 per cent.

The share of USSR in the general volume of Indian exports is growing all the time and stood at about 15% in 1984, while in the exports of individual commodities, it is actually much higher, viz., coffee-37 per cent, tea-28, black pepper and other spices-25, Tobacco-40 and jute articles 65 per cent.

The share of agricultural products is declining, although in absolute figures their import to the USSR continues to grow, while the share of finished articles (engineering products, clothes, cotton fabrics, shoe uppers, etc) is going up. The share of finished articles in the general Soviet import of Indian goods surpassed 60 per cent in 1985, with engineering products accounting for 12 per cent of that total.

## FOREIGN EXCHANGE RESERVES DECLINE

The foreign exchange reserves (excluding gold and SDRs) which stood at Rs. 7384.35 crores on April 1, 1986, declined to Rs. 6629.18 crores on October 17, 1986.

(Rajya Sabha, Nov. 4, 1986)

### *Industrial Production during Sixth Plan Period*

The average annual rate of growth of industrial production during the Sixth Plan period was 5.6 percent. This growth rate was a shade lower than the trend of growth rate of 5.8 percent recorded during the period 1951 to 1979. It, however, fell much below the target of 7 per cent fixed in the Sixth Plan

	<i>General Index</i>	<i>Mining &amp; Quarrying</i>	<i>Electricity</i>	<i>Manufactures</i>
Weightage	(100.00)	(9.69)	(9.23)	(81.08)
Average for Fifth Five year plan	6.2	6.2	9.9	5.7
Average for Sixth Five year plan-	5.6	10.2	8.3	4.5
Target			(11.25)	(7.6)

<i>Average for the</i>	<i>Agro-based Industries</i>	<i>Metal-based Industries</i>	<i>Chemical-based Industries</i>
Fifth Plan	3.9	5.9	8.0
Sixth Plan	3.7	4.4	6.3

*Trends in Industrial Production by Industry Groups*

Annual Average  
Growth Rates

		<i>Fifth Plan</i>	<i>Sixth Plan</i>
<i>Basic Goods</i>			
Industries	—	8.5	8.4
<i>Capital Goods</i>			
Industries	—	5.7	5.2
<i>Intermediate</i>			
Goods Industries	—	4.3	3.6
<i>Consumer Goods</i>			
Industries	—	5.5	3.6
<i>Durables</i>	—	6.8	4.2
<i>Non-Durables</i>	—	5.4	3.6

A comparison of actual production in the terminal year of the Plan with the target level of production indicates that shortfalls in production have occurred in some basic industries such as steel, cement, non-ferrous metals and fertilisers.

According to data furnished by the IDBI in respect of 30 selected industries indicate that the average capacity utilisation ratio remained unchanged at 70.3 per cent during both the Fifth and Sixth Plan period.

<i>Industries</i>	<i>Weight</i>	<i>Average for</i>	
		<i>Fifth Plan</i>	<i>Sixth Plan</i>
Basic Goods (7)	16.98	62.1	58.6
Capital Goods (10)	6.69	59.4	69.1
Intermediate Goods (4)	11.67	78.9	79.4
Consumer Goods (9)	15.41	80.1	76.0
<b>Average 30 Industries</b>	<b>50.75</b>	<b>70.3</b>	<b>70.3</b>

N.B. Figures in brackets represent the number of industries included in each group.

*Capital Goods industries*

The growth rate for capital goods industries was 3.3 per cent while that of overall industries was 6.3 percent during 1985-86.

higher but for certain factors such as demand bottlenecks, infrastructural and raw material constraints, etc.

(*Rajya Sabha*, July 28, 1986)

### *India's external Debts*

India's external indebtedness as on March end this year stood at Rs. 26,718.42 crore in respect of Government loans and Rs. 751.49 crore in respect of non-government loans which is within manageable limits.

In addition, India has outstanding repurchase obligations of Rs. 5284 crore on drawing made under the facilities of the IMF.

(*Rajya Sabha*, July 29, 1986)

As on October 10, 1986, the foreign indebtedness stood at Rs. 27,432.20 crore which was exactly a decade ago, on 10 October, 1976 at Rs. 10,729.75 crores and ten years earlier than that Rs. 3374.10 crores.

(*Rajya Sabha*, Nov. 11, 1986)

### **ECONOMISTS CALL FOR REVIEW OF POLICY**

Some members of the panel of industrial economists set up by the Planning Commission on November 22, 1986, criticised the liberal policies adopted by the Government and called for a review.

They were participating in the first meeting of the panel which was inaugurated by the Planning Commission Deputy Chairman. The panel consists of 30 eminent industrial economists from universities, research institutions and other leading organisations.

Dr. Manmohan Singh said that industrial growth had not been up to the desired level.

The panel members were generally critical about the adhocism in decision making and suggested that there should be a process of institutionalised studies at the micro and macro level.

### **CENTRAL PUBLIC SECTOR ENTERPRISES IN 1984-85—A PROFILE**

Since the new economic and industrial policies got accelerated push for the last one year or so, the attack on public sector has been intensified. The new policy is characterised by the liberalisation of the economy, gradual dismantling of licences and controls, more and more concessions to the private corporate sector, both Indian and foreign, reduction and freezing of direct taxes, liberalisation of import, including import of capi-

tal goods and technology with the overall effect of undermining self-reliance. It is virtually an open door policy towards monopolies and MNCs. As a result, the public sector is being denigrated and talk of privatisation of public sector units under various pretexts and in various forms is now widespread including turning of public sector units to joint sector. The losses and deficiencies of the public sector enterprises are often magnified and exaggerated to discredit the public sector and its role and also the whole idea nationalisation.

It does not however, mean that everything is alright with the public sector enterprises; there are persistent shortcomings, mismanagement, corruption, bureaucratic management and so on. Overall loss in public sector enterprises arises out of Government policies including pricing policy, import policy etc. as well as due to continuing losses incurred by nationalised sick industrial units.

The traditional detractors of the public sector have of late taken opportunity of the new economic policies of the Government to mount diversified offensive against the public sector. The trade unions and public sector workers will have to carry forward and intensify the struggle against denigration and gradual strangulation of the public sector.

The tables below are compiled from the *Annual Survey of Central Public Sector Enterprises* for 1984-85 as prepared by the Bureau of Public Enterprises which indicate various aspects of the finances and working results of these units and industries. These will help to evaluate the role and function of the public sector.

#### TEN YEAR PROFILE OF PUBLIC SECTOR ENTERPRISES

		1975-76	1985-86
1. No. of Enterprises	—	125	207
2. Capital Employed (Rs. crore)	—	9006	36,390
3. Gross Profit (Rs. crore)		668.46	4637.36
4. Interest (Rs. crores)		362.81	2518.35
5. Pre-tax Profit (after setting off the losses of loss-making units) (Rs. crores)	—	305.65	2119.00
6. Percentage of gross profit to capital employed.	—	7.42	12.74

**COST AND VALUE ADDED IN SELECTED ENTERPRISES.**

	Material Cost/ Cost Production (%)			Manpower Cost/ Cost Production (%)			Value Added per man month (Rs.)			Value of Production per man month (Rs.)		
	84-85	83-84	82-83	84-85	83-84	82-83	84-85	83-84	82-83	84-85	83-84	82-83
IISCO	58.5	68.9	54.6	28.0	28.3	20.9	1999	2652	2308	5557	5661	581
SAIL	55.1	49.0	54.3	13.4	15.0	12.0	4073	2414	2065	14,465	11,151	12,53
BALCO	27.3	26.8	21.1	7.7	8.1	8.5	4819	1890	1559	19,436	14,463	10,38
Hindustan Copper	24.0	25.0	30.3	23.4	24.4	20.8	3416	2478	1509	6301	4905	389
NMDC	15.0	9.0	16.6	11.4	12.0	10.0	3930	3839	5397	13,900	12,723	14,60
Neyveli Lignite	44.5	34.4	33.2	29.7	28.9	24.9	5615	5380	4927	7647	7329	649
Bharat Petroleum	82.0	83.6	86.6	1.6	1.4	1.4	23,594	20,905	15,514	182,752	172,542	158,56
Hindustan Petroleum	76.3	72.6	88.2	1.2	1.1	1.1	30,898	26,412	24,969	251,567	253,351	237,30
Indian oil	91.2	91.9	93.7	1.1	1.1	0.9	16875	16,854	14,470	267,714	263,380	272,50
ONGC	0.7	1.0	0.4	0.9	0.8	0.6	61,271	57,125	49,145	65,463	61,846	53,80
Bengal Chemical	38.1	44.7	49.2	20.9	32.4	27.7	1227	1354	1501	4057	3628	39
Fertiliser Corpn	36.3	36.2	36.4	7.9	7.2	7.5	9157	7041	6051	22,018	18,338	15,4

IDPL	38.7	38.9	38.5	18.3	16.6	15.9	2015	2437	2640	7313	7193	7189
Indian Petro- Chemical Corpn	51.0	48.6	51.7	6.0	6.0	4.9	22,197	17,866	20,847	61,037	47,240	53,262
BHEL	60.7	57.9	59.8	15.1	15.3	13.9	6918	6278	5057	16,677	13,699	12,897
HEC	52.2	56.9	56.2	23.3	24.1	23.9	2882	2325	1848	6182	5523	5022
MAMC	30.6	36.7	41.9	29.3	23.9	19.0	2223	2286	1307	6671	6348	5828
BEL	42.0	43.7	46.0	33.1	32.5	30.7	5859	5191	4602	8166	7343	6577
Hindustan Cables	71.2	71.9	72.7	12.5	9.2	10.9	8067	6385	5763	18266	16,319	14,855
HMT	53.8	54.5	58.5	24.4	24.1	22.3	5657	4706	4416	9673	9229	8833
HAL	52.2	52.6	23.6	22.3	23.4	23.5	5357	4549	3339	10,495	9026	6882
Mazagon Dock	60.5	58.3	58.8	10.0	16.7	14.3	5198	5518	3949	21,748	16,221	14,309
NEPA	39.2	41.6	37.9	13.5	12.8	12.6	3520	2677	2765	10,410	8918	7953
Coal India	46.6	45.9	41.4	18.7	16.4	31.6	5310	3511	1211	10,224	11788	4275
NTC (Holding Company)	30.8	53.5	28.8	10.2	10.6	7.6	1113	1246	108	5580	8071	9444

Compared to 1983-84, the gross profit have shown an increase of Rs. 1071.95 crores from Rs. 3565.40 crores in 1983-84 to Rs. 4637.35 crore in 1984-85—an increase of 30.07%. This is inspite of increases in various input costs and specially in respect of salaries and allowances.

Further, the sick nationalised units taken over from the private sector have contributed to a net loss of Rs. 346.92 crores during 1984-85 as against Rs. 232.55 crores during the previous year.

### INVESTMENT IN TOP TEN PUBLIC ENTERPRISES

Enterprises	Investment as on 31.3.1985. (Rs. crores)
1. Steel Authority of India Ltd.	— 5933.02
2. Coal India Ltd. (Rs. Crore)	— 4730.42
3. National Thermal Power Corporation Ltd.	— 3119.09
4. Oil & Natural Gas Commission	— 2432.22
5. Rashtriya Ispat Nigam Ltd.	— 1554.84
6. Rural Electrification Corporation Ltd.	— 1522.01
7. National Aluminium Co. Ltd.	— 1218.59
8. Shipping Corporation of India Ltd.	— 1034.98
9. Fertilizer Corporation of India Ltd.	— 996.07
10. National Textile Corporation Ltd.	— 933.00
<b>Total :</b>	<b>— 23,474.24</b>

The above ten enterprises account for an investment of 54.83% of the total investment of Rs. 42,811.16 crores as in 1984-85.

**PUBLIC SECTOR CONTRIBUTION TO TOTAL  
INDUSTRIAL PRODUCTION**

UNIT	% of Public enterprises contribution in national production.	
	1968-69	1984-85
1. Coal Million Tonnes	17.7	97.50
2. Lignite	100.00	100.00
3. Petroleum Crude	51.1	100.00
4. Steel Ingot	57.10	75.29
5. Saleable Steel	55.7	75.51
6. Aluminium Thousand Tonnes	Nil	31.60
7. Copper	—	100.00
8. Lead	100.00	100.00
9. Zinc	80.6	88.15
10. Fertilizer		
Nitrogenous	60.5	47.11
Phosphatic	NA	27.30

**CAPACITY UTILISATION**

	1984-85	1983-84	1982-83
Units under production			
Surveyed	180	172	164
(a) Units with capacity utilisation of more than 75%	87 (48%)	88 (51.2%)	90 (55%)
(b) Units where capacity utilisation has been between 50-75%	47 (26%)	49 (28.5%)	43 (26%)
(c) Units where capacity utilisation was less than 50%	46 (26%)	35 (20.3%)	31 (19%)
<b>Total:</b>	<b>180</b> (100%)	<b>172</b> (100%)	<b>164</b> (100%)

In major sectors, however, like Steel, Coal, Aluminium, Copper, Iron Ore, Petroleum Crude extraction etc. there has been improvement in capacity utilisation compared to previous year.

In the case of steel, the overall capacity utilisation increased from 66% in 1983-84 to 73% in 1984-85.

Coal India's capacity utilisation (including subsidiaries) was 92% in 1984-85 compared to 89% in 1983-84 and 84% in 1982-83.

In the case of Heavy Engineering, Minerals and Metals, Drugs and Pharmaceuticals and consumer goods group, however, more units operated below 50% capacity.

According to the Survey of Public Enterprises for 1984-85, the major constraints faced by the Steel industry group are power restrictions, low availability of coking coal from indigenous sources, compounded by the problem of high ash content and poor coking properties. Wagons availability was also reported as a constraint.

With regard to coal, "the major constraints which affected production were such as inadequate power supply... absenteeism, land acquisition problem, industrial relations etc."

Out of the 22 fertilizer units which were under production during 1984-85, major factors which affected production were equipment problems in Sindri, Gorakhpur, Ramagundam, Cochin, Trombay IV, Talcher, Nangal, Namrup I & II, Durgapur and Barauni plants. This is apart from power shortages.

Major constraints faced by the Cement Corporation of India units were inadequate supply of power, coal, and input materials. Wagon availability was also a constraint.

#### SOURCES OF INVESTMENTS

The Central Government as the owner of these 221 enterprises has contributed as at the end of March 1985, Rs. 33,212.79 crores which was about 77.58 per cent of the total investment in all these enterprises.

Sources	As on 31 March 1985 (Rs. Crores)		
	Equity	Loans	Total
1. Central Government	19,723.08	13,489.71	33,212.79
2. State Government	25.03	4.98	30.01
3. Foreign Participation/ Loans including Deferred Credit	65.72	4,206.84	4,272.56
4. Financial Institutions (Indian)	30.32	834.04	864.36
5. Private participants (Indian)	31.53	4,399.91	4,431.44
<b>Total</b>	<b>19,875.68</b>	<b>22,935.48</b>	<b>42,811.16</b>

Twelve enterprises in the public sector were having an investment of Rs. 65.72 crores in their share capital as on 31.3.1985 from foreign parties.

## SICK TAKEOVER ENTERPRISES

The sick takeover enterprises from the private sector contributed to a loss of Rs. 346.92 crore during the year 1984-85 as against Rs. 232.55 crores during the previous year.

	1984-85		1983-84	
	Overall	Nationalised sick units	Overall	Nationalised sick units
1. No. of Enterprises	207	49	201	45
2. Capital Employed in Rs. crores	36,390.06	1880.35	29,851	916.36
3. Gross Profit in Rs. crores	4,637.35	(—)173.71	3,565.40	(—) 89.46
4. Net Profit in Rs. crores	928.57	(—)346.92	240.14	(—)232.55
5. No. of regular employees in lakhs	21.00	3.15	20.67	3.20

## EXPORT EARNINGS OF PUBLIC ENTERPRISES

Year	Total Export Earnings. (Rs. crores)	Percentage growth from previous year
1980-81	2216.75	15.88
1981-82	2755.78	24.32
1982-83	4747.20	72.26
1983-84	5532.10	16.53
1984-85	5827.22	5.33

## INTERNAL RESOURCES GENERATED (RS. CRORES)

Year	No. of Enter- prises generating Internal Resources	Total Resour- ces Generated	Loan Repaid
1980-81	102	1224.95	129.32
1981-82	110	2261.31	332.44
1982-83	115	2752.73	500.91
1983-84	116	3277.69	449.69
1984-85	124	4273.14	718.90
-		13,789.82	2137.26

## CONTRIBUTION TO THE CENTRAL EXCHEQUER SIXTH PLAN PERIOD (1980-81 TO 1984-85)

Year	Dividend Declared	Corporate Tax Provision	(*) Excise Duty	Customs Duty (*)	Other Duties	Total
1980-81	84	222	2108	705	183	3302
1981-82	109	579	2558	1033	288	4567
1982-83	115	928	2667	1383	444	5537
1983-84	133	1240	3454	1361	366	6554
1984-85	177	1190	3412	2352	466	7597
Total	618	4159	14,199	6834	1747	27,557

(\*) Actual Payment basis

This compares with the contribution of Rs. 7995 crores made by the Central public enterprises on the above accounts during the 5th Plan Period.

The total direct inflow from the public enterprises to the exchequer increased by 15.91 percent in 1984-85 over the figure of 1983-84.

## LABOUR PRODUCTIVITY

Industry Group	Value Added		
	Per Rupee of Manpower Cost		
	1984-85	1983-84	1982-83
1. Steel	1.87	1.35	1.34
2. Minerals & Metals	2.49	2.35	2.37
3. Coal	1.67	1.33	1.66
4. Power	9.38	15.25	16.73
5. Petroleum	22.51	22.70	20.73
6. Chemicals, Fertilizers and Pharmaceuticals	4.83	4.82	4.82
7. Heavy Engineering	2.44	2.40	2.17
8. Medium and Light Engineering	2.23	2.24	2.36
9. Transportation Equipment	2.77	2.35	2.30
10. Consumer Goods	1.21	1.35	1.29
11. Agrobased Industries	2.15	2.16	1.94
12. Textiles	0.89	0.88	1.03

## OVERALL FINANCIAL PERFORMANCE OF THE PUBLIC ENTERPRISES

	(Rs. in crores)	
	1st half year 1984-85	1985-86
1. Sales	20209	28846
2. Net Profit before tax	179	427
3. Total interest	1097	1435
4. Gross Profit	1276	1862
5. Capital Employed	28214	37650
6. Gross Profit as % of capital employed	8.99	9.89

During the first six months of 1985-86, the net loss has decreased from Rs. 249 crores to just Rs. 15 crores, the net upswing being of the order of Rs. 234 crores. Gross margin, i.e. before charging depreciation, interest and tax, has shown considerable increase, viz. from Rs. 2454 crores to Rs. 3361 crores, an increase of nearly 37%. Naturally, gross profit has also increased from Rs. 1276 crores to Rs. 1862 crores (46%). Percentage of gross profit to capital employed has, however, shown only a marginal improvement, from 8.99% to 9.89%.

The improvement in profitability to the extent of Rs. 234 crores has come about despite considerable increase in interest charges and depreciation amounting to nearly Rs. 659 crores.

In coal sector, during the first six months of 1985-86, loss of production due to power interruptions/breakdown has been of the order of 25-35 lakh tonnes.

## TRAVAILS OF PUBLIC SECTOR

### MTI

The proposal, which has been approved by the cabinet, envisages that the eight public sector undertakings form a joint venture with the Indian subsidiary of a US-based firm called Management and Technologies Incorporated (MTI) set up by M. S. Pathak. This latter company was registered in the United States on April 29 this year.

The joint venture is to have an equity base of about Rs. 25 lakh. Of this, the Indian subsidiary of MTI will hold 51 per cent and the 8 Indian public enterprises will hold the remaining 49 per cent. The eight companies are: ONGC, SAIL, BHEL, EIL, RITES, IRCON, CIL and NTPC. Normally, foreign participation in the equity of Indian companies is permitted only up to 40 per cent except in cases involving high technology.

This company is in fact meant to facilitate the penetration of US multinationals in some of the most profitable and successful public sector undertakings through their frontman, M. S. Pathak and the company floated by him.

## ADVOCACY OF NEW POLICY VIS-A-VIS PUBLIC SECTOR

The two-day seminar organised by the Forum of Financial writers held on September 12-13, 1986, recommended a radical restructuring of the public sector, including closure of continuously losing units and those which are beyond redemption in the non-essential sectors and a positive policy on the reduction of surplus labour in public enterprises.

The seminar was addressed by N. D. Tiwari, L. K. Jha, Raja Challeah, Montek Ahluwalia and others.

The seminar commended a competitive environment for public sector under which pricing policies should be such as would not protect inefficient production.

While it ruled out largescale privatisation, it suggested a selective dilution of Government equity to ensure a greater measure of autonomy and accountability as well as efficiency.

Addressing the Seminar N. D. Tiwari said: Regarding the pricing and wage policies of the public sector, these had a significant impact on the profitability of public enterprises.

On the wages front, the government is finalising a wage

policy. The basic thrust in this area is to ensure that wage increases are related to increases in productivity. In the long run, if the economy is to sustain itself, increases in wages should naturally be accompanied by increases in productivity. It is therefore necessary that wage increases are related to productivity increases, the minister said.

He further said that in many of the public sector units, surplus manpower constituted a major problem and ways would have to be found out to deal with this. He felt that some of the surplus personnel could be utilised to meet the requirements of diversification and expansion programmes of the units.

### **ECIL LIKELY TO BE EDGED OUT**

The IBM may edge out ECIL from Railway computerisation programme worth Rs. 1100 crores. A high-level technical committee has stated that the ECIL computers capacity is not enough.

### **BHEL OIL RIG UNIT FACES CLOSURE**

BHEL may have to close down its oil rig division next year (1987) owing to lack of orders from ONGC and Oil India Ltd.

ONGC has floated global tenders for acquisition of drilling equipment. BHEL has a capacity of 12 rigs per annum.

### **CLOSURE OF 35,000 POST OFFICES RECOMMENDED**

More than 35,000 branch post offices in the country out of 125,000 have been recommended to be closed down by a one-man committee which submitted its report to the Government in August this year.

The report says: "visits to any post office displays a picture which at once depicts far too many people being engaged in these offices with far too little work being performed by them."

### **CLOSURE OF FERTILISER FACTORIES**

The Union Finance Ministry has approved the proposal of the committee of Secretaries to close down some of the loss-making public fertiliser units.

The fertiliser department is awaiting the report of the task force. The closure of these units will involve the job of 7,000 workers.

### **RETIREMENTS IN BCCL**

The Banerjee Committee which went into the working of the Bharat Coking Coal Ltd. has recommended replacement of "over age" persons through agreements with workmen collec-

tively as individually. The committee has suggested replacing workers above 45 years of age, but not within five years of their due date of retirement.

According to the Committee, the "intolerably high" average age of the work force has affected the productivity since mining calls for stamina and muscle power.

### **IMPORT OF PLANT AND EQUIPMENT FOR CAPTIVE POWER GENERATION**

Even when BHEL is well placed to satisfy the demand, Industry ministry decided to clear the import of a 68 MW set for the Renuagar Power Company of the Birlas. Earlier, the National Fertilisers Ltd. had managed to secure clearance from the Cabinet Committee on Economic Affairs for the import of equipment for two captive power plants of 30 MW each from Japan and Austria.

Similarly, Coal India Ltd. is now trying to obtain two MW captive power plants from foreign parties on a turnkey basis.

BHEL has the capacity to make power sets ranging from 1.5 MW to 500 MW and can easily meet the demands for captive generation.

The Energy Minister told Parliament on November 25, 1986 that he has invited anybody having money to set up power plants.

### **ANOTHER COMPANY IN TAMILNADU GOES PRIVATE**

Tamil Nadu Chemical Products Limited (TCPL), the State Government Company has finally changed hands and its ownership has been privatised. The company has been taken over by Ross Murarka, the Bombay-based financial consultant. The new management bought 53.4 per cent of equity by paying Rs. 47.65 per share of Rs. 10.

The company declared its maiden dividend of 15 per cent for 1984-85 and one of the last decisions of the erstwhile management (Nov. 6) was to declare an interim dividend of 12 per cent for the accounting year ending September 1986.

It has recently diversified its activities and set up a Rs. 5.85 crore project for the manufacture of 600 tonnes of Magnesium metals per annum.

### **GOVERNMENT COMPANY GOING PUBLIC IN TAMILNADU**

For the first time in the country, a Government company will be going public which is the state owned, Tamil Nadu Industrial Explosives Ltd.

The Company is coming out with public issue of 49,68,000 equities of Rs. 10 each for cash at par. The issue opened on November 10 for NRIs and November 17 for Indian public. The TEL went into commercial production in April 1986.

### *IFC WILL FINANCE PRIVATE POWER PLANTS*

The International Finance Corporation, a private sector agency of the World Bank Group is now discussing "modalities" with the Reserve Bank of India for setting up a 50 million dollars (Rs. 60 crores) venture capital fund in India, according to the Investment Officer (South East Asia) of IFC.

According to him, the proposed venture would involve the Corporation in the equity participation of projects in India. The IFC was studying proposals of some of the power deficit states to set up power plants in the private sector.

### *Import of Captive power plants*

The then Industry Minister N.D. Tiwari had written to the minister of state for fertilisers, Natwar Singh protesting against the move to buy captive power plants from Japan and Austria, while the public sector Bharat Heavy Electricals Limited (BHEL) was being starved of orders.

K. K. Tewari also wrote to the prime minister pointing out that domestic production capacities were being bypassed and that indiscriminate imports of capital goods were being allowed. He specifically cited instance of approval given for the import of captive power plants to NFL and to the Birla-owned Renu-sagar Power Company, while BHEL was capable of supplying the required equipment at competitive prices.

### *Change in Railway Plans*

The 15-year railway corporate plan has suggested drastic changes in the investment policies calling for a greater role for the private sector.

Visualising growing financial constraints in the future, the plan suggests that steps should be taken to set up ancillary units for supplying equipments currently manufactured by the Railways.

### *Defence Items*

According to a Rajya Sabha reply on November 6, 1986, the centre so far decided to handover to "civil sector" including the private sector, the production in a phased manner, of 446 items uptill now manufactured in the Ordnance factories.

## GROWTH OF MONOPOLIES

### ASSETS OF 20 TOP BUSINESS HOUSES (Rs. CRORE)

	1963-64	1966-67	1972	1976	1983	Dec. 1984
	MIC	LPIC				
1. Birlas	282.9	446.9	589.42	974.63	2830.94	3,359
2. Tatas	375.0	520.6	641.98	980.77	2672.40	3,120
3. Mafatlal	39.5	106.5	183.74	256.54	694.95	787
4. J. K. Singhanian	54.5	63.8	121.45	241.23	674.15	858
5. Thapar	63.3	85.3	136.16	202.24	572.18	699
6. ACC	76.9	91.3	134.36	160.21	571.36	544
7. Reliance Industries	—	—	—	—	562.98	673
8. Sarabhai	33.8	56.7	84.44	116.73	444.61	463
9. Larsen & Toubro	N.A.	21.2	79.03	147.74	423.71	481
10. Modi	11.3	19.4	58.05	117.79	410.50	610
11. Bajaj	16.7	40.3	63.32	101.51	383.99	426
12. Walchand	52.7	83.1	101.73	134.20	383.63	105
13. ICI	36.9	49.0	135.21	198.99	375.42	426
14. Kirloskar	19.1	45.9	86.46	152.47	362.46	398
15. TVS	—	—	50.97	105.78	357.22	387
16. Shri Ram	50.3	73.2	120.77	171.70	356.93	407
17. ITC	—	—	—	—	355.71	393
18. Bangur	62.5	97.9	125.26	195.33	350.39	509
19. Hind Lever	—	—	77.87	122.51	303.89	382
20. Mahindra & Mahindra	20.1	42.5	58.49	126.06	292.19	408

MIC—Monopolies Enquiry Committee

LPIC—Licensing Policy Enquiry Committee or Dutt Committee

### PRIVATE CORPORATE SECTOR STARTS GETTING BENEFIT OF LIBERALISATION

*The Economic Times* Research Bureau study of the Corporate units in the private sector which closed their accounts in December 1985 showed impressive growth rates in assets, net worth, dividends payment, retained profits, gross profits and profits before tax. The annual reports for 1985 of almost all these companies have acknowledged the government's allround

liberal policies as one of the major factors contributing to the improved performance of the private sector companies on all fronts in 1985.

The growth rates of assets and net worth showed an increase of 26.4 per cent and 31.3 per cent respectively during 1985. Despite a higher quantum of outgo by way of dividends, the retained profits showed an impressive rise of 56.0 per cent in 1985.

The total assets of 101 large and medium sized companies went up from Rs 6716.2 crores in 1984 to Rs 8487.4 crores in 1985, showing an increase of 26.4 per cent. The net sales income, however, rose by 15.1 per cent only in 1985 compared to the previous year. But the gross profit increased by 25 per cent from Rs 739.9 crores to Rs 925.0 crores. The pre-tax profits and profits after tax also showed a higher growth rates of 25.3 per cent and 41.7 per cent respectively.

The companies together paid a higher dividend of Rs 138.0 crores in 1985 compared to Rs 116.6 crores in 1984.

The study says that "the improvement in growth rates and profitability ratios recorded by the 101 companies have been largely attributed to the liberal policies initiated by the government in early 1985 to encourage the corporate sector".

The largest company in terms of total assets *Reliance Industries* with Rs 1046.2 crores ranks first among the 101 companies, followed by *Century Spinning* with assets of Rs 457.6 crores. There were 19 companies with total assets of more than Rs 100 crores each.

In terms of net sales, with a sales turnover of Rs 711.4 crores, *Reliance Industries* again ranks first among the companies followed by *Hindustan Lever* with Rs 618.0 crores. There were as many as 26 companies with net sales of more than Rs 100 crores each in 1985.

#### *Less Taxes*

*Tax provision absorbed a lower proportion of 28.9 per cent of pretax profits in 1985 compared to 37.1 per cent in the previous year.*

#### *Lower Wage Costs*

While the raw materials cost formed 43.5 per cent of the value of production in 1985 as against 43.7 per cent in 1984, the wages formed 10.7 per cent of the value of production in 1985 as against 11.0 per cent in 1984.

As many as 53 companies recorded a fall in 1985 in the total wage bills expressed as percentage of the value of production.

**TWENTY YEARS OF TOP TWENTY LARGE INDUSTRIAL HOUSES**  
(Rs. crores)

Name of the House	Total Assets		Annual rate of increase in assets (%)
	At the end of 1963-64	At the end of Dec., 1984	
Tatas	375.0	2449.3	27.7
Birlas	282.9	2551.6	40.0
Mafatlal	39.5	712.2	85.2
J. K. Singhania	54.5	692.3	58.5
Thapar	63.3	572.1	40.2
ACC	76.9	456.2	24.7
ICI	36.9	449.7	55.9
Sarabhai	33.8	440.9	60.2
Bangur	62.5	373.7	24.9
Kirloskar	19.1	370.2	91.9
Reliance	(+)	360.2	*
Shri Ram	50.3	358.6	30.6
Ashok Leyland	(+)	336.5	*
Hindustan Lever	(+)	329.0	*
Modi	11.3	322.0	137.5
Scindia	46.3	306.0	28.0
TVS Iyengar	(+)	301.9	*
Mahindra & Mahindra	20.1	299.7	69.6
Larsen & Toubro	21.2	292.8	64.1
Bajaj	16.7	286.2	80.7
<b>Total for 20 Houses</b>	<b>(a) 1346.9</b>	<b>12261.7</b>	<b>40.5</b>

Note : (+) Indicates that these large Industrial Houses/large companies were not among the top 20 Houses in 1963-64.

\* Percentage increases have not been worked out as these industrial houses did not figure among the top twenty houses in 1963-64.

a) Total includes the assets of four industrial houses namely, Kasturbhai Lalbhai (Rs. 33.9 crores), Killicks (Rs. 38.3 crores), Walchand (Rs. 52.7 crores) and Parry (Rs. 11.7 crores) which do not figure among the top twenty houses in 1983-84.

(Economic Times, 5 March 1986)

The assets of the top 20 monopoly houses nearly doubled during the four years from 1980.

## Capacity Utilisation

The improvement in performance in terms of profits and profitability has not been reflected in the capacity utilisation. Of the 281 manufacturing plants belonging to 81 companies studied by *The Economic Times*, only 52.7 per cent of the plants showed a rise in capacity utilisation during 1985. About 45.6 per cent of the plants showed a fall in utilisation of capacity in 1985.

There were only 49 plants with more than 100.00 per cent capacity utilisation in 1985 as against 54 in the preceding year.

## UNPRECEDENTED ROOM IN SHARE MARKET IN 1985

The year 1985 has proved to be the most rewarding one in the last several decades to investors in shares and industrial securities judging by the sizeable appreciation in share prices, higher dividend incomes and the increase in the number of rights, bonus and rights debenture issues.

THE ECONOMIC TIMES index of share prices jumped in 1985 by over 212 points, or over 76 per cent, to 490.0. The all-time peak was reached on August 7 at 519.1.

The spurt continued in 1986 and on February 27 the index climbed to 552.6.

The sharp gain in the index during 1985 is in sharp contrast to the fall of 32 per cent in the previous year. The index registered a gain of 9.7 per cent at the end of 1983 over that at the end of the previous year.

All the centres have participated in the spurt in the share index. Over the year, the index for Bombay has advanced by 87.4 per cent, while that for Calcutta by 60.3 per cent. The index for Delhi shows the largest rise of 116.0 per cent, Ahmedabad of 69.3 per cent and Madras 75.7 per cent.

Among industrial groupings, the index for iron and steel share showed a rise of 221 per cent.

## AVERAGE RATE OF DIVIDEND UP IN 1985-86

### *The Economic Times Study*

The dividend performance of private sector corporate units, as judged by the dividends declared by 345 companies, has not only been impressive but also a shade better during 1985-86 than in 1984-85. The average rate of corporate dividends has moved up from 13.49 per cent for 1984-85 to 15.71 per cent for 1985-86. The RBI study of 535 large companies (RBI Bulletin, December 1985) had shown that the corporate dividend had

moved down from 13.4 per cent of 1982-83 to 13.0 per cent for 1983-84. The RBI's sample of 535 companies had placed the average rate of corporate dividend for 1984-85 at 14.3 per cent as against 15.7 per cent worked out for 1985-86 on the basis of the ET sample of 345 companies for which annual reports for 1985-86 have now become available.

The *Economic Times* study on dividends has further shown that almost 38 per cent of the private sector corporate units have enhanced the dividend rate during 1985-86. About 12.0 per cent of companies which had stepped up dividends in 1984-85 have further pushed up the dividend rate during 1985-86. More than 5 per cent of companies have declared dividend at the rate of 30 per cent or more in 1985-86. A selected study of 50 companies which have paid dividend of 25 per cent or more in 1985-86 has shown that seven of these companies had paid less than 15 per cent in 1982-83.

There was a noticeable cluster of companies in the dividend ranges of 10.1 per cent to 15.0 per cent and 15.1 per cent to 20.0 per cent. This explains the average corporate dividend hovering around 13.0 per cent to 15.0 per cent during the last three years. It may be recalled that the corporate dividend rate had been only 11.0 per cent for 1980-81.

Higher dividend declarations during 1985-86 than in 1984-85 have not necessarily resulted in the corporate sector enhancing the proportion of dividend outgo from the pre-tax profits in 1985-86. As against 53 companies skipping dividend in the previous year, there were only 23 companies during 1985-86.

As already brought out in an earlier study published by The *Economic Times* (August 7, 1986,) private sector corporate units have given a thrust for retention of profits as part of mobilisation of resources. At the same time, the total quantum of dividend distributed in 1985-86 has been better than in 1984-85. In other words, the rate of increase in dividend payments in 1985-86 has been a shade lower than the rate of increase in pre-tax profits or profits after tax. The larger retention has been reflected in nominally lowering the dividend return in terms of net worth.

The study also confirms that equity earnings, on an average, for the private sector corporate units have been impressive in 1985-86 as compared with 1984-85. Small equity capital based-companies which have been showing a steady decline in earnings during 1982-83 to 1984-85 have done well during 1985-86.

Nearly 30 per cent of large equity capital based-companies (equity capital exceeding Rs. 10 crores each) have not only

paid 20 per cent or more but also enhanced the rate of dividend in 1985-86.

Another eight companies with large equity capital base, which paid less than 20 per cent in 1985-86, have raised the rate of dividend during that year. The study has also shown that not all the large capital based-companies have paid higher dividends or increased the rate of dividend. While two of the companies skipped dividend in 1985-86, another two pruned the dividend in that year. Nearly 16 per cent of the companies have increased the equity capital during 1985-86. There are twelve medium-sized (equity capital base) companies which have declared high dividends during 1985-86.

Both the RBI study of 535 large companies and the *Economic Times* study of the 101 companies show that during the two years of larger profits before tax (1984-85 and 1985-86), the private corporate sector has relatively lower incidence of tax, lower payout ratio and higher retention of profits.

### **GROWTH OF CORPORATE SECTOR**

The Indian Corporate sector during the three decades 1955-1985 has grown at compound annual rate of 4.6 per cent and 11.8 per cent in terms of paid-up capital.

The processing and manufacture of metals and chemicals and products thereof group achieved highest compound growth rate during this period, viz, 7 per cent and 15.3 per cent respectively, in terms of the two yardsticks cited, according to a study by the department of company affairs.

Going by the paid-up capital criterion, from 10.4 per cent annual growth rate in 1965-75, it went up to 12 per cent in 1975-80 and 15.3 per cent during 1980-85 which shows that PUC's (paidup capital) growth rate was faster than the growth in the number of companies.

"Taking into account the fall in the value of rupee the average PUC of non-government company in real terms in 1985 was considerably lower than in 1960."

If the six-fold price inflation factor brought out by the national income data was taken into account, "the average PUC of non-government companies was only the fifth of the 1960 level in real terms." Even the average PUC of Government companies in 1985 in real terms "was not higher than in 1960."

The largest group in terms of the PUC was achieved by the mining group at 18.5 per cent per annum raising its share from 3.8 per cent in 1955 to 22.5 per cent in 1985. This was mainly due to large-scale investment in government-owned mining companies.

During the three decades, the number of companies in secondary sector i.e., companies engaged in processing and manufacture—have grown at the compound annual rate of 5.9 per cent compared to 3.7 per cent achieved by tertiary sector and 1.9 per cent in primary sector.

In terms of PUC, "the PUC of primary sector rose by 16.0 per cent, that of secondary sector by 12.2 per cent while tertiary sector by only 7.7 per cent."

#### FOREIGN COLLABORATIONS IN 1985

The number of foreign collaborations approved by the Government during 1985 stood at a record of 1024.

The United States topped list with 197 collaborations, followed by West Germany 180, United Kingdom 147, Japan 108, France 61, Italy 56, Switzerland 42, Sweden 29, the Netherlands 16, Canada 15, Austria 14, Denmark 12, GDR 12, Belgium 9, Australia and Czechoslovakia seven each, Taiwan and Yugoslavia six each, Hong Kong, South Korea and Singapore five each, Finland and the Soviet Union four each, Norway and Spain three each etc. with 52 non-resident Indians.

Of the total investment of Rs. 1258.67 million approved, the share of the USA was Rs. 399.25 million and of non-resident Indians Rs. 190.40 million.

Categorywise, 620 of the collaborations were technical, 239 financial and the other 165 were for drawing and design.

During the 29 years ending 1985, 9660 collaboration agreements have been approved.

#### "DEEMED GOVERNMENT COMPANIES"

According to section 619 (B) of the Companies Act, 1956, the companies in which more than 51 per cent equity is held singly or jointly by Government companies or institutions, have to be treated as "deemed government companies" and these companies have to submit their accounts for auditing to the Comptroller & Auditor General of India (C&AG). But in practice, very few of such companies submit their accounts to the C&AG and thus remain outside the pale of accountability.

For the year 1982, the C&AG listed 53 such companies and stated that the accounts for 1980-81 were received from only 35. The monthly journal of the Department of Company Affairs, "Company News and Notes" listed 115 such companies.

According to a study, in 12 large companies with assets rang-

ing from Rs. 15.82 crores to Rs. 178.96 crores, the Government has more than 51 percent equity holding. But out of the 12, only one submitted its account to the C&AG. Each of the 12 companies are managed by private industrial houses registered under the MRTP Act, 1969.

Some of the Private Companies in which the Government has more than 51 percent Equity are:

<i>Name of Company</i>	<i>Percentage of Equity held by Government</i>
1. Andhra Valley Paper Mills (Bangur)	— 59.87
2. Escorts Ltd. (Escorts)	— 54.04
3. Kirloskar Pneumatic (Kirloskar)	— 60.42
4. Andhra Valley Power Supply Co. (Tata)	— 51.18
5. Hindustan Brown Boveri (Larsen & Toubro)	— 63.93
6. Hastings Mills LTD. (Bangur)	— 53.76
7. Gujarat State Fertilisers	— 74.12
8. Poysa Industrial Co.	— 52.86
9. Nagarjuna Steel LTD.	— 68.36
10. Banswara Syntex LTD.	— 82.15
11. Vikrant Tyres	— 71.31

*(The Times of India, Nov. 8, 1986)*

### **ALL ROUND GROWTH OF PRIVATE CORPORATE GIANTS IN 1984-85.**

*Survey by the Economic Times*

In 1984-85, the pre-tax profits, profits after tax and dividends distributed recorded a higher growth rate of the top 101 giant companies in the private corporate sector.

All the three major profitability ratios of the top giant companies increased in 1984-85 with faster rate of growth in total assets, net worth, net sales and gross profits.

The pattern of distribution of assets and net sales revealed that 28 percent of the top corporate giant companies held 52 percent of the total assets of the top 101 giant companies and 29 percent of the giant companies accounted for 57 percent of the aggregate net sales during 1984-85.

## THE TOP FIVE

<i>Total Capital Employed</i>	<i>(Rs. Crores)</i>
1) TISCO	1038
2) TELCO	687
3) Reliance Industries	662
4) Associated Cement	499
5) Larsen & Toubro	446
 <i>Net Sales</i>	
(i) TISCO	982
(ii) TELCO	830
(iii) Reliance Industries	604
(iv) Hindustan Lever	539
(v) Delhi Cloth Mills	474
 <i>Gross Profits</i>	
a) TISCO	164
b) Reliance Industries	84
c) TELCO	76
d) Larsen & Toubro	55
e) Hindustan Lever	54

Due to amalgamation, change in accounting year etc, out of 101 companies, 83 companies are comparable in all respects in both the years, 1983-84 and 1984-85.

### MAJOR PROFITABILITY RATIOS OF 83 COMPANIES

<i>Gross Profits</i> <i>As % of</i>	1983-84	1984-85
a) Total Capital Employed	9.8	10.2
b) Net Sales	10.5	10.9
c) Profits After Tax	10.5	11.8

The total assets of the 83 giant companies rose from Rs. 13,170.7 crores in 1983-84 to Rs. 14,866.7 crores in 1984-85—an increase of 12.9 percent.

Sales, net of excise duty, of the 83 companies, increased from

Rs. 12,209.5 crores in 1983-84 to Rs. 13,951.7 crores in 1984-85—a rise of 14.3 percent.

*Gross Profits* of the 83 companies went up from Rs 1285.0 crores to Rs. 1520.8 crores—recording a rate of increase of 18.3 percent in 1984-85.

*Total dividends* in 1984-85 amounted to Rs. 249.6 crores as against Rs. 214.3 crores in the previous year.

*Tax provision* of the 83 companies formed 32.2 percent and 28.1 percent of pre-tax profits in 1983-84 and 1984-85 respectively (for 101 companies it was 30.1 percent and 25.8 percent). It shows the myth of tax burden on companies.

*For 101 giant companies*

*Growth rate in Percentages*

	1983-84	1984-85
Total Assets	11.3	12.9
Net Worth	10.4	11.2
Net Sales	9.3	14.3
<i>Profits</i>		
Gross	0.3	18.3
Pre-tax	(—) 10.7	18.0
After tax	(—) 14.7	24.9

#### **BENEFITS OF GOVERNMENT'S LIBERALISATION POLICY**

*The Economic Times* sample survey of 51 companies in the private corporate sector has highlighted the fact that during 1985 directly following the government's liberalisation policies, these 51 large and medium-sized companies "have fared exceedingly well".

"One out of every two companies covered in the sample survey study has stepped up the equity dividend distribution for 1985.

"Three out of every four companies have earned higher profits. In several cases, the profits have shot up by more than 50 percent."

The 51 companies generally represent a cross section of the Indian industry.

Over 40 companies have declared bonus issues during the first quarter of 1986, "and many more are in the queue to make such proposals in the near future."

From the results of these companies covering different industries, it is evident that "the textile industry has turned the corner during 1985".

"The pharmaceutical industry's fortunes are expected to undergo a considerable improvement once the new drug pricing policy is implemented".

Thus the private corporate sector which is the only beneficiary of the government's new economic policies, liberalisation, tax and other concessions, has started to get immediate results in increased profits, dividends followed by liberal issue of bonus shares.

### PRIVATE SECTOR

As on March 31st, 1984, 970 Government companies with a paid-up capital of Rs. 16,415 crores were at work. In contrast, the paid-up capital of 12,526 public limited companies was Rs. 4059 crores and of the 80,768 private limited companies only Rs. 1455 crores.

According to a survey of foreign investment in eleven emerging markets, a hundred dollars invested in India yielded an average annual return of 22 percent between 1976-83, marginally higher than the figure for South Korea (21.5) but well above that for Argentina (18.7), Singapore (15), Thailand (12.3), Hong-Kong (9.2) or Brazil (6.6).

In fact, there is only one country among the eleven where the pick-up of the foreign investor have been higher than in India—Chile (27.7).

The annual number of foreign collaborations had doubled from 300 in 1978 to 600 in 1983, but the direct foreign investment has shot up in this period sevenfold from 10 million dollars to nearly 70 million dollars.

*(Times of India, 23 July 1985)*

### US INVESTMENT IN INDIA

American investors show greater interest in India, today, according to US ambassador John Gunther Dean. He told a luncheon meeting of the Indo-American Chamber of Commerce

in New Delhi that there had been a "tremendous change in the atmosphere in the last two and a half years."

At present there were 832 joint ventures.

"India offers excellent scope for joint ventures, technology transfer and third country collaborations. Investment climate in India has become conducive and attractive by its stable political system, vast market and availability of natural resources, infrastructure, skilled labour, technicians and managers," said Kulwant Rai, President of NIO.

Of a total of 9,650 collaboration agreements approved by the government of India from 1957 till date, the US accounts for 1,947.

India's population of middle class citizens is one hundred million strong and growing—a larger population than any country in Western Europe, said Mr. Charles Percy, former Republican US Senator.

"In 40 years I have never been no excited about India," Mr. Percy said.

American investment in India has increased "dramatically" in the last two years with nearly 850 active Indo-US partnerships according to a directory released by the American Ambassador in New Delhi on October 20, 1986.

He said equity participation in these ventures totalled some half a billion dollars. Statewise, Maharashtra 300, followed by Delhi-150 and West Bengal-100.

## **INDIA IN HI-TECH FIELD**

At a two-day conference on business opportunities for US companies in India which concluded in Washington on 8 October 1986, Grady E. Means, Director of the multinational Cooper and Lybrand said in a paper that India may well be "the supreme country in the high-tech field over the next decade". He said: "You can obtain very well trained and effective computer programmes for prices ranging from between 0.30 and one dollar an hour".

He said India has become a highly attractive market for US entrepreneurs. "The 100 million people classified as 'middle class', living largely in your cities, suggest a highly targetable market for American industrial goods and services".

"In many ways, India ranks among the top five markets in the world from the perspective of attractiveness and growth for the US manufacturers".

Over the past year, he said, "more inquiries have come to us from US companies interested in doing business in India than any other developing country."

President of the US Company Bry Air said that he had now begun to duplicate in India all the research facilities at the parent firm in Ohio because he found that he could hire ten Indian Ph.Ds. in India for the salary of one Ph.D. in America.

### **TECHNOLOGY IMPORT**

The Government has raised the foreign exchange limit for technology import from Rs. 59 lakhs to Rs. 1 crore per annum per unit.

The upper limit has been raised to enable the industry to implement their modernisation and technology upgradation programmes.

*(Lok Sabha, August 6, 1985)*

### **INCOME TAX ARREARS**

Income Tax arrears to the tune of Rs. 2203.41 crore were outstanding as on March 31, 1985. In 100 top cases in which demands exceeding Rs. 10 lakh were outstanding as on 31 March last, an amount of Rs. 271.99 crore was locked up in appeals.

*(Lok Sabha, August 9, 1985)*

### **MARUTI COMPONENTS**

An amount of 138 million dollars has been spent by Maruti Udyog Limited for import of components for Maruti vehicles upto March this year.

The indigenisation programme of Maruti Udyog Ltd. is reviewed from time to time.

*(Lok Sabha, April 8, 1986)*

### **FOREIGN TIE-UPS**

A total (number of 1,776 foreign collaboration cases were approved during the years 1984 and 1985. During the same period, altogether 2,521 letters of intent were issued. Proposals included TELCO-Honda collaboration for manufacture of cars.

A total of 1,401 letters of intent were issued for setting up of units in centrally declared backward areas during the two

years. Of these, 198 letters of intent were for 'no industry districts'.

(Lok Sabha, April 15, 1986)

### **NRI DEPOSITS**

The outstanding balances in bank deposits of non-resident Indians, as on November 30 last, were Rs. 4814.66 crores.

Their direct investment for which proposals were approved was worth Rs. 477.3 crores.

(Lok Sabha, March 14, 1986)

### **LOANS**

India's outstanding liability in respect of international organisations like the IDA, WORLD BANK and IMF stands at over Rs. 13,500 crores as on 31.1.85.

While repayment of principal on foreign debt would be to the tune of Rs. 181 crore during 1985-86, interest payment would be about Rs. 296 crore.

In addition, India had outstanding obligation of the order of Rs. 4735 crore in respect of drawings made under extended fund facility of the IMF.

(Lok Sabha, March 14, 1986)

### **INCOME TAX ARREARS**

Income-tax amounting to Rs. 1 crore and above was outstanding against 119 companies, including some public sector companies as on June 30, 1985.

The demands remained unpaid mainly because of pendency of appeals against disputed demands before the appellate authorities, stay granted by income-tax appellate authorities, stay granted by Income tax appellate tribunals/Courts etc.

(Rajya Sabha, March 11, 1986)

### **BIG HOUSES' PROFITS**

The profit before tax of the large industrial houses was Rs. 675.10 crores in 1975, which went up to Rs. 1,191.71 crores in 1984.

The profit figures of multi-national establishments were, however, not available as no such statistics was maintained.

(Lok Sabha, March 21, 1986)

SHAREHOLDING POPULATION (1983-84)

City	Estimated number of shareholding individuals (laks)	Population as per 1981 census (laks)	% of share-holding population	Shareholder density (no. of shareholders per 100 people)
Bombay	10.60	82	35.33	12.9
Vadodara	0.76	7	2.53	10.9
Ahmedabad	2.23	26	7.44	8.6
Delhi	2.85	57	9.50	5.0
Surat	0.42	9	1.42	4.7
Pune	0.75	17	2.51	4.4
Jaipur	0.33	10	1.10	3.3
Calcutta	3.01	92	10.03	3.3
Madras	1.17	43	3.90	2.7
Bangalore	0.73	29	2.45	2.5
Kanpur	0.31	17	1.05	1.8
Hyderabad	0.39	25	1.30	1.6
Total for the above 12 cities	23.55	414	78.56	5.7
Rest of the country	6.45	6,438	21.44	0.1
<b>Total</b>	<b>30.00</b>	<b>6,852</b>	<b>100.00</b>	<b>0.4</b>



## CAPITAL FLIGHT TO FOREIGN BANKS

Those are the people who evade taxes, resort to fraudulent practices to defraud the exchequer, and they are being extended amnesty and concessions of all kinds.

It has been variously estimated that the illegal transfer of Indian funds would amount to the value of the country's annual foreign trade or its foreign debt of 40 billion dollars. On the other hand, the Seventh Plan is said to be suffering from resources constraints.

### *Secret Deposits in Swiss Bank*

*The Times of India* of November 5, 1986 writes from Washington that International monetary experts have noticed a surprising jump in "Capital Flight" (clandestine deposits made in foreign banks) from India. Significantly this coincides with the economic policy of liberalisation introduced by the Indian Government last year.

According to an IMF study, with the last year's leap of Rs. 393 crores, the secret Indian deposits in Swiss banks have reached an unprecedented Rs. 1,332 crores or Swiss Francs 2,500 million (1,076 million dollars).

According to an expert monitoring international monetary flows, who wants to remain unidentified, the more than 1 billion dollars secret Indian deposits in swiss banks is "just the tip of the ice berg."

He believes that at least 15 to 20 times more money is deposited in secret accounts by Indians in banks in Hong Kong, New Jersey, Manhattan, Philadelphia and Bermuda.

It is for the first time that these accounts have received some authenticity and have been quantified in a publication of the IMF.

What is more, the statistics published in the fund publication show that capital is galloping out of India at the rate of hundreds of crores per year—into one country Switzerland alone.

An IMF publication quoting statistics collected by the National Banks of Switzerland, shows that upto the end of 1984, Indian account holders had deposited in Swiss banks more than Swiss Francs, 1,937 million, or equal to Rs. 939 crores.

According to experts, "dishonest Indian businessmen" cheat their country. "They conspire with foreign sellers or foreign buyers and produce false invoices."

The price of the machinery or capital goods they buy is shown higher in false shipping and other documents and the price of things they export is shown lower.

"Enormous amounts of money are thus generated through falsely documented deals and diverted to secret accounts in foreign banks."

#### *Finance Minister expresses Concern over Capital Flight*

Inaugurating the All-India conference of corporate managers and tax executives organised by the FICCI in New Delhi on November 8, 1986, the finance minister, Vishwanath Pratap Singh, expressed grave concern over the large flight of capital from the country. He pointed out that several Latin American countries were in the doldrums because of unauthorised outflow of capital. He said while the government was continuing its endeavour to simplify the Foreign Exchange Regulation Act (FERA) to redress genuine difficulties, industry should address itself to the problem of capital flight. He said the capital outflow was serious, and damaging to the economy. "This is something we cannot condone", he said.

He said India should not land itself in the light of some Latin American countries. But the finance minister has only been offering carrots to them including the latest amnesty to Fera offenders.

#### *Indians' Money in Foreign Banks*

An American newspaper, the *San Jose Mercury News* estimates that Indian citizens hold 1.7 billion dollars in foreign banks with or without government permission and of this amount 100 million dollars are invested in the U.S.

Estimates of third world holdings abroad indicate that its citizens have been quietly transferring third world wealth to developed countries on a mindboggling scale.

According to Morgan Guaranty, the U.S. financial company, Mexicans have transferred about 53 billion dollars over the past decade, including 17 billion dollars since 1983.

Morgan Guaranty estimates the capital flight from Argentina at 30 billion dollars. Totally, Third World citizens have shipped 200 billion dollars to safer financial havens in the last decade, according to Morgan Guaranty.

## *Capital Flight Abroad*

The Finance Minister told the Lok Sabha on Nov. 14, 1986 that the amnesty offered to FERA offenders was a short-term measure.

The IMF study showed that in 1984 such clandestine deposits from all countries, outside Switzerland, amounted to 342,375 million Swiss Francs. Nearly 40.1 per-cent of such deposits in 1984 were held by residents of West Asian countries, 6.5 per-cent by residents of Latin American countries. 5.3 per cent by residents of Asian countries and 3.5 per cent of residents of African countries. For India, the estimate was that 1,937 million Swiss Francs amounting to 0.6 per cent of total such deposits, in 1984, were held in this form.

"These arise from various illegal practices, such as invoice manipulations in exports and imports, illegal retention of commissions abroad, illicit traffic in drugs and the smuggling of India currency, and the like".

### *Foreign Accounts*

A Congress member in Rajya Sabha under special mention on Nov. 12, 1986 estimated that deposits by Indian businessmen abroad amounted to about Rs. 20,000 crores to Rs. 26,000 crores.

### *Flight of 10 Billion Dollars*

According to a recent estimate made by Morgan Guaranty Trust Company, the illegal transfer of capital from the developing countries to foreign banks during the last ten years amounted to a staggering sum of \$ 198 billion which is as much as 50 per cent of the external debt owed to the commercial banks by these countries.

The study has listed some of the major countries from which capital has flown abroad in which India also figures.

Amongst the Latin American countries, capital flow from Mexico amounted to \$ 53 billion, Venezuela \$ 30 billion and Argentina \$ 26 billion. For India, the estimated illegal outflow is \$ to billion which is roughly double the amount of the country's foreign exchange reserves.

The Philippines also has been a major victim of capital flight with an estimated amount of \$ 12 billion over the last decade.

The most common ruse through which such capital transfers take place is overinvoicing of imports and underinvoicing of exports.



## BHOPAL DECLARATION ON TRANSNATIONALS

*On the night of December 2-3, 1984, the disaster at the Union Carbide plant at Bhopal due to the criminal neglect of the management led to the death of over 2000 and the maiming of many more thousands. Appropriately, on the first anniversary of that ghastly disaster, the All India Peace and Solidarity Organisation held at Bhopal on December 1-3, 1985, a National Conference on "Transnational Corporations and Arms Race and Developing Countries". Here is the text of the Bhopal Declaration passed by the Conference.*

This National Conference held under the aegis of the All India Peace and Solidarity Organisation on the role of transnational corporations in arms race and in developing countries at Bhopal on December 1-3, 1985 pays its respectful homage to the victims of US transnational Union Carbide.

Bhopal has become synonymous with not only a genocide, being the ghastly scene of the biggest industrial mass murder, but also the most telling, living testimony to the anti-people operations of the TNCs. Bhopal has once more proved and this conference through its deliberations has reaffirmed the truth that the transnationals have no frontiers; they owe no commitments other than making profits.

The transnationals are the most powerful instrument of neo-colonial exploitation and they further the aim of imperialism through their sophisticated and intricately planned operations which include the overthrow of legitimate governments, large-scale bribery and corruption and subtle ways of subverting institutions with the object of destabilising countries fighting for preserving their sovereignty and independence.

The deliberations of this conference have demonstrated that the TNCs directly contribute to the accentuation of the arms race in all fields since such a race ensures for them super profits and a steadily increasing use of the means of mass killing and destruction.

It observes that the claim often made by certain interested circles, especially some circles within the government and monopolies, that the TNCs assist developing countries in their growth through transfer of technology is a myth. This should have been obvious enough to every one when one views the tragic consequences of operation of the TNCs and international

financial institutions on such poor countries like Mexico, Brazil and other countries in Africa and Latin America.

In fact, in the name of the transfer of technology many dangerous processes are shifted to developing countries by the TNCs. Also the TNCs ensure that the indigenous efforts at research and development are pushed to the background and the aim of self-reliance is scuttled.

In the fields of food, drugs and agriculture, in communications and myriad other sectors, the TNCs are holding the developing countries to ransom and forcing them to abjure many of their national tasks and give up strivings towards the emancipation of their people. The TNCs therefore are emerging more and more as enemies of the developing countries rather than their benefactors.

The lessons of Bhopal have provided a new sense of urgency to combat the detrimental operations of the TNCs. These have also brought forth a new sense of solidarity among the peoples the world over. Bhopal in any language today means the depredation of the TNCs. Bhopal, therefore, has crossed the frontiers of a nation--state and become global in character.

This conference meets immediately after the Geneva summit which opens a new phase in the struggle against the arms race and for peace. The joint statement against the nuclear war and for continuing the dialogue gives time to the anti-war forces to build a more powerful movement against the star wars, for moratorium on tests and for elimination of nuclear weapons.

However it is obvious that the TNCs will spare no efforts to torpedo any form of arms control which would cut into their profits. The new international economic order (NIEO) which can strengthen self-reliant development is a serious challenge to the TNCs. Hence, it has been repeatedly thwarted, particularly by the US administration.

The fight for the NIEO is therefore also a fight against the TNCs and policies of neo-colonialism. This conference draws the attention of governments especially in developing countries including our own to be alert to the operations of the TNCs in the interest of the self-reliant development.

We urge all governments to discourage the entry of the TNCs. Wherever the TNCs operate now, governments must impose strict control over all their activities thus safeguarding national sovereignty and economic, social and cultural development.

The need for vigilance is further heightened as the R&D

activities of many TNCs particularly in developing countries are being carried out using subterfuges and clandestine methods for biological and chemical warfare systems.

All the developing countries have the common experience of their life styles, thought process and cultural traditions being eroded and subverted by the virtual monopoly control exercised by the TNCs over the mass media. Massive misinformation and disinformation flood the media of mass communication, especially the electronic media.

This was highlighted by the McBride commission organised by the UNESCO which brought forth the wrath of countries like the USA and Britain. For similar reasons the UN and its agencies are being subjected to attacks.

The enslavement of the developing countries takes place in myriad ways with TNCs operating in areas of drugs and pharmaceuticals, being in control of media and above all through subtle ways in which patents and copyrights are operated.

The conference points out that it is not enough to formulate a code of conduct for the TNCs merely as guidelines for their operations in various countries. The code must be mandatory. The TNCs must not be permitted to withhold any information about their activities and must submit to a world standard of safety and health norms.

There must be a ban on the manufacture of hazardous and toxic chemicals in developing countries. Since the chemical industry is now being militarised more and more, this conference urges people everywhere to establish zones free from chemical warfare agents.

Above all, after the TNCs are forced to give up their present style of operations, they must be subjected to democratic control of workers and people, and not only governments. This conference therefore emphasises that it is necessary to build a strong and effective movement the world over uniting all those people who cherish their independence and freedom, especially in Asia, Africa and Latin America.

All those who believe in peace and are opposed to the arms race and war; all those who are striving for self-reliance and are ready to put national interest above the so-called need for sophisticated technology and market mechanism to fight back the TNCs everywhere and every time.

This conference calls upon all people and organisations to hold meetings, conferences, demonstrations, peace marches at all levels ultimately leading to a national march for world peace, against the TNCs and the game of neocolonialists against our country's sovereignty and integrity.

Bhopal has suffered the most and has become a mini Hiroshima. Let Bhopal also mark the beginning of a new struggle for overcoming the TNC hold in the world.



### GROWING INDUSTRIAL "SICKNESS"

I. No of Sick Units	Large Units	SSI Units	All Sick Units
as at the end of	No.	No.	No.
December, 1979	378	20,975	22,366
December, 1980	409	23,149	24,550
December, 1981	422	25,342	26,758
December, 1982	450	58,534	60,147
December 1983	491	78,363	80,110
December, 1984	545	91,450	93,282
June, 1985	597	97,890	99,668
II. Outstanding amounts (Rs. Crores)	597	97,890	99,668
December, 1979	1158	262	1623
December, 1980	1324	306	1809
December, 1981	1479	359	2026
December, 1982	1804	567	2578
December, 1983	2041	729	3101
December, 1984	2331.12	879.69	3638.39
June, 1985	2655.39	954.65	3805.17
December, 1985	—	—	4263.25

(outstanding commercial bank credit)

#### Industrial Sickness

The Government is not contemplating to introduce any new legislation providing for punishment to those who are deliberately turning the industries sick.

Upto the period ending June 1985, the total number of sick industrial units was 99,668 and the outstanding dues against them was Rs. 3,805.17 crore.

(Lok Sabha, August 5, 1986)

Period ending December 1984:

	No. of units	Amount outstanding (Rs. crores)
Large units:	545	2330.12
Medium units:	1287	428.58
SSI units:	91450	879.69
<b>Total:</b>	<b>93282</b>	<b>3638.39</b>

Period ending June 1985:

Large units:	597	2055.39
Medium units:	1181	105.13
SSI units:	97890	954.65
<b>Total:</b>	<b>99668</b>	<b>3305.17</b>

The statistics have been obtained from the latest report of the Reserve Bank of India.

(Lok Sabha, August 5, 1986)

Profile of Industrial Sickness of Large Units

State	As at the end of December 1983		
	No. of units	Amount out-standing	% share of outstanding
1. West Bengal	112	467.06	23.2
2. Maharashtra	100	461.48	22.9
3. Tamil Nadu	44	183.31	9.1
4. Uttar Pradesh	54	202.19	10.0
5. Karnataka	29	176.47	8.8
6. Gujarat	45	170.82	8.5
7. Total (1 to 6)	384	1661.33	82.5
<b>Total (including others)</b>	<b>491</b>	<b>2014.33</b>	<b>100.00</b>

## Industrywise Incidence of Sickness

Industry	(Amount in Rs. Crores)		
	As at the end of December 1983		
	No. of sick units	Amount outstanding	
1. Engineering and Electricals	113	419.60	(20.83)
2. Iron & Steel	39	162.09	(8.05)
3. Textiles	128	659.40	(32.74)
4. Chemicals	31	175.41	(8.71)
5. Jute	37	125.20	(6.22)
6. Sugar	44	130.50	(6.48)
7. Cement	2	10.60	(0.53)
8. Rubber	16	116.51	(5.78)
9. Miscellaneous	81	215.02	(10.66)
<b>Total</b>	<b>491</b>	<b>2014.33</b>	<b>(100.00)</b>

Note — Figures in brackets indicate percentage of total.

### Sick Units

	As at the end of	Large Units	Amount Involved (Rs.)	Medium Units	Amount Involved (Rs.)	SSI Units	Amount Involved (Rs.)
Dec.	1984	545	2330.12	1287	408.58	91,450	879.69
June	1985	597	2655.39	1181	195.13	97,890	954.65

Out of 99,668 sick industrial units (large, medium and small), enjoying total bank credit of Rs. 3805.17 crores as at the end of June 1985, 7246 units with bank credit of Rs. 1887.95 crores were considered by financial banks as potentially viable, while as many as 80,190 units with total bank credit of Rs. 1438.90 crores were considered as non-viable.

Banks have yet to decide about viability of the remaining 12,232 sick industrial units with total bank credit of Rs. 478.32 crores as at the end of June 1985.

### “Professional Sickmakers”

The Chairman of a nationalised bank having its headquarters in Madras told an audience of SSI entrepreneurs where the

minister of state for Industry M. Arunachalam was also present, that "large number of units are sick because they are professional in the field." He elaborated that these so-called professionals were experts in making units sick and they had vested interests in doing so. He even offered to share some of the experiences his bank had to substantiate the point that "here are professional sick-makers of units".

He told *The Economic Times* that in his estimate not less than 50 per cent of sickness in the Small Scale Industries sector can be attributed to "these professional sick-makers."

### *Industrial Units misusing funds*

Government would black list for 10 years such industrial concern as were found misusing financial assistance and causing their sickness.

The Government would soon set up a board to identify the sick units which had misused the loans. These will be debarred for a decade from taking any loans from financial institutions.

There were as many as 1,01,063 sick units in the country locking up Rs. 4,699 crore.

A Reserve Bank's recent study had revealed that 52 percent of the sickness was due to mismanagement.

(Lok Sabha, July 21, 1986)

### *Closed Textile Mills*

Seventy-four cotton textile mills were lying closed as on July 31, affecting 1,03,259 workers.

A rehabilitation fund has been created to provide interim relief to the affected workers. Under this scheme, a displaced worker will get a tapering amount for three years at the rate of 75 percent of the wage equivalent in the first year, 50 percent in the second year and 25 percent in the third year.

(Rajya Sabha, August 12, 1986)

### *"Sickness" further Aggravates*

As much as Rs. 4,263.25 crore of bank funds are locked up in 1,19,510 sick industrial units in the country at the end of December 1985.

(Lok Sabha, November 28, 1986)

## NEW TECHNOLOGY AND TRADE UNIONS

Trade Unions are not against technology and technological progress. In fact it is an irreversible process of history. Trade Unions cannot turn the clock of history backwards. But the main question is who uses the new and improved technology and to what purposes. In the capitalist world, in sharp contrast with the socialist system, the motive force of new technologies and their introduction is for more and more private profits by means of, in the main, reduction of labour cost which is brought about by displacement of labour, intensification of labour etc. The trade unions are therefore opposed to such modernisation and automation the consequences of which in short or long-run, are loss of employment and other heavy social costs.

Potentially new technologies can improve the quality of life, eliminate repetitive and dangerous work, save time and so on. But on the negative side, technological changes, as experiences of all capitalist countries have shown, lead to creating unemployment, introducing a new type of stress in the workplace and a fear of job insecurity to those in employment.

In fact this constitutes the centre of conflict and controversy, and also trade union battles, aimed at neutralising the numerous negative effects of new, modern technologies in the spheres of production and services. The scope of collective bargaining also has expanded and new demands have come to occupy priority position.

The question has acquired greater importance and urgency in our country in view of the new and redoubled drive to import, often indiscriminately, and introduce high technology, modernisation, computerisation etc. We have already here a high rate of unemployment and underemployment. Even according to employment exchanges figures which are acknowledged to be gross underestimation, more than 10 percent of the labour force are unemployed. Besides, industrial "sickness", closures etc. continue to take heavy toll of existing employment, rapidly adding to the army of unemployed. Therefore the process of development in our national interest must be such as to create at a faster rate more employment, and not displace those who are on jobs and shrink employment potential.

The contradiction between modern technology, its application in the sphere of production and elsewhere and its adverse social effects under the capitalist system has always assumed acuteness in all stages of capitalist development in the past.

A Round Table on new technologies and their social consequences on employment and workers was held in Budapest, Hungary, from 17 to 19 September 1985, organised on the initiative of the WFTU. It brought together trade unionists and technology experts from ten capitalist countries and six socialist countries, five TUIs as well as special representatives of ILO and UNIDO.

The brief report given below is devoted to the social consequences of the introduction of new technologies in the industrialised capitalist countries and their impact on trade union activities—Ed.

### **CAPITALIST MODERNIZATION—A SOURCE OF UNEMPLOYMENT**

With the exception of some categories of salaried employees (and even then usually only for limited periods), "technological modernization" now going on in the industrialized capitalist countries is synonymous with deteriorating employment, growing unemployment, falling real wages, intensification of the pace of work, restrictions of workers' rights, greater trade union repression and fierce campaigns intended to throw the blame on the workers in order to better subdue them. Naturally, this takes on different forms, depending on the region, industrial branch and individual enterprise. In its desire to live and work better thanks to new technologies, the world of labour comes up against a major obstacle—capitalist domination over production relations—and against the contractions bred by the crisis of the capitalist system.

Although technological advances allow to enormously increase the quantity and to raise the quality of wealth produced, we see in the capitalist world a general decrease of openings, following the steadily dropping purchasing power of workers.

We may say that the capitalist restructuring of production, made possible by the new technologies, always and everywhere affects in the first place employment: elimination of work posts, closing down of production units, no replacement of retired workers, no new recruiting. This contributes to the substantial growth of unemployment seen in recent years in all the industrialized capitalist countries.

## **"WORK FLEXIBILITY" AND "QUALITY CIRCLES"**

Another consequence of the introduction of new technologies is the "flexibilization" of companies. According to big business, the application of the latest technologies and the restructuring of production, intended to "better fit in with the needs of the market" are incompatible with a "rigid" organization of work. "Flexibility" and "quality circles" are the two leitmotives implying that the monopolies wish to restructure the organization of work solely for their own benefit. Big business wants to overcome the "rigidity" of the Taylorian organization of work; to promote "communication" at enterprise level between management and labour, eliminating whenever possible the unions; to exploit the natural desire of the workers to participate in production planning and to show their creative abilities by orienting it towards profit maximization—this implies the creation of "flexible" workers to be used according to the needs of the bosses, in line with the technical advances of production and market developments.

Investments for automation and robotization hardware being very costly, big companies want to use the machinery for as many hours as possible by lengthening business hours. Cost savings on the use of machines are the main motives for the whole package of "flexibilization" proposals in recent years. One of the consequences of such a policy is that more and more workers are employed on temporary contracts, for a fixed number of hours per day and per week, during which they can really work "efficiently", without being paid for slack time.

Big business also wants to exploit—but not properly pay for—the skills, creative talents and initiative of the workers in order to raise work productivity and improve the output of hardware. That is the meaning of such integration schemes as the "quality circles" that came from Japan. These are groups of workers, for the most part volunteers, created on the initiative of the employer; they should collect and then put into practice all workers' proposals aimed at raising output or improving product quality. In capitalist production, these "quality circles" are simply mechanisms for the self-exploitation of workers; the most tragic aspect of this scheme is that the wage-earners in fact help the elimination of their own jobs; once the rationalization and output-raising measures have been accepted by the bosses they mostly lead to new redundancies.

It should, however, be pointed out that in many instances the workers use this novelty for promoting their claims and demands, thus foiling the intentions of the bosses.

## **OTHER CONSEQUENCES OF THE INTRODUCTION OF NEW TECHNOLOGIES**

Speaking from the experience of Japanese workers in microelectronics, Takeshi Kawashima, Vice-President of the National Federation of Civil and Public Service Workers (Kokkororen), told the participants in the Round Table about several other consequences of the introduction of new technologies for the workers.

### **POLARIZATION OF THE WORKERS**

In Japan (as in the other industrialized countries) the development of microelectronics leads to a marked polarization of the workers: on the one hand, large numbers of unskilled workers and workers with a very narrow specialization and, on the other hand, a decline in the number of skilled workers. Generally speaking, such traditional skilled jobs as toolmaking, adjusting machinery and control of processing are now carried out entirely by the machine—the operator only presses buttons. Because of such developments we get, firstly, a handful of highly skilled workers (who are involved in the perfecting and programming of machines, as well as in policy making on some specific matters) and, secondly, growing numbers of unskilled workers or workers with very narrow specializations, whose only job is to supervise the machines. This polarization of labour, a result of the introduction of new technologies, is used by the bosses to break workers' solidarity. Big business wants to create rivalry between full-time and part-time workers, between those having a job and the jobless ones. This segmentation of the working class is dangerous for the defence of common interests at the enterprise, as well as for the strength and position of the unions, because it leads to a "rivalry of interests" not only inside individual factories, but between various enterprises and more and more even between different regions of the world, where transnational corporations operate.

### **GROWING UNDER-EMPLOYMENT**

Simultaneously with the polarization of labour we witness expansion of part-time work and work at home (less paid and without any rights). Among temporary and part-time workers we find young women, elderly workers and youngsters who often have to make do with employment by the day.

According to an investigation carried out in 1983 by the Japanese Ministry of Labour, the big enterprises have made it clear that they intend to switch over, in a big way, to part

time work and temporary contracts to avoid dismissals, which are costly because of the unemployment benefits that have to be paid.

The number of enterprises resorting to part-time workers has increased from 25.7% in 1979 to 73.5% in 1983. Japanese employers now plan an "intermediary labour market", whose role should be:

- a) to recruit skilled labour necessary for the handling of electronic equipment and robots, in line with the demands of the market,
- b) to provide enterprises with the skilled labour they need;
- c) to "lend" (on a temporary basis) to other enterprises workers "in excess" because of the economic situation.

Having accepted this plan conceived by financial circles, the government submitted in 1985 to Parliament a Bill allowing enterprises to "lend" their temporarily excess labour to other enterprises. Should this Bill be enacted, it would make legal the hiring out of labour, now banned by the Act on Job Security. It would, in fact, mean a fundamental revision of the Labour Code.

Let us add that this Bill is intended to deprive the workers of the fundamental rights (freedom of association, right to collective bargaining, to strike, etc.) because in the terms of the Bill they would not be directly employed by the enterprise, but "leased out".

## DETERIORATION OF WORKING CONDITIONS

Various investigations have revealed that by introducing new technologies the employers want, in the first place, to push down labour costs as much as possible. The introduction of microelectronics leads to higher productivity through an intensification of the pace of work. To achieve a rapid pay-off of the capital outlay for hardware, the employers want their machinery to run 24 hours a day, 7 days a week. That is the sole purpose of the work flexibility programmes, which bring into widespread use shift work, night work and work on public holidays.

A higher pace of work and longer hours of work go, of course, hand in hand with greater physical and mental fatigue; this has an adverse effect on workers' health and brings new occupational diseases and more industrial injuries.

Monotonous work, continuous nervous tension when using visual display units, worries about employment or because of frequent changes of work posts, the pace that has to be main-

tained to preserve the level of wages, these are the factors responsible for various symptoms of central nervous systems disorders in workers employed in new industrial branches: stress, migraine, nausea, visual defects, insomnia, etc.

According to an inquiry carried out by the Denkiroren trade union in 1982, 72% of the interviewed Japanese workers feared that "with the introduction of new technologies their health would be affected in an entirely different way than in the past."

*"If the rapid introduction of new technologies in Japan and in the other advanced capitalist countries will continue without adequate control, especially by trade unions, the life and health of workers will in all likelihood be exposed to new serious dangers", added Takeshi Kawashima.*

### THE UNIONS AND OCCUPATIONAL SAFETY AND HEALTH

Backed by case studies from microelectronic plants in California's "Silicon Valley" and the "Route 128" region near Boston, Massachusetts, Kenneth Geiser, Assistant Professor Urban and Environmental Policy at Tufts University (USA), discussed in detail the health hazards—occupational diseases and industrial injuries—to which are exposed workers employed in the production of electronic components and integrated circuits.

In conclusion Kenneth Geiser emphasized that the absence of unions and of occupational health and safety organizations in the new industries, as well as the image of the microelectronic industry as "clean" and "safe" industry, promoted by corporations, are the two main factors responsible for the growing health hazards of the 180,000 workers in this branch in the USA (the greatest risk is run by workers on assembly lines, many of whom belong to ethnic minorities).

*"Workers organized into unions," added Kenneth Geiser, "still provide one of the best mechanisms for guaranteeing a safe and healthful work environment. Firms organized by national unions... provide some of the best health and safety records. "This once more confirms the importance of the unions' involvement in the concept and introduction of new technologies, as well as in the supervision of their utilization. This would greatly benefit the workers.*

### ATTACKS ON TRADE UNIONS

Believing the unions to be a major obstacle that prevents

them from rationalizing production their way, the bosses, both in the newly-built factories and during production reorganizations, try to limit unions influence or to completely eliminate the unions, often with the help of governments that enforce anti-union laws restricting union action. The best-known example comes from the United Kingdom, where the Tory Government enforced a number of anti-union laws.

Rober J. Hardie, member of the AUEW-TASS Executive Committee, pointed out that the enactment of such laws makes union activities more difficult. In addition to specific problems posed by new technologies, the unions have to counteract various manoeuvres of the bosses intended to limit unionization in the new branches, such as:

—The establishment of new technologies industries in new factories, in areas of relative financial prosperity, where the existing level of trade union organization is low. Here non-unionism can be re-inforced by better than average wages and conditions, easily paid for by better efficiency, and by the substitution for real independent trade unions of "inhouse" company-based tame staff associations.

— Where companies plan to introduce new technologies and the existing workforce are unionized, the tactic adopted is to set up a subsidiary group, sometimes even a legally separate company to provide—typically—computer services for the industrial plant. Where possible, the new elite employees are isolated from the contagion of collectivism in a new office block separately sited, but if this is not possible, minimum contact is re-inforced by limited access justified on security grounds.

The response of the British trade unions to these anti-union employer measures—enabled by the technologies—is, firstly, an increasing number of mergers between unions (thus bringing together a wider range of trades and professions from a given industrial branch) and, secondly, competitive recruitment campaigns—and there is already some evidence that the rate of decline in trade union membership, which followed in the wake of the steep rise of unemployment due to industrial restructuring, is diminishing.

## CONCLUSIONS

As most speakers stressed, the unions are not against technical advances, seen as a means of improving working conditions and increasing produced wealth; they reject the way in which

these new technologies are being used by capitalist employers. In order to better protect the workers against the impact of industrial restructuring now taking place in the industrialized capitalist countries, the unions must explain to the workers the orientations of employer policies in this area and come with specific claims and demands, as basis of their counter-offensive.

Towards this end unions should organize discussions on the shop-floor and strengthen workers' unity and solidarity around immediate demands, especially shorter hours of work. If the unions want to take from the bosses the initiative in the area of employment policies, they cannot simply defend existing gains and rights.

When the transfer to another job is indispensable, the union should insist on the maintenance of the same working conditions and on vocational training or adequate re-training. For the benefit of all the workers, the unions should have the right, recognized by the employers, to have a say in the elaboration and introduction of new technologies. The unions should also have the right to assess, after a certain time lapse, the results of the introduction of new technologies and to negotiate amendments of existing collective agreements to prevent a deterioration of working conditions.

These measures are, so far, far from being reality. On the whole, employer-union negotiations about new technologies are only too often one-sided, with the management presenting its case. And even when the views of the union are heard, they are not taken into consideration.

*"We could say", said Robert J. Hardie, "that the possibilities and problems arising from new technologies (in all the capitalist countries, are no different in kind from those experienced by the workers until now, and the immediate industrial response of the trade union movement must centre on two key problems, namely: improvements of the purchasing power of the people so as to correspond to the increased productive power and, secondly, the protection of jobs.*

*"The demands that trade unions make for higher wages and for a shorter working life are not anti-social and unrealistic nor do they counteract each other, both must be pursued....*

*"... The main elements of the "Alternative Economic Strategy" are: a redistribution of income and wealth in favour of working people; extension of public ownership and planning; massively increased industrial investment; control of the export of capital; a reversal of cuts in the social services."*

## ON INTRODUCTION OF MODERN TECHNOLOGY IN PUBLIC SERVICES

The Seminar of State/Public Employees' Trade Unions of Asia and Pacific Region was held in New Delhi from 5th to 7th December 1985. The theme of the Seminar was: "Introduction of Modern Technology in Public Services—Problems and Tasks—Conditions of Service—Freedom of Association and the Right to Collective Bargaining for Public Employees". The Seminar in its conclusions stated that "attempts to privatise any of these (state services) functions will adversely affect the interest of the economically and socially weaker groups." The Seminar strongly urged upon "the various governments of the Region not to resort to privatisation of essential state functions in the larger interest of the community."

On the question of introduction of modern technology, the Seminar came to the following conclusions:

While the introduction of Modern Technology in itself is not opposed, the Seminar opines that the negative consequences of introduction of Modern Technology in public services or modernisation of State Services are far greater than their advantages and, therefore its indiscriminate use will lead to greater unemployment and add to the miseries of the people particularly in the developing countries because it is not accompanied by growth of the manufacturing of the equipment.

The introduction of Modern Technology particularly computers in offices has been marked by increasing concern as its negative consequences would fall heaviest on administrative personnel. This would further result in considerable change in the composition of work force particularly in developing countries.

Apart from the direct adverse social consequences of the introduction of Hi-tech in State Services, such as mass unemployment, obsolescence of skills and work experiences gained over several years, the developing countries will have to resort to deficit and inflationary financing to generate resources for the very large investments required for the import of the new technologies from abroad. This will inevitably result in tremendous increase in prices in the countries of the region which will adversely affect not only workers but the community as a whole.

New Technology particularly computers will bring about new occupational diseases.

It is time for trade unions of the region to assert that people are more important than machines and that the manpower implications of modernisation cannot be ignored. The threat of Modern Technology to the job security of the employees and to the job potential of the industry is real.

The propaganda that the cost of administration of the public services has increased beyond the capacity of the nation is unfair because both in the capitalist countries as well as in the developing countries the State apparatus is being exploited by the capitalist class for its advantage and therefore to transfer the burden to the shoulders of the common man is unfair. Rationalisation of taxation policies and the charges on services rendered should be done in consultation with the Trade Union organisations also.

The negative consequences of modern technology, particularly of computers and micro-electronics are much greater and therefore its indiscriminate use will lead to great unemployment and add to the already unbearable miseries of the people especially in the developing countries.

That the introduction of computers in public services will have devastating effect on the employees as it will affect the career prospects particularly of the middle aged employees who will find it difficult to be re-trained and will make younger ones surplus with the danger of retrenchment.

The danger of the adverse consequences is more serious because many governments of the countries in this Region have not only refused to honour ILO Conventions, Resolutions and recommendations but have also unleashed unjustified propaganda that introduction of Hi-technology will result in reduction of cost of administration and then give tax relief to the people.

The Seminar therefore resolves that the Governments of the countries in the Region should be compelled to announce their plans connected with the introduction of Modern Technology, and probable man-power surpluses. Extensive consultations be held with all unions involved and no new technology be introduced without an agreement with the unions concerned. Nothing less than this will be adequate for the protection of jobs and careers prospects. The unions of the Region should also take steps to rally the people against indiscriminate introduction of technology particularly its effects on unemployment. The Unions should take steps to focus attention of the people on the supply of obsolete equipment by the capitalist countries and ensure that the self-reliance is reached in the production of equipments based on Hi-techno-

logy by undertaking the manufacture of the same in Public Sector, preferably in collaboration with the Socialist countries.

The Trade Unions of the Region should act unitedly to combat the negative consequences of the introduction of Modern Technology and ensure that it is introduced with a view to re-create the functions of the government for the benefit of the whole community.

## AUTOMATION AND JOBS

The old view that automation does not displace workers is being given up even by experts. A University of Michigan study predicts that robots will displace 200,000 industrial workers by 1990, while robot manufacturing will create only 44,500 jobs.

The use of robots is increasing. Last year industrial robot orders reached 3,600 units in the US against 5100 in 1984.

(Times of India, 6 Jan, 1986)

## NEW TECHNOLOGY

### *Modernisation in Socialist System*

The Comprehensive Programme of Scientific and Technological Progress through the year 2000 adopted by the meeting of the Council for Mutual Economic Assistance (CMEA) held in Moscow in December 1985. The programme is aimed at intensive scientific production cooperation among the CMEA member-countries along five priority orientations—electronisation of the national economy, comprehensive automation, the development of nuclear power engineering, the development and mastering of new kinds of materials, and the accelerated development of biotechnology.

With regard to method and objectives, the Comprehensive programme states: "Socialist production relations in the CMEA member-countries, based on the social ownership of the means of the production, on planned economic management in the working people's interests, and on the principles of friendship and mutual assistance, objectively open broad scope for accelerating scientific and technological progress. The human factor—the crucial factor of all changes—will be considerably activated. The actual blending of the advantages of socialism with the achievements of the modern scientific and technological revolution provides conditions for the ever fuller display of capabilities by every human being, the flourishing of material and

spiritual culture, and the refinement of the socialist way of life.

"As distinct from what is the case under capitalism, the realization of a large-scale transition to new generations of highly productive machinery and technology in socialist conditions is not accompanied by man's exploitation by man, competition, unemployment, professional downgrading, material privations of the working masses, social and national inequality.

"Organizing cooperation along the main lines in the development of science, engineering and technology, the CMEA member-countries strive above all to fulfil the tasks of accelerating socio-economic progress and raising their citizens' standard of welfare and quality of life, including considerable improvement of working and living conditions, further advancement of culture, education and health care, and fuller satisfaction of the population's requirements,

And further: "The present programme corresponds, in the final analysis, to the vital interests of the whole of mankind inasmuch as the areas of diversified and mutually advantageous cooperation with socialist countries which are not CMEA members, with the developing nations and with other states of the world will broaden as a result of its implementation.

"The CMEA member-countries deem it necessary to continue persistently to develop scientific and technical cooperation with all other socialist countries which are not CMEA members.

"They will continue rendering scientific and technical assistance to the developing nations with a view to upgrading their national economy and strengthening their economic independence."

At the reception held on December 18 at the conclusion of the session, the Soviet Prime Minister N. I. Ryzhkov said that "the technological cooperation of the socialist countries has never been directed against any people or nation. And the programme we have adopted pursues the humane objectives of social and economic progress. In that way, it responds to the international interest of all humanity.

### *Is Unemployment likely in the USSR?*

Several readers of MOSCOW NEWS from Spain, France and other capitalist countries in their letters to the weekly expressed apprehension that the 2.3 to 2.5-fold growth in labour productivity planned in the USSR for the coming 15 years will result in drastic reductions in workers employed in material production. The Deputy Director of the research institute of the State Planning Committee of the USSR, Vladimir Kostakov has discussed the issues involved as below—Ed.

How many workers will be withdrawn from material production?

An estimated 13-19 million. But none will become unemployed. Some people will find employment at enterprises created in the course of the scientific and technological revolution. Others will retire on old-age pensions in the course of these 15 years thus not inconvenienced at all. The rest, the majority, will have to work in fields other than material production.

The state will have to provide employment for young people starting independent life out on their own. Many of them will be asked to go and work in services, because not every lathe operator that retires will need a replacement. Up to recently the setup was like this: the young were supposed to replace pensioners besides ensuring an increase in the work force because production needed more workers each year.

*The latter makes the situation even more serious.*

But not tragic. Suffice it to compare the spheres of material production and those of services which include public health, education and culture. In 1940, material production accounted for 88.3 per cent of the total work force while the non-productive spheres accounted for 11.7 per cent. In 1970 the figures were 77.1 and 22.9 per cent, in 1984 73.7 and 26.7 per cent.

You can see how rapid the growth of services is of late. According to a more detailed analysis those who join these services are the most educated and skilled personnel. This fully accords with the increasing role played by public health, education, culture, other non-productive spheres in life of the nation.

*Until now, however, material production has had real advantages over other spheres. It has been provided with personnel and with all inducements to make people stay in their jobs. One such inducement is higher pay. Does this mean that people joining services relegate themselves to lower pay and living standard? Is there any basis for arguing along these lines?*

Yes, there is. In 1940 average wages of services workers was 4.5 per cent lower than those of material production workers. In 1970 the gap was as wide as 20 per cent, in 1984 it was 30 per cent. In terms of money the gap was 95 per cent larger than in 1940.

Up to a certain stage similar wage gaps were justified by the actual priority of material production in society, in the stability of growth of the national economy. Today, however, the shortcomings in the field of services slow down progress in material production.

Later on the negative effects caused by underrating the importance of services would be an even greater brake.

People, who have no natural qualities and abilities to be teachers, doctors or cultural workers should be screened for that.

But if the present pay gap remains this will become even more difficult to achieve.

### *What's the way out?*

It lies in consistently eliminating groundless differences in pay. This is the only way to ensuring full and rational employment for the population in new conditions.

*In this country we have come to think it natural for jobs to chase people. Is the situation likely to change in the next 15 years?*

I hope so. And this would be good—when jobs chase people, people's attitudes to them are affected. People tend to go easy on their incompetence. Rational employment, which we are approaching would create a situation when jobs would place high demands on workers.

### *Will some people lose jobs?*

Certainly. But they would be losing only specific jobs. They will be given help to find alternate employment. The job information and job placement agencies would come to play a much greater role. They will not be able to operate without computers.

Retraining is another alternative. Already now a need is felt for retraining not only young people but also adults with long work records. There should be a seriously improved system for advanced training and retraining.

*Practically, people cannot quit one job and quickly take another which would be in their line of training into the bargain. It takes time, doesn't it?*

There is a solution to this. The recent decision by the CPSU Central Committee and the Council of Ministers of the USSR "On Further Upgrading the Management of the Agroindustrial Complex" gives executives at different levels the right to reserve for the workers released from their jobs due to reorganization their salaries at their former places of employment for the time it takes to find other jobs but not longer than three months, and consider their length of service uninterrupted.

Thus we are on the verge of an intensive restructuring of the whole sphere of labour. Do you expect any conflict situations?

The restructuring entails many situations where requirements of production clash with people's interests. How intense they will be, mainly depends on how we are going to plan and realize this transition.

I'm positive that the country's planned economy will take account of the interests of production and of man no matter how many workers are to be released from material production.

## MODERNISATION IN THE USSR

The 27th Congress of the Communist Party of the Soviet Union which was held in February 1986, has given a new impetus to the rapid scientific and technological development in the Soviet Union. Production processes will be placed on higher technical base and efficiency. But no body in the USSR fears of the negative effect on jobs and living standards as a result of introduction of modern technology, as is the case with capitalist countries. On the other hand, the Soviet workers and trade unions who directly participate in the renewal processes, are fully aware that the new technology instead of bringing more unemployment and miseries, will bring about improvement in working conditions, paving the way towards higher standard of living. — Editor.

Mikhail Gorbachev, the Soviet leader in answer to a question by "L' Humanite", the French Communist Party daily on February 8, 1986, said the following:

**Question:** Is not unemployment an inevitable price for production modernisation?

**Answer:** In a plan based economy geared to meeting social needs as fully as possible such a connection does not exist. Even if some fundamental technology improvements make whole trades no longer necessary, we can and should in advance not only foresee this but also take measures to retain workers, and if need be, to set up new production units. And this is just what we do in practice. Incidentally, since the reconstruction of enterprises is, as a rule, accompanied by their enlargement, the issue of new jobs is solved right at these same enterprises.

But this question as yet is for us almost an academic one. Primarily because the problem for us is not a surplus but a shortage of manpower. At the same time, let me tell you frankly, there is also another reason. We are yet slow in carrying out modernisation, including in the sectors where it is overdue. Be that as it may, the party takes account of the social aspect of modernisation and considers it exceptionally important to do that in drafting plans for the country's economic development.

According to the Soviet Prime Minister Nikolai Rhyzkov, in course of modernisation of Soviet Industry as envisaged in the plan targets for the next 15 years, number of affected workers will be five to six millions. According to leading Soviet economists, while this problem does present some difficulties they will arise mainly before the planning and economic agencies and not before the workers themselves. According to the economists, workers to be released from their present jobs will find instant jobs elsewhere through an adequate mechanism to be set up by the State for reallocation of labour in sectors which require expansion. Soviet experts have refuted Western forecasts regarding the large redundancy of labour in the country in the coming period. The absorption as suggested by the Soviet economic expert also provides for establishment of an optimal rate of women participation in material production, working time cuts and a reduction in pensionable age, among other things.

The Soviet industry in the coming years will have to create a potential equal to that established over all the previous years of the Soviet power. The national income is to roughly double and productivity to rise 2.3 to 2.5 fold by the year 2000.

### **ROBOTS DON'T MAKE WORKERS UNEMPLOYMENT**

Full employment has been a reality in the Soviet Union for over half a century. The right to employment is also enshrined in the constitution of USSR. The USSR is currently passing through a vast process of modernisation and automation.

Over the next 25 years, the structure of Soviet industry will be completely changed with the emergence of new trades and professions directly linked to the introduction of new techno-

logy, automation of various jobs, the development of the service and the agri-food sectors, etc.

Modernisation and the technical revamping of factories will inevitably lead to cuts in manpower. In this case, what will happen to the workers who are released?

In the Soviet Union redundancies are extremely rare, and the usual time allotted for rehiring is only two weeks. Management, according to the law, must exhaust all possibilities of change. The trade union committee monitors the strict respect of implementation of this law.

So re-training is the answer. In the textile industry, for example, several thousands of jobs have disappeared with the introduction of new technologies over recent years. However, not one person has been made jobless. All workers concerned were given the possibility of seeking another speciality and increasing their skills. The textile industry spends considerable sums of money on re-training.

The same is true for high technology industries.

## ADVANCED SOVIET TECHNOLOGY FOR INDIAN ECONOMY

The key branches of Indian industry are based on large public enterprises. More than 70 such enterprises have been built in India with Soviet technical and economic assistance. In the process of their construction and commissioning tens of thousands of Indian workers, technicians and engineers have undergone appropriate training and have acquired the knowledge needed for the reliable operation of these works. As a result of this, the public sector of the Indian economy has a good knowledge of the latest advances of Soviet science and technology than the private sector.

The range of these advances is very broad. In many fields the Soviet Union has gone ahead of many countries. For example, the USSR holds the first place in the construction of giant hydropower stations, long-distance power transmission lines and trunk pipelines, in the production of unique metal-working and metallurgical equipment and in many other fields. Soviet production accomplishments are based on the high standard of science in the USSR, which is a generally admitted fact. The Soviet Union was the first to orbit an earth satellite and to send a man into space, and Soviet remote-controlled space-ships were the first to reach the moon. All these achievements

are the logical result of fruitful cooperation between science and production in the USSR.

Soviet organisations which assist Indian state-owned corporations in the building of industrial works rely on the advances of science and technology and on the economic potential of the respective branches of Soviet economy. In contrast to this, foreign private companies which act as suppliers of new technology to India have only the potential of their enterprises and research laboratories and their limited financial and material resources to rely upon.

Another important point is that in contrast to the private companies of industrialised foreign countries, Soviet foreign-trade organisations perform their commercial operations, including those involving technology transfers, in full accordance with the general principles of Soviet foreign economic policy. The most important principles among these are complete equality of the sides and mutual benefit as well as assistance to newly-independent countries in achieving economic independence.

The projects built with Soviet assistance in other countries, including India, fully belong to the countries where they have been built, and Soviet organisations do not share in the profits from their operation. The Indian side makes payment for Soviet supplies for these projects (which are mostly sets of equipment), technologies handed over to it and engineering consultant and other services with goods manufactured in India, normally doing so in instalments and under the terms of the rupee trade.

In contrast to this practice, foreign private companies involved in the construction of industrial project in India seek to secure maximum profits for themselves, often at the expense of the Indian side. In return for their supplies, technology and services they often prefer to get a percentage of the share from the Indian partner-companies and thus become recipients of a corresponding share of the profits from the operation of these projects. In this manner, by turning the works built in India into a permanent source of profit for themselves these foreign companies also take part in controlling the performance of the Indian partner-companies, making them serve their own interests.

The Western media often come up with speculations about the "technological lag" of the Soviet Union. These allegations however, are being refuted by many businessmen from Western countries themselves. The *Christian Science Monitor* has written about the keen interest of American businessmen in

the purchase of Soviet licences. Referring to the opinion of American experts in licence trade the paper pointed out that even such giant corporations as Reynolds Aluminium, Babcock and Wilcox, Dupont and others are trying to buy licences from the USSR.

The Soviet foreign-trade association Licensintrog, which specialises in licence trade, has received more than 1,500 offers for the buying of Soviet licences from foreign companies (including from the USA, Japan, West Germany, France, Britain and Italy). Every year Licensintrog signs more than 100 licence transfer agreements.

The new technical ideas for which Licensintrog offers licences to foreign customers can interest specialists in various fields.

Some Indian companies have already come to realise the profitability of purchasing Soviet technologies and have signed appropriate agreements with Soviet organisations.

(From *Soviet Review*, August 12, 1985)

## INDUSTRIAL ACCIDENT

Every three minutes somewhere in the world a worker dies of an occupational injury or illness. Every second that passes at least four workers are hurt—more in a week than the entire population of a city of the size of Paris.

According to an ILO Report, the fatalities in the Third World are estimated to be several times higher than in the North, and work-related injuries and work aggravated sickness are much more common.

The proliferation of new chemicals—upto 1,000 each year—presents a special problem because of the high cost and time required to determine toxicity.

As much as 80 years will be needed, for example, to assess the toxic properties of about 40,000 new Chemical substances.

About half of the 24 developing countries providing sufficient data, report increasing fatality rates, with significant rises in manufacturing and construction. While labour force grew between two and three percent in the 1970s, the average annual increase in the number of non-fatally injured persons in 1976-1980 was 5.3 percent.

Among the reasons for this disquieting situation are: Imports of new equipment into developing countries without the

safeguard standards of industrialised countries, poor maintenance and disregard for safety practices as hindrances to rapid production, and ignorance of hazards.

About half the labour force of developing countries works in agriculture, and the number of accidents reflects the sector's importance. Some 30,000 deaths and eight million non-fatal injuries occur in agriculture every year (this figure excludes China). Many accidents are caused in the handling of tractors and threshers.

Occupational diseases, too, are more common and serious in the developing world. The increased use of Chemicals as pesticides, herbicides and insecticides has brought danger into an area particularly ill-equipped to face it.

One field survey in an Asian country revealed that 40 per cent of sprayers had toxic symptoms from pesticides poisoning.

In mining, exposure to dust continues to be a health hazard and 20 to 12 per cent of workers have contracted some form of pneumoconiosis.

Looking to the future the study notes that an uncontrolled transfer of technology to developing countries can increase an already "unacceptable" level of accidents and disease. Safety and health should be stressed in training courses for the third world. The ILO has produced 25 conventions on safety and health.

This includes for the first time the basic right of workers to refuse to commence or to cease work in case of danger.

## FACTORY ACCIDENTS

During the period of five years from 1977 to 1982 a total of 4,581 workers in various factories in the country died as a result of injuries due to accident. The total number of injured workers also increased from 316,273 in 1977 to 346,395 in 1982.

As against 690 workers who died in 1977, the number of deaths in 1982 increased to 761.

Number of working factories increased during the period from 119,715 in 1977 to 153,235 in 1982.

## INDUSTRIAL SAFETY

Over the last 30 years, nearly 36,000 workers have been killed and 6.4 million injured in industrial accidents, according to a study by Dr. R. R. Nair of the Central Labour Institute, Bombay. Over 7,000 deaths occur per annum in industrial accidents—three times the magnitude of Bhopal gas tragedy. The industrial fatality rate in India is currently estimated at

0.14 per 1000 workers, five to seven times higher than those prevailing in developed countries such as Japan (0.02), UK (0.03), USA (0.03).

The fatality rate in the unorganised sector is still higher.

The states of Maharashtra, West Bengal, Gujarat, Madhya Pradesh, Tamil Nadu, Uttar Pradesh and Karnataka account for 86 percent of all accidents.

Five industrial sectors, namely, textile, metallurgy, machinery manufacturing, chemicals and transport have been identified as more accident prone accounting for 80 percent of injuries, as per a survey conducted by the Industrial Toxicology Research Centre recently.

In the textiles industry, which has 24 percent of the total employment force, 54 percent of the industrial accidents take place.

India's chemical industry comprising of about 4000 units has been described as the most dangerous one in the country. In 1980, 10,000 workers were injured in accidents and 100 killed, 33 for every 100,000 employed. Explosion was the biggest cause of deaths.

Workers engaged in the asbestos industry are exposed to a great risk. Asbestos is for sometime recognised to be a major health hazard in industry.

It has been claimed by some experts that a five-minute inhalation of blue asbestos dust can produce cancer upto 20 years afterwards.

In India, the asbestos industry is growing and now employs some 7,000 people in 20 units.

## INDUSTRIAL ACCIDENTS

Of the 7.2 million workers in the organised sector 32.55 percent continue to receive injuries while at work.

In 1981-82, the total loss in registered factories only due to reported and treated cases amounted to Rs. 450 crores.

According to the Labour Secretary, though about 1,500 Safety officers were needed in the factories covered by the Factories Act, only about 300 officers had so far been appointed.

During 1982, there were 757 fatal and 345,686 non-fatal injuries in registered factories alone.

The Industry Minister, N. D. Tiwari admitted that the accident rate in Indian industrial units remained, at 60-66 per thousand workers, among the highest in the world.

Though breakdowns caused by accidents continue to be the largest single cause of production losses, industries themselves show little regard for human life.

## FATAL MINE MISHAPS

As many as 896 people were killed in fatal mine accidents in the last five years. (Rajya Sabha, Nov. 26, 1985)

## MINE ACCIDENTS

As many as 217 persons were killed and 26 seriously injured in 1,851 coal mine accidents during 1985-86.

The death toll in accidents in other mines was 90 in 77 cases.

The total number of accidents during the year in coal and other mines was 1,034 and 421 and in these the number of seriously injured was 1,053 and 434, respectively.

(Lok Sabha, July 28, 1986)

## CHANGING PATTERN OF WORK-RELATED INJURIES

Though the work-place is becoming safer at least in some parts of the world, the situation in regard to work-related injuries varies in dimension from country to country and industry to industry. Modernisation and introduction of sophisticated technology in production processes actually call for greater attention to ensuring safety measures than otherwise.

A survey of seventy countries by ILO revealed that in one year of 1984, workers involved in work-related accidents were as many as 10.4 million, and fatalities 26.5 thousand. The accidents accounted for the loss of 170 million working days. This should broadly point to the gravity of the situation notwithstanding the differing nature of sources and methods of reporting or compiling of statistics or even the definition of occupational injuries.

In 70 countries (48 developing and 22 developed) for which data were made available, the situation regarding occupational accidents appears to be improving. The total number of workers killed or injured dropped by over half a million since 1980 (about 6 per cent fewer), with about 10 per cent fewer fatalities. When considered in the light of the increasing number of workers exposed to risk throughout the world, this would seem to indicate that occupational safety measures are taking effect.

In the developed countries the number of fatal injuries fell by about 14 per cent, and in the developing countries by about 2 per cent.

Still, in one year, about 10.4 million workers in the 70 countries were involved in work-related accidents which resulted in either death or injury serious enough to warrant loss of

working time—including about 28.5 thousand fatalities. Unfortunately, statistics are not available for almost 100 countries, including some of the world's largest in terms of population.

About 28 per cent of the fatalities occurred in manufacturing, while accidents in construction accounted for a further 24 per cent; agriculture 13 per cent; transport, storage and communication 11 per cent; and mining and quarrying 6 per cent.

The remaining industries each registered fewer than 6 per cent of all fatal injuries. This meant a slight change in the pattern of fatalities from the previous year, when the corresponding figures were respectively 28 per cent, 19 per cent, 11 industries each accounted for 5 per cent or less.

per cent, 13 per cent and 9 per cent, while the remaining industries each accounted for 5 per cent or less.

The picture differed somewhat between developed and developing countries: in the 22 developed countries, 25 per cent of fatal accidents were registered in construction, 24 per cent in manufacturing, 14 per cent in transport, storage and communication; 10 per cent in agriculture and 7 per cent in wholesale and retail trade, restaurants and hotels. The other industries each accounted for fewer than 6 per cent.

In the 48 developing countries, over 25 per cent occurred in manufacturing; 22 per cent in construction; 13 per cent in agriculture; 11 per cent in transport, storage and communication; and 7 per cent in mining and quarrying, with 6 per cent or less for the other industries. Electricity, gas and water appears to be the safest sector throughout the world, with about 2 per cent.

About 170 million working days were lost throughout the world as a result of accidents at work—40 per cent of these in manufacturing; 17 per cent in construction, 9 per cent each in transport, storage and communication and in wholesale and retail trade, restaurants and hotels.

## PRICES AND PRICE RISES

*Consumer Price Index: Monthwise and Yearwise*  
*All-India Average Base: 1960=100*

	1980	1981	1982	1983	1984	1985	1986
January	371	411	459	495	563	588	629
February	369	418	458	500	561	585	633
March	373	420	457	502	558	588	638
April	375	427	459	508	559	594	643
May	382	433	462	521	562	600	651
June	386	439	470	533	574	606	658
July	394	447	478	541	585	615	668
August	397	454	488	549	586	618	672
September	402	456	489	554	589	619	676
October	406	460	491	558	592	625	—
November	411	462	496	561	595	630	—
December	408	460	497	559	588	630	—
Annual Average for				1980	—		390
"	"	"		1981	—		441
"	"	"		1982	—		475
"	"	"		1983	—		532
"	"	"		1984	—		576
"	"	"		1985	—		608
"	"	"		1986	—		652

(January-Sept.)

### Index of Wholesale Prices

		(Base : 1976-71=100)
		All Commodities
	1980	246.8
	1981	277.1
	1982	284.7
	1983	307.9
	1984	338.0
	1985	353.0
	1986— January —	357.5
	February—	358.9
	March —	359.8
	April —	361.0
	May —	367.2
At week ended	1986 15 Nov. —	381.6

## INFLATION RATE AT NEW HIGH

The all-India average annual rate of inflation based on consumer price variations in the different Indian cities for the 12-month period ended September 1986 was 9.2 percent, the highest in recent months on record.

As inflation rate for the period September 1985 over September 1984 was only 5.1 percent, the annual rate of inflation at 9.2 percent for the period September 1986 over September 1985 was higher by 80 percent.

In terms of the consumer rupee of 1960, the real worth has plummeted to a low of 14.79 paise by September 1986. In January 1986, the value of rupee was at 15.90 paise.

## RISE IN WHOLESALE PRICES

In the first half of 1986-87, the increase of the wholesale price index was more than double the rise in the same period of 1985-86—a rise from 3.1 per cent to 6.3 percent. Wage goods which constitute a weightage of 43.1 percent increased sharply by 11.5 percent, highest since 1983-84. Almost all food articles have shown large growth in prices—fruits and vegetables by 20.4 percent, edible oils by 33.8 percent, milk and milk products by 8.3 percent.

In fact, the rise of 6.3 percent in wholesale price index in the current fiscal year ending September is mainly due to rise in the prices of wage goods.

Barring wheat and sugar, retail prices of all essential commodities made noticeable gains during the first six months of 1986-87.

## PER CAPITA CONSUMPTION OF FOODGRAINS

There was a drop in the per capita consumption of foodgrains from 477.9 grams per day in 1984 to 463.3 grams per day in 1985.

The all-India per capita net availability of foodgrains during 1983 was 436.4 grams per day. The figures are provisional.

(Lok Sabha, April 4, 1986)

## VALUE OF RUPEE

The purchasing power of the rupee, measured as the reciprocal of the all-India consumer price index for industrial workers (base 1960=100), works out to 138.89 paise in 1947 and 15.00 paise in January 1986 (the latest available).

(Lok Sabha, April 4, 1986)

The Rupee is worth only 15.90 paise taking 1960 as the base year. The decline in the value of rupee was 12.1 per cent, 4.2 per cent and 6.5 per cent during 1984, 1985 and 1986 respectively.

Percentage of neutralisation of increased cost of living and decreased value of rupee through grant of dearness allowance and additional DA to the Central Government employees as on April 1, 1984 was 89.33, 73.48 and 58.43 in the case of those whose basic salary was Rs. 400, Rs. 700 and Rs. 1,200 respectively.

(Lok Sabha, April 11, 1986)

## LABOUR COST

### LABOUR COST AS % OF VALUE OF PRODUCTION

Industries	1980-81	1991-82	1982-83	1983-84
Tea	—	36.9	35.5	25.2
Sugar	9.3	8.7	7.9	8.7
Tobacco	16.4	17.3	16.4	16.7
Cotton Textiles	19.2	16.3	15.1	15.9
Silk & Rayon	13.5	15.1	15.8	14.1
Aluminium	9.6	9.2	9.1	11.0
Engineering	12.8	12.4	13.4	14.2
Chemicals	9.0	9.5	10.0	10.3
Cement	15.4	14.6	12.2	13.0
Rubber & R. Products	9.5	8.1	7.7	8.6
Paper & Paper Products	14.5	13.0	13.1	12.8
Electricity Generation	7.9	4.7	5.5	5.3
Trading	—	4.9	5.5	6.0
Shipping	10.5	11.2	12.1	13.9
Total (incl. others)	12.8	12.5	12.7	13.2

The study of *THE ECONOMIC TIMES* (July 3, 1985) is based on the cost structure of large public limited companies in the private sector.

**LABOUR CONTENT IN COST OF PRODUCTION IN SOME  
OF THE COMMODITY GROUPS IN PUBLIC SECTOR**

Sl. No.	Enterprise Group	No. of Employees	Labour content: % of Cost of Production
1.	Steel	250314	14.77
2.	Minerals & Metals	111207	19.77
3.	Coal	640858	47.50
4.	Power	17739	5.61
5.	Petroleum	101039	1.18
6.	Chemicals & Pharmaceuticals	830806	7.00
7.	Heavy Engineering	146036	18.16
8.	Medium & Light Engineering	115591	24.32
9.	Transport Equipment	109142	15.71
10.	Consumer Goods	58705	12.76
11.	Agro-based Enterprises	17266	27.67
12.	Textiles	176920	28.7

**WAGES AND SALARIES AROUND THE WORLD**

An assessment of the cost of living in various cities can be only partially achieved by comparing prices. Only when incomes are also considered it is possible to form a clearer picture.

Our survey of wages and salaries encompasses 12 different occupations which, with regard to lines of business and employee categories, qualitative requirements and size of earnings, roughly represent the situation in industrialized nations. The wage and salary data were obtained directly from representative companies. Moreover, we deliberately refrained from basing our calculations on statistically determined average wages within the individual occupational categories. Instead, we made some very definite assumptions, regarding age, training and education as well as professional experience. Thus, our construction worker is assumed to be unskilled or semi-skilled 25 years old and single, whereas the department manager in a sizeable business is described as approximately 40 years old well trained, with many years of professional experience.

**Gross And Net Hourly Earnings in U.S. Dollars**

<b>City</b>	<b>Gross Earnings</b>	<b>Net Earnings</b>
Abu Dhabi	5.9	5.9
Amsterdam	7.6	4.5
Bangkok	1.5	1.4
Bombay	0.8	0.7
Brussels	7.0	5.0
Cairo	1.2	0.9
Chicago	11.6	8.5
Copenhagen	8.6	5.1
Geneva	11.9	8.8
Hongkong	3.4	3.3
Jakarta	0.9	0.9
London	6.2	4.4
Los Angeles	11.0	7.7
Montreal	10.1	7.4
New York	11.1	7.6
Oslo	10.0	6.5
Paris	6.5	5.1
San Francisco	11.7	8.3
Seoul	2.8	2.6
Singapore	2.1	1.6
Stockholm	8.7	5.5
Sydney	8.5	6.2
Tokyo	8.2	6.7

Note 1: Weighted average earnings per hour in 12 occupations.

2. Figures of 24 cities are quoted in the above table out of 47 cities surveyed.

**Extreme Differences in Earnings**

In Bombay, the city in our survey with the lowest average wage and salary level, gross annual earnings vary, for instance, from \$ 615 for a labourer to \$3,100 in the case of a department manager. After deduction of taxes and social insurance contributions, the labourer takes home \$ 565 and the department manager 2,300. On the other hand, top incomes are generally earned in the major cities of Switzerland and the United States. Even for the construction worker in the U.S.A., wages range from \$ 21,000 to \$ 25,000 gross or from \$ 15,000 to \$ 18,000 net. Gross salaries of department managers in Chicago, New York,

Los Angeles and San Francisco vary from \$37,000 to \$55,000 in the Geneva and Zurich from \$40,000 and \$46,700. At the same time, qualified secretaries in Geneva and Zurich are, with approximately half the salary of their bosses, the top earners in their field. A primary school teacher with 10 years' school-teaching experience, who earns roughly \$13,000 calculated on the average of the 47 cities, also belongs, in Geneva and Zurich, to the big earners with a salary of \$33,400 and \$32,000 respectively. In Montreal and New York, too, he or she is able to take home an attractive pay check of \$23,900 and \$24,700, respectively. His or her colleagues in Cairo, Bombay and Jakarta must, on the other hand, console themselves with an annual income below \$5,000.

### *The Tax Burden and Social Benefits*

On the basis of the actual weighted hourly pay rates of the twelve occupational categories recorded, tax payments and social insurance contributions account for approximately 25% of gross earnings calculated on the average to the 47 cities. In Istanbul, Copenhagen and Amsterdam, these dues to the state actually make up more than 40% of gross earnings. In 10 cities, deductions still exceed 30%, in contrast, there are 10 other cities included in the survey, in which disposable income amounts to over 90% in gross earnings. Employees in Jakarta and Abu Dhabi are not required to pay any taxes or social insurance contribution whatsoever, as these obligations are borne in full by their employers. Despite a 28% deduction from their average hourly earnings of \$11, North Americans are still left with the highest takehome pay. Although only 13% of income is deducted in South American cities, only \$2.60 of a modest \$3 hourly earnings can be pocketed. European cities require a fairly high level of contributions to the state, so that approximate gross hourly earnings of \$6.70 are pruned by almost 30% on average.

Though employees in the Arabic cities surveyed, Abu Dhabi, Jeddah and Panama, do have more modest pay rates, much lighter deductions to enable their average net earnings to exceed those of their colleagues in Europe.

### *The Bones of Leisure Time*

Whereas the 5-day working week has, at least in the industrialised nations, achieved popularity in factories and offices, the 6-day week is the rule other than the exception for several occupations (teachers, bus drivers or works). In Singapore,

Seoul and Jidha the 6-day working week still remains customary: in other countries in the Middle and Far East there is an even balance between the 5 and 6-day working week.

Nevertheless, many employees are fortunate that the week often contains an extra day off for which remuneration is guaranteed by the employer. In Bombay, there are around 20 public holidays in the year, during which however, some occupations benefit more than others with regard to the terms of remunerations. In Bogota, public holidays number 17 or 18 during the year, and in Athens approximately 14. In most cities however, 10 legal holidays is the average for the year. In Jakarta, neither paid vacations nor paid public holidays exist as all absences from work result, in a corresponding adjustment in salary.

While on the subject of holidays, it is well known that the teaching profession has added advantages in this regard: in Paris, for instance the annual school vacation extends up to 18 weeks. However, vacations granted a secretary or sales woman, automobile mechanic or industrial craftsman are more representative for the majority of employees, whose vacations vary from 1 week in Bangkok to 6 weeks or 30 working days in a number of cities. On average, four weeks paid vacation is standard for employees in European cities; in Copenhagen and Luxembourg 5 weeks paid vacation is granted, and in Dusseldorf and Helsinki employees receive 5 to 6 weeks vacations time.

Weekly working hours also diverge considerably. A typical example for the working time arrangements applying to an industrial worker is provided by the position of the toolmaker/lathe operator. His regular weekly hours (not including possible overtime) averaged 41 hours for the cities surveyed (down from 43 in 1976), with these craftsmen faring best in Madrid and Paris where the workweek consisted of only 39 hours. In Europe and North America, the standard workweek is forty hours as a rule, with the exception of Athens (41 hour), Istanbul (42 hours), Geneva and Zurich (43 hours) as well as Lisbon (45 hours). In Latin America and Asia, in contrast, even longer working hours are customary—with the exception of Japan—namely upto 48 hours per week not including overtime. Secretaries—serving as an example for a clerical profession—work somewhat shorter weeks than employees in industry. With an overall average of 40 hours, regular working time for secretaries amounts to less than 40 hours in 16 cities, including virtually of the North American ones.

(Source: AIOE Labour News, Nov.-Dec. 1982.  
Journal of All-India Organisation of Employers)

## INDUSTRIAL RELATIONS

### LOSS OF MANDAYS DUE TO LOCKOUTS AS COMPARED TO STRIKES: NUMBER OF MANDAYS LOST (IN MILLION).

Year	Strikes	Lockouts	Total
1980	12.02	9.91	21.93
1981	21.21	15.38	36.58
1982*	10.71	22.50	33.21
1983* (P)	11.54	21.94	33.48
1984 (P)	39.56	15.57	55.13
1985 (P)	10.32	18.88	29.20

(P) = Provisional

\* = The mandays lost due to Bombay textile strike which is not included in the total is estimated at 41.40 million and 13.38 million, respectively, during 1982 and 1983.

Over the years, strikes have generally accounted for a larger share of mandays lost compared to lockouts. However, in the years 1982, 1983 and 1985 mandays lost due to lockouts, being 68% and 66% and 64.7% respectively of the total, was more than that or strikes. During 1984, there is a reversal of this trend, lockouts accounting for 28% of total mandays lost.

### PERCENTAGE DISTRIBUTION OF MANDAYS LOST DUE TO STRIKES AND LOCKOUTS (1980-85)

Year	Strikes	Lockouts	Total
1980	54.8	45.2	100.0
1981	57.9	42.1	100.0
1982	32.2	67.8	100.0
1983 (P)	34.5	65.5	100.0
1984 (P)	71.8	28.2	100.0
1985 (P)	35.3	64.7	100.0

(P) = Provisional

### ANALYSIS OF MANDAYS LOST BY SECTORS/SPHERES

Analysis of mandays lost by sectors (Public & Private) and Spheres (Central and State) shows that the private sector ac-

counted for more than 76% of the total manday losses and industrial establishments in the State Sphere accounted for nearly 82% of the total mandays lost.

**NUMBER OF CLOSURES AND WORKERS AFFECTED  
(1980-85) FOR REASONS OTHER THAN INDUSTRIAL  
DISPUTES**

Year	Units	Workers affected
1980 (P)	338	18,052
1981 (P)	349	87,377
1982 (P)	286	26,602
1983 (P)	226	43,234
1984 (P)	188	71,937
1985 (P)	37	1,907

(P) = Provisional

Note : Excluding off-season closures.

**NUMBER OF UNITS RESORTING TO RETRENCHMENT  
WORKERS RETRENCHED  
(1980-85)**

Year	Units	Workers retrenched
1980 (P)	724	15,341
1981 (P)	726	17,320
1982 (P)	758	15,922
1983 (P)	689	20,381
1984 (P)	495	10,022
1985 (P)	181	3,322
(Jan-July)		
		82,308

Gujarat, Maharashtra, Haryana, Orissa and Tamilnadu accounted for 88% of units resorting to retrenchment and 77% of workers retrenched during 1985.

**NUMBER OF UNITS AND WORKERS LAID-OFF (1980-85)**

<b>Year</b>	<b>No. of Units</b>	<b>No. of Workers affected</b>
1980 (P)	1,610	304,090
1981 (P)	1,323	311,308
1982 (P)	1,521	306,400
1983 (P)	1,304	244,247
1984 (P)	847	148,564
1985 (P)	346	57,295
(Jan-July)		
(P) = Provisional		

Haryana, Tamil Nadu, Maharashtra, Andhra Pradesh, Punjab, Gujarat, MP, UP and Rajasthan together accounted for 84% units resorting to lay off and 83% of workers laid off during 1985 (January-July).

**LOSS OF MANDAYS DURING SIXTH PLAN PERIOD****INCREASING LOCKOUT, CLOSURES**

Loss of mandays which peaked up to 36.58 million in 1981 has declined since then. The loss was 33.21 million in 1982, 33.40 million in 1983 and 33.82 million in 1984.

*While industrial disputes involving strikes declined during the period the number of lock-outs soared.*

Strikes numbered 2245 in 1981, dropped to 1970 in 1982, marginally declined to 1936 in 1983 and last year (1984) it was 1542. But lockouts which were 344 in 1981, increased to 454 in 1982 and 495 in 1983. The provisional figure for 1984 was 342.

Analysis of mandays lost by sectors (public and private) and spheres (central and state) shows that while the state sector accounted for nearly than 76 percent of the total mandays losses, industrial establishments in the private sector accounted for nearly 82 percent of the total mandays lost.

West Bengal, Maharashtra and Tamil Nadu account for between them the highest mandays losses. In 1983, West Bengal alone accounted for 65.8 percent of the total mandays lost due to lockouts (14.42 million out of 21.94 million). West Bengal together with Maharashtra, Bihar and Andhra Pradesh accounted for 18.9 million out of 21.94 million or 85.0 percent of the total mandays lost due to lockouts.

In 1984, West Bengal accounted for nearly 52.3 percent of the total time loss (7.8 million out of 14.9 million) due to lockouts.

West Bengal, Maharashtra, Bihar and Madhya Pradesh accounted for 12.8 million out of 14.9 million or 86.2 percent of the total mandays lost due to lockouts.

*Closures in 1984*

<i>State</i>	<i>No. of closures</i>
Maharashtra	37
Gujarat	35
Tamil Nadu	24
Kerala	18
Uttar Pradesh	17
Haryana	9
Bihar	8

Out of the 188 units closed in 1984, these states together accounted for 80 percent of units closed and 88 percent of workers affected during the year.

Maharashtra, Gujarat, Haryana, U.P., Punjab, Tamil Nadu, M. P. and Andhra Pradesh together accounted for 84 percent of units resorting to lay-off and 78 percent of workers laid-off. Of the units resorting to lay-off, 40 percent were due to power shortage, 21 percent due to raw material shortage and 10 percent each due to breakdown of machinery and lack of demand. Lay-off due to power shortage was relatively pronounced in Gujarat, Haryana, M.P. and Andhra Pradesh during 1984.

Industrywise incidence of lay-off shows that the engineering, textiles, coal mining and chemical industries were the worst affected.

*Number of mandays lost by Sectors and Spheres (1980-84)*

	<i>Public Sector</i>	<i>Private Sector</i>	<i>Total</i>	<i>Central Sphere</i>	<i>State Sphere</i>	<i>Total</i>
1980	4.13 (18.8)	17.79 (81.2)	21.93 (100)	2.16 (9.8)	19.76 (90.2)	21.93 (100)
1981	10.07 (27.5)	26.52 (72.5)	36.58 (100)	3.03 (8.3)	33.55 (91.7)	36.58 (100)
1982*	3.76 (11.3)	29.45 (88.7)	33.21 (100)	2.38 (7.2)	30.84 (92.8)	33.21 (100)
1983 (P)*	3.26 (9.7)	30.23 (90.3)	33.48 (100)	2.87 (8.6)	30.61 (91.4)	33.48 (100)
1984 (P)	7.32 (23.8)	23.51 (76.2)	30.82 (100)	5.70 (18.5)	25.12 (81.5)	30.82 (100)

## PROVIDENT FUND ARREARS

*Region-wise statement showing position of arrears as on 31st March, 1985*

Sl. No.	Name of the Region	Total amount of arrears	
		Un- exempted Establishments (Rupees in lakhs)	Establishments Exempted
1.	Andhra Pradesh	72.12	3.84
2.	N. E. Region	21.12	6.70
3.	Bihar	215.05	66.50
4.	Delhi	121.74	—
5.	Gujarat	101.87	54.87
6.	Haryana	250.25	4.53
7.	Karnataka	93.79	13.52
8.	Kerala	157.30	106.17
9.	Madhya Pradesh	924.63	43.35
10.	Maharashtra	627.53	143.46
11.	Orissa	155.35	—
12.	Punjab	60.75	—
13.	Rajasthan	134.84	3.90
14.	Tamil Nadu	433.34	—
15.	Uttar Pradesh	1009.58	57.91
16.	West Bengal	850.57	5347.60
<b>TOTAL</b>		<b>5229.37</b>	<b>6392.37</b>
		or	or
		52.29 crores.	63.92 crores.

### PF ARREARS

A total of 8,593 unexempted establishments were in arrears of provident fund contribution amounting to Rs. 58.30 crores, while 139 exempted establishments had failed to transfer provident fund contribution amounting to Rs. 84.24 crores to their board of trustees, as on March 31, 1986.

(Rajya Sabha, Nov. 25, 1986)

## ARJUN SENGUPTA COMMITTEE REPORT

The Committee was appointed in September 1964 by the Government of India to review the National Policy for Public Enterprises. The Committee submitted its Report in December 1965. The Report was neither made public nor placed before Parliament. Clandestinely, however, the Report has already been published and the contents have by now become public knowledge and among wide sections of the people.

The Committee consisted of Arjun Sen Gupta, Chairman

R. Ganapati,	Member
Bimal Jalan,	"
Y. K. Alagh,	"
S.V.S. Raghavan,	"
D. V. Kapur,	"
S. D. Srivastava	"
Nitin Desai,	"
B Swaminathan,	Member-Secy.

As the full Report is somewhat longish, reproduced below the Chapter X of the Report entitled the SUMMARY OF RECOMMENDATIONS, for information of delegates. At this time, the Report is of special importance as it has made recommendations in regard to wage determination and other matters relating to workers in the public sector enterprises.—Ed.

### SUMMARY OF RECOMMENDATIONS

#### *Public Enterprises and National Planning*

10.1 Careful dovetailing of all plans of public enterprises with the National Plan is required only in a few core sectors as below:

Coal and lignite

Crude oil, petroleum and natural gas

Power

Primary steel production

Primary production of aluminium, copper, lead zinc and nickel

Fertilizers

Primary production of petrochemical intermediates

(Para 2.3)

10.2 The plans of enterprises in the non-core sector are to be integrated with the National Plan only in an indicative manner as for private sector units. (Para 2.4)

10.3 It is necessary to evolve a set of rules and conventions by which the Government can help in the better performance of Public Enterprises by reducing points of intervention without minimising the Government's right to have needed information for evaluating performance. The Government should be primarily concerned with overall strategic planning and policy, rather than with day-to-day functioning of public enterprises. (Paras 3.8 & 3.10)

### *Organisational Structure of Public Enterprises*

10.4 It is recommended that the Holding Company structure provides a reasonable framework of organisational structure for public enterprises. This structure would combine the objectives of centralised policy formulation with decentralised operation and management. Where Holding Companies cannot be formed, the existing unitary companies can be reorganised into Apex Companies with a Board of Directors at the Apex level and Divisions or Units under them as profit or cost centres with Local Management Committees and adequate delegation of powers from the Apex Board. (Para 3.14)

10.5 It is recommended that the Government should have dealings only with the Boards of the Holding or Apex Companies and not with subsidiary companies or Divisions (para 3.15)

10.6 The Board of Holding Company or the Apex Company would coordinate the activities of the subsidiaries or the Divisions in the areas of employment, wages, financial and pricing policies. The subsidiaries or the Divisions would be delegated all authority needed for fulfilment of targets and operational efficiency. (para 3.16)

10.7 Performance Evaluation of the Holding Company or the Apex Company will be done by the Government in terms of a few agreed criteria. (Para 3.18)

10.8 The Committee recommends that the institution of Government Directors should continue but the appointment of Government Directors should be restricted only to the Board of the Holding Company. The Government should ensure that officials nominated as Government Directors should have had adequate expertise of public enterprises; otherwise, such officials, before being nominated to the Board, should be given an

orientation of sufficient period in one or more public enterprises under the charge of the Administrative Ministry.

(Para 3.19)

10.9 It is recommended that the public enterprises in the core sectors should all be reorganised into Holding Companies under the administrative control of the concerned sectoral Ministries and such Holding Companies should also include supplies of major inputs, machinery and equipment manufacturers and related consultancy organisations. In case where a single sectoral Holding Company becomes too large, it may be necessary to set up more than one such Holding Company.

(Para 3.20)

10.10 The Government's involvement with the Holding Company in the core sector would only be limited to:

- (i) appointment of the Chief Executive and other members of the Board of Directors;
- (ii) investment financing and project appraisal;
- (iii) target setting, budget, performance evaluation; and
- (iv) broad policy guidelines.

(Para 3.21)

10.11 It is recommended that the Chief Executive would assist the Minister in discharging his responsibility to the Parliament and the Secretary of Administrative Ministry would not be concerned with these matters.

(Para 3.22)

10.12 The Holding Company in the core sector would specify its plans for investment, production, capacity utilisation, profits, dividend, etc., for a period of five years and arrive at a Memorandum of Understanding with the Government on mutually agreed basis. There would be an annual review of performance based on this Memorandum of Understanding.

10.13 Various public enterprises in the non-core sectors should be reorganised into a few Holding Companies and Apex Companies depending on the nature of the product, location and other linkages. These Holding Companies or Apex Companies should continue to be under the sectoral Ministries which would retain the administrative supervision over the companies including appointment of Chief Executives and Members of the Board of Directors and evaluate their performance according to some well defined norms and criteria.

(Para 3.24)

10.14 The Committee suggests that the promotions should be set up as Autonomous Boards or as registered societies rather than as companies.

(Para 3.25)

10.15 The taken-over units from the private sector should be reorganised into larger companies under the appropriate sectoral Ministries. (Para 3.26)

10.16 The Committee recommends that a Working Group should go into the details of the following:

- (i) formation of Holding Companies and Apex Companies under the sectoral Ministries from among the sectoral public enterprises;
- (ii) transfer of existing public enterprises or any of their constituent units of appropriate sectoral Ministry;
- (iii) merger of existing public enterprises into smaller number of companies by appropriate regrouping; and
- (iv) based on the reorganised Holding and Apex Companies suggest, where necessary transfer of certain subjects for nodal responsibility from one Ministry or Department to another. (Para 3.27)

### *Autonomy of Public Enterprises*

#### **A. Investment Approvals & Capital Budget**

10.17 In the case of core sector enterprises, the existing system of fully integrating their plans with the total public sector plan and the present system of investment approvals must continue since in most cases the public enterprises plans are co-terminus with the national sectoral plans. To the extent the public sector enterprises in the non-core sectors can finance their investment requirements by raising funds from the public through deposits or debentures or by borrowing from the financial institutions, they need not be subjected to any process of governmental clearance and the public sector plan should include only the flows through the budget.

(Paras 4.5 & 4.6)

10.18 For the core sector, investment approvals by Government should be built around two-stage clearance. In the first stage, besides conveying approval in principle, and sanctioning preliminary expenditure, a 'Task force' should be set up by PIB to go into all aspects relating to indigenous availability of equipment, capability of manufacture by public enterprises, need for import and quantum of imports. In the second stage, detailed scrutiny regarding technology, costs, etc., should take place. Based on the report of the 'task force' on indigenous availability of equipment the need for import, quantum of import, foreign exchange requirements, price preference, etc. should be finalised by PIB. (Paras 4.7 & 4.8)

10.19 Single Window clearance by PIB is recommended in the second stage, including approvals for financing packages, external credits, collaboration agreements, capital goods imports, location and environmental aspects etc. (Para 4.9)

10.20 It is recommended that the present limits for investment approval by the EFC and PIB be enhanced as below:

- (i) EFC—Investment proposals costing over Rs. 5 crores but not above Rs. 25 crores.
- (ii) PIB—Investment proposals costing over Rs. 25 crores.

Corresponding changes must be made in the delegated powers of the Public Enterprises. (Para 4.10)

10.21 Project Appraisal Division of the Planning Commission should be nodal agency for submitting a comprehensive appraisal report for consideration of EFC and PIB. PAD should be suitably strengthened for effective discharge of this additional responsibility. Investment proposals may be sent to PAD and Administrative Ministry simultaneously, by Public Enterprises after approval by their Boards. (Paras 4.11 & 4.12)

10.22 For financially viable enterprises in the non core sector Government would contribute only towards equity. Investment approvals for equity participation in such cases would be dependent on the enterprise meeting the performance criteria and payments of dividend at the prescribed rates. The remaining requirements for project investment should be raised outside the budget through borrowing or non-convertible debentures but without Government guarantee. (Paras 4.13 & 4.17)

10.23 Where non-core enterprises are used as agencies for other than commercial objectives, either Government should undertake additional equity contribution or the additional net cost of such activities should be reimbursed. (Para 4.14)

10.24 Since selling of shares may create problems of ownership without giving the Public Sector enterprises and greater advantages the Committee does not recommend selling of shares to the public enterprises. (Para 4.16)

### *B. Wage Policy in Public Enterprises*

10.25 It is recommended that basic wage structure of employees of public enterprises should be determined on industry basis or industry-cum-region basis a Wage Commission or through the mechanism of industry-wise Wage Boards for a period of 5 years. (Para 4.26)

10.26 In addition to the basic wage there should be a component of earning linked with productivity. The total amount involved may be determined by the enterprise in consultation with the Government on the basis of profits earned or substantial reduction achieved in losses. Within the broad guidelines indicated by the Government the Board of Directors of an enterprise would have full authority to devise a scheme in consultation with the workers. Thus, the main portion of increase in wage would be linked with productivity. Existing bonus scheme would continue and no change in procedure is recommended. (Paras 4.27 & 4.28)

### C. Executive Appointments and Remuneration

10.27 It is recommended that Chief Executive or Functional Directors of Public Enterprises should be given a tenure of five years subject to a probationary period of one year and removal at three months' notice for unsatisfactory performance. (Para 4.31)

10.28 It is recommended that proposal for removal of Chief Executive or Functional Director should be put up to the Appointments Committee of the Cabinet with the view of the Public Enterprises Selection Board. (Para 4.31)

10.29 Part-time Directors of public enterprises should be appointed after consulting the respective Chief Executives. Non-official Directors should have a tenure of three years. Vacancies on the Boards should not be left unfilled for a long time. (Para 4.32)

10.30 It is recommended that filling up of all posts other than those of Chief Executives & Functional Directors should be left to the Boards of Directors. (Para 4.34)

10.31 It is recommended that there should be flexibility for giving a higher scale of pay to the Chief Executive or the Functional Director of a sick unit, on a personal basis. (Para 4.35)

10.32 There is a strong case for narrowing the gap in the remuneration of Chief Executives and Functional Directors as between the Public and Private Sector enterprises. It is recommended that a Working Group be set up, at an appropriate time after the receipt of the Fourth Pay Commission's recommendations to specify scales and perquisites of Chief Executives and Functional Directors. The present rental ceilings for Chief Executives, Functional Directors and Executive Directors also need revision. The same Working Group may look into this also. (Paras 4.36 & 4.37)

10.33 Disciplinary proceedings against Board level appointees would be the responsibility of the Government. In respect of all others, the Board of Directors would have the final authority. (Para 4.38)

10.34 It is recommended that performance of a Chief Executive of the enterprise, evaluated according to agreed parameters, should form his performance record for the year. In the case of Functional Directors, no review of the Confidential Report by the Ministry is necessary. (Para 4.39)

10.35 Every enterprise must submit to its Board of Directors, each year, a manpower budget and training plans for executive and others. (Para 4.40)

10.36 It is recommended that mobility of management personnel between Public Enterprises should not be discouraged. (Para 4.41)

## ACCOUNTABILITY OF ENTERPRISES

### A. Performance Evaluation

10.37 On the basis of agreed plans for investments, production, capacity utilization, profits, dividends etc., for a period of five years, the Government in the Administrative Ministry and the Holding Company or Apex Company, as the case may be, would enter into a Memorandum of Understanding. According to this certain obligations would also be cast on the Government in terms of provision of equity, price level etc. This Memorandum would be reviewed each year and updated. The performance of the Holding Company or Apex Company as the case may be, would be reviewed and evaluated on this basis making due allowance for the failure, or otherwise, of the Ministry or Department to fulfil its part of the Understanding. (Paras 3.23 & 5.3)

### Financial Performance

10.38 It is recommended that for evaluating financial performance of public enterprises, the following criteria should be used:

- (i) Gross margin on assets (for all enterprises)
  - (ii) Net profit on net worth (for core sector and profit-making enterprises)
  - (iii) Gross Margin on Sales (Service enterprises)
- (Para 5.5)

10.39 In respect of core sector enterprises, the rate of net profit should be at least a stipulated percent and gross margin on capital should be improving over time. (Para 5.7)

10.40 In the non-core sector, enterprises should be judged against the industry average for both gross margin on capital employed and the rate of net profit. (Para 5.8)

10.41 In evaluating the performance of Service Enterprises, attention should be focussed on direction of change in the gross margin on sales. (Para 5.9)

10.42 In loss-making enterprises, gross margin should be positive. In addition, the following to be monitored:

- (a) Ratio of loan liabilities to assets.
- (b) Ratio of wages to value added per worker.
- (c) Cash loss per worker. (Para 5.10)

#### *Productivity and Cost Reduction*

10.43 In the core sector enterprises, monitoring unit cost and productivity should be undertaken by examining the direction of change in indicators like capacity utilisation and raw materials costs (at constant prices). Wherever possible, an overall index of cost of production should be evolved for monitoring changes in costs and productivity. In Service Enterprises, productivity can be monitored by the direction of change in the utilisation of fixed assets, number of days of inventory and manpower per unit of turnover.

#### *Technical Dynamism*

10.44 It is recommended that attempts should be made to evolve technology development indices even on a rough basis. (Para 5.12)

#### *Project Implementation*

10.45 It is recommended that the following indices should be monitored for project implementation in the core sector:

- (a) Percentage utilisation of plan funds.
- (b) Average slippage in ongoing projects, the weights for the average being defined by the cost of each project.
- (c) Percentage cost revision for the approved investment programme relative to the previous year.

(Para 5.13)

10.46 A group constituted by Administrative Ministry with representatives from the Ministry, Bureau of Public Enterprises and the Planning Commission should prepare an annual Performance Evaluation Report based on these performance indicators for each enterprise and submit it to the Planning Commission for arriving at the investment decisions and PESB for appointment, promotion, confirmation or extension of top management. (Para 5.15)

10.47 Detailed monitoring of subsidiaries and divisions should be carried out by the Holding or Apex Company. (Para 5.17)

10.48 A working Group may be set up to evolve appropriate information system based on the above performance evaluation criteria. (Para 5.17)

#### **B. Audit: Role of the Comptroller and Auditor General**

10.49 It is recommended that accounting policies and accounting standards should be evolved for public enterprises with the help of C & AG professionals in the field and BPE. Thereafter supplementary audit of C&AG may not be considered necessary for profitable, non-core enterprises. Amendment to Companies Act would be necessary for this. However, the periodical performance audit of Public Enterprises conducted by C&AG would be continued. (Paras 5.19 & 5.22)

10.50 For large companies, especially in the core sector, supplementary audit of C&AG may continue; if necessary, provision can be made only for audit by C&AG. (Para 5.23)

#### **C. Relations with Parliament**

10.51 It is submitted that:

- (i) Parliament questions on day-to-day operation and management of public enterprises may be avoided.
- (ii) COPU can examine and probe the working of public enterprises in depth and in direct contact with the management of the public enterprises.
- (iii) Debates on the Demands for Grants of the Administrative Ministries or Departments, tabling of Annual Reports, and Annual accounts of public enterprises and tabling of Public Enterprises Survey in both Houses of Parliament may be used as occasions for discussing the performance of individual public enterprises as well as the performance of public enterprises as a whole. (Para 5.26)

#### **Technology Upgradation**

10.52 The transfer of know-how of imported processes and designs should take into account availability of product design, product engineering and production engineering groups of high calibre. This is essential for effective transfer of 'Know-How' from a collaborator. Where monopoly producers are catering to the needs of monopoly users, the selection of technology, product size, and product design by import should be decided upon jointly by them. (Para 6.1)

10.53 It is recommended that appropriate mechanism should be adopted to ensure prompt absorption and improvement of imported technology, through association of the R&D personnel from the very beginning. Adequate investment in R&D should be made in the enterprise to facilitate technology absorption and upgradation. (Para 6.2)

10.54. All major projects should include technology adaptation programmes and for this purpose the Government should consider providing part of this expenditure as grant. (Para 6.3)

## FINANCIAL VIABILITY OF LOSS MAKING UNITS

### A. Capital Restructuring

10.55 It is recommended that where a company has suffered cash losses for a number of years, after excluding the interest burden, Bureau of Public Enterprises should examine such cases, suo moto, for capital restructuring. (Para 7.3)

### B. Closure

10.56 BPE should undertake special studies of the operations of public enterprises incurring cash losses which fulfil the following criteria.

- (a) Units should have incurred cash losses over a continuous period of not less than five years.
- (b) Value added per employee per month should be less than the average monthly emoluments per employee.
- (c) Equity capital should have been wiped out by mounting deficits.

BPE would, thereafter, submit a comprehensive report to PIB which would then make suitable recommendations to the Cabinet of reviving or closure of the Unit. (Paras 7.5 to 7.7)

10.57 Proposals for investment by loss making units should not be considered without BPE having undertaken the exercise indicated in para 10.56. (Para 7.8)

10.58 Where healthy public enterprises are willing to voluntarily take over sick public enterprises, suitable package of measures in favour of volunteering public enterprises would be considered and Government procedures for such take-overs or mergers should be simplified. (Para 7.8)

10.59 Where closure is recommended, a liberal compensation scheme for the workers should be evolved. It is recom-

mended that a suitable fund or an insurance scheme be evolved for financing expenditure on compensation to retrenched workers. An Expert Group of representatives of the Labour Ministry, General Insurance Corporation, BPE etc. should be set up for this purpose. (Paras 7.9 & 7.12)

10.60 Where taking over, a sick private sector unit is mooted a study similar to the one in respect of closure of sick units should be undertaken by BPE and a comprehensive report brought before PIB which may make suitable recommendations to the Government. (Para 7.11)

### *Pricing in Public Sector*

10.61. Where public enterprises are functioning under price controls, it is recommended that the periodicity of revision should be reasonable. Government's decision on the recommendations of bodies like BICP on price fixation should be taken within a reasonable time or an additional element in price should be added to allow for the delays. (Para 8.2)

10.62 It is recommended that:

- (i) Price control must be retained only in areas where the nature of product justifies;
- (ii) Where public enterprises operate in competition with the private sector, the former should be left free to fix prices on commercial considerations; and
- (iii) In areas, where prices are uncontrolled, Government should not get involved, formally or informally, in approving or fixing prices. (Para 8.3)

10.63 It is recommended that BICP should be explicitly asked to take into account the need to provide incentives for improvement in efficiency and for replacement of equipment, while fixing prices. (Para 8.4)

10.64 It is recommended that in fixing prices of products of public enterprises operating under monopoly conditions, particularly intermediates, attention should be paid to ensure international competitiveness and reducing costs. (Para 8.5)

### *Price Preference*

10.65 It is recommended that price preference to public enterprises should be phased out over a period of 4 or 5 years. If necessary, Government may give subsidies to such units. (Para 8.6)

## OTHER ISSUES

### *Award of Contracts*

10.66 It is recommended that Ministries or Departments of the Government shall not interfere in areas of decision-making which are well within the delegated powers of the public enterprises. It is recommended that public enterprises should process their cases directly through Capital Goods Committee, Foreign Investment Board, RBI, CCI & E, etc. as done by private enterprises. (Para 9.2)

### *Expenditure on Township and Residential Quarters*

10.67 Within the framework of BPE's guidelines public sector enterprises should be free to invest on township and residential accommodation without prior approval of the Government within the limits of delegated powers subject to the constraints of the approved capital budget. (Para 9.3)

### *BPE Guideline*

10.68 It is recommended that BPE guide-lines on norms and standards in various areas of operation may be reviewed. BPE's instructions based on recommendations of COPU accepted by the Government, decisions of the Cabinet and its committees, etc. are mandatory for all public enterprises. It is also, recommended that in the case of public enterprises, generally, economy instructions for filling up of posts, stoppage of advertisements, etc. may not be applied ipso facto. (Para 9.4)

10.69 It is recommended that a Group consisting of the representative of C&AG, professionals in the field including public enterprises and BPE should evolve accounting policies and standards for the public enterprises. (Para 9.5)

## CENTRAL CIVIL SERVICES (RECOGNITION OF SERVICE ASSOCIATIONS) RULES, 1986

No. 2/10/80-JCA

Government of India/Bharat Sarkar  
Ministry of Personnel, Public Grievances and Pensions  
(Department of Personnel & Training)

New Delhi, the April, 1986.

### **NOTIFICATION**

In exercise of the powers conferred by the proviso to Articles 309 and Clause (5) of Article 148 of the Constitution, and

after consultation with the Comptroller and Auditor General in relation to persons serving in the Indian Audit Department, the President hereby makes the following rules, namely.

*The Central Civil Services  
(Recognition of Service Associations)  
Rules, 1986.*

1. *Short title:* These rules may be called the Central Civil Services (Recognition of Service Associations) Rules, 1986.

2. *Definitions:* In these rules, unless the context otherwise requires:

- (a) "The Government" means the Central Government;
- (b) "Government servant" means any person to whom the Central Civil Services (Conduct) Rules, 1964, apply and;
- (c) "Service Association" includes a Federation or a Confederation of Service Associations.
- (d) "Group" as occurring in these Rules means a Group as defined in Part II of the Central Secretariat Services (Classification, Control & Appeal) Rules, 1965.

3. *Service Associations already recognised:* A Service Association which has been recognised by the Government before the commencement of these rules and in respect of which the recognition is subsisting at such commencement, shall be deemed to have been recognised by the Government under these rules and shall continue to be so recognised, until the recognition is withdrawn under Rule 8 or for a period of 5 years from the date of promulgation of these Rules, whichever is earlier. Its recognition thereafter shall be subject to all the provisions of these Rules.

4. *Conditions for recognition of Service Associations:* No Service Association shall be recognised by the Government after the commencement of these rules, unless all the following conditions are satisfied namely—

- (a) The recognition of Service Associations of the Government servants shall be governed only by these Regulations.
- (b) An application for recognition of Service Association should be made to the Government with information like Memorandum of Association, By-laws of the Association, Names of Office bearers, total membership and any other information required by the Government.

- (c) the Service Association is formed primarily with the object of promoting the common service interests of its members;
- (d) membership of Service Association is restricted to a distinct group of Government servants (viz. Group A, Group B, Group C, and Group D) all such Government servants being eligible for membership of the Service Association;
- (e) (i) A minimum membership of 35 per cent of the entire Group shall be insisted upon for the purpose of recognition to Service Association. This percentage, for the purpose of recognition for participation in the Councils under the Joint Consultative Machinery & Compulsory Arbitration for Central Government employees, shall be related to the area of that Department or Office, as the case may be, so as to be linked to the relevant Departmental Council or office Council.

(ii) The membership of the Government servant shall be automatically discontinued on his ceasing to belong to such Group.

Provided that where the eligibility for membership of an employee has thus ceased on moving out of the relevant Group of employees represented by the association, he may be allowed to continue to represent the said association if he happened to be the member of that association in any Council under the Joint Consultative Machinery, for a period not exceeding two years or till his successor is nominated or his term otherwise expires, whichever is the earliest.

(iii) A minimum membership of 35 percent amongst the constituent Groups shall be insisted upon for the purpose of recognition of a federation/confederation. There may be no objection to such a federation being composed of associations of different groups.

(iv) The continued recognition of the existing recognised service associations under these Rules shall be decided on the fulfilment of the conditions mentioned at (i) & (ii) of Sub-Clause (e) above, after an interregnum of 5 years from the date of promulgation of these Rules. If such associations do not satisfy these conditions, they would automatically stand de-recognised after a five year period. There shall be no bar to such re-grouping even before such a five year period.

- (f) (i) Only serving employees shall be the members of the association.
- (ii) No total outsider having no service-nexus with

the Government shall be allowed to become member of the Service Association.

- (g) the service Association is not formed on the basis of any caste, tribe or religious denomination or of any group within or section of such caste, tribe or religious denomination.
- (h) the Executive of the Service Association is appointed from amongst the members only; and
- (i) the funds of the Service Association consist exclusively of subscriptions from members and grants, if any, made by the Government and are applied only for the furtherance of the objects of the Service Association.

5. *Conditions subject to which Recognition is continued*

Every Service Association recognised under these rules shall comply with the following conditions, namely:—

- (a) the Service Association shall not send any representation or deputation except in connection with a matter which is of common interest to members of the service Association;
- (b) the Service Association shall not espouse or support the cause of individual Government servants relating to service matters;
- (c) the service Association shall not maintain any political fund or lend itself to the propagation of the views of any political party or a member of such party;
- (d) all representations by the Service Association shall be submitted through proper channel and shall, as a normal practice be addressed to the Secretary or Head of the Department or Office;
- (e) a list of members and office bearers, an up-to-date copy of the rules and an audited statement of accounts of the Service Association shall be furnished to the Government annually through proper channel after the general annual meeting so as reach the Government before the 1st day of July each year;
- (f) any amendment of a substantial character in the rules of the Service Association shall be made with the previous approval of the Government and any other amendment of minor importance shall be communicated through proper channel for transmission to the Government for information;

- (g) the previous permission of the Government shall be taken before the Service Association seeks affirmation with any other Service Association, or Federation or Confederation;
- (h) the Service Association shall cease to be affiliated to a Federation or Confederation of Service Associations whose recognition under these rules is withdrawn by Government;
- (j) the Service Association shall not start or publish any periodical magazine or bulletin if directed by the Government to do so on the ground that the publication thereof is prejudicial to the interests of the Central Government, the Government of any State or any Government authority or to good relations between Government servants and the Government or any Government authority;
- (k) the Service Association shall not address any communication to a foreign authority except through the Government which shall have the right to withhold it;
- (l) the Service Association shall not do any act or assist in the doing of any act which, if done by a Government servant, would contravene any of the provisions of Rules 8,9,11,12,16 and 20 of the Central Civil Services (Conduct) Rules, 1964; and
- (m) communications addressed by the Service Association or by any office-bearer on its behalf to the Government or a Government authority shall not contain any disrespectful or improper language.

## 6. VERIFICATION OF MEMBERSHIP

The verification of membership for the purpose of recognition of the Service Associations shall be done by the secret ballot system. The verification of membership will be conducted by Ministry of Labour, Government of India.

## 7. AFFILIATION BY FEDERATION/CONFEDERATION

A Federation or a Confederation of Service Associations shall affiliate only recognised Service Associations; and if the recognition accorded to any of the Service Associations affiliated to a Federation or a Confederation of Service Associations is withdrawn the Federation or Confederation of Service Associations shall forthwith dis-affiliate such Service Association.

### 8. **WITHDRAWAL OF RECOGNITION**

If, in the opinion of Government, a Service Association recognised under these rules has failed to comply with the conditions set out in Rule 4, Rule 5 and Rule 7, the Government may withdraw the recognition accorded to such association.

### 9. **RELAXATION**

The Government may dispense with or relax the requirements of any of these rules to such extent and subject to such conditions as it may deem fit in regard to any Service Association.

### 10. **APPELLATE AUTHORITY**

IF any question arises as to the interpretation of any of the provisions of these Rules or if there is any dispute relating to fulfilment of conditions for recognition it shall be referred to the Government, Department of Personnel & Training being the nodal agency for Recognition Rules, whose decision thereon shall be final. If necessary, the Department of Personnel and Training may consult the Ministry of Law and the Ministry of Labour for taking a final decision in the matter.

## ● **PRIVATISATION**

### **PRIVATISATION: THE LDC EXPERIENCE**

Both bilateral and multilateral donor agencies have in recent years given growing prominence to the need for major reforms in government policy in LDCs. Greater emphasis has been placed on general 'programme' lending, while, as a condition for continued funding, borrowing countries are increasingly being required to implement certain basic economic reforms.

In particular, LDC (Less Developed Countries) governments have been urged to allow the private sector to enjoy a greater role in their economies. Such has been the importance attached to this question that in early 1986 the World Bank set up a section to deal explicitly with measures for improving the efficiency of public enterprises by restructuring and privatisation.

Since many bilateral donors now link their interventions to LDC acceptance of World Bank and IMF policies for substantive economic reforms measures designed to rationalise public expenditure and increase the scope of the private sector have become almost standard features of the economic packages that LDC governments are under pressure to implement.

The call to reduce the role of the state has been further fuelled by privatisation programmes introduced in several developed economies. An ideological preference for a greater private sector role coupled with a belief that such a preference is valid across all types of economies has proved to be a crucial factor in determining the framework for policy reform in LDCs.

The current interest in privatisation stems in part from the belief that many LDCs have entered into 'overextended' public sector commitments, associated with profound macro-economic instability—large public sector deficits, high inflation rates and balance of payments deficits. In the past twenty years there has been a significant increase in state-promoted economic activity in many low and middle income economies.

The denationalisation (or divestiture) of state-run monopolies, by selling them back to their former owners, by initiating a new share floatation via the stock market, or even by closing operations altogether, has been the most common privatisation method. Typically it has been deployed in connection with manufacturing and processing enterprises.

But it is not easy to define and quantify performance, and there is an ever present danger of corruption in the granting of contracts and licenses. Contracting-out does not involve the clean break with state control offered by total denationalisation. But on the other hand, joint government-private cooperation frequently represents a safer investing option for private entrepreneurs.

Until now many LDC governments have opposed privatisation or at least had deep reservations about its merits. Firstly, after independence, in many LDCs the state came to assume a vital nation-building role, binding together diverse ethnic or social groups, as well as becoming an important source of power and patronage. The nationalisation of foreign owned concerns was an assertion of independence and, particularly during the 1960s was associated with a preference for economic planning and State control of the 'commanding heights of the economy'.

Secondly, aid recipients have been reluctant to be seen to be acting under outside duress, and are sensitive to any attempts at "imposing" free market solutions upon them. Thirdly, state intervention may have been prompted originally by market failure, the effective absence of a willing and compatible private agent. Thus a wide range of reasons, political and traditional as much as economic, have been given to justify high levels of state intervention.

But despite these objections, the combination of budgetary constraints, ~~un~~ease with State sector inefficiencies and donor conditionality has prompted LDC governments to give more encouragement to private sector initiatives, and a growing number of LDC governments have now actively begun to pursue a policy of privatisation.

In Latin America, the major debtor nations, *Argentina*, *Brazil* and *Mexico*, have sought to reduce their public sector deficits through privatisation. The Argentine government's proposals, put forward early in 1986, were explicitly linked to the association between additional lending and policy reform stressed by the American Treasury Secretary, James Baker. But planned divestiture of the large steel company *Somisa*, as well as a number of petrochemical and chemical enterprises, has run into trouble on political and economic grounds.

Private investors have been deterred by unfavourable market conditions and there has been strong opposition from the trade union movement, which views privatisation as leading inevitably to mass redundancies. In Brazil, non-voting shares in the highly profitable state oil company—*petrobras*—have been sold and ownership of a number of manufacturing concerns transferred to the private sector. In Mexico, the government announced at the end of 1985 that 15 parastatals—mostly involved in tourism or food processing—would be sold to private interests.

In *Bangladesh* the direct influence of donor pressure for policy reform can be discerned in the measures taken under a new industrial strategy that has evolved since 1982. As part of a package of reforms, almost 100 publicly-owned enterprises—including the loss-making steel and engineering corporation—have been sold. Large parts of the jute and textile industry have also been transferred into private ownership.

The latest proposal envisages the denationalisation of a number of state-owned banks. But such measures have, as yet, not been satisfactorily linked to complementary reforms of the public finance system, let alone of remaining public enterprises.

However, despite such examples of its active espousal, the general progress of privatisation in LDCs has been more halting. A recent World Bank report estimates that for low-income African economies, around 5% of public enterprises have been either closed down or denationalised in the 1980s. This slower progress can be attributed to a range of factors, not simply to political hostility.

Many LDC governments have been reluctant to risk being accused of disposing of national assets at undervalued price, the more so where 'foreign' interests could gain control.

—*Courtesy: Overseas  
Development Institute, London  
(October 1986)*

### PRIVATE AFFAIR IN ASIA

*The Far Eastern Economic Review writes:*

Privatisation of public enterprise is gripping Asia like a fever—the concept at least, if not the reality. Some countries, such as Bangladesh, Sri Lanka and Pakistan, sold off bits and pieces of their unwieldy public sectors long before the term "privatisation" was coined. But what was a relatively isolated phenomenon has now been elevated to a creed, embraced by converts right across the region, from the Sub-continent to the Pacific Rim.

The conversion has not been entirely spontaneous. Privatisation had indigenous origins on the Sub-continent during the late 1970s, if only in reaction to the nationalising impulses of ousted political opponents. But the concept only really took root generally in Asia—in Asean and East Asia—when missionaries from the World Bank, the Asian Development Bank (ADB) and bilateral aid donors, themselves influenced by Reaganomics and Thatchernomics, began spreading the privatisation gospel.

India is in the vanguard of the move toward liberalisation and privatisation—both popular buzzwords in Asia nowadays. Along with countries like, Thailand, Malaysia, Singapore and Japan, it is actively discussing methods of privatisation ranging from wholesale disposal of state enterprises to partial disposal or a hive-off simply of parts of enterprises, such as has already taken place in the Philippines. Only in Indonesia (where state involvement in areas such as oil, steel, aircraft and shipbuilding is heavy) and Taiwan does the privatisation debate not appear to have taken hold yet.

### PUBLIC MONEY IN PRIVATE SECTOR

#### *Shareholding pattern*

A survey—the third in a series—of ownership of ordinary shares in joint stock companies conducted by the Reserve Bank of India at the end of December 1978 and published in February 1983 reveals the growing dominance of the public

sector financial institutions in the share-ownership of the companies. The two earlier studies analysed the pattern of shareholding till the end of December 1959 and December 1965. The latest survey covered 351 companies.

Though the share of individual shareholdings the market value of which is Rs 1,004.47 crores in these companies looks high at 37.58 per cent, against the share of the financial institutions with shareholdings amounting to Rs. 722.72 crores and 25.98 per cent of the total shares, it has to be borne in mind that the widely dispersed individual shareholdings cannot have the same pull as that of the financial institutions. The other equally important aspect of the shareholding pattern is the big drop in the individual shareholding over the years as can be seen from the following table:

	Ownership of shares in percentages		
	1959	1965	1978
Individuals	52.1	44.1	37.3
Institutions and others	7.1	20.3	27.4

#### *Interesting finding*

While the table above presents the overall pattern of shareholding, the growing dominance of the financial institutions in certain sectors is even more striking. Institutional shareholding was as high as 39.6 per cent in paper and paper products, 38.8 per cent in cement and 38.1 per cent in foundries and engineering workshops.

Yet another interesting finding from the survey which will hardly be to the liking of the financial institutions since it reveals their lack of interest in areas of high social priority is that their presence did not amount to more than 15.1 per cent in agriculture and allied activities, and an insignificant 6.6 per cent in medicines and pharmaceutical preparations.

How the LIC seems to have preferred investment in companies which could have managed to raise the capital funds they needed without having to depend upon institutional support with the potential of a stranglehold can be seen from the following table. It gives the figures of LIC's shareholdings wherever it exceeds 20 per cent of the total shareholdings on the companies all of which belong to the MRTP group (as on March 31, 1983):

	LIC's shareholding (in lakhs of rupees)	Percentage to Total
Bajaj Electricals	16.58	22.11
Titaghur Paper	102.55	21.68
Texmaco	44.12	23.53
Dunlop India	327.56	21.84
Escorts	401.31	30.00
J.K. Manufacturing	5.88	30.00
Kirloskar Pneumatic	68.13	26.48
Mysore Kirloskar	92.24	21.62
Modi Spinning and Weaving	114.49	23.46
Voltas	172.27	21.90

### Nominee Directors

The above table does not present the far greater control which all the financial institutions have on the Indian corporate sector. Their total equity shareholding exceeded 50 per cent in as many as 27 companies at the end of December, 1982. They ranged from 26.36 per cent in the case of Birlas to 1.63 per cent in the case of Sarabhai among nine large industrial houses including Singhania, Modis, Thapars, Shri Ram and ACC.

Whatever might have been the impact of the growing dominance of the public sector financial institutions on its own endeavours for the generation of resources by the corporate sector, it is very clear that their expanding shareholding has greatly enriched them, thanks to the performance of the companies on which they had focussed their attention. They should, therefore, not be asking for more. However, the emphasis now being placed upon the role of their nominee directors has caused considerable uneasiness among the companies in an atmosphere which has become vitiated during the last one year.

The latest guidelines mention that the financial institutions should create separate cells or departments with officials at the level of the general manager and deputy general manager whose exclusive and wholetime function will be to represent the institutions on the boards of companies. In this way, the work of nominee directors will become an integral part of the operations of the institutions.

It is difficult to see how this is going to be an improvement over the guidelines issued way back in 1971 on the recommendations of the Industrial Licensing Policy Enquiry Committee. One of the guidelines issue in 1971 said that "depending upon

the size and importance of the assisted industrial concerns and the financial stake of the institutions in them, one person should not ordinarily be nominated on more than three or four assisted concerns at a time."

It will be worthwhile to know whether the financial institutions have been able to restrict the directorships for their nominees to a number which would really enable them to concentrate their attention effectively on the performance of the assisted concerns. A statement given by Mr. Janardhan Poojary, Union Deputy Minister for Finance, in reply to a Lok Sabha question on March 9 shows that Mr. S. G. Subrahmanyam is the nominee director of the financial institutions on (i) Ballarpur Industries Ltd., (ii) Gwalior Rayon Silk Mfg. and Weaving Company Ltd., (iii) Modi Spinning and Weaving Mills Ltd., (iv) Premier Automobiles Ltd., (v) Sree Rayalaseema Paper Mills Ltd. and (vi) Voltas Ltd. Multiple directorships held by a nominee seem to be present to the same extent in the case of other financial institutions.

#### *Debts written off*

Has the presence of these watchdogs always protected the interests of the institutions having a stake in the companies? At the end of June 1983, according to the figures available, the amount of loan in default added up to Rs. 7,455.78 lakhs out of which the bigger defaulters belong to the following industries: Sugar, Rs. 1,590.87 lakhs; paper, Rs. 1,386.84 lakhs; metal products, Rs. 683.22 lakhs; machinery and accessories, Rs. 610.04 lakhs.

Th bad and doubtful debts written off by the Industrial Credit and Investment Corporation of India at the end of December 1982 amounted to Rs. 6.50 crores while for the Industrial Finance Corporation of India, they stood at Rs. 6.15 crores at the end of March 1983. The bad debts written off by the Unit Trust of India at the end of June 1983 stood at Rs. 8.63 crores.

There is obviously a lot more that the financial institutions could do with the help of their nominee directors, besides their trying to de-stabilise managements.

*(The Hindu, March 15, 1984)*

#### *Equity Holding of LIC in MRTP Companies*

The equity share holding of Life Insurance Corporation of India in 303 companies, registered under MRTP Act, 1969 worked out at 8.9 per cent as at the end of March 1983. The

equity share holding by the LIC amounted to Rs. 151.6 crores (face value) in the total paid up capital of Rs. 1699.4 crores.

Analysis of these 303 companies revealed that, in the case of five companies, the equity share holding of the LIC exceeded 25 percent. They are Escorts (30 percent) J. K. Manufacturing (30 percent), Indian Cable (27.6 percent), Kirloskar Pneumatic (26.5 percent), and Hindustan Brown Boveri (25.1 percent). In case of 39 companies, the LIC had equity share holding of 15 to 25 percent. The shareholding for 52 companies was 10 to 15 percent. For all these 96 companies the average equity share holding by the LIC worked more than 10 percent.

In absolute terms, the largest amount held by the LIC was in Tata Steel, Rs. 13.9 crores in a paid up capital of Rs. 72.0 crores (19.3 percent holding) followed by Tata Engineering, Rs. 6.0 crores (19.0 percent), Indian Aluminium Rs. 5.7 crores (17.4 percent), Larsen & Toubro Rs. 4.3 crores (18.8 percent), Escorts Rs. 4.0 crores (30.0 percent), Dunlop Rs. 3.3 crores (21.8 percent), Union Carbide Rs. 3.1 crores (9.5 percent), ITC Rs. 2.6 crores (9.6 percent) and Delhi Cloth Rs. 2.6 crores (13.2 per cent).

Besides the investment in equity shares the LIC invested in these MRTP companies Rs. 26.3 crores in preference shares, Rs. 124.0 crores in debentures, Rs. 118.9 crores in term loans and Rs. 42.3 crores in short-term loans. Thus of the total investment of Rs. 463.2 crores by the LIC in these MRTP companies, the investment in equity shares amounted to Rs. 151.6 crores—32.9 percent.

Investment by the LIC in the equity shares of Tata group of companies amounted to Rs. 28.5 crores (14.8 percent of the total equity capital), followed by Birla at Rs. 10.9 crores (7.8 percent), Kirloskar at Rs. 3.7 crores (11.7 percent), Mafatlal at Rs. 3.6 crores (4.6 percent), Shri Ram at 3.6 crores (2.9 percent) J.K. at Rs. 2.7 crores (6.1 percent) and Modi at Rs. 2.4 crores (12.2 percent).

*(The Economic Times, Research Bureau)*

### **NANDA HOLDS ONLY 0.004% OF ESCORTS SHARES**

The Chairman and Managing Director of Escorts Ltd. H. P. Nanda, holds 525 shares of Rs. 10 each, representing 0.004 percent of the total equity of the company.

According to the information supplied by the company in application for approval under Capital Issues (Control) Act, 1947, on December 17, 1983, the vice-president and joint managing director of the Company, Rajan Nanda, held 47,678 shares (0.356 percent of the equity) and the other joint managing director, Anil Nanda, had 500 shares (0.004 percent).

The other directors of the company held 12,782 shares (0.096 percent) and the total holding of the promoters, directors, and their friends was 3.95 percent.

The associates, including associate companies, held 14,66,655 shares representing 10.99 percent of the equity. The details about the holding of the public financial institutions were: LIC 30 percent, UTI 6.09 percent, GIC 3.48 percent, United India Insurance Company Limited 2.08 percent, New India Assurance Company Limited 4.83 percent and the Oriental Fire and General Insurance Company Limited 4.01 percent.

Nationalised and other banks held 0.72 percent of the Company.

(Finance Minister in Rajya Sabha,  
February 28, 1984)

#### *Public Institutions' Stake in big Cos.*

The stakes of the public financial institutions in MRTP and large houses companies upto December, 1982 was around 22.63 percent of the paid-up capital of these companies. The share of these institutions including Industrial Development Bank of India, Life Insurance Corporation, UTI and GIC in the equity share capital of public limited companies was 50 percent of the share capital of 27 companies during the same period.

The total share capital in the 27 public limited companies stood at Rs. 43.02 crore.

The share of the public financial institutions to the equity capital in these companies was not substantial as these institutions did not subscribe to the equity capital.

There was no proposal to take over the companies where the financial institutions held more than 50 percent of the share capital. As it is the financial institutions held control over these companies by way of voting rights.

(Lok Sabha, March 2, 1984)

## · VERIFICATION OF MEMBERSHIP OF CENTRAL TRADE UNION ORGANISATIONS

Since the beginning of 1985 a series of meetings have been held by representatives of the central trade union organisations to arrive at a consensus on a revised procedure for verification. The organisations represented were the AITUC, INTUC, CITU, HMS, UTUC, TUCC, UTUC (LS), NLO and NFITU. Two meetings have also been held with the Chief Labour Commissioner.

On a number of points a consensus has been reached which are given below. It is to be noted that the AITUC, CITU, UTUC, TUCC HMS, UTUC (LS) have, in the interest of not further delaying verification and to help reach a consensus, not insisted on secret ballot to decide disputed cases, while the INTUC have not insisted on the check-off system. We have gone on record that we still maintain that secret ballot would be the most acceptable procedure.

It is to be noted that the present verified membership of central trade union organisations is as on 31 December 1980. AITUC and CITU did not participate in the verification carried out. All central trade union organisations have agreed that the verification of membership as on 31 December 1985 should be taken up as early as possible.

On one important point no consensus could be reached. That is, on the verification procedure to be adopted for ascertaining the membership of agricultural workers and rural workers. The BMS has stated that these unions should be treated on a completely different basis and should not be included in ascertaining the membership of central trade union organisations. All others have agreed that "the membership of agricultural/rural workers' unions will be taken into account in ascertaining total membership of a central trade union organisation".

The differences exist in respect of the procedure of verification and in including the total membership of these unions for arriving at criteria for representation to such tripartite bodies as the Indian Labour Conference, the Standing Labour Committee and ILO.

The AITUC, UTUC, UTUC(LS), NFITU have taken the stand that there should be no differentiation in the verification procedure of agricultural workers' unions. The issue of difference was mainly on spot verification, and these organisations maintain that this can be carried out and as stated by the

INTUC arrangements should be made by the CLC (C)'s office in the light of their experience and problems faced to maintain strict standard in verification".

The INTUC, CITU and HMS maintain that spot verification is not feasible in the case of these unions and a different procedure should be evolved.

At the last meeting of the representatives of the central trade union organisations held on 2 November 1986 at New Delhi, it was decided to request the CLC to hold a meeting as early as possible. At this meeting, all issues would be finalised, and a time table should be worked out for proceeding with the task of verification of membership of all central trade union organisations as on 31 December 1985.

### **POINTS OF AGREEMENT ON AN IMPROVED PROCEDURE FOR VERIFICATION AMONGST THE REPRESENTATIVES OF THE CENTRAL TRADE UNION ORGANISATIONS**

1. **Periodicity:** Verification should be undertaken once in three years. It was also agreed that the CLC should be asked to take necessary steps to complete the process within a period of one year to make it meaningful and not outdated.

The verification should cover such trade unions as have been registered under the Trade Union Act.

2. **Submission of claims:** The claims of membership should be submitted by the Central Trade Union Organisations in the manner hitherto followed and as far as possible on the basis of the annual returns submitted to the Registrars of Trade Unions.

#### **3. Spot Verification:**

- a) Spot verification should be conducted by the verifying officer after informing the unions concerned at least a fortnight in advance.
- b) The sampling figure for spot verification should be raised to 10%.
- c) The concerned worker should himself/herself sign his/her membership of a union as recorded by the verifying officer. In the case of an illiterate worker, thumb impression will be countersigned by a worker of his/her choice.

The spot verification should not be conducted in the presence of any representative of the management.

4. *Physical verification*: Physical verification should be simplified and restricted only to the checking of membership register, audited statement of accounts, registration certification, affiliation certificates and receipt of payment of affiliation fee. The sampling figure should be raised from the present 10% to 15%.

5. *Inter-State union*: The membership of inter-state unions should be verified on the basis of the annual returns submitted to the Registrar of Trade Unions in the state where the union is registered.

6. *Raising of objections*: In raising objections, the Central Trade Union Organisations should raise specific objections with appropriate grounds for the objections.

7. *Notice to Unions*: The notices should be issued to Unions to produce records giving 15 days time from the date of receipt of the notice.

A second opportunity should be given to the Union.

Even after the issuance of second notice, if Union fails to produce records, a THIRD notice should also be sent to the Union.

Copies of all these notices should be sent, without fail, to both the State Committees and the Central Trade Union Organisation concerned.

8. *Reclaims*: Reclaims after the receipt of the first provisional results should be entertained within one month of such receipt.

9. *Authorised representatives*: In view of the difficulties voiced by Central Trade Union Organisations that in certain cases the Registrars of Trade Unions do not co-operate in enabling their representatives to examine the records in the RTUs offices, during the process of verification, a list of authorised representatives to examine the records in the RTUs offices, during the process of verification, should be given to the C.L.C.(C). Intimation of the list should be sent to the RTUs and letters of authority issued by the CLC to the representatives.

10. *De-registration*: Registrars of Trade Unions should be instructed to send a list of the unions which have been de-registered to the respective Central Trade Union Organisations half-yearly.

11. *Records of Registrars of Trade Unions:* In order to facilitate the process of verification and obviate any delays it is requested that Registrars of Trade Unions be asked to keep their records on a uniform basis, on that of the list of industries on which verification procedure takes place.

12. *Membership of unions in concerns which are locked-out, closed units or where a prolonged strike may be taking place:*

In all cases where lock-outs, closures or strikes have been continuing for a period of three to twelve months, affecting, the annual returns submitted to the Registrars of Trade Unions of the previous calendar years should be accepted as a basis for the purpose of verification. No spot verification can take place in all such cases, and the process should be confined to physical verification only.

