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All-India Trade Union Congress

27th SESSION
Bombay

PRESIDENTIAL ADDRESS

by

Com. S. S. MIRAJKAR

SIXTEENTH—TWENTYSECOND MAY, 1966

Dear Comrades,

The period since we last met at Coimbatore has been a period of severe repression on the working class in general and particularly on those organised under the AITUC — Hundreds of TU functionaries had been detained in jail under the Defence of India Rules for about ten months in 1962-63 and again for over 15 months since October 1964. Some of them like Coms. B. T. Ranadive, B. S. Dhume, Samuel Augustin, and P. K. Kurane. had been detained continuously since 1962. Respected leaders of the working class and working people like Coms. S. V. Parulekar and B. D. Parab lost their lives in jail as a result of harrowing conditions in prisons. In addition to these in many a Trade Union struggle many were detained under the D.I.R. for various periods. In these struggles scores had fallen victims to brutal and unprovoked firing by the police. On behalf of the All India Trade Union Congress, I pay my tribute to these valiant heroes and pledge that the Indian working class will never forget their great martyrdom and will keep aloft the banner of struggle for democracy and socialism that they so heroically upheld.

Many trusted and tried leaders of the Working Class are no more with us; and it is our duty to remember on this occasion the valuable services rendered by them to the task of building up the A.I.T.U.C. The devotion of comrades like T. B. Vithal Rao, R. K. Bhogle, Bapurao Jagtap, Jeevanandam will certainly inspire us in carrying forward the unfinished task left by them.

I am extremely happy to welcome Com. Renato Bitossi President of the W.F.T.U. amongst us in our Session. It is the first visit of the W.F.T.U. President to our country and his presence will no doubt contribute to a great extent in making this session a grand success. I also welcome all other Fraternal Delegates from various countries who have taken so much trouble to come here in this Session and express their solidarity to the struggles of the Indian Working class. I sincerely thank all the fraternal delegates for their support to our struggles. We will soon get an apportunity to hear them during this session and learn about the conditions of the victorious working class and people in their countries.

The working class is facing these days severe attacks both from employers and the Government. These attacks are not fortutious. They are part of the entire policy that the Government has been pursuing in the interest of big business since it came to power. These policies have led the country to a severe crisis on the agricultural, industrial, price, foreign exchange, employment — in fact on every front of economic activity.

Three Five Year Plans are over and we are supposed to be in the first year of the Fourth Plan. But nobody knows what the shape of the Plan will be. Everything depends on the U.S. imperialists, who have asked the World Bank to examine the proposals of the Government of India and give their views. It is clear therefore that the imperialists through the World Bank have the decisive and the last word on our development.

It is necessary to recall that at the end of the Second Plan, the then Prime Minister Jawaharlal Nehru, stated that our economy would be soon on the take off stage. There were many in the country who echoed these rosy pictures painted by the then Prime Minister. To be able to manufacture our own machines is the basic need of the country. Without this all talk of 'take off stage' is just prattle. Many said that we shall be able to manufacture our machines with the foundations laid in the Second Plan.

And yet today, after the Third Plan has been completed, we find that far from being able to manufacture our machines, our Government is making concession after concession to the foreign monopolists to get their machines. The concessions granted to the Fertiliser Monopolists at the behest of the World Bank have given rise to a first class scandal.

As for performance, the targets in no field of the Plan is anywhere near fulfilment. Even according to official statistics there has been a short fall of 40 per cent in the Third Plan targets. And on top of it, what to talk of further industrialisation, most of the existing industries are working under capacity. Raw materials and intermediate goods cannot be got because there is no foreign exchange. And this foreign exchange will be available only if the imperialists will give us the requisite loans, which are miscalled 'aid'. Even in the textile industry, which does not depend upon foreign aid, many mills have closed down and production reduced. Tens of thousands of workers have been thrown out of employment in the textile, engineering and other industries.

The plight to which our rulers have brough the country's economy has brought the very concept of planning to contempt and ridicule.

Not that the common people did not give up their utmost to the Plans, taxation on the common people during the three plans was nearly three times the target figures. In addition prices have been going up throughout the period of the Plans, thereby reducing the share of the common people in the national wealth.

In Europe capitalism was built on the ruins of feudal land-lordism. Moreover, the capitalists of those countries had colonies whose loot gave them immense resources for capital investments. Then with further development, these same colonies provided them with the market as well as cheap sources of raw materials, so that they could continue to reap maximum profits and invest them in their industries and expand them.

This path is not open to our capitalists, because with the collapse of the colonial system the world over, when the imperialists themselves are facing a permanent crisis, where is the colonial possession, whose loot could provide our capitalists with the huge capitalist accumulations ?

Naturally in these circumstances, the intensified exploitation of all sections of the people — their virtual loot alone — is the only source left to them. This is done by them with the help of the State. Today, in our country, the State plays the biggest role in finding the capital for the capitalists. How many financial institutions has the Government founded for finding capital to our big capitalists ?

Despite all these, they cannot get the foreign exchange necessary. Today, with the immense advance in science and technology, machines cost many times more than what they cost a hundred years ago — or even before the war. Our Government therefore depends on foreign aid to meet this deficit. The socialist countries have certainly helped us to start some basic industries and their help is certainly utilised by the Government to bargain with the imperialists to get better terms for their aid. However, the enormous dependence on western aid gives them the whip hand and they have been utilising this situation to arm first the Indian Government.

The situation is further aggravated by the refusal to carry out real agrarian reforms which would give land to the tiller and thus harness his enthusiasm for creative and productive activities. The result is that despite thousands of crores of rupees spent for agriculture, and irrigation, we have a stagnant agriculture. Production in agriculture has remained more or less stagnant throughout the Third Plan. And this year there is a drought, the country is facing a terrible food shortage, when hoarders and blackmarketeers are running riot.

But even under the conditions, the Government will not take firm measures against the big landlords and hoarders, take away their power to inflict misery on the people, institute state monopoly in food grains and distribute the available foodgrains equitably. On the other hand the Government, while allowing these elements to run riot, only attempts to mitigate the difficulties a bit by begging foodgrains aid under PL 480 from the U.S. Government.

Thus we have been witnessing the alarming growth of increasing dependence on foreign aid even for our maintenance imports necessary for running our existing industries. Naturally, the imperialists who do not want to see our country develop along independent lines, utilise these conditions to dictate their terms.

Gone are those talks of the country having achieved the 'take off stage' by 1960-61. Today, the Prime Minister and the Planning Minister say that if more increased foreign aid comes, the country could reach the take off stage at the end of 10 years. This is like a drunkard saying that in order to give up drinking after two years, he must have more drinks in the next two years !

The imperialists themselves, after the third of the humanity has broken out of the capitalist system are facing a permanent and intensifying crisis. This dependence of countries like India on their aid is naturally utilised by them for still greater exploitation of our resources. The prices of the goods they export to our country have been rising every day. On the other hand they dictate the prices of the commodities we export and the chasm between our import and export prices has been continually widening — leading to still greater dependence on the west.

It is clear that all this talk of the country attaining self-sufficiency with western aid is just a mirage. Today, they have forced our Government to give up one position after another in their industrial policy resolution declared immediately after independence. The Government, forced to a tight corner, has declared an open-door policy with regard to foreign capital — chiefly U.S. capital — to start important industries, with promises of unconscionable profits and uncontrolled exports of profits.

The experience of the three Plans has conclusively proved that all hopes of independent development on the lines of capitalism are doomed to failure. Any pursuance in this line of development will only tighten the noose of new-colonialism round our neck and the independence won by the heroic struggles and sacrifices of the Indian people is in dire peril.

In order to accumulate huge surplus for building capitalism in the country the Indian bourgeoisie formulated its labour policy that would ensure intense exploitation of the workers. A virtual wage freeze became the cornerstone of the wage policy during the plan period.

In the wake of big strike struggles all over the country the Government was compelled to accept certain norms for the fixation of minimum wages. However, the Wage Boards appointed for the purpose deliberately ignored these accepted recommendations and were converted into instruments of imposing wage freeze by the back-doar. The wage board machinery is extremely time consuming and workers are given a nominal rise in wages which are not even sufficient to maintain their real wages. There has been no rise in the real wages of the workers since the beginning of the so-called planning and even official statistics show that real wages today are far below 1939 wages. The condition of the workers in unorganised industries is particularly bad. The minimum wage advisory committees have recommended ridiculously low wages to the workers. In some cases the daily wage thus fixed is less than a rupee. Even to implement these decisions workers have been forced to launch a struggle.

Whatever monetary concessions workers snatch from the unwilling hands of the Government and the employers they are nullified by the steep rise in the price level. When the prices went up to alrming proportions the Government resorted to fraudulent methods of compiling price index with a view to keep the index down and deny even the partial compensation in the form of D.A. It was an all-India conspiracy to manipulate price indices as a result of which official index failed to reflect the magnitude of the rise in price level. The fall in real wages would appear to be far more serious if the fraudulent indices are taken into consideration. The widespread struggles of the workers in different centres compelled the Government to form expert committees in centres like Bombay, Ahmedabad and Delhi but the indices were only partially rectified and in case of Delhi the Government even went to the extent of covering the dirty fraud which was partially brought to light by the Committee. The Expert Committees are yet to be appointed in various other centres and All India Consumer Price Index continues to be a fraudulent index.

The intensification of workload is systematically being imposed on the workers through the productivity drive. Rationalisation and modernisation have considerably increased the labour productivity, gains of which were appropriated only by the employers. The wage boards while granting some wage rise to the workers allowed the employers to increase the workload. Time and motions studies have been conducted to impose additional workload in some organised industries like cement and engineering. The tall talk of linking wages with productivity is being undertaken only to deny any wage rise to the workers. The productivity measures have resulted in reducing job opportunities for new entrants and in some industries like jute and tea plantations the number of workers employed has also dropped considerably. In a country where unemployment problem is already acute the introduction of advanced techniques of production is fraught with dangerous social consequences.

The tri-partite machinery has been in operation for more than two decades. Experience however has clearly shown to the workers that the tri-partite agreements are not meant for employers and the Government to observe. Due to the pressure of the mass movement the employers and the Government were compelled to give their consent to some agreements, they were flouted soon after their adoption. The tri-partite agreement on the norms to fix up minimum wages was not implemented by a single industry. Despite the agreement on rationalisation the employers resorted to various dubious methods to retrench the workers. Employers have shown scant regard for the Code of Discipline which is being utilised only against the workers, thanks to the attitude of the Government. The principle of linking D.A. with the price index was formally accepted by the Government but it was not at all implemented in practice. A proper analysis of the tri-partite agreements will certainly show that employers and the Government implemented them only in breach.

The Industrial Truce Resolution is a glaring example of the disregard usually shown by the employers and the Government to the commitments in Tri-partite agreements. Both the Government and the employers refused to implement a single clause in the agreement while a blanket ban on workers' strike was imposed. The assurance given on the eve of signing the Industrial Truce Resolution in 1962 by Mr. Nanda, the then Union Labour Minister that fair price shops would be opened in every factory employing 300 or more workers is yet to be implemented in full.

Using the Indo-Pakistan conflict again, the Government manoeuvred to get Trade Union organisations agree to the Industrial Truce. All such truces when the bourgeoisie control the factories and the state apparatus inevitably leave the employers free to mount attacks on the workers with no effective checks to prevent them from meeting the safeguards they themselves agree to and leave the workers unarmed and defenceless against these attacks. I am sure that the Indian working class has learnt the lessons from its own bitter experience of the Industrial Truce Resolution. AITUC was right in declaring that it was no more bound by the Truce resolution.

The recent example of the Bonus Act has amply proved that when it suits them, the Government and the employers do not feel shy of reducing the whole concept of tri-partite machinery into a mockery. For four years since the appointment of the Commission the employers deliberately postponed the payment of the bonus on the plea that they await the Report of the Commission and the decision of the Government. Though the workers' representative on the Commission agreed to reduce their demand in order to arrive at unanimous recommendations the representative of the employers appended a note of dissent. Strangely enough, even the majority recommendations were thrown into waste paper basket and the Government accepted employers' views in toto which formed the basis of the Bonus Bill. As a result of this, the formula for bonus under the new Act made position of the workers worse than it was before.

Even though employers' representative on the Commission accepted the principle of minimum bonus, when the time had come to implement it the employers have gone to the Supreme Court questioning the constitutional validity of the measure. Under these circumstances what reliance can be placed on the employers and the Government's words in the face of this flouting of solemn undertaking?

The employers and the Government have been sustematically using the tri-partite agreements to blunt the edge of workers' struggles. Hence the working class has to rely on its own organised strength and struggle even for the honouring of their undertakings by the employers and the Government.

The industrial relations machinery is today utilised by the employers to encourage class collaborationist ideas among the workers. The machinery is extremely dilatory and is meant to sidetrack the attention of the workers from the path of struggle. The Labour legislation is full of loop-holes which give a handle to the employers and the Government to deny even the privileges permissible under the law.

Some of the recent decisions by the Supreme Court clearly demonstrate that under the present Constitution the right of property is well enshrined and enthroned which in practice is used to safeguard the interests of the big business. Under these circumstances all talk of social justice through legislation is just moonshine. It is true that due to the strength of the movement the employers and the Government are compelled to grant some concessions to the workers. However it would be incorrect to think that any longstanding improvement in the conditions of the working class is possible under the present set up.

Utilising the India-China armed conflict in 1962, the Government imposed a State of Emergency and has continued for full over 3½ years after the Chinese armies had withdrawn and declared cease-fire. The entire country recognises today that this state of emergency and the extra-ordinary powers under it have been utilised by the Government not for the defence and security of the country, but in defence of the profits and loot of the people by the monopolists, big landlords, hoarders and blackmarketeers. The working class has had to bear the brunt of the diabolical attacks under these emergency powers. Its leaders and active workers were the worst victims, having had to face prolonged detention. In every State during this period, trade union leaders were immediately detained under the D.I.R. in an attempt to decapitate the striking workers, render the strike leaderless and break the strike.

Undeterred by the repressive measures of the Government, the working class resisted all the attacks of the employers with firm determination and unions affiliated to AITUC played a notable role in these struggles. During this period the Indian workers launched stubborn struggles whose sweep was unprecedented. Some of the struggles resulted in snatching concessions from the employers and the Government.

The historic Bombay Bandh of August 1963 against rising prices and taxes focussed the attention of the entire nation on the utter unreliability of the index numbers. The strike forced the Government to admit, though half-heartedly, that the price index was faulty and an expert committee was appointed to rectify it. A similar struggle later developed in Ahmedabad and the citadel of INTUC was cracked into pieces by successful observance of Ahmedabad Bandh. The Bandh action became a common form of struggle in which working class along with other sections of the people registered their united protest against the policies of the Government.

The longdrawn strike struggle of the Port and Dock workers of Goa braving application of D.I.R. and police firing showed a new rising mood of the Indian workers. The bitter strike struggles of Barauni Oil Refinery and Bhopal Heavy Electricals workers witnessed the anti-labour policy of the Government in all its nakedness. The industrial relations in public sector undertaking are the worst in the country since Trade Union rights are virtually suppressed with the iron hand of the State. The two strikes have shown that repressive measures cannot suppress the unity of the workers.

Another notable struggle in this period was that of Jay Engineering workers of Calcutta which lasted for 6 months. They showed their readiness to give long drawn battles if employers refuse to talk sense. The Tarapore Atomic Energy workers gave a glorious fight against the U.S. Contractors firm. The Engineering workers in Bombay and West Bengal fought many strike struggles for Bonus and against retrenchment and closures.

The strike of the two lakh textile workers of Bombay for Bonus and other demands had repercussions all over the country and the ficticious representative character of the INTUC was thoroughly exposed.

The united struggles of L.I.C. employees and oil workers against the introduction of electronic computers has given rise to a nationwide campaign against automation involving trade unions of various affiliations. The struggles of N.G.O. employees for better emoluments and the Central and State Government employees for a higher quantum of D.A. have assumed new heights.

The emergence of Rashtriya Sangram Samiti as an organ of mass struggle reflects a new urge for unity among the working class for bitter struggles on common demands. In West Bengal Rashtriya Sangram Samiti has initiated mighty class battles on burning issues of the workers. This example is worth emulating.

The working class has taken leading role in the recent food struggles in different parts of the country. Statewide strikes and hartals were organised in Kerala, Bihar and Bengal. The workers and people of Bengal have successfully organised two Statewide hartals and General Strikes in a period of one month which has inspired the whole country. The Statewide strike in Maharashtra on the issue of textile crisis was also a notable mass action during this period.

The period ahead will see still greater battles. While the working class and Trade Unions have to prepare themselves to face up to still greater trials in defence of and to advance its own interests, it will have to play a still greater role in rallying the people for sustained and determined struggles against the basic policies of the Government. In every struggle, the working class should realise that the attacks on the working class are nothing but inseperable part of the basic policies of the Government. So long as these policies remain, the working class will have to face still greater and more ferocious attacks on its standards and rights. In fact, the foreign monopolists who are being wooed to invest their capital will demand such attacks on the working class and Trade Unions and the Government can be depended upon to concede these demands. Through its leading role in such struggles of the entire people the working class will have to become the leader of the battle for democracy, progress and real independence.

In order to fulfil this role, organisation of the Trade Unions has got to be immensely strengthened. Today, despite the boosting up of the INTUC by Governmental and employers' patronage, the INTUC has lost and is losing its influence among the workers. Precisely at such a time, it is unfortunate that in many unions affiliated to the AITUC, rivalries have broken up and rival unions function. This disunity is not insurmountable. The AITUC, in the past have offered to create a single union for each industry provided democratic elections and proportional representation was guaranteed on the same principles. The AITUC can bring about unity among those unions. No time should be lost in effecting such unity.

The bourgeois press is full of news about the possible split in the AITUC. Whatever may be their wishful thinking, permit me to make a categorical declaration on behalf of all of you that despite serious differences among the ranks of AITUC, the delegates of this session will see that every effort is made to preserve the organisational unity of the AITUC. The desire of unity among the AITUC ranks is so great that no disruptive effort will bear any fruit.

Comrades! Let us pledge to settle all the differences amongst us in a dispassionate manner and give a fitting reply to all the machination of the bourgeoisie to create dissensions in the AITUC. Let us reunite all the Unions under the banner of AITUC which have split during the recent past and ensure democratic functioning of the organisation. The need for unity in the AITUC was never so great as to-day, when the working class is in the thick of struggles against ferocious offensive of the big bourgeoisie. AITUC witnessed several splits in the past and we must learn from the bitter experience of those splits. Despite difficulties, I have no doubt that the delegates will rise to the occasion and see that AITUC will emerge stronger as a weapon of class struggle during this session.

Our country has had to face two military conflicts — one with China and another with Pakistan. Experience has shown that our dispute on the border with China or the dispute with Pakistan over Kashmir cannot be solved militarily. The Tashkant agreement gives the direction in which these dispute should be attempted to be solved.

The country cannot afford the continuation of the present cold war with China, entailing heavy military expenditure on the country. It is therefore of utmost importance that our Government takes the initiative in initiating talks with China in the same spirit as was evidenced in Tashkant with a view to finally resolve the border dispute in an honourable way. I am sure that the Chinese people and Government will reciprocate such initiative.

Comrades, we cannot shut our eyes and keep quiet to the machinations of imperialism, and chiefly the U.S. imperialists. Alarmed at the onward march of the peoples and States of Asia and Africa, they strive by subterfuge to subvert the States which refuse to mortgate their country and people to the U.S. imperialists. Already they have succeeded in subverting popular regimes in the Congo, Iraq, Indonesia and Ghana and are seeking to enthrone puppet regimes. In Vietnam they have unleashed a dirty war against the entire people. For over 10 years they are conduct? ing the war of aggression against the brave people of Vietnam. They have surpassed the fascists in their fiendishness. They have not shrunk from any brutality — use of gas, bombing of civilians, bringing of villages, burning of crops and poisoning of water in order to cow down the Vietnamese people into submission.

Despite this barbarous aggression with superior weapons, the people of Vietnam are not terrorised and are inflicting defeat after defeat on the aggressors. By their undaunted and heroic struggles the Vietnames people have written a page in the history of the freedom struggles the world over, which will shine in all its glory and splendour so long as humanity lasts on earth. I have no doubt that Vietnamese people will ultimately succeed in driving the U.S., satellite and other troops from the soil of great Vietnam.

The Indian working class must raise its powerful voice in support of the Vietnamese people. This it must do, not merely as a matter of its international duty, but in its own interests and in the interest of the Indian people. We have seen how the U.S. imperialists are daily seeking to get themselves entrenched in the economy and political life of our country. The battle against the U.S. imperialists is a battle common to all peoples who aspire for a new life of peace and prosperity for themselves.

In its struggle for a better life the Indian working class will certainly have whole-hearted support and solidarity of millions of workers rallied under the banner of World Federation of Trade Unions. The AITUC as an affiliate of the mighty W.F.T.U. will not lag behind in mobilising Indian workers in still greater numbers to participate in the world wide struggle that is being waged against neo-colonialism and for national liberation and world peace.

Comrades, I have referred to only a few of the struggles of the working class during this period under review. But hundreds of struggles have been waged throughout the country. The Indian working class has given new proof of its fighting capacity. No repression, no jailing of the leadership, no threat of detention under lawless laws, no emergency, no bullets could hold back the rising wave of millitant working class actions. The working class has thrown up new leaders from its own sons and daughters who have exhibited amazing capacity for organisation and leadership. where mighty actions have given inspiration and confidence to all sections of the Indian people. Let the ruling classes beware of the new awakening and consciousness and militancy of the working class. On them is cast the glorious role of leading the entire Indian people for real democracy and socialism. I have no doubt that our class will fulfil this role with honour and bring glory to the A.I.T.U.C.

★ *Long live All India Trade Union Congress !*

★ *Long live World Federation of Trade Unions !*

★ *Working men of all lands unite !*

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All-India Trade Union Congress

27th SESSION
Bombay

REPORT ON OIL INDUSTRY

by

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SIXTEENTH — TWENTYSECOND MAY, 1966

Report on Oil Industry

G. SUNDARAM

Geeneral Secretary, Petroleum Workmen's Union, Bombay and All India Petroleum Workers' Federation

The Industry consists of exploration and production companies/undertakings, refining companies/division and marketing/distribution companies in addition to transportation (pipeline companies/division). The picture at the beginning of the Third Plan was that the industry was by and large monopolised by foreign oil cartels. This has been confirmed by the Report of the Monopolies Inquiry Commission. According to this report production was trial Giants in 1964-65.

		Burmah-Shell	Esso	Caltex	A.O.C.	No. of enter-prises	% share of top 3
Total industry	%	42	31.1	12	6	6	85.1
Kerosene Oil, Diesel Oil & Light Distillates	%	51	25	12	6	6	87.3
Bitumen		67.6	29.4	—	—	—	—
Furnace Oil		37	40.2	15.1	—	—	—

Also, in the compilation by "Economic Times" of 51 Industrial Giants in 196165.

In gross profits as % of total capital employed :

Burmah-Shell	ranked	15th	with 16.5%
Esso	,,	22nd	,, 12.5%
Caltex	,,	51st	,, 1.8%

In profits after tax as % of net worth:

Burmah-Shell	ranked	35th	with 9.8%
Esso	,,	43rd	,, 6.9%
Caltex	,,	51st	,, —0.6%

The Indian Oil Company incorporated in 1959 was the public sector marketing company to handle the import and distribution of deficit products like kerosene and High Speed Diesel Oil from rupee sources so as to conserve foreign exchange. It started with no installations/ facilities for storing and distributing oil, which were virtually owned by three major foreign companies and two minor ones besides one Indian company (WIODC) having 2% of the trade. The Government of USSR through its export organisation, were extremely keen that petroleum products imports (particularly kerosene and high speed diesel oil) should be included in the Trade Plan for 1960 and the initiative taken by Soviet Union in concluding a deal with Hindustan Organisers, the associate of WIODC gave a phillip to IOC to launch its activities. Straightaway, it faced the powerful competition and price cutting by the foreign companies.

In accordance with the Industrial Policy Resolution of 1956 oil development was planned to take place solely in public sector. The Oil and Natural Gas Commission which commenced exploration work in Public Sector in 1955-56 decided to take the disinterested help of socialist countries, particularly Soviet Union and Rumania. The Government also decided to set up refineries in public sector beginning with Nunmati in Assam and Barauni in Bihar, the former with financial and technical help from Rumania and the latter from Soviet Union. The Indian Oil Company was assigned the task of distributing the production of these two public sector refineries also.

Since the Assam oil company, the oldest foreign oil company in Assam was making headway in discovering new oil fields, the Government of India set up Oil India Ltd. a 50:50 partnership company, with Burmah Oil Company, the parent company of AOC. BOC contributed its share in foreign capital of Rs. 14 crores. Oil India Ltd. was given the task to increase production and exploration in Assam and to supply crude oil to Nunmati and Barauni refineries in addition to AOC. The deal with this foreign oil company by which it is guaranteed 9% net return with a maximum of 13% on investment after payment of all taxes and which extracted reimbursement of its investments by direct payment of over Rs. 10 crores is not advantageous to our national interests in view of the fact that 11 crores of rupees were paid as subsidy to ensure the payment of such a dividend during 1962-64. In 1965, 7 crores would have been paid. Oil India Ltd. operates Nahorkatiya, Hugrijan and Moran fields, which were first discovered and explored by AOC but transfeerred to the new company. The commitment by OIL is to supply up to 2.75 million tonnes to Nunmati and Barauni refineries and upto 0.435 to AOC. This is another instance of how foreign monopolies and cartels manage to defraud our exchequer through the means of complex mechanism for pricing of crude oil.

Pipelines had to be laid from the Assam oil fields for supply of crude oil to the two refineries and also for economic distribution of the refinery production.

Thus, the Indian Oil company has been transformed into Indian Oil Corporation Ltd. with four divisions — Marketing Division, Refineries Division, Pipelines Division and Gujarat Refinery Project. The latter was first conceived to work under Oil and Natural Gas Commission. However, the latter has been left with responsibility for exploration and production of oil throughout the the country including Assam and for which it has also set up a Research Agency in Indian Institute of Petroleum located in Dehra Dun.

The further development in oil industry took a change in basic policy decision because the third Cochin Refinery has come about with participation of both American (Phillips Petroleum) and Indian monopoly (Duncan Bros. & Co. of Calcutta) capital, with the right of management vested with Phillips for 5 years and freedom to import its own crude for 15 years.

The last venture and the most recent is launching of Lube India, a 50:50 partnership with Esso and effective management with Esso, only the Chairman of the Board being nominee of Government.

Another major change in the original oil policy is the impending deal with American capital for off-shore exploration of oil in Cambay with prospect of heavy drain of our exchequer as is taking place in the Oil India deal with BOC, apart from the fertiliser deals in which Esso and others are involved, and further extension to petro-chemical projects too.

The general slow down, bureaucratic hold-ups and refusal to extend labour-management participation in the various enterprises both in commissioning and functioning them, have not only invited parliamentary criticism but also undermining at the hands of private sector wholly in foreign (Anglo-American) hands and which are linked with the public sector almost on a day-to-day basis. This was witnessed in a demonstrable way in May 1965, and it is even today being witnessed, when scracity of kerosene and high speed diesel oil overtook the country with the stoppage of imports of these deficit products by foreign oil companies which were not given hard "free" currency to import from their tied-up sources in Middle East etc. and the inability of the public sector IOC to cope with this planned undermining in distribution by foreign companies.

The over-all situation is one of the evils of private sector overtaking the public sector and the policy of public sector dominating private sector in this industry is receding day by day.

INVESTMENTS AND PROFITS

Private Sector

The foreign investment in Petroleum at the end of 1959 was Rs. 120.7 crores, the biggest out of the total foreign investment of Rs. 610.7 crores. Some available details are as under :

1) Burmah Oil Co. (India) Trading Ltd., marketing petroleum products for Assam Oil Company is a subsidiary of Burmah Oil Co. Ltd. In addition to sharing 50:50 capital in Oil India Ltd., Burmah Oil agreed to provide a loan of approximately £11,000,000 against the sterling exchange element of the cost of 720 mile pipeline from the oil fields to public sector refineries at Gauhati and Barauni. Burmah Oil Co. also holds a 50% interest in Burmah-Shell Refineries and in Burmah-Shell marketing company.

2) Assam Oil Co., Digboi in Assam. Capital £4,000,000 increased from £450,000 in 1958 and all the issued share capital is held by BOC. AOC refining capacity 0.425 million metric tons per year.

3) Burmah-Shell Marketing Company. Capital £10,000,000, all shares issued and fully paid-up. It is the marketing organisation of BOC and Shell International Petroleum Co. who own it 50:50. It is distributing agent for its 3 consignors, BOC, Shell and B.P.

4) Burmah-Shell Refineries. Capital Rs. 25 crores in preference and ordinary shares and total cost of the refinery was about Rs. 26 crores.

5) Esso marketing a branch of Standard Oil Co. of New Jersey which floated the subsidiary of Esso Standard Eastern Inc. for marketing and distribution in Burmah, Ceylon and India and acquired the original Stanvac.

6) Esso Refining Co. Capital Rs. 3 crores and Rs. 4 crores debentures. Cost of the refinery about Rs. 17.5 crores.

7) Caltex Marketing Co. Owned by California Texas Oil Corporation with share capital of Rs. 26.86 lakhs till 1956 raised to Rs. 98.15 lakhs in 1957.

8) Caltex Refining Co., a subsidiary of California Texas Oil Corporation. Capital Rs. 6 crores and debentures Rs. 2 crores. Cost of the refinery about Rs. 15 crores.

9) Indo-Burmah Petroleum Co., marketing company operating in Burmah, India and Pakistan, Capital Rs. 1.5 crores and is a shareholder in BOC subsidiaries in Burmah.

Some figures given in Lok Sabha on March 9, 1966 are as follows :

REFINING COMPANIES

(Figures in Lakh Rs.)

	B.S.R.	Esso	Caltex	Total
Capital invested/employed at time they went into production	2941	1594	1412	5947
Gross Profits (1954 to 1964)	6113	2951	2552	11616
Net Profits (1954 to 1964)	3426	1214	427 (Loss in 1964 Rs. 13.23 lkh)	5067
Remittances (Reserve Bank figures) (which include cost of Crude Oil imported in case of Esso)	3507	11861	250	15618

MARKETING COMPANIES

	Burmah Shell	Esso	Caltex	BOCIT	IBP	Total
Gross Profits (1954-64)	5733*	12094	6466	1250	671	26204
Net Profits (1954-64)	1966	1356†	274§	471	315‡	4382

(Figures in Lakhs Rs.)

NOTES :

* Burmah-Shell profits are only on 10% commission it earns on sales and rent/hire on facilities charged by it to the Consignors for the facilities used in distribution; Consignors BOC, Shell & BP earn bulk of the profits. (Also, on the ground that discounts to be had

* Share capital was raised from 10 million pounds sterling to 25 million pound sterling on 31st May 1963.

‡ Trading results for this Company not only in India but also Pakistan and Burma in 1962 and Pakistan in 1963 because there was no trading in Burma in 1963. No separate figures for India are available..

† Share capital of Refining Company is 300 lakhs and the balance represents "Accounts with New York Office" because the marketing Co. is a branch of the parent American Company.

§ Effective 1st January 1964 a new integration took place between the two companies both of which being owned by BOC. The profit in 1961 was 358 lakhs giving a return of 4.5 and sales in 1963 were 23% more in 1963 as compared to 1961. Oil India Ltd. pricing for crude supplied to AOC refinery is said to have upset its economy. Considering the factor in @ above the percentage would be better.

% This is arrived at on the basis of Product realization per tonne of crude on import parity — less OPEC discount less cost of crude less operational expenses including depreciation.

(Continued from page 6)

"The Companies may examine the possibility of effecting economy in the cost of their operations. A few points have struck us in this connection. As on 1-1-1965 there were nearly 70 persons in the three major private oil companies drawing emoluments exceeding Rs. 5,000 per month. In spite of the recommendation of the Oil Price Enquiry Committee of July 1961 to reduce (and eventually eliminate altogether) the overseas expenses of the Head Offices, no attempt has been made in that direction. On the other hand, there has been some increase in this item.... The total amounts paid in dollar/sterling by the different companies over the last five years are :

(Rs. in lakhs)

Year	*Esso*	*B/Shell*	*AOC*	*BOC(IT)*	*Total*
1960	37.80	38.70	33.39	4.60	114.49
1961	36.90	43.83	33.39	4.46	118.58
1962	33.30	38.30	14.69	6.68	92.97
1963	37.60	36.59	14.69	3.34	92.32
1964	41.00	43.64	17.36	5.34	107.34

PUBLIC SECTOR & PUBLIC-CUM-PRIVATE SECTOR

Investments

Indian Oil Corporation Ltd. — Rs. 75 crores authorised share capital — Rs. 44.26 crores paid-up capital.

—Marketing Division — Including budget estimate for 1965-66, equity is Rs. 9.97 crores and loan Rs. 9.97 crores. (Indian Oil Blending Ltd., Bombay and Calcutta — joint venture of IOC and Mobil Petroleum Co. of U.S.A. for blending Mobil lubricants sold by IOC).

—Refineries Division & Pipelines Division — including budget estimate for 1965-66 equity is Rs. 37.65 crores and loan Rs. 41.15 crores.

For Gauhati Refinery Rs. 17.7 crores.

,, Barauni Refinery Rs. 43.62 crores.

,, Gauhati-Siliguri Pipeline — Rs. 7 crores (project cost).

,, Haldia-Barauni, Kanpur Pipeline — Rs. 26.05 crores (project cost).

„ Gujarat (Koyali) Refinery — including budget estimates for 1965-66 equity 7.67 crores and loan 4.18 crores.

„ Investment in Cochin Refineries (52.4% participation) Rs. 3.67 crores, estimated cost Rs. 19.04 crores.

Oil India Ltd. (OIL) — authorised share capital Rs. 50 crores (50%) and paid up capital Rs. 14 crores.

—total cost of project-Oilfield development Rs. 28 crores. Nahorkatiya to Barauni Pipeline project cost Rs. 45 crores.

Oil and Natural Gas Commission including Gujarat Pipelines and Petro-Chemical complex.

First Plan	.. Rs. 0.007	crores.
Second Plan	.. Rs. 23.85	„
Allocation for Third Plan	.. Rs. 115.00	„
Third Plan revised	.. Rs. 202.00	„
Again revised because wells to be drilled reduced to 480 as against earlier target of 611	.. Rs. 115.00	„

Indian Engineers Ltd. (51% share and 49% Betchel).
—authorised capital Rs. 2 crores.

Lube India Private Ltd. (50:50 partnership with Esso):

—authorised capital Rs. 3.5 crores.

—project cost estimated Rs. 7.2 crores.

—Lubricating oil base stock refinery at Bombay with a capacity of 145,000 tonnes per year to manufacture 55% high grade automotive base oil and 45% medium grade industrial type base oil out of feed stock to be supplied by Esso Refinery.

—Half production for Esso Lube blending plants in Bombay and Calcutta and half for IOC.

Profits :

IOC's profit for 1964-65 was Rs. 75.64 lakhs after paying taxes and interest on loans though it would have been Rs. 179.76 lakhs but for under-recovery of railway freight and non-recovery of central sales tax from customers and severe price cutting which it had to face from the foreign companies, particularly of kerosene oil.

DRILLING

Total number of wells drilled so far in India State-wise.		Total oil producing wells as on 31-12-1965	Total Gas wells 31-12-1965
Gujerat	335	197	12 & all oil wells
Assam	1330	555	17 & all oil wells
Punjab	5	—	—
U.P.	3	—	—
Bihar	2	—	—
Rajasthan	2	—	—
Union territory of Pondicherry	—	—	—

ONGC and OIL drilled 376 oil producing wells

ONGC drilled 34 gas wells and OIL 9

Total oil production in all areas in 1965 was 2.86 million tonnes.

Total gas production in all areas in 1965 was 137 m. cu. metres.

DISTRIBUTION FACILITIES

	1959					1963					
	B.S.	Esso	CTX	IBP	BOC AOC	B.S.	Esso	CTX	IOC	IBP	BOC (IT) & AOC
Main installations/ Terminals	7	6	6	2	2	8	13	6	7	2	2
Depots	502	126	85	48	5	146	330	117	103	41	5
Aerodrome Installations/Aviation Serv. Stations	48	21	—	6	41	37	6	—	—	—	6
Filling stations/ Retail pump outlets	3554	1625	1196	258	99	3359	1645	1178	795*	336	99
Branches/ Territories	40	4	4	2	—	4	4	4	4	2	—

* in 1965, 1353

PRODUCTION AND CONSUMPTION

The indigenous production of crude during 1965 was about 3 million tonnes as against 12 million tonnes of petroleum products consumed in 1965. 6 million tonnes of crude were imported by the three private sector coastal refineries, Burmah-Shell, Esso and Caltex. Another 3 million tons had to be imported by way of deficit fuels and lubricating oils, etc.

The total consumption is estimated to go up to 25 million tonnes by end of Fourth Plan in 1970 and there is a decision to increase the refining capacity in the country to 25.80 million tonnes a year by then because the demand would require a refining capacity of at least 24 million tonnes. Refinery capacities existing and planned are as under :

		Unit M. Tons.	
Location	*Refinery*	As of *1965-66*	Planned *1970-71*
Bombay	BSR	3.75	4.75 (?)
,,	Esso	2.50	3.50 (?)
Vizag.	Caltex	1.05	1.55 (?)
Digboi	AOC	0.46	0.46
Barauni	IRL/IOC	2.00	3.00
Koyali	—do—	2.00	3.00
Nunmati	—do—	0.74	1.00
Cochin	Public-cum-Private	1.50(?)	3.50
Madras	(projected)	—	2.50
Haldia	—do—	—	2.50
North West India	—do—	—	3.50

As per the Talukdar Committee Report total production of 8.43 million tonnes of products in India in 1964 was made up of 34 different products, 9 of which were above 100,000 tonnes each and 8 below 1,000 tonnes each.

The Monopolies Commission Inquiry Report gives the following 1964 figures of absulate levels and percentage share of Top Five Enterprises in Annual Production in 1964:

Actual crude run in the various refineries in 1963 was:

B.S. Refinery	-	3.750 tonnes
Esso Refinery	-	2.404 ,,
Caltex Refinery		1,026 ,,
Gauhati Refinery	-	0.047 ,,
AOC Refinery	-	0.544 ,,
		8.204 ,,

Crude Oil produced during 1964 was about 25% of the total requirements and refined products manufactured in local refineries about 74% of the total consumption.

Product	Unit	Total	B.S. Ref. Quantity	% to Total	Esso Ref. Quantity	% to Total	CTX Ref. Quantity	% to Total	A.O.C. Ref. Quantity	% to Total	Gauhati Ref. Quantity	% to Total	Barauni Ref. Quantity	% to Total
SPECIALITIES:														
Wax (Paraffin)	Tonnes	34266							34266	100				
Anti-Malarial Oil	,,	359							359	100				
Jute Batching Oil	,,	79986	58955	73.7	20981	26.2			50	0.1				
Petroleum Coke	,,	57661							12905	22.4	40271	69.8	4485	7.8
LUBRICANTS	,,	40628							40628	100				
BITUMEN (Asphalt)	,,	494.7	334.4	67.6	145.7	29.4			14.7	3.0				
BANK REFINED OILS:														
Furnace Oil	000 ,,	2250.3	833.3	37.0	905.9	40.2	340.9	15.1	89.7	4.0	80.6	3.7		
Kerosene Oil	000 ,,	1614.4	819.3	50.7	396.5	24.6	194.5	12.0	105.0	6.5			89.2	5.5
Motor Spirit	000 ,,	1349.2	628.2	46.5	272.7	20.2	177.9	13.2	82.3	6.1	157.8	11.7		
Diesel Oil	000 ,,	2046.1	850.2	41.5	479.6	23.4	281.4	13.8	94.4	4.6	288.3	14.1		
OTHER PETROLEUM PRODUCTS	000 ,,	460.9	38.2	8.3	381.3	82.7	14.9	3.2	171.4	3.8	9.1	2.0		

OIL AND FOREGN EXCHANGE

For importing nearly 3 million tonnes of deficit products which include lube oils, greases and other special products, the major part being bulk products now produced in the refineries, such as kerosene, High Speed Diesel Oil and Furnace Oil besides Aviation Gasoline, Aviation Turbine Fuel, etc. which are not produced in the country now, foreign exchange incurred amount to about Rs. 50 crores of which till 1964 sterling/dollar source was about 80%.

In 1964 the foreign exchange spent on the import of crude oil and refined products. was about Rs. 96 crores. The import of over 7 million tonnes of crude and certain products by the companies would still impose heavy burden of nearly 60 crores in "free" foreign exchange.

Exports of surplus production in Motor Spirit was .21 million tonnes in 1962 valued Rs. 2.95 crores, .36 million tonnes in 1963 valued Rs. 4.82 crores and .306 million tonnes in 1964 valued at Rs. 3.62 crores. In 1964, 57,753 tonnes naphtha were exported valued Rs. 3.79 lakh.

PRICES AND PROBLEMS OF PRICE FIXATION

Petroleum products are ultimately consumed in small measures like a bottle of kerosene oil, a litre of Motor Spirit and in tonnes of Furnace Oil, etc. The companies are integrated from exploration to all other phases right up to consumer selling either direct or through its dealers and agents. Hence, the problem has a special significance in this industry.

The situation prevailing at the time of Damle Committee (1961) was as follows. Though petroleum and petroleum products come within the definition of "essential commodity" under the Essential Commodities Act, 1955 their prices were not statutorily controlled. The oil companies were, in the past, fixing the prices after consultation with the Government, on the basis of an agreement known as Valued Stock Account procedure entered into by Burmah-Shell with the Government. This agreement did not provide for audit by Government and the Committee were unable to judge the propriety or otherwise of the quantum of various post c.i.f. charges included in V.S.A. on account of the absence of material for this purpose.

In August 1957, Government decided that the then existing pricing procedure including the V.S.A. Agreement should be revised and the marketing companies were informed in May 1958 that the Government considered it necessary to examine the quantum and propriety of all charges (from f.o.b point through c.i.f. to company's selling point).

Accordingly, the Chief Cost Accounts Officer, Ministry of Finance, carried out an examination. He ascertained against great difficulties that Burmah-Shell had earned a gross surplus of 25.43 crores rupees during the three years 1955-57, Stanvac Rs. 21.26 crores during 7 years 1951-57 and Caltex Rs. 10.71 crores during 7 years 1951-57. Already then, the companies were showing a downward trend in profits and the percentage to capital employed was going down due to the latter shown out of proportion to the increase in turnover. Even then, he recommended that, after providing 10% return on capital employed, the oil companies should surrender Rs. 19.53 crores per year for the years 1958-59 and 1959-60 out of the exorbitant prices being charged for the petroleum products they were selling. The Chief Cost Accounts Officer's efforts were eventually watered down through the power oil lobby in the then Parliament and the pressure of the monopoly press. On a purely ad hoc basis, Government accepted the ad hoc reductions in prices Burmah-Shell had proposed. The ad hoc reductions in prices were mopped up by Government through the imposition of addition (non-recoverable excise and customs) duties payable by the companies with effect from 20th May, 1958. The selling prices chargeable to the consumers remained unchanged.

The ad hoc price agreement remained upto August 1961 subject to adjustment on account of c. and f.

The Damle Committee which faced similar difficulties as the Chief Cost Accounts Officer particularly in respect of ascertaining the real and correct price of crude oil consumed by the companies fixed basic ceiling selling prices which the companies finally accepted. The new basis fixed for the period September 1961 to March 1965 called upon the companies to reimburse by additional excise and customs duties of Rs. 13.78 crores per year inclusive of the ad hoc reductions the companies had agreed to earlier.

The Talukdar Committee which was appointed in May 1964 submitted its report in August 1965 and its recommendations with substantial modifications were brought into force from 1st

February, 1966. The following discussion on the pricing question is from the Talukdar Committee Report.

"The price of a product depends not only on the cost of production but also on other considerations such as market conditions, demand and competition of substitutes and alternative energy producing materials and, as a result, a price relation among the principal products is evolved, the pattern of which is similar, with some variations, in different countries and at the big export centres. Thus, there is largely an international price pattern in the petroleum industry. As India has to depend on large imports of crude oil it is difficult for her to evolve a wholly different price structure. Import prices on the world basis, particularly those in the Persian Gulf which are lower for most of the common products than elsewhere, will be economical to the consumer and will also serve to maintain a salutary check on the efficiency of the domestic refineries.

"From the estimate of production and demand in the country received from the Ministry it appears that import of some deficit products of the order of one million tonnes will still be necessary in 1970. Therefore, the prices of the imported products will have to be taken into account in fixing prices in the petroleum industry. Import prices have acquired importance for another reason. In the agreements between the Government of India and the Oil companies under which the three coastal refineries have been established, the oil companies have been given an assurance that they will be permitted to establish the prices of the products ex-refinery from time to time at any level not higher than the landed cost of comparable products on import. (A phantom which neither the Chief Cost Accounts Officer nor Damle Committee could smash up). There is a further assurance that if any other refinery producing similar products from imported crude oil is granted terms generally more favourable than those granted to these refineries, such terms will be made applicable to them also. One consequence of this assurance is that import parity will have to be observed as the basis for pricing the products of the new coastal refineries such as Cochin, Madras and Haldia, which will be run with imported crude oil; if higher prices than the import parity prices are fixed for the new refineries such prices will also apply to the products of the existing coastal refineries which will thus get an unwarranted increase in prices.... Each port is treated as a pricing point and an economic area of distribution is established on the basis of transport facilities upto a line of equal cost with the neighbouring area. Assam has been, on account of its remoteness and transport difficulties, treated as a separate supply area for the AOC refinery at Digboi as most of its products are consumed there. The import parity price at Calcutta, has, however, been transplanted at Digboi/Tinsukhia for pricing of Digboi products; this has also been done in the case of Gauhati and Barauni refineries.

"In any system of pricing based on cost of individual refineries, the cost of the same products will vary from refinery to refinery depending on crude cost, operating cost, size of refinery, capital investment etc. and it will not be possible to evolve uniform PRICES UNLESS THERE IS A POOLING OF PRICES BY A CENTRALIZED AGENCY. The procedure adopted in determining marketing and distribution charges on a uniform basis for the marketing companies cannot be applied to refineries mainly due to their varying pattern of production and different types of crude processed etc.

"Refining margin which is a concept used in refinery economics, is the difference between the cost of a barrel of crude oil input and the receipts from its refined products. After deducting the cost of refining from the gross refinery margin, the income from refining is obtained, which is a measure of its profitability.

"The three private sector coastal refineries do not, however, retain the refining margins as calculated on this basis. Burmah-Shell and Caltex refineries do not buy the crude or own the proructs. They are paid a processing fee after adjustments of debits relating to the cost of movement of products by land and/or sea to the main installations outside their port of location and also other sundry charges, real or notional. Esso refinery which buys the crude at a discount and sells the products without OPEC discounts to the marketing company, has to bear similar charges. As the refining and marketing companies are owned by the same principals, the operations should be looked upon as integrated, to get a true picture of the working results.

"Taking everything into consideration it is felt that, for the present no departure should be made from pricing based on import parity at the port of Calcutta in the case of AOC Digboi, Gauhati and Barauni refineries and the Haldia refinery when it comes on stream. . . . The import parity basis appears to be the most practical method for pricing of products of coastal as well as inland refineries in the present circumstances."

Having arrived at such a basis, the Talukdar Committee also left unsolved a number of problems on pricing such as :

1. Crude Oil supplied to B.S.R. and ESRC by ONGC from Ankleswar oilfield (.327 million tonnes in 1962, .658 in 1963 and .757 in 1964) worked out to about Rs. 84 per ton as on December 15, 1961 which included Rs. 25 per tonne railway freight and delivery charges upto the refinery. From the statement of cost of ONGC the present price does not cover this cost. . . . ONGC has little hope of its prices being comparable to the price of the imported crude (Rs. 72 BSR and Rs. 68 Esso as assessed by Talukdar Committee on basis of less OPEC discounts on Middle East FOB price which itself is a rigged price). ONGC's cost is inclusive of expenditure for survey and exploration work of the Commission in the other parts of India worked into the capital cost of Ankleswar fields for the purposes of amortization. . . . It appears that an investigation into the cost structure of this crude should be undertaken by a competent Cost Accountant.

2. On Crude supplied by Oil India Ltd., AOC, its subsidiary paid the full price (Rs. 84 in 1961, Rs. 114.60 in 1962, Rs. 148 in 1963 and Rs. 138 in 1964) as against provisional price of Rs. 71 to Rs. 72. Public sector refineries Nunmati and Barauni paid the prices at the landed cost of a similar crude at Calcutta i.e. Rs. 74 to Rs. 75 and the balance was by Government of India as subsidy to OIL. If the offtake had reached the volume which the company had anticipated (i.e. 3 million tonnes in 1964 instead of 1.4 million tonnes actually sold) the price according to the company would have been for the first year below Rs. 75 per tonne exclusive of Assam Sales Tax of Rs. 11.85 per tonne. The company had to borrow Rs. 13 crores, the interest thereon plus certain changes in the incidence of company taxation pushed up the price. The company anticipates that the price may be about Rs. 80 (exclusive of sales tax) or slightly below from 1968. . . It appears that an investigation into the cause of the high crude prices is necessary in order to safeguard the position of the future.

3. AOC produces 1/3rd of its requirements and 2/3rd is purchased from OIL. Rs. 78 per tonne was indicated as the price of AOC's own crude including charges towards exploration, development, amortization, interest and cost of delivey at Digboi. The amount was high . . .compares well with cost of imported crudes. As regards the high cost of OIL crude, AOC can usefully take up this matter with OIL of which its principal is 50% owner . . .one practical way is to give some concession to AOC on the price of OIL crude. Government may take up with BOC the question how this can be done.

4. As from 1-4-1965 B.M.C. introduced octroi at the rate of one paisa (since reduced to 0.25 paisa) per litre on crude oil processed by B.S.R. and Esso. This levy will result in extra annual burden of the order Re. 1 and 0.725 crore respectively. Such Octroi increases the cost of the crude.... The cost of the crude cannot therefore be reflected in the ex-refinery prices. Similarly the sales tax on crude levied by Assam, Bihar and Gujarat Governments are not reflected in the pattern of price evolved.

5. AOC's under recovery in respect of freight on account of Lubricants, Greases and Specialities... which also falls on IOC.

6. Central Sales Tax payable on inter-company transfers payable to Assam Government affecting both AOC and IOC.

7. Process margin guaranteed under the Agreement for the Cochin Refinery is higher than the calculated margins of the three existing refineries. The price of crude oil reported to have been negotiated by Phillips for the Cochin refinery appears to be considerably higher than the price for the same crude offered to the Ministry.

Thus, leaving a few vital problems unresolved and without going thoroughly on the capital structure viz. capital employed it provided at 1/5th of estimated turnover and recommended a total reduction in charges amounting Rs. 3.13 crores per annum compared to OPEC (i.e. Damle Committee) levels.

The Government has sought to resolve the tangle in three ways, which they have brought into force from 1st February, 1966. These changes as explained in OIL COMMENTARY are as follows :

A. Indigenous crude prices have been raised by relating them to the full, that is, UNDISCOUNTED posted price for analogous crude in the Middle East. (It goes without saying that the foreign exchange allocation for crude import would continue to be on "discounted posted price plus" basis).

B. To keep the imported crude based refineries' per-ton crude cost on a level with that of the refineries based on indigenous crudes, a protective duty at 20% ad valorem has been levied on the imported crude.

C. Taking into account the high cost of crude for all the refiners, the ex-refinery products prices have been raised by linking them with the full, that is, undiscounted f.o.b. postings at Abadan as on May 18, 1965.

D. In the absence of new imposts by the Finance Minister, the price charged to the consumer would remain intact due to the self-adjusting mechanism of a basic selling ceiling price.

It is clear that the Government would follow a policy of fixing a rate of duty, approximately equal to the discounts available on the full "posted" prices of imported crude so that the crude cost for all refiners would be about the same (whatever little difference there would be in the price would be due to adjustment for gravity difference).

It would now be possible for the ONGC to get from the Gujarat Refinery, if only on the basis of "the landed cost at Bombay" a substantially higher delivered price which the Refinery would not grudge either, because the ex-refinery products prices too have been raised.

OIL has already been getting a yet higher price under the terms of the agreement; therefore, its prices will not be affected by the resolution.

Since the ex-refinery prices of bulk refined products IN THE CASES OF ALL REFINERIES IN THE COUNTRY would now be fixed on the basis of import partity, based not on the discounted but full f.o.b. postings at Abadan as on May 18, the refineries would be able to offset most of their loss due to higher crude cost by their gains in products prices. May be, on the whole, their profitability will be only slightly decreased.

To come back to the question of refiner's margin... That this margin is slim in India is an unsubstantiated allegation... Nobody disputes that the integrated companies are interested in collecting high profits at the crude producing end, at the cost of profits in the downstream operations... the profits on refining in India are higher than in most other countries... Incidentally, the decision of the Government to reimburse to Burmah-Shell and Esso refineries nearly Rs. 2 crores per year would improve their profitability. This expenditure was on account of payment by them of B.M.C. Octroi on crude...

The OIL COMMENTARY simultaneously recognises that a few problems as follows are going to be future headaches:

1. Since the refiner's margin of $1.30 for the next five years has been guaranteed in the agreement with Phillips, it has been

assumed that for quite some time the Government would have to give a subsidy to the Cochin refinery to honour the commitment. Would not the new pricing formula require a larger subsidy to this refinery?

2. The Talukdar Committee had reported that OIL "anticipates that the price (of crude) would be about Rs. 80 (excluive of sales tax) or slightly below, from 1968". In the context of the new pricing resolution, will there be incentive for OIL to bring the crude price down to Rs. 80/- or below?

3. Since the new pricing formula can be STRETCHED to interpret that the Govt. of India itself does not recognise the ex-refinery prices, even of the deficit products, will not the sources on which we depend for our imports, find in it a reason to ask for higher prices, when the supplies are negotiated next time?

It is a moot point that the posted price is only an artificial price, pegged at a certain level for reasons of revenues of the Government of the producing country and has no relation to economics. There is therefore no fundamental reason for relating the price of our indigenous crude of products to the posted price in the Middle East. Any revision of this Middle East posted price will cause embarassment to India, although it must be admitted that the odds against an upward or a downward revision of this price are quite heavy.

The OIL COMMENTARY concluded: Whatever the formula aimed at meeting the various requirements detailed at the outset, it cannot be a foolproof one. The formula that gives the balance of advantage and not only for the immediate period, will best subserve the country's interest.

Import Substitution

The need for import substitution in order to save the scarce foreign exchangs resources and to reduce the extent of reliance on foreign sector, has a special significance in the industry. The first aspect of the question is hard "free" currency foreign exchange which is an acute problem for the country and the second is blocked rupees in trade with socialist countries which however is beneficial to the country's economy because equivalent value production in the country has to be imported by those countries, thus giving an impetus to production in our country.

The situation is that it cost Rs. 41 crores free foreign exchange for the import of 6.89 million tons crude oil in 1965 and it had cost Rs. 41.88 crores in 1964 for 6.80 millions. On account of the failure of the foreign oil companies to obtain the discounts estimated by Damle Committee, the country lost revenue and also foreign exchange to the extent of Rs. 2.10 crores in 1962 and 1.65 in 1963. The Minister for Petroleum and Chemicals stated at the recent meeting of Oil Advisory Committee that unless the country became self-sufficient in crude oil, foreign exchange expenditure on imports would increase from Rs. 40 crores a year to Rs. 75 crores a year.

Moreover, the consumption of naphtha, which was only 32,000 tonnes in 1964 and was estimated to increase to 80,000 tonnes in 1965, is likely to rise steeply to 1,625,000 tonnes in 1968, 2,625,000 tonnes in 1969 and 3,040,000 tonnes in 1971 as the fertilizer and petrochemicals programmes get under way. However, Indian refineries will produce more naptha than is likely to be needed for all kinds of uses that may arise, including petrochemicals and fertilizers, upto 1969. Steps to encourage substitution of fuel oil which is in short supply by naphtha as one of the industrial fuels, is one way out and dismiss the World Bank proposal or demand that liquid fuel be imported for use in the manufacture of fertilisers in India.

Thus, the problem of import substitution is the problem of making India self-sufficient in crude oil requirements which even the Minister admits and confirms that only then India can pursue a realistic and independent pricing policy.

The question, however, is that the more refineries are established the more oil must be found in the country, otherwise, we would be landing ourselves in the same difficulty that we now have with Phillips and OIL in the matter of crude prices.

Prospecting, exploration and production of oil has to keep pace with the rising demand in this country and establishment of refineries must follow that development as we have done in the case of Gujerat and Assam oilfields and the establishment of the three public sector refineries, Nunmati, Barauni and Koyali. Offshore drilling in the Cambay Gulf area and further prospecting for such first-rate crude as we now obtain in Ankleswar area is of highest national importance.

The experience of a number of countries which have allowed foreign capital to tackle geological prospecting on their territories, as is our own experience with the notorious Indo-Stanvac project, shows that the monopolies are not in a hurry to discover oil deposits there. The latter prefer on receiving licences for conducting prospecting work, to limit their activities to gradually collecting information on the potential possibilities of the areas surveyed. And that is not accidental either. By such practices, the participants in the international oil cartel strive to retard the relative over-production of liquid fuel in the capitalist world and to keep the oil prices soaring.

Soviet Union allocated about Rs. 85 crores for the purpose of establishing and further developing India's oil industry which makes up 25% of the total sum of all Soviet credits to India till October 1964. It is the recommendations of Soviet specialists who did initial surveying and prospectin, which prepared a basis for drafting the first five year plan for oil 1956-57 — 1960-61. They trained Indian oilmen. In 1960-61 ONGC had 4600 geologists, geophysicists, drillers and other specialists.

Third Five Year Plan target was to raise the proved commerciai reserves to 120 million tons so as to increase oil extraction by the public sector to 3 to 3½ m. tons a year by the end of the Plan and to complete the drilling of 332 producing wells in Gujerat, Assam etc. Preliminary survey of proved reserves as of Oct. 1964 in Ankleswar area was 48 million tons which permits extracting average 2 3 million tons annually. Including the output of Rudrasagar (Assam) total of 6½ million tons of oil by end of Third Plan was provided for, 50% by public sector and 50% by mixed public-cum-private sector i.e. OIL. Thus, a 12 to 15 fold increase in the country's output was planned though it would only mean 45% of demand. The results achieved should spur us to greater efforts in investment and exploration by ONGC. However, the situation is though the official declaration is for achieving a production of 11.5 million tonnes a year the programme for ONGC is woefully short of sinews needed for practical implementation. For the current financial year it will only be Rs. 21 crores earned by the commission for the sale of crude to public and private sector refineries and the balance Rs. 12 crores to be invested, making a total of Rs. 33 crores, a fleabite compared to the real needs. The only explanation is the sliding back on the basic policy and the craze for wooing foreign i.e. American participation about to be concluded for off-shore drilling in Cambay. In point of fact the Planning Commission had originally allotted Rs. 37 crores, of which Rs. 9 crores would have to be spent in importing various equipment, mostly on a rupee-payment basis. It was necessary to establish additional proved and recoverable reserves of 130 million tonnes for which 871 wells will have to be drilled and the modest budget of only Rs. 185 crores were provided for the Fourth Plan.

What is necessary to grasp is that oil profits even at the distribution end take care of the element of cost of exploration, production and refining of the oil finally distributed. This was brought to the notice of parliament in the case of AOC profits in 1953, in the case of discussion with Burmah Shell by Chief Cost Accounts Officer while arriving at a reasonable return on capital employed and by a foreign oil company spokesman in his talk to a National Defence College group in 1964. He stressed that 94.2% of fresh capital requirements came from internal sources, expenditure on exploration and production being 48% of capital expenditure. He himself stressed that in terms of the foreign exchange problem the priorities in Indian oil industry would be to carry extensive search for crude oil over India's 400,000 square miles of sedimentary basin and he did not hesitate to point out that ONGC spent Rs. 147 crores only out of the total Third Plan outlay of Rs. 202 crores. Central Excise Revenue from Petroleum Products runs now into more than Rs. 200 crores per year (it was Rs. 197 crores in 1963-64, being 27% of the total Rs. 730 crores). Therefore, lack of internal resources cannot be pleaded for the unwillingness to promote enough funds for oil exploration.

Libya is now seventh among oil producing countries outside the Soviet Union. There was uncertainty for five years when a total expenditure of more than 35 million dollars had been incurred. The position now is that from an initial production in 1961 of 18,000 barrels per day Esso Libya is now producing 875,000 barrels average per day.

OIL WORKERS AND THEIR STRUGGLES

Since public sector is of comparatively recent origin in the industry, oil workers were and still continue to be best organised in the private sector. Marketing and Distribution workers have built up capable trade unions in all the regions throughout India, with their central offices in Bombay, Calcutta, New Delhi and Madras. 12 such unions also organised themselves into All India Petroleum Workers' Federation (AIPWF) in 1953. The only union affiliated to All India Trade Union Congress at that time was Petroleum Workmen's Union of Bombay. Three INTUC unions — one each in Calcutta and Madras and a defunct one in Bombay — as well as AOC Labour Union of Digboi — a composite union for prospecting, drilling, refining and marketing workers of AOC — remained outside the AIPWF.

When the three foreign refineries came on stream in 1954/7 — 2 in Bombay and 1 in Vizag — separate unions were organised for each refinery. Later, one of the refinery unions in B.S. Refinery merged in Petroleum Workmen's Union of Bombay.

INTUC organised rival National Federation of Petroleum Workers (NFWP) in 1958 with ruling party and Government patronage. When AOC company split into OIL, an INTUC union was pushed in among those workers. Gujarat Oilfield workers have had a chequered career. Same is the case with Gauhati and Barauni refinery workers. IOC marketing wing has got organised and Koyali Refinery workers are being organised.

Taking the industry as a whole as it has grown to what it is today, both private and public, trade union organisation is still weak particularly in public sector and is mainly split between AITUC and INTUC in private sector.

The oil companies themselves were equally keen on weakening the militant unions which were generally under the influence of All India Trade Union Congress. Besides, at its second annual conference in 1960, the AIPWF, taking upon itself the task of supporting and popularising the national objective of establishing public sector in this industry as a dominating factor campaigned for the nationalisation of the distribution wing of the industry monopolised by the four foreign companies because of the feasibility of finding adequate financial resources for exploring for oil out of the huge profits and surpluses the companies were making. The understanding of the AIPWF was subsequently corroborated by the findings of the Chief Cost Accounts Officer, Ministry of Finance in the report published in March 1959.

One of the initial major political offensives of the rival NFPW against AIPWF was to campaign in 1960 for the co-existence of private and public sectors, i.e. against nationalisation. and that platform still remains unchanged with all the remifications.

The militant unity of AIPWF was further strengthened by the amalgamation of small company-wise organised unions into industrywise regional unions and the affiliation of more of them to All India Trade Union Congress. Thus, today AITUC has four regional industrial unions affiliated to it out of 8 affiliated unions of the AIPWF. Even before that, Government of India. after ascertaining the organised membership, accepted the representative character of AITUC in this industry and thereby two of its nominees attended the ILO Petroleum Committee meeting in Geneva in 1960.

The AIPWF also established fraternal relations with the Trade Unions International of Oil, Chemical and Allied Workers (Trade Department of WFTU) in 1958 and Petroleum Workmen's Union, Bombay already affiliated to the International in December 1955 when its General Secretary was elected to its Administrative Committee and this representation continues till today. An official delegation of the AIPWF had participated in the Third World Conference of the International held in Leipzig in 1959 and also visited Soviet Union in response to the invitation from the Oil and Chemical Workers Union with which it signed a Declaration of Solidarity and exchange of fraternal delegations. In response to a second invitation, another delegation had visited Soviet Union's oil fields and refineries in 1962.

Impovement of Living Standard

There are various adjudication awards still in force and the effective fight put up before Tribunals by all unions have raised the wages and bonus, among other many benefits, of oil workers to a pre-eminent position. But, long term settlements were first attempted in 1955 for three year periods. They were renewed in 1958, again on a regional basis, the attempt at achieving a settlement on a national scale having been frustrated due to intensive rivalry of INTUC Unions particularly in Bombay. The fact that the Government of India was obliged to convene a national tri-partite conference to resolve the many disputes in the regions, did not make a material change.

The renewal of collective agreements in 1962-63 aimed principally at safeguarding the hard-won bonus rights in the new background of control on profit-making at the instance of Damle Committee Report which the Government in 1962, took place in conditions of intense rivalry of INTUC unions particularly in Bombay. The rivalry took one step ahead when the State Government at the instance of the minority rival union ordered an adjudication, the result of which ultimately turned out to be a fiasco for the rival union.

The recent attempt of the oil companies to deny the bonus already settled in the three year collective agreements, on the plea that the Bonus Act superseded the settlements, was successfully foiled by a powerful country-wide mobilisation by AIPWF in which there was a one day strike in Madras region. The success was also due to the powerful voice of leading Members of Parliament who were mobilised to support the workers' just cause.

Fight against Victimisation and for Trade Union Rights

Every strike struggle and every adjudicaton struggle was sought to be coved down by a dose of victimisation of union activists by the companies. The last such heroic struggle was fought by the PWU Bombay in 1962 and PWU Delhi in 1963. Recognition of mass militant trade unions by the companies has never given guarantee against victimisation.

Fight for Job Security

The years 1964 and 1965 have been one of intense struggle by the various unions to safeguard the job security of workers and clerks. The erosion was caused by unauthorised measures of rationalisation and mechanisation and the subsequent depletion by so-called early voluntary retirements. Through the effective mobilisation of AIPWF along with the support of Members in Parliament and the joint front put up by the NWFP at the tripartite conferences called by Union Government on October 1, 1965, a tripartite committee was set up in which both the Federations were represented. The report of this Committee by a majority of employees' and Government's representatives, the oil companies' representatives dissenting, was signed on 28th March. But, in view of the very lengthy minute of dissent of the minority, Comments of the majority on the dissenting not were jointly signed only 21st April, 1966 and submitted to Government along with Chairman's forwarding note. The report is favourable to the workers which is the reason why the company representatives opposed it tooth and nail in their minute of dissent. The oil workers are now eagerly looking forward to appropriate action by Government on the recommendations of the majority report.

The Committee's findings as summarised in the report are : "During 1960-65 the total number employed in the three major oil companies came down by 25.3% — the reduction in Burmah-Shell being 31.5%, in Esso 13.8% and in Caltex 18.2%.

"The Companies did not supply to the committee copies of the studies carried out by them to find the extent of surpluses or where they exist. In the absence of exact details about surpluses and where precisely they have been located the committee finds it difficult to understand how the oil companies would eliminate or even reduce these surpluses.

"In spite of mounting surpluses recruitment does not appear to have ceased in any of these companies and the committee has not been able to appreciate fully the logic or the consistency of these two processes operating simultaneously.

"In the absence of detailed information regarding the effect of the various measures introduced in labour/clerical processes or the number of employees rendered surplus, or the cost of, or the savings expected from the measures of rationalisation and mechanisation, the committee is unable to appreciate fully the need for these measures or what they achieved.

"In dealing with the surpluses resulting from introduction of measures of rationalisation/mechanisation the companies have not followed the procedure laid down under the Industrial Disputes Act or the tripartite recommendations on rationalisation.

"Their profit position is quite satisfactory and would have improved further had certain measures of economy recommended by the Damle Committee been implemented."

The Committee has recommended that the oil companies should ensure job security to their employees by avoiding retrenchment/reduction of staff except as provided under law and/or by convention, i.e. I.D. Act and Fifteenth Tri-partite Conference Resolution on rationalisation. The concrete measures recommended by the committee to achieve this objective are, among others :

to discontinue the existing early voluntary retirement/separation schemes,

two joint committees — one for labour and clerical and another for managerial/supervisory staff to consider and decide all applications for early retirement, to properly assess the existing surplus before further measures of rationalisation/mechanisation are introduced, to discuss/settle methods of reduction/redeployment of surplus labour, etc.

Petroleum workers are confident that their demand for job security is just and Government, now convinced that the foreign companies have not played fair with them, should whole-heartedly stand by them. Petroleum workers, even while fighting for a better standard of living and job security, will continue to explore all avenues for unity with the INTUC unions and others in the common cause. They will continue to canvass public opinion for the nationalisation of the foreign enterprises in the industry, particularly the distribution wing, because, national interests and the genuine interests of the consumers demand such evolution.

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27th Session of the AITUC
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May 16 to 22, 1966

16 May, 1966.

ADDRESS

By

BROTHER RENATO BITOSSI,
President
World Federation of Trade Unions

Dear Brothers and Sisters,

Let me, first of all, on behalf of the World Federation of Trade Unions which unites 138 million workers on all continents, extend to you and your Congress our warmest fraternal greetings.

The World Federation of Trade Unions is aware of the fact that your country was for nearly 200 years ruled by the British imperialists, until it gained its independence in 1947. The colonial rulers oppressed your people, denied them their democratic rights, suppressed the trade union movement-in fact, barred all cultural, social and economic development of your people, and country. The working class throughout the world is well aware of the bitter struggle waged by the workers and the people of India against British imperialist rule to win their national independence. It also knows that the trade union movement of your country made a big contribution to the success of the liberation struggle.

The World Federation of Trade Unions has always supported the struggles of the peoples everywhere - in Asia, Africa and Latin America, against colonialism and imperialism, for freedom, peace, democracy and social progress.

The World Federation of Trade Unions is convinced that only strong united action by the working class, by the workers of the whole world, by the national liberation movement and by all peace-loving people can defeat the imperialist policy of aggression and avert the danger of a terrible catastrophe.

It is with these aims in view that the World Federation of Trade Unions took the initiative in organising a broadbased International Trade Union Committee for Solidarity with the Workers and people of Algeria when they were carrying on their heroic battle for national liberation. Towards the same end, the World Federation of Trade Unions has taken the initiative in forming an International Trade Union Committee for Solidarity with the Workers and People of South Vietnam, and similar committees for solidarity with the workers and peoples of South Africa and Aden.

The 6th World Trade Union Congress which was held recently in Warsaw from October 8 to 22 further reiterated its full support for this struggle of the peoples everywhere. The Sixth World Trade Union Congress was a trade union event of great International and historical importance. Over 159 million workers were represented from all corners of the world, including more than 20 million workers from trade union organisations not affiliated to the WFTU.

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The 6th World Trade Union Congress underlined the fact that the workers, their trade union organisations and the peoples of the world has won far-reaching victories in their fight to free themselves from the colonial yoke and that the colonial world is shrinking systematically.

Their victories are the outcome of the heroic and united struggles, actively supported by the successes and the policy of peace of the socialist camp and by international solidarity of the workers and trade unions in all countries.

The 6th World Trade Union Congress warned, however, that despite the heavy defeats and disintegration of the colonial system, the colonialists refuse to abandon theirdomination. The aggressive actions by the imperialists in various parts of the world confirm this. The U.S. imperialist war of intervention in South Vietnam against the national liberation struggle of the South Vietnamese people, its acts of war against the Democratic Republic of Vietnam, its continuance of the economic blockade of Cuba, its armed intervention in the Dominican Republic, are evidence of this.

The imperialists are seeking to maintain their positions by also adopting a more complex instrument of domination,known as neo-colonialism. Neo-colonialism, at the present stage, corresponds to the international development of the monopolies which are aiming at collectively exploiting, for their own profit, the developing countries. In this, the American monopolies and the U.S. government, as the worst enemies of the peoples, are playing an increasingly harmful role and resot to more and more disgusting methods with the aim of establishing their agents in power in the Developing countries.

In addition, the American, French, British and West German monopolies are exploiting the wealth of developing countries; they are hatching plots and are obstructing the progress of these countries towards a better life and complete independence. That is the essential aim of the so-called plans for the economic, technical and military aid by the imperialist countries to the developing countries.

Nationalisation of key sectors of economy, especially of foreign capital and investments in developing countries, while strengthening the independent development of these countries' economics, hits both at the neo-colonialist plots of foreign monopolies and at the local vested interests and monopoly capital exploiting the workers in their selfish interests.

Against this alliance of the foreign monopolies and certain privileged sectors and vested interests in developing countries, the joint actions of the workers, both in capitalist and developing countries become essential. It is with a view to developing these joint actions that the WFTU took the initiative in setting up the World Trade Union Committee for Consultation and United Action against the Monopolies. Its two plenary conferences, already held, in December 1963 and December 1964 were broadbased and drew representatives from affiliated organisations of the WFTU as well as from non-affiliated and independent trade union organisations. These conferences unanimously came to the conclusion, and now reaffirmed by the 6th World Trade Union Congress, that in the developing countries' struggle for economic and social progress the liquidation of neo-colonialist economic relations is essential. This means eliminating the direct grip of monopoly investments, ending discriminatory trade, ending the monopoly domination in shipping, finance, insurance, in the handling of trade and other forms of monopoly influence and exploitation in these countries. The antimonopolies' committee has also decided to convene a conference in December this year on the expansion of world trade in order to bring about an equitable solution and expansion , discrimination of world trade, which assistance to the economies of the developing countries.

Neo-colonialism also relies on military blocs and establishment of military bases in other countries for alleged defence purposes. This goes for NATO, CENTO and SEATO. The recent Japan-South Korea Treaty is also the type of anti-democratic and militaristic alliance being concluded in the Far East under the direction of the American imperialists. The WFTU considers the establishment of imperialist military bases on other people's lands as transgression of the independence of the peoples of these countries and demands their abolition.

These concealed and open economic and military policies of neo-colonialists and their allies, the reactionary circles and feudalism at home, have adverse consequences: industrial backwardness, resistance to democratic land reform, a drop in the living standards of the entire population, unemployment, anti-trade union and anti-democratic measures.

The WFTU is fully aware of the problem of food production and hunger in the developing countries, not least in India itself. We believe that in order to ease this distressing situation, it is necessary, first and foremost, to strengthen unity of all the workers so that their trade union becomes the instrument for action and struggle that will allow them first to weaken, and then to put an end to the rule of monopolies and of profiteers, who are taking advantage of the misery of the people.

This is true both at national and international level. The active solidarity of the workers who are struggling hard against the exploitation of monopoly capitalism, on the one hand the fraternal help of the workers in the socialist world, who are engaged in the construction of a new society, on the other hand, give a concrete evidence of the feelings of the working class of the world towards the peoples of developing countries.

The warm support that the workers in the capitalist world bring to the struggle for national liberation and the policy of friendship of the socialist countries in the form of invaluable economic and technical aid, given free of any political or other conditions, based on respect for national sovereignty, equality and mutual benefits, have played a basic role in the struggle of the developing countries for their total independence.

You know from your own experience the truth of this genuine friendship and sincere fraternal help being given to your country and people by the socialist countries, particularly the Soviet Union, on a massive scale, to build and strengthen your public sector of industry, especially in respect to the basic industries, in this sector.

Dear Brothers and Sisters, the balance of forces today is decidedly in favour of those who are fighting for peace, freedom and progress and is daily growing. The policy of the imperialists, above all, of American imperialists who have assigned to themselves the role of the international gendarme against the national liberation movements and forces of progress, is doomed to failure. The victories already won by the forces of peace and freedom against the warmongering and reactionary policies of the imperialists go to prove this.

The fight for peace, peaceful co-existence and for universal and total disarmament, the WFTU believes, strengthens the struggles for national liberation as well and creates favourable conditions for the consolidation of national independence and reconstruction of national economics of the countries which have already won independence. This fight, however, in no case means collaboration

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or compromise in the workers fight against the capitalists and monopolists, in their fight against exploitation and for their complete economic and social emancipation.

However, an essential condition to defeat forces of war and reaction, imperialism, colonialism and neo-colonialism, to defend peace, consolidate independence and develop national economy on an independent path, to better the life and working conditions of the workers and people, is the unity of the workingclass and its alliance with other sections of the toiling people.

The realisation of this fact has led to the tremendous growth of workers' unity these past few years. United trade union centres have been formed in many countries. On a continental scale, decisive steps have been taken. The Trade Union Unity Congress of Latin American workers met in January 1964. The Second Congress of the All-African Trade Union Federation, which also met in 1964, was an important step towards stronger unity of the African trade union movement. The Tri-Continental Conference held in Havana played a vital role in cementing the unity of the anti-imperialist forces.

On the continent of Europe, there is a growing trend towards united action between trade union centres with different affiliations. The WFTU welcomes this as, we believe, it is of the utmost importance in the fight against the monopolies and the governments which assist them. We sincerely hope and believe that the Indian workers will also be able to unite around their common demands. The AITUC has played a vital part in stimulating unity in the past and we know that it will continue to do so.

The WFTU welcomes and supports all efforts and actions for workers'unity. Division in the trade union movement helps only the exploiters, the monopolists, the neo-colonialists and the reactionary forces. It is necessary for the workers to build their unity on their common demands and interests, irrespective of nationality, race, colour, religion, origin, language or political affiliation. It is only the exploiters and the reactionaries who utilise these factors in splitting the workers in order to weaken and disrupt their fight against exploitation, for economic and social emancipation.

The WFTU is aware of the many gains that the Indian workers have made during the past years through their innumerable struggles and more recently, especially in the organised sector of industry for securing the right to get dearness(cost of living) allowance added to their wages in proportion to the rise in the cost of living, and the right to get a profit-sharing bonus every year as also an addition to their wages.

The WFTU is also aware of the series of struggles that the workers, let by your great organisation, the All-India Trade Union Congress, are today carrying on to defend and consolidate these gains and to make further advances. The recent widespread general strikes in various parts of your country and involving millions of workers, clearly demonstrated the growing unity of the workers and trade unions, irrespective of affiliatio n, during these struggles, in alliance with other sections of the people. In all this, the AITUC and its unions have played a key role, and the wide upsurge of the workers in India in defence of their rights and for their demands is an indication of their increasing militancy. We are happy to observe that more sections of workers and people - middle-class employees, doctors, professors, university and school teachers, even small traders and businessmen are being drawn into the orbig of this upsurge. We have particularly noted the recent successful General Strike of 200,000 textile workers in your great industrial city of Bombay.

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Folder No 2
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All-India Trade Union Congress

27th SESSION
Bombay

INDUSTRY REPORTS

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By P. V. UPADHYAYA

on Woollen Textile Industry in India
By PARDHUMAN SINGH

on Cashew Industry
By A. SHANTARAM PAI

on Iron & Steel (Note)
By NIHAR MUKHERJEE

SIXTEENTH—TWENTYSECOND MAY, 1966

Report on Ports & Docks

By

PROSANTO KUMAR DUTTA

India with a long sea board of over 5,000 kilo-metres has 225 ports of which 150 are working ports. Under the British Rulers, there were only three Major Ports — Bombay, Calcutta and Madras. After the attainment of independence, and the formulation of various Five Year Plans for building national economy of our country, the development of Ports took its rightful place on the Agenda. Today the Ports of Kandla, Marmagoa, Vishakapatnam and Cochin have been developed as Major Ports. It was in 1950, that the National Harbour Board was set up by the Government of India to co-ordinate the development of Ports. The Ports of Tuticorin, Haldia and Karwar and their development engaged the attention of the free India Government.

Traffic figures for Major Ports from 1950 to 1965 are given below:—

Traffic at Major Ports
(million tonnes)

	1950-51	*1955-56*	*1960-61*	*1964-65*
Calcutta	7.6	8.0	9.5	11.1
Bombay	7.0	10.3	14.7	17.3
Madras	2.2	2.4	3.0	4.4
Vishakhapatnam	1.0	1.3	2.9	3.9
Cochin	1.4	1.6	2.1	2.8
Kandla	0.1	0.3	1.6	2.3
Marmugoa	..	..	..	6.6
Total	16.3	23.9	33.8	48.4

Changes in the Composition of Traffic in Major Ports
(million tonnes)

Foodgrains	..	52.2	6.5
Fertilizers	..	0.3	1.8
Iron and Steel and Machinery		0.6	2.1
Coal	..	3.8	2.8
Iron-ore and other ores	..	1.5	9.3
General Cargo	..	6.9	9.6
Petroleum products	..	3.9	16.3
Total	..	22.2	48.4

Provisional Estimates of Traffic at Major Ports in 1970-71
(million tonnes)

Major Port	Petroleum products	Iron & other Ores	Coal	Fertilisers Rock Phosphate & Sulphur	Food grains	General Cargo	Total
Calcutta							
1964-65	1.8	0.9	1.8	0.1	1.7	4.8	11.1
1970-71	2.8	3.2	2.0	1.7	2.3	6.9	18.9
Bombay							
1964-65	9.8	0.6	0.1	0.8	2.3	3.7	17.3
1970-71	6.9	0.3	..	1.0	1.2	7.1	16.5
Madras							
1964-65	0.8	1.0	0.5	0.3	0.8	1.0	4.4
1970-71	3.5	3.2	0.2	0.8	0.4	1.5	9.6
Cochin							
1964-65	1.1	..	0.3	0.3	0.4	0.7	2.6
1970-71	2.8	..	..	0.8	0.2	2.0	5.8
Vishakhapatnam							
1964-65	2.1	0.5	0.1	0.1	0.4	0.7	3.9
1970-71	1.5	6.6	..	0.5	0.1	1.0	9.7
Kandla							
1964-65	0.6	0.1	..	0.1	0.9	0.6	2.3
1970-71	2.7	..	0.3	0.2	0.8	1.5	5.5
Marmugoa							
1964-65	0.1	6.2	..	0.1	..	0.2	6.6
1970-71	0.2	6.3	0.8	0.4	..	0.6	8.3
TOTAL:							
1964-65	16.3	9.3	2.8	1.8	6.5	11.7	48.4
1970-71	20.4	19.6	3.3	5.4	5.0	20.6	74.3

The estimates for 1970-71 are drawn from the report of the Haldia Study Team. For Bombay Port, the Bombay Port Trust has estimated the likely traffic for 1970-71 as 20.7 million tonnes comprising 10.5 million tonnes of petroleum products, 0.3 million tonnes of iron and other ores, 0.3 million tonnes of coal, 1.0 million tonnes of fertilizers, 1.6 milliin tonnes of foodgrains and 7.0 million tonnes of other cargo.

The problem of Indian Shipping is intrinsically connected with the development of our Ports and Docks. It is also a vital factor in the development and consolidation of our National Economy. Dockers of India, who are interested in strengthening our national economy, must also play their rightful part in nation-building activities.

In 1947 India had less than 250,000 G.R.T. Merchant Shipping. The Free India Government progressively increased it and on April 5, 1966 it was 1,531,000 G.R.T. The tonnage at the beginning of the Third Plan was 8.57 lakhs G.R.T. and today it is 15.31 lakh G.R.T.

The following figures show the progress of Indian Shipping during the last five years:

Year	*Cargo carried in Overseas trade including adjacent trades (lakhs of tons dead weight)*	*Earnings in the Overseas trade including adjacent trades (Rupees in crores)*
1960-61	30.78	21.46
1961-62	34.21	31.66
1962-63	35.38	39.29
1963-64	53.73	43.13
1964-65	67.36	51.37

A target of 1.1 million tons fixed for the Third Plan period was revised upwards several times and it is expected to go up to 1.8 million tons (actual) by the end of 1965-66. This is expected to go up to 2.4 million tons if ships on order and under construction are taken into account. (Courtesy : *Indian Shipping,* November, 1964).

Workers' Struggles

In Ports and Docks all over the world, there is a long history of militant trade union movement. This was mainly because in every country of the world the workers engaged in loading and unloading of ships have been casual from the very beginning. There was no security of employment. The stevedores and contractors etc. exploited the workers. This problem engaged the attention of all the countries. In U.K. guaranteed wage was first demanded in 1920 by Mr. Bevin. Simultaneously voicing the identical demand 20,000 dock workers in India went on strike from 2nd to 16th February 1920.

The Royal Commission on labour in its report submitted to the Government of India in March 1931, recommended the decasualisation of dock workers with a view to securing 'as large a measure of regular employment as the nature of calling will allow'. According to this report 'the aim should first be to regulate the number of dock labourers in accordance with requirements and secondly to ensure that the distribution of employment, depends, not on the caprice of the intermediaries but on a system which, as far as possible gives all efficient men an equal share'. On the recommendation of the Royal Commission, Dock Workers (Regulation of Employment) Act of 1948 was legislated.

The mounting waves of Post war trade union movement in the Port and Docks achieved some signal gains. The 87 days long historic strike by the Calcutta Port workers in the year 1947 compelled the Authority to come out with a commitment to implement the recommendations of the Central Pay Commission. Twenty-two thousand port workers' strike was hailed by all sections of the people of West Bengal, because it changed the entire atmosphere of the country, which was vitiated by communal riots. Hindus, Muslims and workmen hailing from different provinces of the country stood firmly united under the Red Flag, ignoring all sorts of provocations. The strike volunteers were considered as peace makers in the locality and areas quartered by Port workers remained unaffected by the fratricidal war.

The strike threat by Bombay dockers compelled the Bombay Stevedores' Association to come to a settlement on 22nd November, 1947. According to the terms of the settlement, a Committee was appointed by the Government of India under the Chairmanship of S. C. Joshi to frame a scheme for the dock workers. Shri Joshi submitted his report on the 10th of July 1948. Three schemes one each for Bombay, Calcutta and Madras, called Dock Workers

(Regulation of Employment) Scheme came into operation in the years 1951 and 1952.

Federation Formed

The lessons of various struggles launched by the workers independently from Port to Port, brought the trade union leaders to a common platform. A federation styled as the "All India Port & Dock Workers' Federation" was formed in the year 1949. The attempt of Shri G. H. Kale of Bombay to bring all the organisations working in the field within the federation was not liked by a section of the Trade Union Leaders. Some of the A.I.T.U.C. affiliates were carefully avoided. Despite sectarian outlook of the Federation leaders, the A.I.T.U.C. Unions were directed to respond to the call of the Fedration.

In the year 1955, the I.N.T.U.C. Unions formed a separate federation of their own named as 'National Federation of the Port & Dock Workers'.

In the year 1963 the A.I.T.U.C. Unions formed a federation named as "Port, Dock & Waterfront Workers' Federation of India".

The biggest struggle in the history of the Port and Dock workers movement sparked ofl on the 15th of June 1958. The ten day old national general strike of nearly one and half lakh of workers was called off on June 15, 1958, following the assurance of Prime Minister Nehru that he would assume personal responsibility to see that the legitimate demands of the workers were agreed to. The unity of the dock workers solidly around the All India Port and Dock Workers' Federation triumphed in the strike. The policy of the 'big stick' with which the Government wanted to suppress the strike — calling in of troops, Government sponsored recruitment of black-legs through employment exchange as in Madras, and the brutal firing in the Madras port did not succeed in crushing the unity in action established by the Port and Dock Workers in their momentous general strike. Within 24 hours of the strike on the 16th June 1958 the police resorted to firing upon the Madras dockers. The Madras dock workers were organised under the Madras Harbour Workers Union. (A.I.T.U.C.) an affiliate of the All India Port and Dock Workers' Federation. Solidarity with the striking port and dock workers reached a new high in Madras city when the working class and people of this leading commercial and industrial centre observed a protest hartal on June 18, 1958. On June 21, when the dead bodies of the victims of firing were handed over after inquest, forty thousand people marched along a ten mile route to the cremation ground. Thousands of people lined the streets to pay respect to the martyrs.

This national general strike was significant in many respects.

This was the first time when the port and dock workers struggled together on a common charter of demands, simultaneously on all the major ports.

The positive achievement of the June 1958 struggle was appointment of a categorisation and classification committee for fixation of scales of pay of port and dock workers and publication of Government decisions on the remommendations of the Chowdhury Committee, other than its recommendation on retirement benefits.

Split in the Federation

The success of this struggle was keenly watched by the I.T.F. General Secretary, Omer Beku. The Federation Secretary in reply to the instructions of the I.T.F. Secretary informed him under letter No. Fed 15/58 dated 9th July 1958 that the small number of communists who were in the federation should be driven out and that he had set the ball rolling as per direction. On July 14, 1958 when detailed discussions at Government level started following the strike, Com. A. S. K. Iyengar, who led the heroic struggle of the Madras Dockers under the banner of the Federation and who was in the delegation which met the Prime Minister on the 28th of June 1958 had been conspicuously excluded. Simultaneously there was a split in the Calcutta union. Later on Shri Kale of of Bombay and Shri Bishwanath Dubey were excluded from the officials of the Federation. Therefore the 1958 National Struggle by the Port and Dock Workers was a landmark of success as well as failure in the task of extending organised movements in the Ports and Docks on a National Plane. It is a pity that Trade Union movement has been disrupted on political reasons under the behest of the foreign agency.

After the publication of the C.C.C. report there was widespread unrest amongst the Port workers of Bombay and Calcutta. The report of the C.C.C. was binding on the workers as well as the Port administration. Bombay employees were already in receipt of wage scales higher than those recommended. The All India Port & Dock Workers' Federation was compelled to serve a Strike Notice. The strike notice was withdrawn on the 11th June, 1961. It was mutually agreed that both the labour unions and Port administration stood fully committeed on the binding character of the C.C.C. report and agreed to devise ways and means to avoid strikes and lock-outs in the Ports in India.

Under the leadership of the B.P.T. General Workers' Union Bombay, one of the affiliates of the Federation 865 members of the crew of the Harbour Flotilla including the men working in the Pilot vessel, went on strike from 25-2-62 to 2-3-62 demanding removal of anomalies arising out of the C.C.C. The strike was withdrawn on the assurance of reconsideration of the matter by the Government.

Four thousand workers of the Calcutta Port Commissioner's workshop staged a two-day strike on 28-2-62 to 1-3-62 demanding removal of anomalies of the C.C.C. report and creation of the posts of Basic Tradesman.

On the 16-4-62 ten thousand Calcutta Port & Dock workers staged a day's token strike and demonstrated demanding arrear payment of account of the Second Pay Commission and removal of anomalies of the C.C.C. report.

The Mormagao Port, Dock & Transport Workers' Union (A.I.T.U.C.) resorted to strike action from 30-6-62 to 3-7-62. They demanded extension of Indian Labour laws to liberated Goa, reinstatement of 60 workers including the union President who were retrenched earlier by the Stevedore Companies and restoration of cut in wages. During the strike a complete General Hartal was observed on July 3rd, 1962 at Marmagao and Vasco-de-Gama towns against police excesses and for solidarity with the striking workers. The strike was withdrawn on the assurance of the Lt. Governor of Goa, Daman and Diu, to settle the grievances of the workers.

From 21-9-62 to 26-9-62 Crane Drivers of the Mechanical Coal Loading Plant of Calcutta Port went on strike under the leadership of the Calcutta Port & Dock Workers Union(AITUC) on the demand of the implementation of the recommendation of the C.C.C. scales of pay, which the authroities denied to implement.

Marmugao Dock Labourers led by Marmugao Port, Dock & Transport Workers Union (A.I.T.U.C.) went on strike from 23-5-63 to 3-6-63. The strike started because the Stevedore

Association and a newly formed union of the I.N.T.U.C. and H.M.S. in Goa Port signed an agreement to introduce the pool system of work. The A.I.T.U.C. Union which led the largest following among the workers was refused consultation and the Stevedore Association directly advertised the scheme in the Press and wanted to introduce it from 1st June. But the Scheme was enforced from 23rd May 1963. Consequent upon the implementation of the Scheme a large number of men were retrenched.

The Government of India with all its forces came out to break the strike. The strike was declared illegal under the Defence of India Act. About 204 persons including Union General Secretary Gerald Pereira and Secretary, Gajanan Patil were arrested. The strike was settled through the intervention of the A.I.T.U.C. Secretary and an agreement was reached which includes inter alia (1) Release of Union leaders, (2) No retrenchment as a result of the implementation of the pool scheme, (3) Re-instatement of all the retrenched workers, etc.

On the 26th of June 1963, Bombay Flotilla crews numbering about 2,000 struck work on the demand for reference of their case to adjudication, revision of pay scales for certain categories and improved service condition. The strike was organised by the B.P.T. General Workers' Union, a constituent of the H.M.S. Federation. The strike was settled on the 27th June following assurance by the Shipping Minister to refer the matter to adjudication.

In September 1963, the Port and Dock Workers of all the major ports participated in the great march at Delhi.

In the year 1964, there was no instance of struggle in the major ports except the observance of Demands Day on the 25th July 1964 by Port, Dock & Waterfront Workers' Federation for a Wage Board to be constituted with the representatives of the three Federations. The 'B' category workers of Calcutta demonstrated on several occasions to voice their grievances for permanancy in service.

The biggest strike in the Waterfront during the Third Plan Period was the 85-day long 3000 'B' Category workers' strike at Calcutta Port led by the Port & Dock Workers' Union. The strike kas called off following reference of the issues to a Court.

An analysis of the struggle, will go to show that the Port & Dock Workers had two pronged struggles one on the dock side and the other on the ports. This was due to some basic problems facing the workers' movement in the waterfront.

Problems Facing the Workers' Movement

The primary objective in the port operation is quicker turn round of ships calling at the ports. This depends on speed, efficiency and care with which cargo handling operation is carried out not only on board the veessels but also at shore as well as transportation of cargo by rail or road.

In the cargo handling operations two sets of workmen function. Those who are on shore are employed by the Port Commissioners, and those who work on board the ship are employed by the Stevedores through the Dock Labour Boards. These two sets of workers are complimentary to each other in the loading and unloading of ships in Indian ports. But two sets of autonomous administration namely Port Trust Commissioners and Dock Labour Boards are prevailing, controlled by two different ministries of the Government of India. At some foreign ports, however, one gang of workers, one part of whom work on the ship and another part on shore carry out the work.

In the past there was no uniformity in the pattern of administration. Three major ports namey Visakhapatnam, Kandla and Cochin were run departmentally by the Ministry of Transport. With the coming into force of the Major Port Trusts Act 1963, with effect from 29th February, 1964, the first Boards of Trustees were set up at these ports for their administration. The major port trust Act was also extended to Marmugao port with effect from 1st July, 1964, when the first Board of Trustees was constituted. Flowing from this new set up two sets of service conditions will prevail hereinafter viz. (a) those who were on Government service prior to the formation of the Port Trust Boards (b) those who will be appointed hereafter. Added to this, three sets of service rules are now prevailing in three major ports, Calcutta, Bombay and Madras administered by three different Ports Acts.

In the Dock side also according to Dock Workers employment scheme Dock Labour Boards are entrusted with the task of regulating the working conditions of the stevedoring workers, although according to the Dock Workers (Regulation of Employment) Act of 1948 the Scheme should have been drawn to regulate the employment of all waterfront workers.

There fore the key problem before the Port and Dock workers in the Major Ports was the standardisation of wages and uniformity in service conditions. This was sought to be solved by bringing the port workers under the purview of the Central Pay Commission; but it failed to achieve the desired results. In the Dock side different sets of piece-rate schemes in different ports could not solve the problem. There are some practical difficulties which hamper the bringing in of the Port and Dock workers of all the major ports in a uniform standard. Port transport work at the Docks is different from that of other industries, local conditions vary considerably from port to port, between cargo and cargo, between ship and ship, and even between the holds of the same ship or different ports of the same shed, so that a standard can hardly be laid down. As a result an unhealthy atmosphere prevails. Some adjudicators have stated that the work of the stevedore labour is more ardous than that of the port trust labour, but there was no evidence on the point and as such the adjudicators refrained from committing positively to either of the views. Suggestions from some quarters are that the stevedore workers should be at par with the shore workers in respect of wages as in the case of the Port of London. At one stage the stevedore workers in Bombay were being paid less than the shore workers. But this suggestion was not accepted by the adjudicators as the existing diflerence had been in existence since 1951.

Various Committees have been set up by the Government to investigate and make recommendations on the problems connected with the working conditions of the port and dock labour. But unfortunately the quality, foresight and imagination which is necessary in an industry whose functional objective is quicker turn round of ships are lacking and the out-turn of each of the committee's recommendations could not be implemented, unless authorities were compelled to do so. This can be illustrated by a few examples.

The report of the Central Pay Commission 1948 has been implemented in so far in allowances are concerned, in the year 1947, but not the scales of pay. In January 1955, the Vasist Committee was appointed to enquire into the workings of the various dock labour schemes and it was set up only after a lengthy go-slow movement by the dock workers. The Vasist Committee submitted its report in the month of September 1955 but its main recommendations have not yet been implemented. The Chowdhury Committee was constituted by Government in 1956 to investigate disparities and anomalies in the pay scales etc. of labour of all major ports. This was due to the fact that the recommendations of the Pay Commission were not implemented in toto. It came into being after a widespread unrest in major ports. The report of the Chowdhury Committee was published in September 1957 and due to delay in implementing the recommendations, the major port and dock workers resorted to an all India strike in June 1958 resulting in the loss of approximately 4½ million man-hours. Jeejeebhoy Committee appointed to work out a Piece rate scheme for shore and stevedore labour in Calcutta submitted its report in August 1957. No decision could be reached on the subject until 1964, when a fresh scheme replacing the old scheme was introduced. The categorisation, classification committee was appointed on 23rd August 1958. It was asked to submit its report within six months. The C.C.C. actually submitted it on 28th May 1961. The report was given effect to in the year 1962 along with the recommendations of the Second Pay Commission with retrospective eflect from 1st October 1957 and on 1st July 1959 respectively. A Wage Board was recommended during the Second Five Year Plan period. The Wage Board was appointed on the 13th of November, 1964. It has so far granted Interim Relief to the tune of Rs. 7/80 and a demand for Second Interim Relief is pending consideration. It is not known when the final report will come out.

Organisational Problems

The main weakness of the Trade Union movement in the Ports and Docks is the multiplicity of the Unions. There are altogether 52 unions functioning in the major ports. The number of unions at Bombay is 8, Calcutta 9, Cochin 16, Kandla 4, Madras 6, Marmugoa 5, Vishakhanatnam 4. Most of the unions are affiliated to one of the three All India Federations. The three Federations are affilitad to A.I.T.U.C., I.N.T.U.C. and H..M.S. Besides two flanks of U.T.U.C. have one union each at Calcutta Port. There are quite a good number of craft committees in the Calcutta and Bombay Ports, which are reckoned with at the time of struggles.

The major strength of the H.M.S. Federation is located in Calcutta and Bombay. The source of the strength of I.N.T.U.C. is overall recognition by the authorities concerned. The A.I.T.U.C. is stronger than other Central organisations in five major ports other than Bombay and Calcutta, the two biggest ports in India.

The A.I.T.U.C. Unions in different ports suffer from another weakness. In some ports the major strength is on the dock side, as in the case of Madras, whereas at Vizag port side is comparatively stronger. At Kandla, Cochin and Goa, the strength in both the port and dock side is squarely distributed. But in Cochin, the number of A.I.T.U.C. unions are 6. Unless the A.I.T.U.C. unions at Calcutta and Bombay ports command the confidence of the majority of workers, the balance of forces, cannot be materially changed in the waterfront in India. This shortcoming has got to be overcome. Much of it depends on the success of our central functioning, because, now-a-days, the port and dock authorities meet the workers' demands under the guidance of their co-ordinated orfianisations calleed Inter Port Consultative Committee, whose directive is not to yield on the demands of the workers in isolation.

Reports on Hotel Workers in Bombay

By

P. V. UPAHDYAYA

It was under the leadership of the Hotel Mazdoor Sabha that the slogan for the the Minimum Wage to Hotel and Restaurant workers was raised first in Maharashtra. That was the time when there was no legislation worth the name to protect the Hotel and Restaurant workmen save the Bombay Shops & Establishments Act which was hardly sufficient to regulate their working conditions. Some of the provisions of the Shops Act needed modifications.

This class of workmen numbering more than a lakh in the City of Bombay alone, and spread over in 10,000 establishments and more, was subjected to the worst type of exploitation. The Hotel Mazdoor Sabha therefore demanded a minimum wage for this class of workmen and had to launch agitation for a number of years to achieve this demand. Side by side, the Sabha demands application of Payment of Wages Act, Provident Fund Act and other amenities like leave, regulated working hours, gratuity for the Hotel Workmen. The agitation of the Union was successful. The Government announced the formation of a Coimmittee. The General Secretary of the Hotel Mazdoor Sabha was one of the two members representing the employees on this Committee. The minimum wage worked out by this Committee came to be applied from October 1963.

The Hotel Mazdoor Sabha today claims membership in most of the large scale Hotels, leading Clubs, Canteens in major industrial and commercial establishments, medium and small Hotels.

The workmen organised under the Sabha have been able to achieve higher wages by introducing incremental scales, bonus, gratuity, sick leave and causual leave facilities.

In most of the big units, the Union has been successful in replacing the existing tip system with "service charges system". The service charges forming part of the bill are distributed equally among the employees periodically.

The element of Dearness Allowance was totally unknown to the Hotel workmen. The Hotel Mazdoor Sabha placed this demand before the management of Hotel Nataraj, a fashionable top grade Hotel in the City. The Union contended before the Tribunal that an award should be made for Dearness Allowance taking into consideration the paying capacity of the Hotel and more so on account of the unabated rising cost of living for the workers and their families. The Tribunal allowed the plea of the Union. The D.A. was fixed at graded rates i.e. Rs. 15/- or 15% with retrospctive effect from April 1, 1965.

Another success of the Sabha was when it secured D.A. for workmen of the Canteen in the factory of Pfizer Private Ltd. run by Industrial Catering Services. As per the terms of the Agreement the D.A. is linked to the cost of living index.

The Hotel Mazdoor Sabha has consistently struggled for linking the wages of workers with the cost of living index. This struggle has to be intensified. The minimum granted by the Committee will become illusory if the minimum is not linked with living index and workers are not proportionately compensated.

To start with, after fixation of Minimum Wages, the Hotel Mazdoor Sabha launched agitation for a minimum Dearness Allowance of Rs. 15/- for all Hotel, Restaurant and allied industry workers. The minimum wage to the Hotel workers is losing its importance in the face of rising cost of living and hence relief by way of Dearness Allowance is urgently required. The Government, however acceptd an increase of Rs. 5/ from 1st April 1965 as against the minimum demand of Rs. 15/- made by the Sabha.

In the initial period the characteristics of Canteens owned and conducted by Employees' Co-operative Societies for providing food articles to its members, presented difficulties. But the Union overcame the obstables with the unity and strength of Canteen workers. The dispute between the workmen and the Accountant Generals' Office Staff Cooperative Consumers Society (Canteen and Stores) Ltd. Bombay was referred to Industrial Tribunal. The Tribunal awarded incremental scales and leave facilities. The minimum scale awarded is Rs. 10/- higher than the minimum fixed by Government.

Similarly the Sabha secured an interim relief of Rs. 17/- in the D.A. for workers of Bombay Presidency Radio Club, the membership of which consists of aristocratic strata of the Society.

The experience has taught the Union that managements of Hotels whether they are small or big units were flouting the implementation of labour laws, awards, settlements and/or agreements. As a result it was suggested that Government should appoint a Committee of the Employers and Workers to consider the problem and suggest remedies to remove the grievances. Thus the Government appointed a Committee which held a number of sittings. In the end it came out with a procedure to redress the grievances and Draft Standing Orders. These Standing Orders were signed recently by the Employers' Association and the Workers' Unions in the industry.

There are over 10,000 workers in the Canteens attached to commercial and industrial establishments in the city. Though Hotel and Canteen workers are doing similar jobs, Canteen workers are excluded from the operation of Minimum Wages Act and Shops and Establishments Act. This is a great injustice done by the Government. When the statutory acts are not made applicable to the Canteen, the managements are taking advantage of the situation by paying low wages, denying leave and holidays and compelling the workers to put in long hours of work. Though it is true that because of the organised strength of Canteen workers under the leadership of Hotel Mazdoor Sabha, the Canteen workers have been able to defeat the mala fide tactics of managements, it is necessary that the Canteen workers also should be protected by legislation without delay and brought on par with Hotel workers.

The most non-cooperative and vindictive are the managements of Co-operative Societies running the Canteens in the city. A good number of Canteens are run by different Co-operative Societies the membership of which consists of Government Employees as in the case of Income Tax Department, Accountant Generals Office, Central Telegraph, Western and Central Railways, Bombay Telephones, etc. These employees while agitating for their own demands with the Government, refuse ordinary facilities to the Canteen workers. Under the pretext of "losses" managements of these Societies continuously refuse to concede wage rise, or any other facility. When the workers agitate, they either threaten to close down or resort to retrenchment A recent case is the closure of Canteen run by the Co-operative Society of Income Tax Employees. The Canteen was closed down without prior notice to the workers, not to speak of any compensation to the workers. This action has caused unemployment to 60 workers — all of them young boys attending Night Schools to better their future by dint of hard labour. They lost the jobs on the eve of their annual examination. All decent language when dealing with these Societies has failed to convince the managements of Co-operative Societies for giving a fair deal to their workers and the situation needs an urgent solution.

Therefore the Union has organised a conference of Hotel and Canteen workers towards the end of this month to deliberate upon ways and means to bring pressure upon diehard managements to give relief immediately needed by the Canteen workers.

The Hotel and Canteen workers are today required to work 9 hours a day and for 54 hours a week, while all other workers in various industries work only for 8 hours a day and 48 hours a week. There is no reason why this discrimination and injustice should continue. The Hotel Mazdoor Sabha has repeatedly demanded reduction in the working hours of Hotel workers. It is high time now that Government should recognise the fairness of this demand and do away with discrimination.

Similarly there are other problems of Hotel and Canteen Workers. Provident Fund Act is no doubt applied: but only to such establishments which employ more than 20 workers. It means that thousands of Hotel workers employed in small establishments do not get the benefit of that Act. Similarly Canteens and Hotels are given to contractors on temporary basis and services of such workers are broken under the pretext of renewing or changing the contract.

Hotel workers are not given any casual leave or sick leave though Sabha has been able to secure this privilege in many Hotels and Canteens on its own strength. The recent Bonus Act also would not be applied to thousands of Hotel and Canteen workers.

The Industry still employs child labour. Agitation has been carried on in the past but with little effect on the Government.

The Conference referred to above will discuss all the problems enumerated above and vital decisions will be taken and future course of action decided. The Hotel and Canteen workers will be further organised on the basis of the slogans which will be evolved by the Conference.

Report on Woollen Textile Industry in India

By

PARDHUMAN SINGH

By Pardhuman Singh, General Secretary, Textile Mazdoor Ekta Union (Regd.), Amritsar.

The climatic conditions in India do not require a big Woollen Textile Industry. Only in some parts especially in the northern areas the need for woollen goods is felt. Here also the low purchasing power of the people and the high cost of Woollen goods inhibit the growth of this industry. Another inhibiting factor is the lack of long staple wool in this country.

Apart from the above this industry has made rapid progress since we gained independence in 1947 and especially in the Second and Third Plan periods.

I. Spinning and Weaving on Powerlooms

In 1947 we had 48,000 Woollen Spindles, 37,500 worsted spindles and 1,500 powerlooms; as against this we had at the end of the Second Plan period i.e. in 1961-62, 64,973 Woollen Spindles 1,24,664 worsted spindles and more than 4,000 looms. During this period production increased from 7.75 million kgs. of Woollen/Worsted Yarn and 11.10 million metres of cloth to 18.01 million kgs. of Woollen/Worsted Yarn and 18.28 million metres of cloth.

The targets for the Third Plan ending 1965-66 were 32 million metres of cloth and 23.6 million kgs. of Yarn. These targets have been nearly fulfilled. Thus we have an increase of nearly 300% in the installed capacity and in production in the 15 years of planning.

Apart from Spinning and Weaving, there was no wool combing plant in India at the beginning of the First Plan, but now we have 9 Wool Combing Units with a licensed capacity of

15.57 million kgs. There are also 45 Combers with 7 Woollen Mills capable of producing 3.2 million kgs.

(*Note:*—The difference between woollen and worsted branches of the Industry is that in the worsted process of preparing the raw wool for spinning only the long fibres are subjected to combing and the combed wool in the form of wool tops is spun into yarn. No combing is necessary on the woollen side where the shortest staple is spun utilising not only virgin wool but also rags. Worsted fabrics include shawls, serges, suitings and knitted goods whereas woollen fabrics include blankets, tweeds, meltons, flannels and blazers).

The State-wise distribution of spindles and looms at the beginning of the Second Plan was as under:—

Distribution of Spindles and Looms

States	*Wooollen spindles.*	*Worsted spindles*	*Looms*
Punjab	20,402	25,182	2,558
Maharashtra and Gujarat	12,226	47,936	605
U.P.	12,358	9,672	368
Mysore	10,478	—	221
Saurashtra	2,130	7,032	84
Kashmir	1,542	1,500	181 (now 172)
West Bengal	1,380	5,094	76
Madhya Bharat	516	—	20

In 1952 there were 34 composite woollen mills and 251 powerloom units, 18 of the mills were situated in Punjab, 5 in Maharashtra, 3 in West Bengal, 2 each in Gujarat, Mysore and U.P. and 1 each in Kashmir and Madhya Pradesh. All the powerloom units were in Punjab.

From the above we find that this industry is mainly situated in Punjab and Maharashtra. 75% of Weaving is done in Punjab. In Punjab the industry is concentrated in Amritsar and Ludhiana. Amritsar is the biggest Woollen Cloth Manufacturing Centre in India.

II. Handlooms

Before the advent of powerlooms, Lois and pattoos, rough blankets and carpets were manufactured on handlooms in Maharashtra, Gujarat, Madras, Madhya Pradesh, Bihar, U.P. and Punjab. In Mysore and Himalayan regions e.g. Kulu superior wool was used for finer blankets and tweeds. Famous pashmina fabrics were made in Kashmir.

With the import of long staple Merino Wool, mill spun yarn has partly substituted the hand spun yarn in handlooms.

According to the report of the Village and Small-scale Industries Committee, the estimated production of wollen cloth in the cottage sector was 4.5 million yards at the beginning of the Second Plan when about 80,000 handlooms worked on wollens. The fly-shuttle looms numbering about 18,000 used mill spun yarn.

With the rapid growth of powerloom weaving and power spinning, this branch of industry declined and there was a considerable amount of idle capacity in this sector. To utilise this idle capacity the Government allowed a price preference in purchase of blankets etc., manufactured on handlooms and the All India Handloom Board provided assistance during the Second Plan period.

This industry mainly depends on Defence and Hospital orders from the Government. If there is a spurt in Government buying, there is a spurt of activity in this sector.

III. Woollen Carpets and Rugs

India achieved a high level of excellence in this field before the British. Originally this industry was in Central Asia and it came to India in the wake of the Afghans and the Turks. Because of intense exploitation by the British, the carpets made in India were cheaper than the Central Asian products. Because of the overseas demand for Indian carpets, factories were established mainly in Amritsar.

But as other industries, this industry also declined gradually.

At the time of independence, the size of the industry in three most important centres of carpet manufacture was as under:—

Mirzapur : 290 active and 62 idle carpet weaving looms owned by 145 loom owners.
Srinagar : 5 Carpet factories.
Amritsar : 7 Carpet factories.

Apart from the above there was a carpet factory in Gwalior and 250 Carpet looms were operating in the Mysore State mainly in Bangalore.

At the end of the Second Plan the position as investigated in case of Kashmir by the Development Commissioner and in the rest of India according to 'Large Industrial Establishments' was as under:—

Kashmir : 13 Carpet Factories with 320 looms. 80 Cottage units with 400 looms.
Madras : 31 Registered Factories.
U.P. : 8 Registered Factories.
Maharashtra : 5 Registered Factories.
Punjab : 4 Registered Factories.
Mysore : 4 Registered Factories.
Rajasthan : 4 Registered Factories.
Andhra Pradesh : 3 Registered Factories.
Madhya Pradesh : 3 Registered Factories.

Among the woollen manufactures, carpets and other woollen floor coverings constitute the major group in exports. Total value of exports in 1960-61 was Rs. 4.8 crores; it was 4.3 crores in 1961-62.

IV. Hosiery

The most important centre of this branch of industry is Ludhiana (Punjab). According to 'Wealth of India', the first ever woollen hosiery factory started work in Ludhiana in 1884. In 1902 the Dhariwal Mills added a hosiery section.

The Industry expanded after 1928 and especially in 1932-33. During the Second World War the industry had to cater to Defence needs, hence it expanded further.

In 1951-52 it was estimated that 875 units manufactured woollen hosiery in the country. Out of these 805 were in Ludhiana, 30 in Amritsar, 8 in Jullundur, 15 in West Bengal, 10 in U.P., 5 in Bombay and 2 in Delhi. Besides these 4 big composite woollen mills viz. Cawnpore Woollen Mills, Kanpur, New Egerton Woollen Mills, Dhariwal, Raymond Wollen Mills, Bombay and Mahaluxmi Woollen Mills, Bombay had hosiery sections.

In the beginning of the Second Plan, according to survey undertaken by the Development Commissioner Small Scale Industries there were 908 woollen hosiery units in the country apart from hosiery section in the 4 above mentioned mills, out of which

803 units were in Punjab, 98 in Jammu & Kashmir, 3 in Mysore and 1 each in Maharashtra, Delhi, Rajasthan and U.P.

In Ludhiana more than 90% units worked on a Cottage Scale.

This industry is seasonal in character and its main problem is high prices of hosiery yarn.

At the time of independence the value of the output was only Rs. 54 lakhs but it rose to Rs. 123 lakhs in 1948 and Rs. 205 lakhs in 1950.

The total output reached the level of 5.0 million lbs. in 1956, the mills accounting for 9%, the small scale organised units for 21% and small scale unorganised units for 70%.

Main Problem faced by the Industry

I. Raw Materials

Because of the fact that long staple wool is not available in India, the industry has to depend on import of this wool and wool tops from other countries.

The Government of India because of growing scarcity of foreign exchange especially in the Third Five Year Plan period has been continuously reducing the imports of the raw materials for the industry with the result that apart from big composite mills, the medium and small scale units whether in spinning, weaving or in hosiery continuously face great difficulties and most of them have to work on a seasonal basis.

To overcome this the need of the hour was to start on a big scale the breeding of the type of sheep which has long staple wool. Merino the long staple wool was ordinarly found in Spain but it has been successfully developed in other wool producing countries e.g. Australia, Italy, Britain etc.

The Government has set up an All India Development Council for Woollen Textile Industry but this body mainly deals with distribution of yarn etc. Some farms have also been set up by the Government to breed the required type of sheep but the work is half-hearted. In the absence of indigenous supply of long staple wool, the distribution of imported wool and wool tops should be more scientific and should be on the basis of actual requirements i.e. on the basis of use of raw material per spindle. The big sharks corner most of the imported raw material and the medium and smaller units go on suffering.

Hence the distribution of raw materials should be on the basis of actual use and there should be some stability in the policies of the Government in this respect. The changing policies harm the industry. Similarly the distribution of yarn is very defective. Hosiery units, small weaving units and small handloom units are the worst sufferers. Though the Government has controlled the prices of yarn through Woollen Yarn Prices Control Orders, these units do not get yarn at controlled rates and they have to pay black market prices. Even then they are at the mercy of spinners. The Government must evolve a fool-proof system by which yarn is distributed through a Government agency on the per loom basis.

III. Taxation Policy

The excise policy of the Government in case of the Woollen Textile industry has been ever changing and erratic. Especially the policy of giving exemption at first to 4-loom units and then to one-loom units has led to bifurcation of medium units. Anybody can see that a four-loom woollen unit is not cottage industry. This policy has led to disintegration of the industry and to reduction in the quality of goods manufactured.

Moreover the policy has been ever changing which has led to instability.

The Government should, therefore, have a stable policy and the policy of exemptions should be abolished.

The Workers: Their Struggles, Gains and Problems

Punjab :

The biggest concentration of installed capacity in this industry is in the Punjab; the biggest concentration of workers of this industry is therefore also in Punjab. The workers of the Woollen Textile Industry have waged glorious battles during the Third Five Year Plan period. These struggles have been fought on the questions of Minimum Wages, Dearness Allowance, Bonus, Gratuity, Grades and Scales, Paid Festival Holidays, Paid Casual and Sick Leave etc., and against retrenchment, lay off etc.

These struggles have taken the shape of Court struggles as also strikes in individual mills, as well as general strikes.

The biggest struggle in this period was fought on the question of Minimum Wages in 1965, along with workers of the Art Silk Industry. General strikes took place in Amritsar, Ludhiana and Kharar on this question. Whereas 10,000 workers fought a 10-day struggle in Ludhiana, the 20,000 workers of Amritsar waged a glorious 53-day strike inspite of severe repression, the use of the D.I.R., full use of official machinery and all the onslaughts of the employers. The strike ended in a victory. The Minimum Wages notification was implemented in case of time-rated workers giving them a rise of Rs. 5|- to Rs. 40|- per month. In case of piece-rated workers the Government accepted the principle of minimum time rate unlinked with production for these workers and the matter was entrusted to a committee to work out the details. In the meantime these workers got 24% increase in rates of wages — a big increase indeed !

Also there was no victimisation, all the cases were withdrawn and 2,000 workers and leaders were released forthwith. The question of wages for the strike period was entrusted to a tripartite committee. It is still pending.

Due to war with Pakistan and now reorganisation of the State, these matters i.e. questions of minimum time-rate unlinked with production, wages for strike period etc., are still pending.

Fixing of the Minimum Wages by the State Government for various categories of the woollen industry for which the workers had been continuously agitating and struggling for the last 10 years was a big gain for the workers. These wages are given in Annexture 'A'. For the time-rated workers there was a gain of Rs. 5|- to Rs. 40|- p.m.; for piece-rated workers, time rate was fixed at the rate of Rs. 175|- p.m.

Other gains in this period.

1. Grades and Scales :— In nearly 20 medium and big units, grades and scales were fixed providing regular increments to time-rated workmen for 15 years. The grades fixed were :—

Unskilled	..	60-2-80-3-95.
Semi-Skilled 'A'	..	70-2-90-3-105.
Semi-Skilled 'B'	..	75-3-105-4-125.
Skilled 'A'	..	100-4-140-5-165.
Skilled 'B'	..	110-4-150-5-175.
Highly Skilled	..	150-8-230-10-250.

In view of the new minimum wages notification, these grades are being revised and now the grades are :

Unskilled	..	75-3-105-4-125.
Semi-Skilled 'A'	..	90-3-120-4-140.
Semi-Skilled 'B'	..	100-4-140-5-165.
Skilled 'A'	..	115-4-155-5-180.
Skilled 'B'	..	125-5-175-6-205.
Highly Skilled	..	175-6-235-7-270.

2. *Gratuity Schemes :*— In many units gratuity schemes have been introduced. Main features are :—

In case of death of the worker :	One month's basic wages per year of service.
In case of termination of services after 5 years service:	15 days' basic wages per year of service.
In case of being unfit to work due to old age or continous ill health but after 15 years service :	One month's basic wages per year of service.

In some cases there are additional provisions :

1) On retirement at the age of 60 years.	15 days consolidated wages per year of service.
2) On resignation after 15	-do-

In a recent award of the Industrial Tribunal, gratuity at the rate of 15 days' consolidated wages is payable to a dismissed worker who has put in more than 5 years' service.

3. *Festival Holidays, Casual Leave and Sick Leave :*— In dozens of mills and factories the workers were able to secure six paid festival holidays, 7 days paid casual leaves and 7 days paid sick leaves in a year.

The facility became so widespread that the State Government has now enacted a legislation providing 7 paid festival holidays, seven days paid casual leave and 14 days half-paid sick leave for all registered factories. Unregistered factories already provide these holidays and leaves according to Shops and Commercial Establishments Act.

4. *Dearness Allowance :*— In most of the mills there were consolidated Wages. In some D.A. was separate. When the prices

rose exorbitantly during the Third Plan, the workers demanded and secured Dearness Alelowance or rise in Dearness Allowance from Rs. 8|- to Rs. 12|- p.m.

5. *Bonus* :— In most of the medium and big Woollen Mills the workers have been able to secure bonus at the rate of 25 days' to 2½ months' consolidated wages.

During the Chinese and the Indo-Pak Conflicts.

The woollen workers of the Punjab along with their brothers in other industries played a glorious role during the Indo-Pak confiict. The workers joined in their hundreds the Home Guard and Civil Defence organisations. During the Chinese Aggression the workers gave one day's wages to the National Defence Fund. During Indo-Pak War, workers ran free canteens for the Army, donated blood etc. The workers increased production, kept their disputes pending and helped the Defence effort in every way.

Report on Cashew Industry

By

A. SHANTARAM PAI

All fruits have their seeds inside the fruit. But the Cashew fruit has its seed outside at the bottom of the bell shaped fruit. Unlike all other fruits Cashew fruit is unique. So also are the problems of the Cashewnut Industry.

In the modern industrial set-up in India, Cashewnut industry may not be very important but it has a very important place on the West Coast along the Arabian Sea from Mangalore to Trivandrum in the two states of Mysore and Kerala. Employment potential is great because very little machinery is involved in the process of manufacture of the finished product. It is unique because the entire labour force consists of women workers. It is a vital industry on the West Coast because, among the dollar earning products, Cashewnut holds a proud place.

The industry is mainly confined to Quilon, Calicut and Mangalore areas on the West Coast, where factories exist. In Srikakulam District in Andhra Pradesh and Ratnagiri District of Maharashtra, Cashewnut industry exists on a small scale and there are no organised factories. So the virtual monopoly of this industry is held by the Kerala State and the Mangalore area of the Mysore State. Kerala accounts for 85% of the industry and the rest is in the Mangalore area of the Mysore State.

The industry gets its supply of raw nuts both from within India as well as from the East African countries like Kenya, Mozambique and Zambia. The bulk of money of this industry flows into these two states and gets distributed among the cultivators as price of nuts, among the merchants as their share of profit and commission, among the workers as their share of wages and to the Central and state exchequers as Income-tax and Sales-tax etc.

The industry gives not only direct but also indirect employment to workers manufacturing packing cases and tin containers.

The Shell liquid (oil) is an important by-product and it has a wide demand in America and Japan.

Origin and Growth

Cashewnut is a delicacy with high nutritive value. It was never an item of nutmeat in the past. The kernel was extracted from the nut, raw or roasted and eaten by the people. Only by about 1925-30, certain enterprising people in Mangalore and Quilon conceived the idea of making an industry of it and marketing the kernels on a commercial scale.

This industry with its small beginning rose to prominence in about 1935 and especially in the forties. Absence of sales-tax and encouragement given by the then Travancore state government accounts for the rapid rise of this industry in Quilon area. In 1941 there was only one registered factory but by February 1953 the number of registered factories rose to 190. In Mangalore, factories were bigger and better organised with pucca buildings and their number was 12. In Quilon area the number of persons employed in all the factories was estimated at 65,000 and in Mangalore area 7,500. In Quilon area 6 employers owned about 85 factories among themselves. In Mangalore area 5 employers owned 10 factories.

Capital investment in the form of fixed assets is small. What is required is factory buildings. Machinery is used at two stages-roasting and drying. The main investment is on raw nuts. The proportion between the cost of raw materials and labour for every ton of kernels would be in the ratio of 20:3.

The processing of cashew is interesting. The nuts are soaked in water and taken to the roasting plant (or drums) where roasting and shell oil extraction takes place. After roasting they go to the centrifuge and then they are given for shelling. Shelling is done with a wooden mallet and the kernels are extracted whole or in pieces. They are then put in the drier and given for peeling the husk. Then they are graded. Then follows tin filling and vitapacking. Kernel is the main product and shell oil is the by-product.

Since the above-mentioned process involves manual work, each factory employs a large labour force mainly comprising of women workers.

The most disagreeable part of work is shelling. The workers are subjected to the risk of shell oil and blisters are seen all over their hands and feet. Peeling work is more difficult because it requires care. The grading work is most skilful because only training gives the workers the knack of picking kernels of the correct size. Shelling, peeling and grading absorb the largest number of workers exclusively women. Hard jobs like carrying of bags etc., are done by the male workers who are very few in each factory. Shelling and peeling are paid by the piece-rate. Graders and other types of workers are paid by the time-rate. No Dearness allowance was paid till 1960. But since then D.A. is being paid in Kerala.

The workers are organised in Trade Unions. There are about 22 Trade Unions in this industry on the West Coast with affiliations to AITUC, INTUC and UTUC.

The industry has made steady progress in all these years as will be evident from the following tables :

		Export	
		Kernels Value in (crores of Rupees)	*Shell oil*
1939-40	.. ..	1.24	
1949-50	.. ..	5.60	
1951-52	.. ..	9.03	
1961	.. ..		Rs. 63,69,452
1962	.. ..	18.50	Rs. 65,84,051
1963	.. ..	21.76	Rs. 99,55,156
1964	.. ..	26.49	2.03

Import of Cashewnuts from East African countries and local production.

Period	*Import tons*	*Local tons*
1953	82,000	46,000
1954	66,100	51,000
1955	55,350	70,000
1956	71,457	55,000
1957	92,480	60,000

The number of countries to which Cashewnuts are exported has been on the increase. The monopoly of U.S.A. has been broken by the U.S.S.R. by making substantial purchases. Cashewnut is exported to 35 countries of Asia, Africa, Europe and America. The state governments of Kerala, Mysore and Madras have given great assistance for the cultivation of raw nuts on plantation basis and Indian production has been on the increase in the course of the last few years of the Third Plan. The Industry has seen steady prosperity and made great progress and the latest figure of export in value is Rs. 33 crores. Though the industry has made progress the conditions of the workers are deplorable. The workers are sweated. Ordinary amenities are not available. In the entire industry the existing wages are paid as fixed by the Minimum Wages Committee. The wage rate has never gone above the level fixed by the Minimum Wages Committee even in a single case.

A socio-economic survey was conducted in Kerala. The survey covered 1,222 families from various taluks of Quilon District. The Minimum Wages Committee in Kerala in its report in 1952 has this to say on the earning of the workers.

"The condition of the house is an index of the prosperity or poverty of the worker concerned. The nature of the houses in which the workers live will be clear from the table given below. It analyses the distribution of 1,000 houses classified in terms of the types of walls and roofs. About fifty per cent of the houses have mud walls and 90 per cent are thatched.

Walls	*Total*	*Thatched*	*Tiled*
Plastered	54	44	10
Wood	20	20	—
Bricks	278	266	12
Mud	497	495	2
Thatties	151	151	—
	1,000		

"There are approximately 613 persons per 100 families. The age and sex composition of these 613 persons are shown in the table below. There is clearly a preponderance of females over males (1,205 females for every 1,000 males). The 1951 census has shown that for Quilon District there are 1,007 famales per

1,000 males. The sex ratio in the working families is on the high side. A study of the age-groups shows that this abnormal ratio results from the great excess of females over males in the age group of 15-54. The sex ratio in this groups is 1,268 females to 1,000 males. This points to one or other or a combination of both of two alternatives : (1) Males in the earning age group 15-54 have gone out in search of a livelihood or (2) females in the earning age group not directly connected with the family — may be distant relations — live in the household. It is believed that the second alternative is more probable. Cashew industry being predominently 'manned' by women, distant relations or paying guests who came in search of work might be present on a fairly large scale in the families of workers.

Age	*Persons*	*Males*	*Females*
Below 5	97	47	50
5—14	137	62	75
15—24	137	58	79
25—54	201	91	110
55 and over	41	20	21
Total	613	278	335

It may not be out of place to point in this connection that the percentage of workers in the age group 15 to 54 is 55 and in other age groups 45. Thus more than half the inmates in the family belong to the age group of 15 to 54.

The percentage of literates is 26.4, the figure for males and females being 30.4 and 23.1 respectively. The recent Census has shown that 48.5 per cent are literate in the Quilon District; the corresponding figures for males and females being 57.6 and 39.5. The low literacy ratio among cashew workers calls for comment.

One of the reasons for the low literacy ratio may be the backwardness of the community from which the majority of workers are drawn. As has been pointed out elsewhere, the shelling section is mainly filled by agricultural labourers who belong mostly to scheduled castes and castes on the border line. The percentage of literacy in these communities is small. The reason for the same is that the youths of the community seldom attend schools. The unskilled work for which the boy or the girl gets paid whether within the factory or outside it is a relief to the parents whose earnings are meagre. Probably their earning is an absolute necessity to keep the pot boiling. One does not know whether it is under-nourishment or over-statement of the age; but the fact remains that the committee during their itinerary met boys and girls who appeared to be below their teens working in the factories.

In the long run lack of education will prove detrimental to the progress of the community. The Committee, therefore, wish to draw the attention of the Trade Unions, the Employers, Adult education organisers, the Government and those sections of the public who take interest in social service to take up the question of liquidating illiteracy among the adults and promoting school going habits among the children. Also the provisions regarding the prohibition of child labour may be more strictly enforced."

The income in a cashewnut working class family is about Rs. 64 per mensem. The components of this income are shown in the table below :

SOURCE OF INCOME

Earners	*All*	*Cashew*	*Others*
Persons	2.91	1.81	1.10
Males	1.32	0.36	0.96
Females	1.59	1.45	0.14

INCOME PER WORKER (Rs.)

Earners	*All*	*Cashew*	*Others*
Persons	22.1	18.6	28.1
Males	28.13	25.11	29.15
Females	16.7	16.9	15.4
Average family income	64.2	33.2	31.0

SOURCE OF INCOME

Earners	*All*	*Cashew*	*Others*
Persons	100	517	48.3
Males	59.3	14.3	45.0
Females	40.6	57.4	3.3

An average family of 6.13 members consists of 2.91 earners and 3.22 non-earners. Almost 62 per cent of the earners were employed in cashewnut industry while the remaining 35 per cent had other means of livelihood. 52 per cent of the total income came from the cashewnut industry and the rest from other sources.

Thus even though 62 per cent of the earners were devoted to this industry, it brought in only 52 per cent of the total income. The table above gives the break-up of the income as percentage of total. Thus females contribute 41 per cent of income which is almost wholly from cashew industry. Males on the other hand bring in 59 per cent of the family income and this is earned mostly from other sources. The table below shows the average income per worker and the days of work and the average earnings.

Occupation	*Average No. of days of work*		*Average income per worker.*	
	Males	*Females*	*Males*	*Females*
Cashew	24	24	25-11-0	16-9-0
Others	22	19	22-15-0	15-4-0

This analysis clearly brings out the fact that the cashew industry is relatively more important to the female workers than to the male workers.

The burden of dependents on the earners in the family seriously affects the economy of the household. In the previous paragraph it has already been stated that in a family of 6.13 members only 2.91 are earners. Thus every 100 earners have to support 211 persons including themselves. The burden of dependency is therefore not great among the cashewnut workers.

There is however an indication of unemployment among them. In a household, total number of persons in the age group 15-54 is 3.38 and the number of earners is only 2.91. Thus 14 per cent of persons in the working age group 15 to 54 are unemployed. In respect of males, out of 1.49 in the age group 15 to 54 only 1.32 are employed which means that 11 per cent males are unemployed while among females, the percentage of the unemployed is 16.

Even though the family income according to the results of the investigation, is only Rs. 64.2 the monthly expenditure of the family is Rs. 73-14-0. This means a monthly deficit of Rs. 9-12-0. It is hard to believe that a working class family can consistently fall into debt to the extent of almost Rs. 10 a month. May be, this is made up by the small earnings of the boys and girls in the family or some of the indispensable items of expenditure are not incurred at all.

The expenditure pattern is shown in the table below :

		Expenditure	*Percentage*
Food	.. Rs.	50-14-0	68.8
Clothing	..	7- 0-0	9.5
Rent	..	2- 2-0	2.9
Fuel and light	..	13- 0-0	3.8
Miscellaneous	..	11- 1-0	15.0
Total	.. Rs.	73-14-0	100.0

Almost 69 per cent of the income is spent on food stuffs while 10 per cent is spent on clothing and 15 per cent on miscellaneous needs. It is obvious that the life based on such a distribution can only be one of hand to mouth existence."

(Minimum Wages Committee Report, 1952)

Family Budget Revision and Minimum Wages

Details concerning the family budget survey conducted by the Statistics Department and the family budget provided by the previous Committee are given in Appendix No. 8.

For the purpose of comparison the family budget as obtained from the survey, and as computed by the previous Committee are given below :

Family Budget

Sl. No.	*Item*		*Sample survey*	*Previous Committee*	*Present Committee*
			Rs.As.P.	Rs.As.P.	Rs.As.P.
1.	Food	..	50-14-0	93- 2-0	83-13-0
2.	Clothing	..	7- 0-0	9-14-0	9-14-0
3.	Rent or house maintenance		2- 2-0	2- 2-0	5- 0-0
4.	Fuel and Lighting		2-13-0	2-13-0	
5.	Miscellaneous	..	11- 1-0	11- 1-0	24-11-0
	Total	..	73-14-0	119- 0-0	123- 6-0

Thus the revised family expenditure is Rs. 123-6-0 at the cost of living index of 365. At the cost of living index of 200 it would be Rs. 67.534. At the index of 400 allowing for a neutralisation of 85 per lent for all points above 200 the family expenditure would be Rs. 125,171. This is the amount which must be earned by the earners in the family namely 1.32 males and 1.59 females. The earning members, males and females jointly, are equivalent to 3.57 females earners on the basis of the ratio 3:2, that is 3 women being taken as the equivalent of 2 men. Estimating the number of days of work as 25 days in the month, the daily wage of the woman worker has to be 140 naye paise if the income from the wages of the earning members is to be sufficient for covering the family expenditure; correspondingly the wage of a male worker has to be 210 naye paise.

The Committee therefore came to the conclusion that at the cost of living index of 400 the minimum wage of a woman worker has to be approximately 140 naye paise and that of a male worker approximately 210 naye paise."

(Minimum Wages Committee, 1959)

"Even for this hand to mouth existence there is a gap of Rs. 9-12-0 per month. This gap if allowed to continue will mean deterioration in the standards of life and health of the working class. The increasing indebtedness of the industrial working class will in the ultimate analysis lead to deterioration in industry with grave danger to national economy.

The discussion in Chapter II will bear out that the industry can afford to give at least a small percentage of rise in wages regard being had to the cost of production and the price of raw material.

In the Industrial Dispute No. 8 of 1124 between Messrs. Pierce Leslie & Co., Ltd., (Kundara) and their Workmen, the workmen demanded increase in wages. The industrial tribunal in their award kept open the question of the increase of wages and recommended that the Government order an equiry into the matter on an industrywise basis. The Government in persuance of the above recommendation appointed a Court of Enquiry but the same was withdrawn on the appointment of this Minimum Wages Committee. Under the circumstances detailed above the fixing of the minimum rates of wages for the Cashewnut Industry is important in the interests of the Industry."

(Minimum Wages Committee Report, 1952)

The position is much worse now. The Second Minimum Wages Committee appointed in 1959 carried forward the work of the 1952 Committee and collected the data. It found the average earnings of the workers in the Quilon area as follows :

	Shelling	*Peeling*	*Grading.*
	Rs.As.P.	Rs.As.P.	Rs.As.P.
Average for the industry as a whole	1- 0-7	0-13-9	1- 3-5

It further stated:

"Though the wages are said to be uniform, they are only uniform on a fictious basis. Actually for the same wages there are different workloads in different factories and sometimes the variations are considerable. (Vide Appendix No. VII).

This Committee noted that in some factories the customary load is so high that workers are unable to complete the work assisgned in the course of the day. Thus the earnings of the workers are pulled down to a level not intended by the previous Committee."

(Minimum Wages Committee Report, 1959, page 11)

Apart from this, the worker's annual wages are adversely affected because work is not provided all through the year and lay-off without wages is resorted to. The following table gives the analysis of the information available with the Chief Inspector of Factories.

Year	*No. of factories which submitted annual returns*	*Total No. of days worked*	*Average*
1955	88	19,967	226
1956	70	14,840	212
1957	95	21,510	226
		Average for the 3 years : ..	222

From the above it is evident that work is provided only for 8 to 8½ months in a year. Rest of the period the workers have to fend for themselves without any help.

It is from this deplorable wage condition the Minimum Wages Committee in the year 1960 fixed the minimum wages. Besides the basic wages the Committee granted dearness allowance linked to Cost of Living Index.

Basic Wage

		Piece-Rate
Sheller	.. ..	9 paise per pound.
Peeler	.. ..	11 paise per pound.
		Time Rate
Grader	.. ..	140 paise per day.
Male Worker	..	205 to 260 paise per day.

Over and above this, Dearness Allowance at the rate of 1 naya paisa per day for every increase of 3 points in the Cost of Living Index above 400 for Quilon.

This Committee also made general recommendations, which are :—

(1) The labour laws should be enforced more strictly by Government than at present.
(2) Government should prohibit by suitable legislation the plucking of nuts before they are properly ripe.
(3) Steps should be taken to persuade the Government of other States to introduce minimum wages in the cashew industry.
(4) The Industrial Relations Committee for Cashew Industry for Quilon should be expanded and its scope widened so as to include within its purview the entire industry in the Kerala State.
(5) The Government should adopt a more liberal policy for bringing about rapid expansion in the area of Cashewnut cultivation.
(6) Government should follow in general a policy of restricting the establishment of new factories.

(Minimum Wages Committee Report, 1959, page 33)

In *Mysore State* the Government fixed the Minimum wages in July 1960 which are as under :

1)	Shellers	..	9 paise per pound.
2)	Peelers	..	11 paise per pound.
3)	Graders	..	Rs. 1.36 per day.
4)	Male Workers	..	Rs. 2.30 per day.

The above rates were made all inclusive and no separate Dearness allowance was granted in the Mysore State for Mangalore area. Thus the workers in Mangalore were at a greater disadvantage than their co-workers in Kerala State.

The worker's earnings are determined on the above — State Minimum Wage — rates even till to-day.

The Strugle :

The Cashew workers though women, have very militant traditions. They have fought great strike battles for improvement of their conditions of work and living. They fought for every little benefit which they enjoy at present. These struggles have been conducted by the AITUC Unions and those belonging to the UTUC.

Of the recent struggles, the strike conducted in 1960 July-August for the implementation of the recommendation of the Minimum Wages Committee to pay dearness allowance linked to Cost of Living Index in Kerala was most memorable.

It was jointly fought by all the Unions affiliated to AITUC, INTUC and UTUC involving about 65,000 workers. It lasted 27 days throughout the Quilon area where marvels of workers' heroism were shown by the workers.

The Minimum Wages Committee's recommendation was accepted by the Kerala Government and a notification was issued by it to pay D.A. linked to Cost of Living Index of Quilon. On the basis of figures for Quilon each worker would have got 25 paise as D.A. The Employers filed a writ in the High Court challenging the Minimum Wages Notification of the Government. The workers struck demanding implementation of the notification and payment of D.A. But, after 27 days the strike was withdrawn following a tri-partite agreement, reached. The Dearness allowance was fixed at 15 paise instead of 25 paise on the basis of the new formula. It was then raised to 25, 34 and 52 paise as from 1-1-1965 per worker per day. The Dearness Allowance now is paid on this basis.

Similarly in Mangalore area the workers carried on agitation for fixation of Minimum Wages. Mysore Government fixed Minimum Wages by notification in July 1960. The AITUC Union raised the demand for Dearness Allowance. The matter was referred to the Tribunal in the year 1963. The Tribunal awarded 50 paise flat rate of D.A. with effect from 21-8-1965.

The Employers filed a writ in the Mysore High Court challenging the award of the Industrial Tribunal. The 3,000 workers struck work from 13-10-1965 demanding implementation of the award and payment of D.A. The demand for payment of bonus as per Bonus Act was also made. The strike stuggles lasted for about 5 months. Only 2 factories employing about 3,500 workers are paying D.A. now. The High Court has remanded the dispute back to the Tribunal for re-hearing. It is being heard again by the Industrial Tribunal. It was one of the glorious strikes and the longest one, in the hisory of Cashew Workers. Inerim settlement has been reached.

The workers are conducting struggles for ensuring full guaranteed work, work throughout the year, adequate Dearness Allowance, payment of lay-off wages by declaration of Cashew factories as non-seasonal and other facilities. The Cashew workers are one of the well organised contingents of the Indian working class.

A Note on Iron & Steel

By

NIHAR MUKHERJEE

As against two major steel plants with aggregate output of 1.5 million tonnes, both in the private sector, at the beginning of the Second Plan, the iron and steel industry today comprises of six steel plants. Amoug these two are in the private sector-Tata Iron & Steel Co. Ltd., at Jamshedpur and Indian Iron & Steel Co. Ltd., at Burnpur. The public sector plants are at Bhilai, Rourkela and Durgapur under the Hindustan Steel Ltd., and at Bhadravati, under the Myosre Iron & Steel Ltd. An integrated steel plant under Bokaro Steel Ltd., in the public sector will join as a major unit of the industry soon.

To cater to the requirements in the field of alloy steel, hitherto solely dependent on imperialist sources, a plant with an initial capacity of one lakh tonnes of ingot with provision to expand ultimately to 300,000 tonnes is also being set up at Durgapur. The plant has already started supplying the badly needed special and alloy steels in the form of ingots and semis to various consuming industries and is expected to go into market for finished steels by the end of this year when the finishing mills will be commissioned one by one.

Excluding alloy steel project and the Bokaro plant, as per statement of accouits for the year 1963-64, the subscribed capital of the six plants was Rs. 470.11 crores, comprising Rs. 54.11 crores in the private sector and Rs. 416.00 crores in the public sector.

The loan capital of the industry was to the tune of Rs. 434.64 crores comprising Rs. 75.17 crores in the private sector and Rs. 360.47 crores in the public sector.

The total reserves with the steel plants amounted to Rs. 146.16 crores — Rs. 145.41 croress in the private sector and Rs. 0.75 crores in the public sector in 1963-64. The latter figure represented the reserves of Mysore Iron and Steel Co. Ltd., and HSL had no reserve by that year.

The total capital employed in the industry including share capital, borrowings and reserves in Rs. 1051.91 crores, Rs. 274.69 crores in the private sector and Rs. 777.22 crores in the public sector.

The industry gives employment to over 1.30 lakh workers — 55,000 in the private sector and 75,000 in the public sector.

The estimated capacity of all the steel plants in 1963-64 was 6.03 million tonnes. Whereas capital employed per tonne of production figured at Rs. 1752 for the industry as a whole, for the private sector, it was Rs. 915 and public sector - Rs. 2560.

The targets fixed for the third five years plan were as follows:

			million tonnes
Bhillai	..	..	2.5
Durgapur	..	..	1.6
Rourkela	..	..	1.8
TISCO	..	..	2.0
IISCO	..	..	1.2
Mysore	..	..	0.1
	Total	..	9.2

At the end of 1963-64, production of ingots was:

			million tonnes
Bhilai	..	..	1.14
Durgapur	..	..	0.97
Rourkela	..	..	0.80
TISCO	..	..	1.89
IISCO	..	..	1.03
Mysore	..	..	0.48
	Total	..	6.31

Although there has been some improvement in realisation of production targets in recent years, it is patent that during the Third Plan period, the targets were not realised. This has been due to faulty planning and mismangement.

Workers' Organisation

At the plant level, there are altogether 26 workers' organisations. Most of these unions belong to the Central trade union organisations. Rest are independent unions.

1. Jamshedpur	..	(1) INTUC (Recognised) (2) AITUC
2. Burnpur	..	(1) INTUC (Recognised) (2) AITUC
3. Bhilai	..	(1) INTUC (Recognised) (2) AITUC (3) HMS (4) UTUC (5) 2 Independent Unions
4. Rourkela	..	(1) INTUC (Recognised) (2) AITUC (3) HMS (4) UTUC
5. Durgapur	..	(1) INTUC (Recognised) (2) Independent (3) HMS (defunct) (4) UTUC (defunct)
6. Bhadravati	..	(1) INTUC (2) HMS
7. H.S.L. Calcutta	..	Independent union (recognised)
8. H.S.L., Ranchi	..	Independent union (recognised)

Although the employers have recognised the INTUC unions in all the steel plants, it has been seen in action, that the majority of workers rally behind the AITUC unions during struggles relating to demands.

The independent unions of HSL employees at Ranchi and Calcutta are recognised and both the unions enjoy the confidence of the majority of employees.

At Durgapur, in Works Committee elections, the INTUC union was trounced by the candidates of the independent union, and the project management did not allow the works committee to function. Instead, elected members of the Works Committee were victimised. The non-functioning of the Works Committee in Durgapur has been critiised in a recent repport of the Parliament's Committee on Public Undertakings.

In Rourkela, the HMS union defeated the INTUC union recently in the recent Works Committee elections. INTUC could not get a single seat but nevertheless, that union is recognised by the management.

Problems of the Movement

Apart from Jamshedpur and Burnpur, other steel plant unions are new. Not only the plants and unions are new, but the working force too comprises of young workers.

The AITUC and the National Federation of Metal and Engineering Workers directly helped the organisation of the workers' unions in the new plants from 1959 onwards. Immediately after the formation of the unions, the AITUC took the lead in demanding a Wage Board for Iron and Steel Industry and this wage board was constituted in 1962. The Wage Board gave two instalments of interim relief before finally fixing wages at 152 points in the all-India index (average of 1964) and recommending a sliding scale of D.A.

The Wage Board recommendations on wage structure were as follows:

Production and Maintenance

	Basic Wage		*D.A.*	*Total*	
	Women	*Men*		*Women*	*Men*
TISCO, IISCO	51-2-71	61-2-71	64	115-135	125-135
HSL	70-1-81-2-85	80-2-90	45	115-130	125-135
MISL	55-2-75	65-2-75	50	105-125	115-125

Service and Outside Works

	Basic Wage		*D.A.*	*Total*	
	Women	*Men*		*Women*	*Men*
TISCO, IISCO	51-1-85	56-2-66	64	115-130	120-130
HSL	70-71--2-75	72-2-85	45	115-130	120-130
MISL	54-2-70	60-2-70	50	104-120	110-120

An important recommendation of the Wage Board has been the linking of D.A. with the consumer price index numbers and D.A. revision is recommended every quarter. The variable D.A. is payable at 75 paise per point rise and in February this year, D.A. has been increased by Rs. 15 covering a rise of 20 points.

However, although the Wage Board recommended that D.A. should not be revised for the first six months of the new wage rates, the first additional D.A. has come only 10½ months after. The workers have therefore demanded that the D.A. should be paid with retrospective effect from October last year.

The recommendations of the Wage Board are far from satisfactory. Despite the fact that the Board had to deal with only six plants, it failed to standardise the rates of various trades. The gratuity scheme, already in vogue at Tata and Burnpur, was not recommended for public sector steel plants. The Board failed to recommend on the question of promotional policy nor anything about the extension of production bonus scheme to non-production staff which is a major dispute in all the plants. And, above all, the Board went by an "improved diet" for the purpose of wage fixation and not a balanced diet or the diet recommended by the Nutrition Advisory Committee in their recent report on the nutritional requirements of working class families.

In the public sector plants, trade union rights and democratic rights are denied. Inside the plants, workers who do not belong to the INTUC are denied the right of even representing grievances to the authorities. Elected bodies like Works Committees are not allowed to function.

The housing scheme has ben executed in such a way that even today, not more than 50 per cent of the employees have been provided with quarters. Educational facilities too are most unsatisfactory.

The ghastly practice of victimising workers on the basis of police verification reports is continuing in the public sector plants.

A very acute problem has been that of the thousands of workers, most of whom are technical personnel, who were employed in constructing the steel plants and who have now been threatened with mass retrenchment. Under the impact of struggles. Government had earlier assured to start a National Construction Corporation o absorb all the workers employed in construction and expansion of the plants, guaranteeing them security of service. But this assurance has not been implemented.

Apart from agitation and struggles on general issues affecting all steel plant workers as on wages, D.A., bonus etc., there have been several struggles departmentwise in the different steel plants over sectional demands.

While the TISCO has paid bonus over and above the available surplus formula of the Payment of Bonus Act, the bonus dispute in IISCO is still pending a final settlement and the HSL plants have as yet paid no bonus.

Durgapur plant workers participated in the two Bengal Bandh actions recently, on March 10 and April 6. In Bhilai and the BSP mines, the struggle is still continuing over the mass retrenchment of expansion staff, bonus, D.A., etc.

The main demands of workers in the iron and steel industry are the following:

1. Revision of wages and fixation of need-based wages as per the norms laid down by the 15th Indian Labour Conference.
2. Standardisation of occupational nomenclature and rate structure.
3. Recognition of unions through ballot among workers.
4. Production bonus to all employees.
5. All the employees to be provided with quarters.
6. Free education, free transport.
7. Absorption of construction workers into the expanded works as regular cadre.
8. Abolition of the system of police verifiication.
9. Correction of Fraudulent consumer price indices.
10. Proper manning and line of promotion.
11. Proper allowance, lodging and education facilities for the trainees.
12. Scope for higher training through day and evening schools.
13. Unfettered trade union and democratic rights and removal of restrictions on holding meetings, etc., inside plant townships.
14. Proper safety devices.
15. Election of Committees as per satutory provisions and proper functioning of these committees.

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