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**DOCUMENTS  
FOR THE MEETING OF  
THE GENERAL COUNCIL**

*22nd - 25th September 1955*

**INDORE**



**ALL-INDIA TRADE UNION CONGRESS,  
1-C/15 Rohtak Road, Delhi-5**



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In this folder we are giving you a number of information documents. These documents are intended to provide raw material for discussion of questions before the general council. As such they do not represent any finalised conclusions.

SECRETARIAT.

CONTENTS:

- ON ISSUES BEFORE THE LABOUR PANEL OF THE PLANNING COMMISSION.
- ON RECENT DECISIONS ON BONUS AND THE AHMEDABAD BONUS AGREEMENT.
- ON UNEMPLOYMENT.
- INDUSTRIAL ACCIDENTS.
- WAGE TRENDS.
- TRENDS OF EMPLOYMENT IN FACTORIES.
- INDUSTRIAL DISPUTES IN 1954.
- ANALYSIS OF RECENT WORKING CLASS STRUGGLES.
- BONUS FOR PLANTATION LABOUR.
- REPORT ON KANPUR TEXTILE STRIKE.
- REPORT ON DARJEELING TEA WORKERS STRIKE.
- TENTH ANNIVERSARY OF THE W.F.T.U.
- BONUS AND THE L.A.T. DECISIONS.
- ON ASIAN SOLIDARITY AND PEACE.
- WORK OF THE AITUC CENTRE.
- WAGES POLICY IN THE PLAN.
- ON LABOUR PANEL.

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ISSUES BEFORE

THE LABOUR PANEL OF THE PLANNING COMMISSION.

( The accompanying are the answers of Shri S.A.Dange and Shri A.K. Gopalan, M.P., Members of the Labour Panel, to questions raised for discussion in the Panel meeting of 17th September 1955. )

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ALL INDIA TRADE UNION CONGRESS

A. ON INDUSTRIAL RELATIONS

1. Labour Legislation - Should the laws relating to trade unions and industrial relations be revised?

The laws be revised in the direction of making them simpler and not in the direction of making them all-embracing and intricate.

Government note suggests changes which will be harmful to the development of trade unions, their strength and independence, capacity of collective bargaining, and the growing initiative of the workers themselves.

Even the present laws tend to replace trade unions by Governmental and Court machinery allied with the desire to develop only such trade unionism as will only serve the policies of the State run by one particular political party that is the Congress Party and policies which in their main trend help the employers as against the claims of the workers.

This development must be reversed.

2. Outsiders - Should the number of outsiders on union executives be reduced from 50 to 25 percent?

Yes, the outsiders percentage be reduced. But the definition of the outsider must not include a victimised or discharged worker of the same industry or establishment.

We are quite prepared to abolish all outsiders from executives in all industries provided every T.U. member is guaranteed protection against discharge, dismissal or transfers on any ground whatever till such time as he is on the executive and three years after he ceases to be on the executive.

3. Protection of office bearers against possible victimisation ) - How should office bearers of a union be protected against victimisation?

They must be given complete immunity from discharge, dismissal or transfers on any ground whatever till such time as they hold the posts and for three years after they cease to be office-bearers, though it should be noted that under the present system of society and Government, there can be no fool-proof system of protection against victimisation. The Government itself as a "model" and the largest employer carried out victimisation in its establishment under one excuse or another. And private employers do it worse.

4. Recognition of trade unions. - (a) Should there be a statutory recognition of unions as representative?  
(b) If so, on what conditions?  
(c) What should be the rights of such representative unions?

The Government should not interfere in the type of unions that the workers might like to build for themselves to defend their interests. In many States and in the Central Government the policy is to make such laws and give such Governmental directives and aids as will lead only to the growth of the trade union belonging to their political party, namely the Congress and yet Government complains that trade unions suffer from rivalries of political parties and that it is their intention not to allow this. In the settlement of disputes, in the appointment of tripartite or bipartite committees and boards, in encouraging employers to recognise only particular unions and not others and in their own establishments, Government practice and the direction of their laws and practice is to allow these unions or Central T.U. organisation to function as subserving the policies of the State and the ruling party. Under the plea of building representative trade unions and recognised unions, Governmental legislation and practice is trying to build a type of trade unionism which may be termed as State-owned trade unionism.

There are cases on record where Government has patronised and aided

the workers have a right for the same, as the sharing of the profits has been accepted as a legitimate claim of the workmen.

Above all the Supreme Court has failed to understand the distinction between the ordinary judicial authorities and the industrial courts. "The function of conciliation and arbitration is to establish a compromise between the interests of the parties in the dispute and create a new basis for their mutual relations - that is to say make law and not as in the judicial settlement of a dispute on rights, to interpret it".

In the dispute between Caltex (India) Ltd., New Delhi and their workmen the L.A.T. held that when the workmen demanded 2 months basic wages as bonus their subsequent claim for three months consolidated wages, is unjustified.

It is surprising why greater value should be placed on the original demand. Was not the worker justified in ~~xxx~~ making a subsequent demand if he comes to know that the profits of the company warrant a greater share for himself? The L.A.T. would not apply its own formula and decide the quantum; on the other hand it would take the juristic stand that the original claim was only for 2 months.

3. In the dispute between Gujerat Spg & Wvg Mills Ltd. and the Textile Labour Association, Ahmedabad Millowners' Association and others, the L.A.T. held that the proposition that one mill's profits should be taken in order to pay another mill's bonus when the latter has not made sufficient profits, is unsupportable on existing notions of social justice. Collective liability for the payment of bonus is something which could not be secured except by agreement of the mills and the workmen concerned.

4. In the dispute between Thacker & Co. Ltd. and their workmen, the Industrial Tribunal, Bombay following the decision of the L.A.T. held that provision for depreciation at Statutory rate must be made from the profits for the year in question even though it was not provided for in the profit and loss statement.

Bonus if at all has to be paid out of the profits that have secured during the year in question. Amounts received by way of post-war refund or adjustment of taxation cannot be called profits of the year in question. Thus the excess profits tax refund credited in the year in question could not be included in the profits for the purpose of bonus.

Provision for taxation must be made on the basis of the profits of the year in question, though the employer would not have to pay actually the tax due to the fact that the losses incurred in the previous years, if carried forward and adjusted against the profits of the year in question, would have no assessable profits.

This judgment is interesting for the following points: (1) the court will allow depreciation as allowed by income tax authorities even though the company does not show the same depreciation in its balance sheet. The Court is not concerned with the actual depreciation or what the company claims as depreciation. It should give its judgment on the basis of the LAT formula; (2) the amount received back as the result of taxation adjustment will not be treated as profits for the purpose of the formula, but the company will be allowed to claim a certain amount by way of taxation even if it has not to pay anything as income tax. The reason why taxation is allowed as a prior charge is that it has to be paid but the tribunal allows the taxation included in the calculation of the company even though no tax has to be paid.

The formula has to be applied and the year's result must be valued in isolation.

The Industrial Tribunal, U.P. in the dispute between Haji Abdul Khaliq Steel Trunk Factory and three others and their workmen held that the claim for bonus for the year 1950-51 made in May 1952 was belated and hence not maintainable. The fact that the employer omitted to raise such defence in the conciliation proceedings or in his written statement, must not be allowed to stand in the way of entertaining the objection of the employer.

The claim of the worker falls because it is belated, but the failure of the employer to raise this as defence is purely a technical mistake which should not be allowed to strike at the root of his defence!

The L.A.T. in its decision on the dispute between Millowners' Association, Bombay and Rashtriya Mill Mazdoor Sangh while accepting that by definition wages

include bonus laid down that these are separate concepts and their place in the order of profits need not be the same. Till the living wage is attained bonus is a deferred wage and should have priority on the same basis as wages. Again in another case between the same parties the L.A.T. laid down with regard to lay off compensation that if any compensation is to be paid it will have to be out of profits and in order that labour force of another year may not suffer such payment must come out of the profits of the particular year. The demand for lay off compensation is therefore really one of additions to bonus when therefore a substantial bonus has been agreed upon, the same should not be reopened and in these circumstances there would be no scope for grant of compensation for lay off which occurred during that year.

The L.A.T. made a curious formulation that involuntary unemployment relief is a compensation to be paid out of the profits! The tribunal does not seem to have accepted the implied rights of the worker to be provided with employment or wages in lieu of the same as long as contract of employment lasts. There is a binding obligation on the part of the worker to work and so there is a necessary implication that the worker should be given work to enable him to do his part on the bargain, as otherwise the bargain is of one-sided character.

The L.A.T.'s decision on the dispute between Model Mills etc., Textile mills Nagpur and their workmen, is of particular interest. It reiterates the position that full rate of statutory depreciation must be made in spite of the fact that the amount actually provided for by the employer as depreciation was less than such amount. No distinction should be drawn between bonus shares and paid up capital in the matter of return which they should receive. Every encouragement must be given to the ploughing back of the profit into the industry. In the instant case 5% return was allowed in the paid up capital as well as capital constituted out of bonus shares.

The amount of excess profit tax during the year in question should be excluded from the trading profits. Further incometax calculated on the trading profits of the year in question must be deducted as a prior charge from the profits even though exemption under the Incometax Act is granted for the year in question taking into consideration the past year's losses.

In the dispute between the Associated Cement Co. and their workmen, the Industrial Tribunal, Bombay allowed the amount earmarked for gratuity to be deducted as a prior charge for the purpose of deciding the quantum of bonus for the workers.

The following is the extract from the judgment in the dispute between Bennett Collman and Co. and their workmen:

"On the question as to whether the following items could be deducted from gross profits, viz. (a) initial depreciation on a new machine put into commission during the year in question; (b) initial depreciation on the extension of a building which was however sold at a profit subsequently during the year in question; (c) unabsorbed depreciation and loss incurred in the previous years or alternatively such amount of income tax as would become payable on the profits, if the said items are not adjusted against it, and (d) 10 percent return on preference shares which formed the bulk of the capital of the company for calculating the available surplus, held that it is the well-established practice of this Tribunal to allow the depreciation that is permissible to an assessee under the Incometax Act. Under S.10(2) (vi) of the Indian Incometax Act, it is clear that initial depreciation is given in respect of the year of installation. Hence initial depreciation on the machinery that was put into production during the year in question should be allowed. Likewise initial depreciation on the new extension to the building of the company must be allowed. The fact that it was subsequently sold at profit has no relevancy in determining available surplus, as it is only a capital gain, liable to tax, subject to S.10(2)(vii) of the Incometax Act. If it is urged that there could be no depreciation on a building which no longer belonged to the company, the latter would be entitled to ask for some allowance by way of rent for the period during which the building was used by the company and in the instant case, the rent would amount to more than the initial depreciation claimed. ....

"Unabsorbed depreciation and loss incurred during prior years are allowed under S.24(2) of the Indian Incometax Act to be adjusted against the profits of a future year. Where the company claims either to adjust this amount against gross profits or to deduct such amount of incometax as would be payable on the profits if the said two items are not to be adjusted, labour cannot be permitted to refuse relief resting on unabsorbed loss and depreciation and at the same time try to get

benefit for itself (by refusing provision for tax) resting on that very items which are permitted to be adjusted by the incometax authorities (which will result in reduced incometax or no tax at all).

"Where the bulk of the share capital consists of 10 percent cumulative preference shares, which came into existence a long time ago in circumstances in which the bona fide of the company is not open to doubt, it is not open to the tribunal to allow a return of only 6 percent on those shares on the ground that if an excessive rate is allowed on preference shares, it might induce established concerns to issue such shares at excessive rates."

The adjudicator had allowed only 6% on the preference shares but the L.A.T. raised it to 10% on the ground that the interest payable on these shares is a matter of contract and should not be lightly disturbed.

The Full Bench of the Labour Appellate Tribunal of India rejected the claim of the workers of the Madras Electric Tramways Ltd. to a share in the Reserve Fund of the company following its closure in April 1953.

The Special Industrial Tribunal, Madras, had granted the workers a 50% share in the Reserve Fund of the company and half a month's basic wage for every completed year of service upto a maximum of six months wages.

Both the Union Govt and the management of the Tramways filed appeals against the decision of the Tribunal.

The Govt stated that if the right of workers for a share in the Reserve Fund was accepted, it would have serious repercussions on the capital structure of public limited companies.

The Tribunal held that the Lower Court's assumption that workmen were entitled to a substantial share in the reserves of the company as if by right has never been conceded, much less allowed in the past. Property of the company could be distributed only among the shareholders. The Tribunal further stated that the labour force which contributed to the building up of the reserve fund of a company was not a constant factor. The employees could in no way be regarded as representatives of the older generation of workers. As regards profit sharing itself, the Tribunal said that the profit sharing scheme was in a "nebulous state" in India resting on the tentative report of a Committee not yet implemented by the Govt of India. Workers had hence no legal claim to a share in the assets of a company at the time of the winding up of the concern.

The Labour Appellate Tribunal however, increased the quantum of retrenchment relief to half a month's basic wages for every completed year of service without a ceiling.

It is ~~very~~ interesting to note that the Govt of India itself had rushed to the rescue of the employer and got a decision to the effect that there can be no partnership between the workers and the share-holders. The reserves were created with the profit and the basis of the profits is the surplus value which the labour produced. While the present share-holders are entitled to the assets, the present body of workers are not entitled to represent the past workers. While the present worker is not entitled to a share in the reserves, the present employer has got every right for the surplus value even in the shape of reserves!

The above judgments clearly show that the Supreme Court, LAT and Industrial Tribunals have taken a legalistic approach on the question of bonus. The LAT's formula on bonus continues to be the basis for deciding the quantum of bonus.

The INTUC's formula based on the agreement in Ahmedabad Textile industry that bonus would be payable only out of an available surplus of profit after making provision for all the prior charges, i.e. statutory depreciation and development rebate, taxes, reserves for rehabilitation, replacement and modernisation of block including a fair return on paid up capital. The fair return is taken as laid down in the full bench formula of the L.A.T. at 6% on paid up capital in cash or otherwise including bonus shares and on reserve employed on working capital. The bonus will be paid to the employees out of the available surplus at a rate not less than 4.8% and not more than 25% of the basic wages earned during the year in question. The actual payment of bonus will be regulated as follows:

"(1) If in any year, a mill has an available surplus of profit, which is adequate for granting bonus at a rate higher than the ceiling of 25 percent and it

pays the maximum, it will set aside a part of the residue not exceeding 25 percent of the basic wages to a 'reserve' for bonus for 'set-on' adjustment in subsequent years. At no time the reserve is to exceed an amount equivalent to 25 percent of the basic wages earned during the year. This 'reserve' would be utilised for making up the deficit in any subsequent year when the profits are inadequate to pay bonus as provided in the agreement.

"(2) A mill whose profit is not adequate to provide for all prior charges or has suffered loss will pay a minimum bonus of 4.8 percent of the basic wages earned without creating a precedent. Such a mill will be entitled to 'set-off' the amount so paid against the amount of bonus that will be payable in subsequent years.

"(3) If the available surplus of profit of a mill in a particular year is adequate to grant bonus at a rate lower than the ceiling, the quantum of bonus will be fixed in such a manner that there will remain with the mill at least Rs.10,000 after granting bonus. This sum is not to be mixed up with the amount 'set-on'.

"(4) If in respect of any year, a mill has available surplus of profits which can pay bonus at a rate lower than the minimum rate fixed under the agreement, and it pays bonus at the minimum rate, it will be entitled to 'set-off' the excess amount thus paid by it to make up the minimum bonus against the amount of a bonus that would be payable in subsequent years in the following manner:-

If in the subsequent year, the available surplus of profits of the mill is adequate to grant bonus at the maximum rate, the mill will first take out of the amount thus payable as bonus the set-off amount carried over from a previous year and will distribute the remaining amount as bonus. If in a subsequent year the available surplus or profits is adequate only to grant bonus at a rate lower than the maximum, the mill will first set aside out of the available surplus at least Rs.10,000 and out of the balance will take out the 'set-off' amount carried over from a previous year."

The agreement provides that the amount of reserve for bonus set aside for 'set-on' and similar unadjusted amount of 'set-off' shall lapse at the termination of the agreement in 1957.

The INTUC formula has all the defects of the LAT formula. The agreement also provides that the amount of reserve for bonus set aside for 'set-on' and similar unadjusted amount of 'set-off' shall lapse at the termination of the agreement in 1957! The fair return is calculated on the basis of the LAT formula.

The industry produced in 1953-54, 4960 million yards of cotton piece goods compared to the production target of 4700 yards laid down by the First Five Year Plan. The millowners hope to keep up the same pace of production and force the Govt to allow them greater share of cloth production than that fixed in the Second Five Year Plan period. Under the conditions, the Ahmedabad agreement putting a low ceiling on bonus is definitely in the interest of the employers who even under the LAT formula may have to pay more as is evident from the recent decision of the LAT in the Tiruchirappalli Textile Mills award wherein the Tribunal had to allow 8 months' basic wages as bonus, which is the highest ever awarded in the country.

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U N E M P L O Y M E N T .

The overall unemployment situation, as reflected by Employment Exchange registers, is that since the beginning of 1953 the cumulative number of registered unemployed at the end of the calendar months has increased from 4.5 lacs to 6.5 lacs. In the intervening period there have of course been seasonal increases and decreases. Apart from these seasonal trends, however, there can be little doubt that the volume of employment-seekers who are presenting themselves to the Employment Exchange is steadily increasing. It is, of course, recognised that the limited coverage of the Employment Exchanges and the small staff employed by them inhibits the number of registrations effected, and, in consequence, the probability is that there is a good deal more unemployment in the country than is visible through the statistics of this agency.

Whereas the Live Register of the unemployed has been appreciating during the last three years, the statistics of the Exchanges indicate that except in the public sector, where some additional employment has been created, the job opportunities have remained more or less static throughout the period. An increase of job opportunities in the public sector in general was off-set by a tendency for vacancies to decline in the private sector. Here again, it must be remembered that Employment Exchange statistics by no means reveal the full facts, because unlike the Central Government, neither the State Governments nor the private employers utilise the Exchanges as extensively as might be hoped. State Governments do, however, provide quite a lot of job opportunities to Exchange registrants. The private sector has provided fewer openings.

The employment situation in general might, therefore, be described as disappointing and inadequate to meet the requirements of the increasing labour force. The labour intensive Second Five Year Plan is, therefore, a most timely and necessary development to meet the present situation.

No. of applicants on the live registers

15th Aug.47 to 31st Decr 1947	..	236,734
1948	..	239,033
1949	..	274,335
1950	..	330,743
1951	..	328,719
1952	..	437,571
1953	..	522,360
1954	..	609,780
April 1954	..	526,290
May "	..	532,925
June "	..	548,394
July "	..	588,837
August "	..	599,360
September "	..	590,538
October "	..	569,134
November "	..	583,214
December "	..	609,780
January 1955	..	613,942
February "	..	605,933
March "	..	595,828
April "	..	606,506

(Source: Indian Labour Gazette; and  
Employment News.)

INDUSTRIAL ACCIDENTS

After a sharp fall in 1949, the total number of industrial accidents continued to increase steadily. In 1952 the total number of compounded accidents went down which is evidently due to the fact that Employees State Insurance Corporation took over the responsibility of paying compensation in Kanpur and Delhi and the authorities did not try to collect the necessary statistics from these places. In 1953, the number of accidents increased by about 5% over that of 1952. The total accident rate in 1953 was 17.8 per thousand workers which is the highest rate since 1950. The rates of death and permanent disablement have also shown an upward trend. In 1953, the rate per 1000 workers was 0.35, the permanent disablement rate was 1.31 and of temporary disablement 16.1. Of the 61,742 accidents which occurred in 1953, 1.96 percent resulted in death, 7.36 percent in permanent disablement and the remaining 90.68 percent in temporary disablement.

Mines, Docks, Ports, Railways and Tramways are considered to be the groups having the highest accident rate. Among them mines recorded the highest. The rising tendency in the accident rate continued in 1953 in the building and construction industry; the rate increased from 7.4 to 13.07. Appreciable rise was recorded in Tramways and factories where the rate increased from 20.11 and 16.03 respectively in 1952 to 23.83 and 19.94 respectively 1953. The drive for greater productivity has meant increasing accidents in all industries.

The following table shows the comparative figures of accidents:

Industry.	1952 Accident rate per 1000	1953 Accident rate per 1000
Factories	16.03	19.94
Plantation	1.75	2.06
Mines	25.96	44.42
Railways	20.04	19.89
Dock & Port	28.56	28.52
Tramways	20.11	23.83
Post & Telegraph	1.06	1.69
C.P.W.D.	2.66	1.94
Building & Construction	7.48	13.07
Municipalities	0.98	0.77
Miscellaneous	23.89	25.25

W A G E T R E N D

The average annual earnings of the factory workers during 1950-53 showed an increase in all Provinces except Ajmer. However during 1954-55, the total wages of the workers in organised industries have been going down because of the fall in the cost of living index figures. The following chart will show the fall in dearness allowance from 1954 to 1955 in textile industry. Except in Bombay where the rate of dearness allowance was reised recently by the L.A.T. in all other places the fall in the D.A. in textile industry has been considerable.

MINIMUM WAGES AND DEARNESS ALLOWANCE IN THE COTTON MILL INDUSTRY FOR A STANDARD MONTH OF 26 WORKING DAYS. ( IN RUPEES).

	Minimum Basic Wages	DEARNESS ALLOWANCE			Average 1954.
		May 1955	April 1955.	May 1954	
Bombay	30- 0- 0	65- 0- 0	65- 0- 0	64- 5- 0	65- 6-11
Ahmedabad	28- 0- 0	50-12- 3	51- 8- 6	70-12- 3	68-14- 6
Sholapur	26- 0- 0	35- 9-10	36- 9- 0	55- 8- 4	52- 6- 6
Baroda	26- 0- 0	45-11- 0	46- 6- 1	63-11- 0	62- 0- 3
Indore	26- 0- 0	42- 3- 0	42- 3- 0	51-12- 0	51- 8- 3
Nagpur	26- 0- 0	39- 4- 4	39-13- 0	41- 0- 6	41- 3-11
Madras	26- 0- 0	40- 2- 0	41- 7- 0	45- 3- 0	45- 7- 3
Kanpur	30- 0- 0	40- 5- 0	44- 9- 0	50-12- 6	50-10- 2
West Bengal	20- 2- 5	30- 0- 0	30- 0- 0	30- 0- 0	30- 0- 0

In a number of smaller industries there had been slight wage increase during this period. In a number of concerns in Bombay, a minimum wage of Rs.1- 2- 6 per day or Rs.30 per month besides D.A. at a certain percentage of Bombay textile scale of D.A. was fixed. In B.V.Iron Works, the minimum wage was fixed at Rs.1-2-6 per day and D.A. at 60% of the Bombay cotton textiles rate. For the workers in Gandu Pharmaceutical Works, Bombay and the Navsari Electric Supply Co. D.A. was fixed at 70% and 80% respectively of the cotton textiles scale. In Calcutta, the industrial tribunals awarded consolidated wage instead of awarding a basic wage and D.A.; in a rubber factory and in two engineering concerns, the minimum consolidated wage was fixed at Rs.61, Rs.55 and Rs.56 per month respectively. In a chemical concern, the consolidated wage was fixed at Rs.1-14-0. The industrial court, Bombay awarded a minimum wage of Rs.24 per month and D.A. of Rs.35 to workers in silk mills in Bilimora while in a silk factory in Mysore, the minimum basic wage was fixed at Re.1 per day and D.A. at Rs.5 per month. In seven printing presses in Assam the minimum wages for compositors and machinemen were fixed at Rs.30 to Rs.35 and Rs.35 to Rs.40 per month respectively. In the Dalmia Cement Ltd. a daily minimum wage of Re.1 was fixed for an unskilled worker. In Pottery Works in Ahmedabad, a minimum basic wage of Rs.28 for men and Rs.26 for women were fixed and a D.A. of Rs.21 in both cases. In the textile mills of Rajasthan the minimum wage and D.A. were fixed at Rs.30 and Rs.28 per month. In an Engineering concern in Ahmedabad, D.A. was fixed at 72½% of textile rate of D.A. In Alembec Glass industries, Baroda, D.A. was awarded at 2/3rd of the Ahmedbad textile rate, but was made subject to a maximum of Rs.45 and a minimum of Rs.35 per month. The workers in pottery works in Bombay were granted a basic wage of Rs.1- 2- 6 besides D.A. at a flat rate of Rs.1- 2- 6. The Central Govt Industrial Tribunal fixed Re.1 for unskilled workers and Rs.1- 4- 0 for underground workers of the Kolar Gold Fields.

These figures will show that though there had been wage revisions in some of the industries other than textiles, they were meagre and in the case of D.A. in most of these industries, the rise in the cost of living was compensated only by 50 to 60 percent and in some cases even less.

Both the Government and the industrial courts have been resisting the demand for wage increases.

The Labour Appellate Tribunal in India has stated that "Upon a consideration of the present position and in the light of the standardisation award, we are of the view that the industrial court was right in declining to alter the basic wage of the Bombay textile worker or to consolidate it with dearness allowance as claimed by Shri Ambekar.....In any event the position of the industry since 1947 and its present position are not such as to justify us in altering the wage structure which had been settled by the standardisation award of 1947, subject

however to the increase in D.A. which must necessarily be granted".

They adopted the same stand in another dispute between the same parties (Millowners' Association and Rashtriya Mills Mazdur Sangh, Bombay).

The Govt of Madras has not done anything regarding the recommendations for wage increase by the Textile Tripartite Committee. The minimum wage for the textile worker continues to be Rs.26 per month. The Govt of India refused to implement the L.A.T. award regarding the Bank dispute. In the case of wages fixed under the Minimum Wages Act, the wages are starvation wages and even below the market rate of wages. The Govt of India has also turned down the demand for the appointment of a new pay commission.

The policy of the Govt is to deny wage increases except in cases where increased productivity warrants an increase in wages in the shape of sharing the gains of increased production.

The Govt are planning a system of payment by result such as piece work to jobs which have traditionally been paid on a time work basis.

The I.L.O. Productivity Mission has recommended to the Govt that profit sharing bonus could be replaced by equitable payment by result schemes. In this connection it is interesting to note that the annual rate of productivity index in textile industry as per the Govt figures is 2.28 as against 1.14 earnings.

It is clear that a new offensive has been started on wages. The Dock workers' Enquiry Committee in its recent report has recommended payment by results to dock workers in place of time rate wages.

(Source: Indian Labour Gazette)

FOR INFORMATION:

TRENDS OF EMPLOYMENT IN FACTORIES

(No. 5)

There was considerable increase in employment in 1951 in most of the States but there has been a distinct decline in 1952 and 53. The average daily number of workers employed for the years from 1939 to 1953 is as follows:

<u>1939</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>
1,618,875	2,360,201	2,433,966	2,504,399	2,536,544	2,443,444
		<u>1953</u>	<u>1954 (First Half)</u>		
		2,403,180	2,492,497		

During the decade 1924-34, the level of employment remained more or less unchanged to near about 13 lakhs. It increased to 16 lakhs in 1939 but in the next quinquennium, under the impact of second war, it jumped to 23 lakhs. The peak employment level was recorded in 1945, but it sharply declined in 1946. During 1947 and 48 the position was recovered to some extent though it did not touch the peak level. Employment in 1949 and 1950 did not change materially but it increased in 1951. Thereafter there were successive falls in 1952 and 1953. Compared to the peak employment in 1945, the level in 1953 was lower by 3 percent in India. Textiles is the most important factory industry in India and the following ~~XXXXXX~~ chart gives the employment figures in textile industry:

	<u>1924</u>	<u>1929</u>	<u>1934</u>	<u>1939</u>	<u>1944</u>
Cotton mills	3,23269	3,36082	3,82590	3,86853	6,54576
Jute mills	3,39147	3,46765	2,63739	2,98967	2,88663
Silk mills	1863	1980	2067	6251	6059
Woollen mills	8422	5722	4791	6807	14018
	<u>1945</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>
	6,55731	6,29674	6,36879	6,43981	6,52424
	3,03319	3,13133	3,19202	3,29429	3,22159
	7580	6376	8852	13415	20373
	14613	10445	13730	13509	13728
	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>	
	6,01685	6,24914	6,31906	6,38417	
	3,03364	3,02207	2,92927	2,72342	
	40432	42136	39461	36567	
	13469	12730	12692	11991	

Between 1924 and 1934, employment in cotton mills and silk mills increased considerably, but in the cases of jute mills and woollen mills it declined sharply. In the case of jute mills employment dropped abruptly from 3,36,356 in 1930 to 2,76,530 in 1931, whereas in the case of woollen industry the decline was more or less gradual. There was a sharp rise in all those industries by 1939. With the outbreak of war, there were still sharper increases in employment in the course of the following quinquennium in the cases of cotton mills and woollen mills. Silk mills more or less maintained their level, whereas there was an appreciable decline in the jute mills. Thus, whereas till 1929, the employment in jute mills was appreciably higher than that in cotton mills, the position in 1944 was reversed and employment in the former was even less than half of that in the latter. The World War ended in 1945 and after a slight fall in 1946, employment in cotton mills started increasing slowly and gradually and in 1949 it almost regained the peak war-time level. In the following years, employment has been lower. Employment in silk mills declined sharply in 1946 but thereafter it went up rapidly. There were sharp increases in the next four years, which resulted in the employment in 1950 being over 4½ times of that in 1947. Thereafter the figures in 1952 and 1953 show evidence of decline. After touching the peak employment in 1945, there is an evidence of a substantial decline in the employment in the woollen mills, which became more pronounced in the years 1951 to 1953.

Fall in employment in jute mills is due to the policy of rationalisation. In 1952, the Indian Jute Millowners Association estimated that nearly 40,000 employees will be retrenched due to modernisation. Since then nearly 20,000 have been retrenched.

(Source: Indian Labour Gazette)

FOR INFORMATION.

(No. 6)

INDUSTRIAL DISPUTES IN 1954

The final statistics for the year 1954 show an increase in the number of disputes, resulting in work stoppages, from 772 in 1953 to 840 in 1954. The number of workers involved in disputes was also slightly higher being 4,77,138 during the year under review as compared to 4,66,607 in 1953. The number of man-days lost was 33,72,630 which is slightly less than 33,82,608 corresponding figure for the last year. The man-days lost per dispute declined from 4,382 in 1953 to 4,015 in 1954. From these figures it is evident that an average more workers were involved in disputes in 1953 as compared to 1954 but there was no material difference in the average duration of a dispute. The average duration of disputes was 7.1 days in 1954 as compared to 7.2 days in 1953.

An analysis of the disputes in 1954, state-wise, is given in Table I. This table shows that West Bengal alone accounted for nearly 65 percent of the total time-loss during the year.

T A B L E - I  
Classification of Industrial Disputes by States

State	1953			1954		
	No. of disputes.	No. of workers involved	No. of man-days lost.	No. of disputes	No. of workers involved.	No. of man-days lost.
Andhra	5	2,227	2,293	15	8,886	70,663
Assam	9	6,211	14,483	8	4,717	20,552
Bihar	69	26,518	4,49,868	72	21,263	1,54,659
Bombay	176	1,40,017	6,11,071	203	1,21,617	3,91,702
Madhya Pradesh	37	45,890	1,17,621	28	28,503	71,493
Madras	122	54,734	3,12,342	137	65,123	1,38,577
Orissa	6	10,938	25,898	4	15,628	1,61,649
Punjab	44	1,921	27,556	43	6,255	56,024
Uttar Pradesh	69	14,123	65,324	116	30,357	1,07,789
West Bengal	223	1,62,814	17,53,888	188	1,70,227	21,89,573
Ajmer	1	588	1,176	1	46	920
Delhi.	11	626	1,088	25	4,516	9,029
Total ..	772	4,66,607	33,82,807	840	4,77,138	33,72,630

T A B L E - II

An analysis of disputes in which lockouts were declared:

State.	1953			1954		
	No. of disputes.	No. of workers involved.	No. of man-days lost.	No. of disputes.	No. of workers involved.	No. of man-days lost.
Andhra	-	-	-	2	207	1,723
Bihar	1	1,200	15,800	1	30	510
Bombay	8	14,411	2,49,570	19	14,587	1,73,901
Madras	5	2,932	1,19,418	2	2,300	6,900
Punjab	2	61	212	-	-	-
Uttar Pradesh	4	624	1,605	3	Not Known	Not Known
West Bengal	36	45,692	8,39,554	55	51,041	8,12,770
Total ..	56	64,920	12,26,159	82	68,165	9,95,804

T A B L E - III.

Classification of Industrial Disputes by Industries:

Industry	1953			1954		
	No. of disputes	No. of workers involved.	Total No. of man-days lost.	No. of disputes.	No. of workers involved.	Total No. of man-days lost.
<b>Textiles:</b>						
Cotton	121	1,06,801	5,74,821	111	1,24,811	4,33,079
Jute	31	44,838	3,50,907	25	52,841	3,47,298
Others	54	21,140	55,972	88	20,143	1,03,693
Engineering	79	73,899	3,33,278	105	38,029	2,23,280
<b>Minerals &amp; Metals:</b>						
Iron & Steel	16	35,788	4,49,545	16	2,961	12,892
Others	34	6,228	1,94,659	23	6,189	40,136
Food, Drink & Tobacco	55	20,018	1,30,177	57	15,841	1,15,203
Chemicals & Dyes	15	3,791	10,729	16	10,713	1,75,281
Wood, Stone & Glass	32	4,850	48,885	97	42,765	5,87,251
Paper & Printing	35	13,117	3,10,818	21	33,770	6,37,134
Skins & Hides	5	334	4,296	14	2,291	12,124
Gins and Presses	1	27	Not Known	1	80	171
<b>Mines:</b>						
Coal	44	22,949	2,52,222	42	19,712	2,23,589
Others	17	12,840	65,636	14	6,800	20,389
<b>Transport:</b>						
Railways	20	5,873	6,660	11	20,329	24,946
Others	13	4,981	76,206	12	8,431	30,816
Docks & Ports	22	20,568	1,00,243	13	17,182	25,875
Plantations	22	12,078	80,816	17	8,749	17,058
Municipalities	25	3,617	10,121	26	5,352	32,465
Miscellaneous	131	52,870	2,26,617	111	40,149	3,09,950
Total ...	772	4,66,607	33,82,608	840	4,77,138	33,72,630

(Source: Indian Labour Gazette)

ANALYSIS OF RECENT WORKING CLASS STRUGGLES

The struggles were mainly against rationalisation measures, attack on trade union rights and for bonus and wage increases. A number of textile mills in Bombay and jute mills in Bengal were closed for various periods because of strike action of the workers against increased workload. In Bengal whenever the workers demonstrated and protested against workload increases, the employers declared lock-outs. In the foreign owned Wimco factories workers were forced to wage strike struggles against retrenchment and rationalisation. In the cement factory of Bihar Chaibasu Cement Works, the workers struck work recently for reduction in workload and against indefinite lay off. The week old lay off of the ships of Steam Navigation Company was called off on July 20th 1955 following a pledge by the management that they would not try to introduce rationalisation unless agreed to by the Standing Committee comprising of both employers and employees. 46000 textile workers of Kanpur struck work against rationalisation and the Government and the employers had to agree to the constitution of an impartial judicial committee to go into the question of rationalisation. Several struggles were conducted in Bombay and Calcutta by the Port workers against increased workload. Demanding reinstatement of dismissed workers and against increased workload, 4607 BEST Undertaking workers, Bombay went on a day's strike.

The struggle for trade union rights assumed great proportions during this period. Demanding permission for holding meeting in the workers' colony and for reinstatement of victimised workers, the three thousand textile workers in Swatantra Bharat Mills struck work on 9th January followed by a lockout by the management. Workers in G.E.C., a British Electric Co. conducted a two months strike in protest against the arrest of their General Secretary. The Coffee Estate workers of Coorg had to strike work and face prosecution because they dared to invite the General Secretary of the Coffee Board Employees Union to their colony.

A large number of strikes in T-C State was for implementation of wages fixed under the Minimum Wages Act. The Kolar Gold Mines workers struck work to compel the management to abide by the terms of agreement arrived at between the workers and the management. The workers in Sri Saroda Mills, Coimbatore had to strike work as a protest against non-implementation of an award.

In many Provinces workers continued to fight for bonus though the Government were always claiming that the right to bonus in the case of industries making profits was an accepted and established fact. The workers in Premier Automobile, Kurla (Bombay), Titaghar Paper Mills, West Bengal, Tile Factories of Quilon, Mangalore and Malabar, Silk mills of Bombay and certain textile mills in Hyderabad, Tamilnad etc. had to strike work for bonus. The biggest strike action for bonus was the recent strike of 2½ lakhs of tea garden workers of Jalpaiguri.

The mine workers struck work in several centres against victimisation of trade union militants. The employers were particularly hostile to the formation of any progressive trade unions in the mine areas. Prolonged strike in the Titaghar Jute Mills was against victimisation; so too the strike of the Iron & Steel workers of Asansol. Over 2000 Marine Oil Terminal Construction workers of Bombay conducted a week-old struggle against retrenchment and victimisation.

The strike of the 20000 workers employed in the textile factories of Amritsar was in consequence of the illegal lockout of Niemala Textile Mills.

Big strike struggles were waged by 22000 tea garden workers belonging to 34 gardens in Johart, Golaghat etc. for restoration of 1950 plucking rates. 30,000 estate workers of Darjeeling struck work in June 55 demanding the same rate of wages that are paid to workers in Dooars. 40000 jute mill workers went on strike in August this year protesting against deductions from wages for contribution towards Employees' State Insurance Scheme. The strike action of 16,803 workers of India United Mills, Bombay was for full payment of arrears of dearness allowance. The recent 5000 brick workers strike for 15 days in Delhi was in protest against reduction in wages. 3000 handlers in Madras Harbour struck work on 5th and 6th April 1955 demanding minimum wages as agreed to by all contractors. The dock labour strike in Visakhapatnam port was called off on 9th May 55 after 20 percent to 25 percent wage increase for all sections of workers was agreed to by the contractors.

These are some of the struggles during 1954-55.

An analysis of the disputes show that the biggest struggles were against rationalisation measures, followed by those relating to wages and allowances

allowances including bonus. The disputes relating to trade union rights are also becoming important in that the employers are adopting every means to break militant trade unions. This attack is specially directed against the AITUC unions in plantations and mines.

A special feature is the revival of goonda attacks on militant trade unionists. Murders have taken place in T-C State, Coimbatore and Angarpathra. Reports show that the inspiration for such attacks come not only from the employers but from certain other quarters too.

This unhealthy and dangerous trend has to be rooted out by the united actions of the workers. Blood feuds once started will not stop easily and the employers are the only persons who would be benefitted by such actions.

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BONUS FOR LABOURERS IN THE PLANTATION  
INDUSTRY.

The Labour Appellate Tribunal in its award on Appeal No.1 of 1950 made the following pronouncement about bonus:-

"Now bonus is cash payment made to employees in addition to wages. It cannot any longer be regarded as ex-gratia payment. For it has been recognised that a claim for bonus, if resisted, gives rise to an industrial dispute, which is to be settled by a duly constituted Industrial Court or Tribunal. Where the goal of living wages has been attained, bonus like profit sharing would represent more as the cash incentive to greater efficiency and production. We cannot therefore accept the broad contention that a claim to bonus is not admissible where wages have been standardised at a figure lower than what is said to be the living wage. Where the industry has the capacity to pay and has been so stabilised that its capacity to pay may be counted upon continuously, payment of living wage is desirable; but where the industry has not that capacity or its capacity varies or is expected to vary from year to year so that the industry cannot afford to pay living wages, bonus must be looked upon as the temporary satisfaction, wholly or in part, of the needs of the employee".

It is evident from the above observation of the Labour Appellate Tribunal that even in cases where the wages, which have reached a comparatively higher level but do not approach a living wage, there bonus must be looked upon as the temporary satisfaction, wholly or in part, of the needs of the employee.

It is a well-known fact that the level of wages of labourers in the plantations industry is very low. The minimum wages which have been fixed for the tea garden labourers in West Bengal, for instance, are only minimum wages and that too have been arbitrarily fixed at a rate lower than the minimum requirements of the labourers.

The attempt made by the Planters to describe these wages as living wage is fantastic and cannot be substantiated by any criterion.

The Fair Wages Committee has defined minimum wages as follows:

"Minimum Wage must provide not merely for the bare sustenance of life but for the preservation of the efficiency of the worker. For this purpose, the minimum wages must also provide for some measure of education, medical requirements and amenities".

Whereas living wage has been defined by the said committee to represent "a standard of living which provides not merely for a bare physical subsistence but for the maintenance of health and decency, a measure of frugal comfort and some insurance against the more important misfortunes".

It must be remembered that the rates of wages of the overwhelming majority of the industrial workers in India are far short of even the level of fair wages, which is supposed to be the intermediate level between the two limits of minimum and the living wage. The first Five Year Plan visualised only fair and not living wage for the workers.

The opinion of the Government of India as recorded by the Fair Wages Committee is as follows:

"Nothing short of a living wage can be a fair wage under competitive conditions an industry can be shown to be capable of paying a full living wage. The minimum wage standards set up the 'irreducible level', the lowest limit on the floor below which no worker shall be paid..... A fair wage is settled above the minimum wage and goes through the process of approximating towards on a living".

Wages of tea garden workers in West Bengal. Shri S.R.Despande recommended on the basis of his enquiry into the cost and standards of living of plantation workers in 1947, the following wage rates exclusive of the cash value of the supplies made at concessional rates for workers in Bengal:

Men - Rs.1-13- 0; Women - Rs.1- 4- 4; Children - Rs.0- 12- 1

This was done on the basis of the prices of the necessities prevailing in 1947 and on the basis of a compromise diet which is far short of the balanced diet

diet suggested by the Nutrition Advisory Committee. This compromise diet suggested a slight increase only in respect of cereals, pulses and vegetables. Shri Deshpande's recommendations (1) did not envisage an increase in expenditure for other household and conventional necessities though the standard of the workers in this respect is practically insignificant (2) nor did they take into account the amount of expenditure incurred on repayment of loans or interest thereon or any other occasional expenditure such as that incurred on marriages, funerals etc.

In 1952, the Modak Committee which advised the Court of West Bengal in the matter of fixation of Minimum Wages recommended fixation at a lower rate than that recommended by Shri Deshpande though the prices of necessities were far higher than the prices prevailing in 1947. The Modak Committee recommended the following rates of wages exclusive of the value of food concession.

	<u>Dooars &amp; Terai.</u>	<u>Darjeeling.</u>
Male Adult ...	Rs.1- 3- 0	0-15- 0
Female Adult & Adolescent	1- 1- 0	0-14- 0
Employable child ...	0-10- 0	0- 8- 0

The Modak Committee recommended wages at a much lower level than those recommended by S.R. Deshpande on the ground that the Enquiry undertaken by the latter was for the determination of a fair wage and not a minimum wage. But it must be remembered in this connection that the concept of minimum and fair wage as determined by the Fair Wages Committee was not available at the time when the terms of reference for Deshpande Enquiry Committee were framed. Deshpande's recommendations about wages in no case exceed the limits of minimum wage as defined by the said committee.

Moreover the Modak Committee went out of its way to recommend further cuts in the diet of the workers. It went out of its way (1) to justify the low wages of tea garden workers on the ground that in this industry both male and female as also children ~~above 12~~ above 12 work and the total income of the family is not less than that of labour in other industries, (2) to remark that Dr. Ackroyd's diet is far in excess of what the labourers is actually accustomed to have or ~~are actually having~~ or are actually having after the last wage increase, (3) to take into consideration the alleged effects of the slump in tea prices on smaller gardens, (4) to propose a 50% cut in the cost of the conventional necessities on the plea that the employers should not provide for the conventional necessities of all the members of the family.

The Modak Committee in reality tried to (1) justify the low wages and sub-human standard of living of the tea garden workers, (2) to pass the burden of the slump on the shoulders of the workers. It is an accepted principle that any increase in income in low income groups is reflected on greater expenditure on food items which conclusively prove that their previous standard of diet was far below requirements. Yet to take the diet to which the labourer is accustomed at any time and to justify it betrays a lack of understanding of the principles of social justice.

The minimum wage of a labourer in tea industry is fixed by taking into consideration the income of his family. This has been criticised by Shri R.K. Das and quoted with approval in the report of the Rege Committee. In other industries where women work in considerable numbers, though not in so large a proportion as in the plantations, the earnings of women are taken as additional income to that of the adult male.

Moreover the Modak Committee's estimates about (1) the number of dependents and (2) the total number of days worked by the labourer (3) about the prices workers. The number of dependants per earner has been shown as actually half of the real figure. In case of the average number of days of work doen the Committee took into consideration only 52 Sundays a year and the workers income was estimated on the basis of 26 days work in a month. Whereas the Deshapnde Report arrived at the figure of 295 days work a year for an adult male and 236 days for an adult female. The labour representatives estimate 289 days for an adult male a year. The monthly average attendance according to these estimates comes to about 20 days only.

The food subsidy was abolished in 1953. For Terai, Dooars and Cooch Behar the price of cereals was raised from Rs.5/- to Rs.15/- per md. In lieu of the subsidy the workers were to get an additional sum as cash conversion of 0-2-6 for adults, 0-1-3 for children per day in gardens over 500 acres, and 0-2-0 and 0-1-0 respectively in gardens of under 500 acres.

In Darjeeling no cash conversion was granted. The price of cereals

cereals was raised from Rs.8 to Rs.17/8 per md. The workers were allowed 6 days' work instead of 5 days' work a week.

of wages

The present position in Dooars and Terai by an agreement arrived at between employers' and labour representatives to be in force from 1.1.1955 to 31.12.1955, is as follows:

Adult male	-	Rs.1-11- 6
Adult female & adolescent	-	Rs.1- 9- 0
Employable children	-	0-15- 0

It is learnt that for Darjeeling recently the Minimum Wages Advisory Board has recommended by majority of votes that wages are to be increased so that an adult male gets Rs.1-6-0. Even then these wages are much lower than the modest rates recommended by Deshpande.

The tea garden labourers have to work in all sorts of inclement weather. The effect of that combined with malnutrition and insanitary housing conditions tell very adversely on the health of the labourers. Dr. Lloyd Jones found out that the high incidence of tuberculosis among labourers in Darjeeling. The total number of deaths in one garden in 1946 was 54, out of which 20 were due to plumonary tuberculosis. Dr. Lloyd Jones has also commented on the incidence of Anaemia, high incidence of various diseases like hookworm, dysentry etc. among tea garden labourers.

It is clear that the gulf between living wage and the prevailing rates of wages in the tea gardens is very wide.

Along with this general remarks it must be pointed out that in many gardens the implementation of even the minimum wages fixed under the Act was either delayed or is being bypassed in several ways.

Cost of Production. The employers talk about the high cost of production and high incidence of labour cost. The cost structure of the plantation industry is now under investigation by the Plantation Enquiry Commission.

It is contended by Labour representatives that the cost of production shown by the planters is inflated and exaggerated by various means in order to facilitate tax-evasions etc.

The I.T.A. showed an average cost per lb. of 35½ d (30 d. plus 5½ d. London cost) in 1951. According to the I.T.P.A. it was Rs.1- 2- 0 in Terai gardens. Some labour representatives made the following estimate of cost for some gardens under the I.T.A. in Dooars in 1952.

- |                    |            |                 |
|--------------------|------------|-----------------|
| 1. Kalchini T.E.   | )          | 4. Dalgaon T.E. |
| 2. Raimantang T.E. | ) As.16.96 | 5. Dalmor T.E.  |
| 3. Chinchula T.E.  | )          | 6. Toorsa T.E.  |

According to the same estimate the following is the cost for some Indian gardens not reputed for good management for the same period:

- |   |             |
|---|-------------|
| Chuniajhora; Magherdabri; Daolajhora; Kohinoor; | ) as. 13.85 |
| Hossainabad; Karalavalley; Jadavpore; Kalabari; |             |
| Lakhnikanta.                                    |             |

Since 1951-1953 the cost of production per acre has been reduced as will be evident from the figures:

	1951.	1953.
Average for 53 gardens in Dooars	Rs.1461	Rs.1336
" " 8 " Terai	Rs.1165	Rs.1104
" " 20 " Darjeeling	Rs. 925	Rs. 750

PROFIT.

The industry has been enjoying an uninterrupted run of high profit for a number of years except in 1952. The index of profits from 1940 onwards for the tea industry with 1939 as the base year has been as follows:

1940	...	99.1
1941	...	146.8
1942	...	228.1
1943	...	142.3
1944	...	110.5

1945	...	150.7
1946	...	198.8
1947	...	216.3
1948	...	138.9
1949	...	138.4
1950	...	271.2
1951	...	103.9

(Bulletin of 'Eastern Economist' Vol.6 No.1, Octr 1954).

Note: Even in 1952 some companies made profits and declared dividends.

1953 and 1954 have been years of high prices and soaring profits for the tea industry.

The profits of tea companies incorporated in Britain for the first ten months of 1954 were Rs.32 crores as compared to Rs.9 crores in 1953 (Statesman, 15.12.54). 24 British owned gardens in Dooars (Registered in India) have a paid up capital with capitalised profits amounting to Rs.1,90,32,800. In 1953 they have made a total profit of Rs.1,89,64,282 and have a total reserve fund of Rs.2,23,40,542.

14 Indian owned gardens in Dooars have a total paid up capital of Rs.52,21,296 and capitalised profit of Rs.58,32,225. In 1953 they made a net profit of Rs.88,43,000. Their Reserve Fund amounts to Rs.50,86,883.

6 British owned gardens in Terai have a paid up capital of Rs.27,00,000. In 1953 they made a profit of Rs.26,03,166. Their reserve fund amounts to Rs.35,01,447.

14 British owned gardens in Darjeeling have a paid up capital of Rs.53,33,150. In 1953 their net profit was Rs.19,02,749. Their reserve fund amounts to Rs.36,38,108.

The following examples will give an idea of the high profits earned by the industry:

	<u>Total Capital.</u> (Rs.)	<u>Net profit.</u>	
		<u>1953</u> (Rs.)	<u>1954</u>
8 European owned gardens in Darjeeling ...	18,63,900	5,90,046	19,94,976
3 gardens in Terai:			
Atal	4,50,000	2,19,370	5,21,962
Hansknowa	5,00,000	2,99,463	3,39,241
New Chumta	3,00,000	2,56,868	3,38,965

The following gives an idea of the dividends declared:

		<u>1953</u>	<u>1954</u>
Darjeeling:	Mim T.E.	10%	40%
	Rangli Ranghloit	17%	50%
	Soom	-	50%
Terai:	New Chumta	25%	50%
	Coangaram	30%	55%
	Hanskhowa	25%	25%
Dooars:	Sarugaon T.E.	12½%	45%
	Haldibari T.E.	22½%	50%
	Odlabari T.E.	20%	65%
	Gairkata T.E.	20%	70%
	Chuna Bhati T.E.	25%	90%
	New Dooars T.E.	45%	110%
	Banarhat	45%	120%

(Figures collected from different issues of Commerce and Capital)

The principle of granting bonus to the labourers in the plantation industry has already been accepted in the plantations in the South. The workers there are getting bonus from 1950 onwards. The labour unions demanded 25% of the yearly earnings as bonus for the years 1952-53 and 1953-54. The management paid 6.1/3% in 1952, 8.1/3% in 1953, and an advance of 10% in 1954. It has been termed as an advance because the dispute is pending before the industrial tribunal.

FOR INFORMATION

REPORT ON KANPUR TEXTILE STRIKE (MAY 2 TO JULY 20, 55)

Eleven textile and two jute mills involving 51,000 workers at Kanpur went on general strike from May 2, 1955 for the fulfillment of their following demands, for which notice was served on the employers and the U.P.(Uttar Pradesh) Government on 8th April 1955:

- (i) Opposition to the scheme of rationalisation in the textile mills as envisaged in Dr. Bansidhar's report and adopted at Nainital Conference in June 1954, as it will, in the name of rationalisation, only increase the workload on workers to the extent of 100% or more, while wages will register an increase of only 13%.
- (ii) Grant of gratuity on retirement.
- (iii) Revise unjustified Standing Orders.
- (iv) Subsistence allowance for the period kept under suspension.
- (v) Rule regarding transfers to be made.
- (vi) Play-off in woollen mills to be stopped.
- (vii) Wages for the 6th January and May Day.
- (viii) 25% Bonus for the past period and for future also.
- (ix) Permanancy
- (x) Dearness allowance according to the rates recommended by Nimbkar Committee for clerks and artisans.
- (xi) Pay scales and rates of increment as recommended by Numbkar Committee for clerks and watch and ward staff.
- (xii) No victimisation.
- (xiii) Fixation of minimum wages according to Nimbkar Committee report for jute, leather, chemical and oil workers also.

The notice was served on the following mills:

1. Elgin Mills Co.Ltd.
2. New Victoria Mills Co.ltd.
3. Muir Mills Co.Ltd.
4. Kanpur Cotton Mills Ltd.
5. Kanpur Cotton Textile Mills Ltd.
6. Swadeshi Cotton Mills Ltd.
7. Etherton West & Co. Ltd.
8. J.M. Cotton Spg & Wvg Mills Ltd.
9. J.K.Cotton Manufacturing Mills Ltd.
10. Lakshmiratan Cotton Mills Ltd.
11. Cawnpore Woollen Mill Ltd.

5000 workers of two jute mills viz: (1) J.K.Jute Mills Ltd. and Maheshwari Devi Jute Mills Ltd. also served similar notices.

Background of the movement. Kanpur is the only centre in India where increase in workload in the name of rationalisation has been successfully resisted by the workers till this date. The attempt of the employers in this respect dates back to 1938, but textile workers of Kanpur united in one union - Kanpur Mazdur Sabha - fought it successfully every time. In 1948 with the all over disruption in trade union movement in India, Kanpur textile workers were also divided into various unions, whose number ultimately reached to six. This was the most opportune moment for the employers and inspite of the fact that workers fought several times individually either on the mill basis or union basis; the employers were successful in introducing so-called rationalisation in New Victoria Mills, Lakshmiratan cotton Mills and J.K.Cotton Mills only. Mill owners themselves having failed in the face of workers' dogged resistance to increase workload, approached the Govt of U.P. in 1949 for active help in the name of competition with textile industry at other centres. The Govt in 1953 appointed a special officer named Dr. Bansi Dhar, who recommended increase in workload in the remaining mills also. All though this U.P. Govt had been consulting only INTUC affiliated unions and sometimes those of the HMS also in the tripartite meetings and conferences on this subject. Kanpur Mazdur Sabha, the AITUC affiliate organisation and the oldest organisation was bypassed. In the usual manner a tripartite conference was held in the first week of June 1954, with INTUC and HMS representing the workers and a seven man committee with three

three representatives of workers and three of employers and the Labour Commissioner as Chairman was appointed to introduce the so-called rationalisation. While the Government was telling that there would be no retrenchment as a result of the implementation of this scheme, some of the employers made it clear that at least about 9,000 workers would be rendered surplus. In Lakshmi Rattan and New Victoria Mills where rationalisation was already introduced; workers had experience of the increase in workload and wages. The scheme of rationalisation envisaged in Kanpur textiles would have offered workers an increase of 50% of wages for a corresponding increase of 250% of workload. At present a piecer gets a basic wage of Rs.30/- per month and dearness allowance about Rs.50/-, i.e. Rs.80/- in all. He would get 45% increase in his basic wage of Rs.30/- and not on the total earning of Rs.80/-, i.e. he will get only Rs.93 in the new set up.

The moment the news reached Kanpur, Nainital agreement was rejected by the workers and the agitation against it reached such a tempo that an Action Committee comprising of the representatives of all six unions was formed to fight out this introduction of rationalisation. Due to the pressure of this Action Committee, two of the three labour representatives had to resign their seat on the Seven-man Committee and ultimately this Committee had to be dissolved by the Govt. The Govt. issued instructions that henceforth employers shall be free to come to terms with workers of their factory and introduce this scheme.

Workers had learnt the lesson of unity and based on their experience decided to dissolve all the six trade unions and form one united "Suti Mills Mazdur Sabha" on August 1, 1954.

Workers fought the attempts made by the employers during 1954 and early 1955 to increase workload in different mills and departments. Of importance was the march of 3,000 workers of Lalimili Mills from Kanpur to Lucknow, the capital of U.P. - a distance of 48 miles, on foot to demonstrate and represent before the Govt. in early 1955. But the offensive continued and to fight it Suti Mill Mazdur Sabha (SMMS) had to give this strike notice.

Final attempt at settlement. Even after the strike notice was given SMMS gave an offer in the last week of April 1955, that if Govt. and employers agree to refer the whole issue about the capability of the Kanpur textile industry to compete with other centres and the steps to be taken in that connection to be decided by a Tribunal presided over by a High Court Judge, strike can be suspended. Both the employers and the Government turned a deaf ear to it.

Repression. On the other hand Govt. depended upon its police to break the strike. Much before the strike began, i.e. from August 26; SMMS leaders - office bearers and General Council members - started to be rounded off and detained in the prison. With difficulty permission was obtained to hold May Day rally in the city.

Terrorisation, beating in the working class colonies and arrests were the common feature and thousands suffered.

Strike successful. In spite of all this the strike on May 2 was successful and except in Lakshmi Rattan Mills where it functioned partially; the work in all other factories was at a stand still.

The employers assisted by the Labour Commissioner (U.P.) from the very beginning were trying to demoralise the workers by enlisting black legs from outside Kanpur, keep them locked in the mills and issue exaggerated figures of attendance. But the press representatives, who were allowed to visit the factories and some of the workers who came from inside the mills exploded the conspiracy and proved by the amount of consumption of electricity and the production figures, that the textile workers of Kanpur have stood by the strike decision.

At first workers were not allowed to hold rallies in the city by clamping section 144 Cr.P.C. The workers and citizens of Kanpur then held their meetings 7 miles off the city across the river Ganges; which was not under the jurisdiction of Kanpur District Magistrate and these were attended by from 50,000 to 1,00,000 people. The Government then realised its folly and allowed to hold rally in the city twice a week.

On the whole about 1,000 activists were arrested. Hundreds of them were summarily tried without any defence facilities, within a few hours of their arrest and punishment awarded.

Support from all-India. The strikers had the support of working class throughout India. AITUC, HMS, UTUC, All India Bank Employees Association and their branches

branches supported the strike actively. Members of Parliament from all opposition parties and groups visited Kanpur and addressed the workers. 32 M.Ps issued a joint press statement supporting the struggle. Delhi Textile workers demonstrated before the Parliament on May 7 in support of Kanpur textile workers' struggle. A number of Days were observed in support of the strike in U.P. and all over India during this three months period. For the relief of the strikers and their families funds were collected and sent by trade unions irrespective of affiliations. AITUC from its funds gave Rs.6,000/- towards this fund.

On 26th May the city of Kanpur observed a general strike in support of strikers.

On 6th June, all the trade unions in Kanpur observed a token strike of 2 hours from 10 in the morning.

Lucknow Railway workshop employees went on a 2 hour token strike in support of the strikers.

Sufferings of workers. Workers and their families went into untold sufferings in this strike. The employers refused to pay the wages of the workers for the month of April, due in May. One of the M.Ps from the ruling Congress Party described the condition in Kanpur as barbarous. About 20,000 workers had to go away from Kanpur. Harassment, eviction, beating and putting them in jail, not only of the strikers but their families too, was resorted to.

Women workers also participate. Women workers and the families of striking workers also took part in the struggle. In preventing the blacklegs, they did all that was practicable. They also resorted to picketing wherever necessary and took out a procession on June 7th. More than 50 of them were arrested and jailed for various terms of imprisonment. Prior to this at the Police Headquarters hot water from the fire brigade hoses was thrown on them and their babes in arms.

Relief work. Several relief centres were opened in the city to issue rations to the strikers and their families. Milk centres were opened to distribute free milk for the children. 70 doctors offered their services and were rendering medical relief to the sick among them and whenever possible gave free medicines. 'Chetna' a literary organisation distributed free books and stationery for use by the school going children of the strikers.

Disruption. INTUC leaders of Kanpur and U.P. has been from the very beginning trying to disrupt the movement. They opposed the strike tooth and nail, but without any success.

SMMS always for peaceful settlement. The most remarkable feature of the whole struggle was its peaceful character inspite of all sorts of provocations from the employers and the Govt. Such a long struggle involving 50,000 workers remaining throughout peaceful is unique in the history of Indian T.U. movement and this fact has won support for the workers' cause from all sections of the people.

Not only this. The SMMS throughout the struggle has been repeatedly endeavouring for a peaceful and honourable settlement of the strike. On Sunday the 10th July 1955, General Council of SMMS passed a resolution and reiterated its stand regarding rationalisation as follows:

1. The Sabha states that it does not intend and has in fact never intended to stand in the way of rationalisation as defined by the International Labour Organisation and the Prime Minister of India, if simultaneously introduced in all the structures of the local textile industry under the guidance and the approval of a body on which labour is adequately represented provided that it functions with mutually agreed terms of reference and with a mutually agreed non-official Chairman. The Committee will think about the maximum measure of agreement but the contested points will be referred to an agreed arbitrator.
2. The Sabha even agrees to reassessment or standardisation of work-load, muster, wages and categories if it is carried out under the supervision and with the consent of a body alluded to in the preceding paragraph. Such standardised or reassessed work load, etc. will uniformly apply to all textile mills of Cawnpore.
3. The Sabha considers the six assurances given by the Government and the employers in the Nainital Conference to be helpful when read with the assurance of the Chief Minister in his letter to Mr. Bal Krishna Sharma, M.P. that there is no existing scheme of rationalisation which may have a predisposing effect on this issue and that all schemes coming from whatever quarter will be considered on their merits by the body commissioned for this purpose strictly observing the aforesaid

aforesaid six guarantees.

4. The Sabha urges the government that for the sake of harmonious atmosphere it is essential that status quo regarding workload be maintained as from May 54.

5. The Sabha emphasises that other long standing demands enumerated by it in the strike notice or the compromise formula submitted to the Govt. on April 28 are urgent and important for peace and industrial harmony and presses the Government to give an assurance that the grievances embodied in them would be remedied within a reasonable time."

Other demands included regarding minimum basic wage of jute workers and reference of the dispute regarding Lal Imli mills to the adjudication, release of the arrested workers and no victimisation.

Earlier Sri Bal Krishna Sharma, an old labour leader and M.P. from Kanpur had attempted to intervene to bring about a settlement but the mill owners ~~xx~~ and the U.P. Govt. both spurned his offer in the hope which they had built up from very early days that either this strike will not come off at all, or it will be negligible and after that it cannot be continued for long and will fizzle out.

Further hurdles in settlement. The path of negotiations was very zig-zag. First the Chief Minister of U.P. had taken a stand that it is a dispute between the employers and the employees and the State would not intervene. His police and State machinery however, fully intervened on behalf of the employers to crush the movement but without desired success.

Then he had informal talks. When some sort of agreement was in sight, the employers and the INTUC were brought in the way. It was the last bid of the INTUC fully supported by the employers and the U.P. Govt. to rehabilitate itself on the starvation and hunger of the strikers and their children through war of attrition. As soon as the workers came to know of it; even after this long strike with their back to the wall they girdled their loins and the picketing resorted to by them again brought down the number of those attending the mills. On July 17, meetings, processions, demonstrations and telegrams of support from every corner of India on the joint call of AITUC, HMS and UTUC forced the Govt. to have a talk again.

After all a 14 point settlement (14 points ~~xx~~ given below) was reached with the Govt. on July 17. While this was being considered by the General Council of SMMS for ratification, the Kanpur textile bosses tried to veto the settlement even at this very last moment. They put a number of 'ifs' and 'buts' in the points settled with the Govt. and said that they could not guarantee no victimisation clause.

The Government's game seemed to be to tell the workers that this settlement was accepted by them knowing fully well the view points of the mill owners, so that after the strike is over and the points of settlement not implemented; it may be the labour leaders to blame.

The workers retorted back by saying that until their points as agreed to by the Govt. are also agreed to by the mill owners, the strike will continue. And it continued for another two days till the Labour Commissioner sent a letter confirming the acceptance by the mill owners also.

The strike was called off w.e.f. July 21, 1955.

But the trouble is not yet over. The employers are refusing to take substitute workers. Kanpur cotton Textile Mills have been permitted to lockout for ten days. Workers are being laid off. The employers have changed the working system of the machines and now workers are being asked to work on them, which will result in inconvenience and extra workload. Workers have refused. Hundreds of change-sheets are being given to the workers. The employers are out to create trouble and victimise some workers.

The very next day the Chief Minister of U.P. came out with a press statement that there has been no settlement with the Govt. Even the arrested leaders are not released at once. Discrimination is intended to be made amongst them. However the release of arrested workers has started in batch of 40 per day from 27th July 1955.

The Government has announced appointment of a Rationalisation Committee to investigate and report on the conditions for the introduction of rationalisation scheme in the textile mills of Kanpur. It will consist of five members - two each.



two each from the employees and the workers, presided over by an Ex-High Court Judge Shri Bindbasiri Prasad. The workers' representatives will be chosen one from the SMMS and the other from INTUC.

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14. POINTS OF SETTLEMENT.

1. Assessment of workload and other cognate matters will be referred to a Committee to be formed by the Govt. The Committee will record agreed points and the contested points will be decided by a suitable process to be notified by the Govt. The Committee will function strictly under the frame-work of six guarantees given to workers at the Naini-tal conference and in subsequent communications of the Chief Minister. The findings of the Committee will be enforced by the Govt.
2. Dr. Bansidhar's tentative proposals, K IBCONS report or any other report will not have a pre-disposing effect on the deliberations of the Committee and the Committee will consider any scheme of rationalisation submitted by any contending party on its own merits.
3. Mr. Sampurnanand agrees with the idea of extension of rationalisation in the textile industry to the managerial, marketing and financial structure also but that this can be applied only on an all-India basis which the Central Govt alone are competent to do.
4. Workers returning after the strike will be put on their former jobs, that is, no increased workload will be imposed on them. In all those mills where some workers have been put on intensified workload since the Nainital conference, the cases of such workers as complain in writing that they had to accept increased workload in duress will be sympathetically disposed of on merits. In this connection the Labour Commissioner cited the cases of three workers, who had approached him with the complaint of this nature. All of them were reverted to their former workload.
5. The findings and settlements of the Committee regarding workload, wages, muster, categories, etc. will be uniformly applied to all the textile mills of Kanpur, that is, Laxmirattan, New Victoria, J.K.Cotton Manufacturing; and others will also adjust themselves accordingly.
6. No rationalisation scheme will be launched in any mill from the date of conclusion of the present settlement till the enforcement of the decision of the Committee.
7. The question of referring the matter of fixation of minimum basic wage of jute workers will be actively reconsidered by the Govt. taking into account the Nimbkar Committee report. The Govt. resolution on it and other cognate considerations on representation by the union concerned.
8. The matter of the forfeiture of wages and holidays with wages in connection with May Day observance for the past ~~xxx~~ years to adjudication is already under consideration of the Govt.
9. There will be no play-off in the Lal Imli Mills till October 1955.
10. Suitable joining time will be allowed to the strikers resuming work (Sabha suggestion 14 days agreed).
11. Ordinarily no workman will be victimised for participation in the strike. (The Labour Commissioner will discuss the details with employers and communicate with the Mazdoor Sabha. Question of victimisation falling under three categories: (a) Eight days compensation; (b) workers on strike since May 2; (c) workers who joined the work and reparticipated in the strike.)
12. The Labour Commissioner will discuss with the management the question of suitable compromise in respect of workers of the Kanpur Textile, Muir Mills, Swadeshi Mills and Gawnpore Cotton Mills suspended for not accepting transfers from their machines or accepting increased workload etc.
13. The Govt. will consider the following issues on further and detailed representation by the Mazdoor Sabha: (a) Retirement gratuity; (b) Permanency of old substitutes; (c) pay scales of clerks and watch and wards; (d) Irrecoverable suspension allowance; and (e) Attendance allowance for substitutes who are not given work.
14. The question of nine-hour shift will be reviewed by the Committee appointed for the purpose if the union makes a representation for the convening of the Committee and satisfies the Labour Commissioner for the need to convene the meeting.

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FOR INFORMATION.

REPORT ON DARJEELING TEA ESTATE STRIKE

Darjeeling District in West Bengal has a total of about 130 gardens with an acreage of about 63000 under tea cultivation out of 165000 acres and the daily average employment in the estates is about 80,000. In the Darjeeling hills where the recent strike (22 to 28 June 1955) took place, there are 80 gardens with about 60,000 tea estate workers employed in them. Here too, as anywhere else in tea industry in India, the British capital dominates.

The worst exploited Darjeeling tea estate worker gets only Rs.1-4-0 per day inclusive of all allowances while his counterpart in Dooars estate in West Bengal gets Rs.1-11-6 per day. And the cost of living in Darjeeling area is higher than Dooars. The workers of Darjeeling District have been fighting since long for wage increase and better living conditions. It was only recently that about 25,000 workers belonging to the two rival unions - Darjeeling District Chia Kaman Mazdoor Union with a membership of about 15000 (affiliated to AITUC) and Darjeeling Chia Kaman Shramik Sangh with a membership of about 10000 (an independent union) - got united with a determination to win their minimum five demands and roused the entire tea estate labour of Darjeeling hills in 80 gardens. The coming together of these two rival unions for the first time with such determination was a very important step and this gave rise to fear in the minds of employers and the Govt. Their minimum five demands were:

1. Wages of workers in tea plantations in Darjeeling hill section to be increased to Rs.1-11-6 per day.
2. Three months' bonus for workers and the staff on the basis of profits made in 1954.
3. Amendment of the 'Standing Orders'.
4. Compensation for the period of closure of tea gardens in 1951 and 1952.
5. Scale of pay for the staff in all estates to be increased.

The demand for Rs.1-11-6 per day as wages for Darjeeling workers meant only that employees working in the same industry in the same Province should be uniformly paid. One patent plea of employers in Darjeeling tea estates is that the cost of production there, is higher, but they forget that the sale price of Darjeeling tea is higher than those of other areas. And moreover as the table below indicates that they have also been making considerable profits. The notorious 'Standing Orders' which were framed unilaterally, allow the discharge of the whole family if the head of the family is dismissed. This is but only one aspect of it. Despite repeated representations, the notorious 'Standing Orders' were continued to be enforced. Consideration of bonus and other demands were being postponed unnecessarily.

Before the strike action was launched on 22nd June 1955, all means at negotiated settlement were exhausted by the labour leaders. When the labour leaders were to still meet on June 20, to consider the letter of Assistant Labour Commissioner and finally decide about the strike action of June 22, they were being hunted by the police with warrants of arrest. The strike action committee as also other labour leaders were clapped behind the bars on 20th itself.

On June 22, 30,000 workers belonging to about 41 gardens went on general strike to win their minimum demands. This was the first general strike in the Darjeeling area. Despite the brutal police repression, more and more workers began to join the strike as it progressed. It was on June 25 that the Congress police wantonly fired on the peaceful strikers of Margaret's Hope Tea Estate (a British owned estate - Managing Agents: Mcleod & Co.) and claimed six precious lives of the workers. It was a sadistic cold blooded shooting by the trigger happy police with a calculated attempt to crush the general strike.

Among the dead were two women aged 15 and 18 years and four men including one young boy of 14 years old. And many workers have been injured. During the strike period nearly 200 workers were thrown into the jail.

The people of Darjeeling were indignant at the brutal police firing and were full of sorrow for the heroic workers who sacrificed their lives. Thirty thousand men, women and children of Darjeeling town came out in the streets to pay their last homage to the martyrs when there was Section 144 Cr.P.C. in force, which forbade the assemblage of four or more persons. The Govt. hastily beat a retreat by bowing down to the wishes of the righteously indignant people by withdrawing the Section 144 Cr.P.C. and by cancelling the warrants of arrest against some working

working class leaders and also released Shri N.B.Gurung, M.L.A. one of the leaders of the Darjeeling Chia Kaman Shramik Sangh. 15,000 people followed the funeral procession of the worker martyrs, headed by Ratanlal Brahman and Deo Prakash Rai, the working class leaders.

On June 27, the entire business of Darjeeling town remained suspended, shops and schools remained closed, and no buses, taxies and carriages plied in the streets.

The Secretariat of the AITUC in a statement to the press condemned the police firing on tea workers, demanded immediate suspension of 'trigger happy' policemen and officials responsible for the firing, an open impartial inquiry to be conducted into the incident, and adequate compensation to the bereaved families of the workers to be paid. In response to the call given by the AITUC and also on their own, the workers throughout India held meetings and passed resolutions condemning the police firing and asked the Government of West Bengal to concede the just demands of the Darjeeling tea workers.

The strike was called off on June 28th evening when the Govt. came down and agreed to concede the demands of the workers. Though they had previously insisted that only a departmental inquiry would be held, they now agreed to a public inquiry into the police firing incident.

They also gave up their opposition to the question of profit bonus and agreed to accept it in principle leaving the amount to be decided by a tripartite conference.

The question of revising 'Standing Orders' from July was also settled. The terms of settlement also included release of all arrested and no victimisation for the strike.

On the question of wage increase, in order to help a speedy solution of the situation created by the strike, the workers' representatives agreed to lower their wages demand to an irreducible minimum of Rs.1-7-6 per day. This move was supported by the representatives of the Darjeeling Citizens' Peace Committee which was formed after the firing incident in order to bring about a solution of the strike action and consisted of prominent citizens of Darjeeling town. Shri S.K.Rai, Deputy Minister for Labour assured the meeting on behalf of the Govt that the proposal for raising the wages to Rs.1-7-6 would be placed in the meeting of the Minimum Wages Board to be called in July and that the Govt would see to it that the planters did not remain adamant on the question. This was a commitment made by a Government spokesman before the representatives of the citizens Peace Committee and the labour leaders. Now, the Labour Minister, it is reported, having said that the Government could not have promised anything about wage increases as the matter would depend entirely on the Wages Board.

This has caused fresh indignation amongst the people. The Citizens' Peace Committee consisting of Shri Narbahadur Gurung, M.L.A., Sri Rasalli, President of the all-India Gurkha League, Sri G.L. Subbu, Lawyer and other prominent citizens have protested against this and asked the Govt to stand by their assurance.

PROFITS OF SOME TEA ESTATES OF DARJEELING.

Name of the Estate.	Managing Agency	Paid up capital	Reserve & other funds	Profit		Dividend	
				53	54	53	54
Chamong	Williamson Magor	276,900	69,000	4000	1,55000	Nil	20%
Gielle	Davenport	200,000	1,77,000	1,48000	3,49000	"	25%
Okayati	Duncan Bros.	100,000	1,07,000	45000	1,95000	"	37 $\frac{1}{2}$ %
Pussimbing	Davenport	205,000	41,000	32000	2,16,000	"	10%
Poobong	Duncan Bros.	300,000	87,000	23000	1,81,000	2 $\frac{1}{2}$ %	15%
Seeyok	Duncan Bros.	300,000	1,18,000	48000	1,52,000	2 $\frac{1}{2}$ %	15%

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TENTH ANNIVERSARY OF THE W.F.T.U.

The tenth anniversary of the World Federation of Trade Unions which will be observed next month is a historic occasion for the working class. The formation of the WFTU in 1945 was a challenge from organised workers in every country to their exploiters that they were determined to wrest the rights and privileges which were rightfully theirs. It came into being out of the peoples' struggles against fascism and an overwhelming desire for unity of the ~~workers~~ workers' forces on a world scale. It has a unique character in having within its fold trade unions from both capitalist and socialist countries. The aims of the WFTU laid down in its constitution and reflecting the common interests of the workers of all countries are:

- (a) to organise the common struggle of the trade unions of all countries; against all threats to the social and economic rights of the workers and for democratic liberties;
- (b) for the satisfaction of the need for the security of full employment;
- (c) for the progressive improvement of wages, hours of work and living and working conditions;
- (d) for social legislation complete and sufficient for the protection of the workers and of their families against the risks of unemployment, illness, accidents and old-age;
- (e) for the adoption of all other measures that may improve the social and economic welfare of the workers.

By remaining at the side of the workers in all their struggles and fighting to defend their gains, the WFTU has attained a position of such great confidence among workers, that even when certain leaders, under the inspiration of the monopolists engineered a split in the world organisation, they could not impair its effectiveness or militancy. The WFTU places the greatest importance on the maintenance and strengthening of unity among workers, on the national and international levels. By its own activities in the past - through its conferences on a world scale, through regional conferences of workers, through conferences of the Trade Unions Internationals of workers in one industry and through conferences on specific issues like social security, all of which are held on the widest possible basis of unity - it shows an example that trade unions in each country can and must follow.

The WFTU has helped to bring about greater international cooperation and mutual help between trade unions through in a variety of ways like exchange of delegations, establishment of friendly relations etc. If today a strike by textile workers in Kanpur brings forth a flood of messages of support, fraternal assistance from all over the world, and other practical demonstrations of international workers' solidarity, it is primarily due to the activities of the WFTU. Likewise in the successive defeats inflicted on the war-mongers as in the earlier rejection of the plans for German rearmament and the powerful protest raised by European workers at Leipzig it is because the WFTU stands foremost among the organisations fighting for peace and the elimination of the danger of war. The struggle for the liberation and independence of subject peoples finds in the WFTU its most ardent supporter.

The tenth anniversary of the WFTU should not become an occasion merely to pay formal tributes. Such tributes, however sincere and hearty, can never be adequate enough. Trade Unions will naturally be eager to send messages of greeting and solidarity, but the real tributes that they can pay are the concrete instances of unity achieved among workers, of victories won in united struggles, of participation of workers belonging to different unions in common mass activities. The meeting of the Executive Bureau of the WFTU decided when it met in Moscow last May that the tenth anniversary should mean "a step forward" towards unity - a further intensification of the efforts that have to be ceaselessly be made to demolish every barrier to unity.

The AITUC has already directed affiliated unions to observe October 2-9 as WFTU Week and indicated the following programme:

2nd October	-	Unity Day
3rd "	-	Trade Union and Democratic Rights Day
4th "	-	Demands Day
5th "	-	Unemployment Day
6th "	-	Women Workers' Day
7th "	-	Peace Day

8th October	-	Goa Day
9th "	-	WFTU DAY

(A change has been made from the programme suggested earlier in regard to 6th October in view of the International Conference on Women Workers which will be called under WFTU auspices next year, for which preparations are already affot).

It should be our effort to bring in the largest possible number of workers in observing these days, to educate them in the aims and ideals of the WFTU, its record of past activities, its role in the promotion of international solidarity among workers and in the fight for peace, freedom and democracy.

Comrades will, no doubt, wish to make use of the opportunity provided by the General Council session at Indore to discuss the best methods for organising the WEEK. We must ensure by our activities in this respect that the observance of the week does assume a truly mass character and that we do not allos the particular affiliation of a union to interfere with our reaching that objective.

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B O N U S   A W A R D S

Since recently there have been some pronouncements of the Supreme Court and Tribunals on the question of Bonus, adverse to workers' interest.

The AITUC Secretariat requested some of the Comrades working in the field of Trade Union Law to give us in a short treatise the position on Bonus as matters stand in fact and in law and the trends of development.

Herewith, we are circulating for information a note sent to us by Comrade K.T. Sule of Bombay.

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BONUS AND THE L.A.T. DECISIONS

The wage-structure in India is characterised by four distinguished traits: Firstly, wages do not stand and never stood at any of the three known levels viz. the minimum, the fair or the living wage level. They have always been standing at the line of 'primary poverty'. Wages in India never correspond with the actual material and social needs of the worker. They are paid as a consideration secondary to the main purpose of the grabbing of profits by the employer and are sometimes raised as an unavoidable measure, when the hitting strength of the worker is felt by the employer or the State.

Secondly, where wages are paid on the 'Payment by Results' basis, they are never paid in the right proportion of the increased production. The minimum target or norm is always much above the normal production, any result below this norm is treated as go-slow and misconduct, while any production above the norm, remains partly unpaid either directly by fixing a low additional rate or indirectly by showing the production as distributed in the team-work.

Thirdly, wage-differentials are not arrived at scientifically and the difference in the minimum and the maximum wage either of the same category or different categories, is always very steep even though the maximum may be itself quite low. This difference or height is merely a camouflage to tell the skilled worker that he is being paid very much more than the unskilled worker. The reality is that the skilled worker is not paid adequately for his skill while the unskilled worker so called, is not paid for the full labour he puts in his work. At both ends thus there is naked exploitation.

Fourthly, real wages in terms of their purchasing power, have been continuously going down from 1901 at least, even if reliance is placed upon the palpably unreliable official wage-returns commencing from 1873.

A general rise of prices began to take place about 1860. With the suppression of the 1857 Revolt and the transfer of the administration to the Crown, "there commenced a new era of commercial and industrial activity, as the resources of the country were developed by the construction of roads and railways, the improvement of harbours, and the extension of irrigation"---(Imperial Gazetteer of India, The Indian Empire, Vol.III p. 457). This was really the era of the imperialist ravage of a Colonial Country.

The following tables illustrate how the wages never kept pace with rising prices. The first table shows average prices for certain main cereals and the second table shows average monthly wages in rupees of a mason, carpenter or blacksmith ---a typical industrial worker. It must be remembered that prices upto now have never reached a uniform level from State to State and wages shown are averages of urban and rural earnings:

T A B L E - I

Average for the years.	Quantities sold per rupee in seers.				
	Rice	Wheat	Jowar	Bajra	Gram
1861-1865	20.0	22.4	26.5	24.8	26.0
1866-1870	16.1	16.2	21.9	19.9	18.4
1871-1875	18.2	19.7	26.8	23.0	23.6
1876-1880	14.5	16.9	21.1	19.3	19.9
1881-1885	16.9	19.9	28.5	25.0	25.6
1886-1890	14.7	16.3	21.5	19.6	19.8
1891-1895	12.7	14.9	20.1	18.0	18.5
1896-1900	11.7	12.1	16.5	15.3	13.5
1901-1903	11.6	14.5	20.6	19.1	16.5

Prices during 1901-1903 - a period of good harvests of wheat, jowar, bajra and gram were lower than those of 1896-1900 while that of rice, the staple food of workers in Bengal, Madras and Bombay showed a rise due to excessive exports of the cereal. In any case however, prices of 1871-5 being equal to 100, the prices of 1901-3 were 140.

T A B L E - II

Average monthly wages in rupees of a Mason, Carpenter or Blacksmith.

---IN RUPEES---

Province	1873-5	1876-80	1881-5	1886-90	1891-5	1896-900	1901-3
Bengal	7.6 to 11.6	7.7 to 11.3	8.0 to 12.0	8.6 to 12.8	9.0 to 14.1	10.2 to 14.6	11.4 to 15.3
Agra	9.8	8.9	8.2 to 9.3	8.4 to 10.6	9.7 to 10.8	8.8 to 9.6	8.9 to 10.3
Oudh	7.1	7.4 to 7.9	7.6 to 8.1	7.5 to 10.1	8.7 to 10.4	6.9 to 7.4	6.8 to 7.4
Punjab	12.7	14.1	14.8	15.7 to 16.1	16.4	18.5	18.5 to 20.2
Madras	12.7	13.0	13.7	13.3 to 13.9	13.6 to 15.2	13.6 to 15.6	13.5 to 15.4
Bombay	19.1 to 23.8	19.3 to 23.3	19.9 to 24.2	20.4 to 25.0	19.2 to 24.7	18.7 to 25.5	17.7 to 22.8
Central Province:	12.4	13.0 to 14.4	14.4 to 15.3	12.0 to 13.9	12.2 to 15.5	11.8 to 12.8	12.9 to 13.7

Prices of cereals in 1955 are over ten times those in 1901-1903, while gross wages have not increased even by five times. A single example can prove the point. In 1901-03, rice was selling in the city of Bombay at a rate of 11 seers to a rupee. Today in August 1955, it is selling at 1.5 seers to a rupee. The monthly earnings of a Blacksmith in Bombay factories in 1901-03 stood at about twenty rupees. Today the earnings are about a hundred rupees (Rs.45/8 basic wages and Rs.55/- dearness allowance).

A careful comparison between prices and earnings will reveal the outstanding fact that the rate of exploitation and reduction of real wages have been the greatest in metropolitan cities like Bombay and Calcutta.

In the domain of Industrial Relations, the minimum wage, the fair wage and the living wage are still vague social concepts. Earnest wage-investigators have despaired of settling with any degree of precision these standards in any particular locality. The difficulty arises not only because of factual data not being readily available but also because of the uncertainty of choosing 'a given standard of living as a yardstick and measure existing wage-rates and earnings against it'.

The one concrete fact that survives out of all this chaos, is the objective fact of worker's under-nourishment, loss of productive capacity and rapid extinction of a healthy race.

The Minimum Wages Act of the Central Legislature is applied to various industries by several State Government. The net result of the application of this Act has been to stabilise not a minimum wage but a fodder-minimum wage and to handicap sympathetic Industrial Tribunals from raising this absurd Statutory Minimum.

Five years of the working of the Indian Constitution has made no improvement in this situation and the Directive Principle of State Policy that "the State shall endeavour to secure, by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities....", remains a dead letter. The State is not only doing nothing to apply this principle in making laws, it is actually allowing institutions like the Supreme Court and the Labour Appellate Tribunal to defeat the principle which is declared by the Constitution itself, among other principles, as 'fundamental in the governance of the country'.

An analysis of some of the decisions of the L.A.T. and the Supreme Court about bonus will make this position clear.

In May 1950, the labour Appellate Tribunal of India was constituted by a special Act called 'The Industrial Disputes (Appellate Tribunal) Act, 1950'. This



This Appellate Tribunal was empowered to hear appeals from awards and decisions of lower Tribunals, in the matter of wages, dearness allowances, bonus, etc.

The declared aim of the Government of India in constituting this Tribunal was to establish a uniformity in the Industrial Awards and decisions and set up uniform standards in the World of employer-employee relations. If any institution has been so completely abortive of the very objects of its creation, it is the Labour Appellate Tribunal of India. The various ~~xxx~~ Benches of the Labour Appellate Tribunal sitting at various places in the country have no co-ordination with each other, no concatenation of ideas nor a uniformity of attitude on industrial problems. During the course of five years of its existence, the Labour Appellate Tribunal has produced not only on the question of bonus but on every other industrial problem, only a bewildering maze of contradictions. The decisions do not lead to a uniformity of standards or understanding but actually create a mess and confusion in the settlement of industrial disputes. In their own arrogance as a superior Tribunal, the members of the Labour Appellate Tribunal have unceremoniously traduced long established practices in the various States in relation to industrial disputes and the upsetting of these practices has hardly ever been on the side and in favour of the workers. The recent trend of the Labour Appellate Tribunal's decisions has been so pronouncedly anti-working class, that the I.N.T.U.C., the very progenitor of this Tribunal has demanded its immediate abolition. No quasi-judicial authority in India has brought itself into such rapid disrepute as the Labour Appellate Tribunal. There undoubtedly, are a few decisions of the Labour Appellate Tribunal which are highly progressive and exceedingly commendable from the working class point of view. But they are exceptions and they are decisions of one or two members of the Labour Appellate Tribunal who were openly sympathetic to the working class aspirations (Punjab National Bank - 1952 II.L.L.J.648; Mill Mazdoor Union - 1951 I.L.L.J.447) Other Benches of the Labour Appellate Tribunal have consistently refused to follow these progressive decisions (Kali Prasad V/s Broke Bond - 1954 I L.L.J.163; Textile Mills, M.P. - 1952 II.L.L.J.624)

Before we proceed to analyse the L.A.T. decisions on Bonus, it would be more convenient to trace the history of bonus payments in India. Bonus today forms an inalienable part of a worker's wage and it is this aspect that the L.A.T. and the Supreme Court in its recent judgment in the Muir Mills case, have tried to demolish.

Payment of bonus once a year in addition to the regular monthly wages has been a peculiar feature of the Indian Working Class wages. The practice has been age old and with rising prices and diminishing wages, the worker has been fighting for bonus as a necessary part of his amoluments.

Denying an adequate wage to the workers, an employer in those old times, would be payment of a bonus, try to impress upon his workers how generous he was and how in spite of workers not having given him complete satisfaction, he, like a good father was giving them a Bakshis by way of bonus. A large number of textile millowners in Bombay used to give their workers in the late nineties or in the beginning of the twentieth century, a week's wage or half a month's wage as bonus at the time of Diwali. European firms in Bombay sometimes used to give it in the shape of a Christmas Gratuity. European Jute Millowners in Calcutta and certain Marwari employers would be giving a bonus known as the Puja-Bonus. In Bombay as elsewhere, this Bakshis never remained unpaid by the ~~xxx~~ workers. The Seth's son would be marrying or the Seth's daughter would be getting a son; gifts would be flowing from the workers to the Seth's bungalow anyway.

The first World War brought in its wake a rare awakening in the Indian working class and it ushered the age of the Indian trade union movement. The successful Socialist Revolution in Russia and the defeat of imperialists in Germany by the imperialists in Britain and France saw also the beginning of a freedom struggle by the Colonial peoples of those imperialist powers. By 1919 India was convulsed by a large number of peoples' movements on different fronts. The freedom movement was attaining the broadest possible basis amongst the people. The working class was not behind in this from the other sections of the people. It was the most war-hit class and though still unorganised was staging a number of fierce strike battles for improvement of its own economic conditions.

To offset the rise in the cost of living due to war, the workers began claiming a wage-rise straightway or a dearness allowance apart from the basic wage. The extra bonus which the workers in a number of factories had been used to get in the past, was merged with the basic wage by a large number of employers and was declared to be the new wage of the workers.

After

After 1919 however, struggles both for higher dearness allowance as well as a separate bonus, actually began to take place. Industries had not developed then in India, as now. Heavy and basic industries had hardly been started. There was no Engineering Industry to talk of and the textile industry - a light and secondary industry in itself - was looked upon as the principal national industry of India. It was but natural in the state then existing, that the first class battles of the Indian working class, should have been the battles of the textile workers. The textile bourgeoisie had reaped super-profits but had denied to the workers even a paltry wage-rise. It is on record that in the year 1917, with twelve hours work-day, a number of textile workers were paid at the rate of eight to ten rupees a month. Struggles broke out in rapid succession. In the City of Bombay alone, in the second half of 1917, there were 45 strikes in the textile industry. These strikes won for the textile workers of Bombay an aggregate rise of 15 p.c. in their wages. It is true that the official cost of living Index then showed a rise of more than 54 p.c. over the pre-war cost of living. In January 1919, the entire textile industry of Bombay was for eleven days in the grip of a total strike. The wave rapidly spread to docks, railway workshops, Government Mint and few engineering workshops that had by that time arisen in the city. Completely lacking a centralised organisation or even a central leadership and depending mainly on their own elemental strength, the textile workers secured from the most powerful employer-class, a wage increase of 55% to those on fixed wages and 75% to those on piece rates. The January 1920 strike secured for the workers two outstanding gains. First, in spite of the provisions of the Factories Act for a twelve-hours day, the Bombay textile workers won a ten-hours day and second, in lieu of one month's paid leave demanded, a month's bonus. Under a relentless pressure from the workers, the wage increase was improved further in November 1920 from 55% to 75% to those on fixed wage and from 75% to 80% to those on piece rate. In July 1923, the Bombay Millowners' Association declared that the textile industry was suffering a set back and that the period of war-boom had ended and depression had set in. This was of course a bogus cry, for during the four years of 1920 to 1923, the Bombay textile industry with an invested capital of 19 crores of rupees had earned a declared profit of 23 crores. The cry of depression was a purposeful cry. The Bombay Millowners had seriously been considering the question of stopping the ~~the~~ practice of the annual bonuses to the workers, because by that time the workers had already begun to look upon bonus as an essential part of their wage and had resolutely refused to look upon it as a bakshis or an ex-gratia payment. The declaration by the Millowners Association of its intention to stop the annual bonus brought the textile workers again on the streets. By 17th January 1924, the general strike was already on. The Government was not slow to step in the struggle on the side of the employers. On the 22nd February 1924, the Government of Bombay declared the appointment of a Committee under the Chairmanship of Justice Macleod, the Chief Justice of the Bombay High Court, to enquire into the question of the textile ~~workers'~~ workers' claim for bonus. The Macleod Committee as was expected, expressed the opinion that the workers had no legal right to claim bonus. After examining the basis of bonus which was paid to the mill-workers for five years since 1919, the Committee said that "the mill workers have not established any enforceable right to the payment annually of a bonus". The Committee had however to admit that the claim of bonus "is a question of bargaining between the workers and the employers in which consideration might be given to principles of equity".

After untold depression, terrorisation and treachery on the part of certain self-styled leaders of the workers, the struggle was given up. Bonus ceased to be a part of the wage. The Bombay textile workers by reason of the stopping of their annual bonus suffered a wage-cut of about 8%.

The question of bonus again assumed serious proportions after the outbreak of the Second World War. Profits were mounting up and the cotton textile, cement, chemicals, jute and other industries were making each year more money than their entire invested capital. The Bombay textile workers again took the lead and after a gigantic strike-battle of forty days won for themselves and for the rest of the workers in other industries, a war dear food allowance briefly known as dearness allowance. On the official cost of living index basis, the dearness allowance given to them neutralised the rise in the cost of living to the extent of 75%. The neutralisation according to our estimates was roughly near 50%. On Government recommendation, the millowners again started giving an annual bonus. The struggle for more bonus came to the forefront again in the year 1943 in the city of Bombay. It was in this year that both the sides began taking concrete positions on the question of the Character of Bonus. The workers claimed that bonus was a deferred wage, that they had an indefeatable right to it profits or no profits, that in a year of prosperity the quantum of bonus must be related to the amounts of profits made, that in a year of poor prosperity or no prosperity, bonus must be given out of reserves and that bonus being a part of the wages, has priority over

over dividends, taxation, rehabilitation etc. The employers claimed that (1) workers had no legal claim to bonus, (2) bonus was a voluntary or ex-gratia payment made by the employers in their own discretion, (3) quantum of bonus had no arithmetical relation to the profits and higher profits did not mean higher bonus and (4) industry could not afford to pay more than a month and half pay as bonus in the year 1943.

Referring to this, Prof: Wadia in his 'Our Economic Problem' has this indictment to make against Indian Employers: "Indian employers and capitalists have always urged the plea that whilst they were sincerely anxious to improve these conditions of Indian labour, their anxiety to improve these conditions was limited by their anxiety to earn profits. The capacity of the industry to bear was to be their criterion for determining what they might do for improving the conditions of labour...."

To charge commissions as Managing Agents equivalent at times to total profits, to distribute dividends at rates varying from 15 to 20 and 30 p.c. and then to urge the plea of "What the industry can bear" is only possible in a country where public opinion does not exist and where labour is not sufficiently well organised". (P.358, 1943 Edition).

Between 1943 and 1946 under the provisions of the Defence of India Rules and from 1947 onwards under the Industrial Disputes Act, hundreds and hundreds of bonus disputes were referred to adjudicators and Tribunals by Provincial Govts.

Rarely in the awards of these adjudicators, an attempt was made to discuss or decide the nature of the workers' claim to bonus. All that the Tribunals did was to find out what small sum could be given to workers from the profits of the concern.

Some adjudicators actually took the strict juristic view of "any explicit or implied promise to pay bonus as the basis of the ~~claim~~ claim". A few exceptions to this reactionary attitude can certainly be quoted. Justice Chagla (as he then was) in his award in the General Motors dispute, observed: "It is almost the universally accepted principle now that the profits are made possible by the contribution that both capital and labour make in any particular industry, and I think it is also conceded that labour has a right to share in increased profits that are made in any particular period".

For the first time, in a sense, in the year 1948, the Industrial Court, Bombay declared in unequivocal terms "that the jurisdiction for such demands as industrial matter arises specially when wages fall short of living wage standard and the industry makes huge profits, part of which are due to the contribution which the workers make in increasing production, the demand for a bonus is therefore an industrial claim when either or both these conditions are satisfied. It is to be remembered that adequate wages and dearness allowance, if any, for increased cost of living are the first charge on industry but the workers may reasonably ask for a bonus when there are enhanced profits, when dividends are paid out after providing for taxation and depreciation, specially when their wages are below the living wage standard".

This view was endorsed by an Industrial Tribunal appointed by the Government of West Bengal in connection with an industrial dispute between the employers and employees of 36 cotton mills.

Shri D.G.Kamerkar, an ex-President of the Industrial Court, Bombay as Tribunal in the Mazagoan Dock dispute went a step further and held that "the claim of the workmen for a bonus so long as the living wage standard has not been attained, will remain justifiable and it must have precedence over items of cost such as the Managing Agents' remuneration and commissions, taxation provision and all reserves other than for depreciation and general reserves".

In a later award in the bonus dispute in the entire textile industry in Bombay, the Industrial Court, Bombay, clarified the position still further:

"Such a demand derives its strength where the living wage standard has not been reached, from a feeling of deficiency in the means to attain the necessary standard of living. Therefore bonus in such circumstances no doubt serves as a temporary satisfaction, wholly or in part of his need. Theoretically adequate wages and dearness allowance ~~is~~ should be the first charge on the industry. Labour as well as the working capital employed in the industry both contribute to the profits made and both are therefore entitled to claim a legitimate return out of the

of the profit and such legitimate return so far as labour is concerned must be based on the living wage standard. It is however to be remembered that a claim to bonus might be admissible even if the living wage standard were completely attained. It may therefore be stated that so long as the living wage standard has not been attained the bonus partakes primarily of the character of the satisfaction, often partial and temporary, of the deficiency in the legitimate income of the average worker in ~~an~~ an industry and that once such income has been attained it would also partake the character of profit sharing. Owing to this dual character of bonus it would be a mistake to regard a demand for bonus as a demand for profit sharing pure and simple. Even if it be held as the Committee on Profit sharing have held, that profit sharing on a fifty-fifty basis would be equitable, it would be proper, in our opinion, when the living wage standard has not been reached, for labour to demand even a greater share after the gross profits have been reduced by depreciation, reasonable reserves and dividend and suitable provision for taxation".

In this situation of the bonus question the L.A.T. was constituted in May 1950 and the very first appeal it decided was regarding the bonus dispute of the Bombay Textile Workers.

Every lower Tribunal~~s~~ feels itself bound by this decision of the L.A.T. and ever since 1950, it is this L.A.T. formula about bonus that holds the field.

The five years working of this bonus formula has demonstrated the devastating nature of the formula itself. The L.A.T. however was not satisfied with laying down the absurd, unscientific and anti-working class method of adjudicating upon a demand for bonus, it went on modifying it Bench by Bench, adding more and more fetters on the possibility of workers winning a bonus even though enormous profits would be made by the employer.

Posing as Industrial Peace Prophets, the Full Bench of the L.A.T. consisting of all the first five members appointed to it, set itself to the task of formulating definite principles relating to bonus in these words:

"Without doubt principles are necessary in order to serve as guide for future years, as that is likely to lead to a uniform practice and to promote harmonious relations between capital and labour and ensure industrial peace, things which are very desirable and which would tend to increase production, which the welfare of the nation urgently requires". Industrial peace, harmonious relations, increase of production - very tall order indeed for this infant terrible!

The very first thing the Full Bench of the Labour Appellate Tribunal did was to refuse to treat individual units in one centre as one industrial unit and began differentiating between profit making units and loss making units in the same industry in the same locality.

Before we actually go to see what those principles about bonus are according to the L.A.T., it would be both amusing and instructive to learn what Shri H.V. Divatia, the First President of the Industrial Court, Bombay, and by far one of the most erudite of the Industrial Law Judges in India has to say about this L.A.T. Formula. Giving his Award as an Umpire in the 1952 Ahmedabad Textile Bonus dispute, Shri Harsidhbhai Divatia observes as follows:

"Ever since the former practice of taking all the mills in one centre as one unit for the purpose of determining the bonus, was given up, there has been dissatisfaction on both sides on the bonus question every year and in my view this change as well as the formula set up by the L.A.T. have made the bonus issue a very complicated one resulting in bitterness on both the sides instead of promoting peace and harmony between the employers and workers. I hope the whole matter is reconsidered at the highest level"

The 'definite' principles about bonus laid down by the L.A.T. may be now summarised:

- (1) Bonus is not an ex-gratia payment as, if resisted, the claim to it gives rise to an industrial dispute.
- (2) Where living wage is paid, bonus becomes a cash incentive to greater efficiency and production.
- (3) Where industry is stabilised and can be counted upon to pay a living wage, the same should be paid preferably to a bonus.
- (4) Where capacity varies from year to year and the industry cannot afford to pay a living wage, bonus may be paid as a temporary satisfaction wholly or

wholly or in part, of the needs of the employees.

- (5) As both capital and labour contribute to the earnings of the industrial concern, it is fair that Labour should derive some benefit, if there is a surplus after meeting prior or necessary charges.
- (6) First charge on gross profits should be the amount of money required for rehabilitation, replacement and modernisation of plant and machinery.
- (7) Statutory depreciation must be allowed.
- (8) Fair return on paid-up capital must be allowed.
- (9) Fair return on reserves employed as working capital must be allowed. This return may be lower than that on paid up capital.
- (10) If reserves have been capitalised and issued as bonus shares, that must be treated as capital.
- (11) If residuary surplus is larger, the concern should give a more liberal bonus.
- (12) The profit out of which bonus is to be paid must not be unrelated to the efforts of the employees.
- (13) Loss-making units in the same industry in the same locality must be exempted from payment of bonus.

During the course of five years of the application of these principles to the payment of bonus, a number of other spurious considerations to exclude have been brought into play by the various Benches of the L.A.T. And these principles have been extended or enlarged sometimes so as to make a residuary surplus impossible to appear at the end of the calculation. It was not for nothing therefore that Shri Divatia, one of the most eminent of India's Industrial Arbitrators felt the necessity of calling upon the Government of India to reconsider the L.A.T. bonus formula at the highest level.

It should suffice in this note to very briefly record how these principles have worked against the interests of the workers in winning a bonus:

(a) The first principle that bonus is not an ex-gratia payment is by itself bereft of any positive result for the workers and coupled with some of the principles stated later on, becomes completely negatory and sterile.

(b) The principle that on the living wage stage being reached, bonus becomes a cash incentive is a mere idle hypothesis. The L.A.T. in later decisions has actually held that bonus should never be allowed to be paid as after the living wage is reached, it partakes the nature of profit sharing. Profit-sharing is a taboo to the L.A.T. (Firestone Tyre & Rubber Co.'s dispute).

When disputes about wages reach the L.A.T. it lays down the inexorable rule that wages strictly depend upon the capacity of the industry, that they should never be paid at a higher rate than what comparable concerns pay, that wages in the locality must be consulted and that they must not create a problem in the industry and should be related to the level of national income. It should be apparent even to the most blind that this is nothing but the employer's doctrine of no "living wage".

(c) The principle that bonus is a device to bridge the gap between the living wage and the actual wage and that it is temporary satisfaction of the employees' needs, has been observed by the L.A.T. more in its breach than in its practice.

In the case of the Associated Cement Co. - the Cement monopoly in India, the L.A.T. frowned with disfavour upon the original Tribunal which had objected to the company's giving three months bonus to officers drawing Rs.1,000 to Rs.2,000 per month and refusing to give a little more bonus to workers drawing Rs.26 per month. The L.A.T. said that the officers provide the concern with brain and talent, and they also require a bonus for encouragement and incentive. It reduced the four months bonus given by the lower Tribunal to workers and subordinate employees and brought it to three.

In the case of International General Electric Company - the Indian Subsidiary of the American mammoth G.E.C., the L.A.T. reduced four months bonus given by the lower Tribunal to two months even though the profits of the year were exactly equal to the entire capital. The reduction was made on the ridiculous ground that the salaries of the clerks would be in the eighth year of their service, equal or a little more than the clerical salaries of the Petroleum companies. Not even the faintest attempt was made to determine what should be the

should be the living wage of middle-class employees in Bombay and what was the actual gap between the living wage and the present wage. This case is a flagrant repudiation of the principle that where there is a larger residuary surplus, a more liberal bonus should be paid.

(d) A trump card in the hands of the employers is the principle of prior charges. A Bombay Tribunal before the constitution of the L.A.T. had held that if bonus could not be paid out of profits, it should be paid out of reserves. Negating that principle, the L.A.T. as a matter of fact ruled that no bonus can be claimed unless certain prior charges are provided for. To restate, these prior charges are (1) Statutory Depreciation, (2) Taxation, (3) Rehabilitation Requirement, (4) Return on Capital, (5) Return on reserves employed as working capital, (6) Reasonable Gratuity and other reserves.

No sooner these items became prior charges, the employers began claiming higher and higher amounts towards them.

How is the Rehabilitation and replacement charge to be ascertained? The L.A.T. without calling for expert evidence or appointing assessors to determine what would be the requirements of the Bombay Textile Industry for replacing old machinery, straightway proceeded to allow a multiplier of 2.7 to the original cost of machinery and further held that the textile machinery would require complete replacement within 12 years from 1949. It is a known fact that in several centres in India textile mills started in 1890's have still been working without much replacement. It is further known that during 1917 to 1926 and 1934 to 1943 several Bombay mills had replaced old machinery by latest and highly improved type of machinery. The Platt Commission and the Working Party (cotton) appointed by the British Govt to ascertain the future of the British textile industry, have admitted that a reliable forecast of textile machinery prices could not be made by them. The L.A.T. of course could rush where more competent persons did not dare to tread.

In later decisions as in the A.C.C. and Ruston and Hornsby cases the L.A.T. without the slightest hesitation accepted the figures quoted by the employers for rehabilitation.

The A.C.C. claimed more than Rs.25 crores for rehabilitation to be spread in ten years. Even the dullest man could see that where a seventy-five year old textile industry was given a spread over of 12 years for rehabilitation, a thirty to forty years old cement industry with ten times more sturdy machinery ought not to ~~not~~ require such a short spread over of 10 years. But the L.A.T. would be failing in its own role of guardians of industrial prosperity if it would not grant what the cement lords would demand. The A.C.C. decision is by far the worst pro-employer decision in the dark train of numerous L.A.T. decisions. And this decision has not come in the absence of any consciousness on the part of the L.A.T. that the employers after the first L.A.T. decision, have been claiming fantastic sums as rehabilitation charges. In the Alcock Ashdown and Metal Box cases the L.A.T. has itself observed that: "Concerns had become rehabilitation conscious after the full Bench decision and claims for rehabilitation were expanding".

In the context of today's situation, it has become absolutely necessary that the Govt. of India appoint expert commissions or working parties to investigate the question of rehabilitation in all the major industries at least.

In the A.C.C. case cited above, not only did the L.A.T. not reduce the rehabilitation claim of the company, it refused to distinguish between rehabilitation and expansion. During the course of the forty years of its existence, the cement industry has witnessed booms after booms. Share-holders have been given considerable bonus-shares, the block has increased and the total production has gone up. The workers' minimum wage however still remains at Rs.26/-.

(e) In the bonus calculation, the L.A.T. allows the employer to deduct from profits the full statutory depreciation whether or not the employer himself provides for it in his profit and loss account. Till recently the L.A.T. allowed in the Statutory Depreciation the initial as well as special depreciation. The Incometax Act provisions on this point of initial depreciation are clear. The depreciation cannot be charged to the revenue. The L.A.T. however would allow it thereby reducing the net profits and available surplus out of which bonus is supposed to be paid.

(f) The L.A.T.'s idea of a fair return on paid-up capital is the minimum of 6% dividends free of incometax. In many cases it has permitted even higher dividends. A very important question arises regarding capital in the case of foreign concerns having merely production or business branches here without any

any capital issue. What should be presumed to be the capital of such concerns? The foreign concerns in bonus disputes claim the full assets as share capital. The L.A.T. has avoided giving a straight decision on this point. However in the case of Army and Navy and British Insulated Callender Cables cases the L.A.T. seems to be treating all the assets as at least part capital and part reserves deserving a return of not less than 4%.

(g) The L.A.T. in its first decision allowed a return of 2% on reserves employed as working capital in the textile industry. Ever since then, the L.A.T. has raised it to 4% in the textile industry itself but in centres out of Bombay.

The L.A.T. failed to define what are reserves employed as working capital and the employers have been prompt in making use of it. The employers now claim a return even on assets which cannot be called reserves at all.

(h) As regards bonus shares, the L.A.T. in the Ganesh Flour Mills held that a return little less than 6% should be allowed on such capital. Other Benches of the L.A.T. however treat the bonus (shares) capital exactly as the cash capital and give them 6% return as normal capital. The tendency therefore obviously is to reduce the profits by allowing higher and higher returns to employers.

(i) The L.A.T. in its first appeal held that where there is a large residuary surplus, a more liberal bonus should be given. This principle has been now given up on the ground that a large bonus will smack of a profit-sharing bonus and should not therefore be awarded. An ingenious argument has been advanced by the L.A.T. against large bonus as in these words: "Bonus....is intended to supplement wages and not to double or multiply it, for wages are not fixed solely on the capacity of a concern to pay. Care must also be taken to see that the bonus which is given is not so excessive that it creates fresh problems in the vicinity, that it upsets emoluments all round, or that it creates industrial discontent and the possible emergency of a privileged class. Furthermore we must not be unmindful of the impact of an unduly high bonus on the community as a whole". (Burmah Shell dispute).

Profits in India are not still ceiled. During the war-time and thereafter employers made crores and crores of rupees of profits. The concentration of wealth in the hands of the few did not perturb the Govt., nor the L.A.T. during 1950-55 as regards the possible impact on the community as a whole. The apprehensions stir the L.A.T. only when the question of a high bonus comes up. However high a bonus amount may be it gets dispersed into the hands of thousands of workers and is not at all likely to have any impact on the society. This principle of not giving high bonuses is now being systematically used even by lower Tribunals in bonus disputes against the workers' interests.

(j) The principle that for the purpose of bonus, the profits of the concern must have some relation to the effort of the workers, has produced some queerest decisions from the L.A.T. In Kanti Cotton Mills - a case from Saurashtra - the Bombay Bench held that profits from the sale of cotton waste produced in the textile mills are not related to the effort of the workers and therefore these profits are extraneous and should be excluded.

Cotton waste is a bye-product in various operations necessary for the process of spinning. During war and sometimes even before that, certain textile mills preferred producing more cotton waste than yarn, as cotton waste brought more profits.

The 'profits unrelated to the effort of the workers' doctrine has been also extended by the L.A.T. against the workers claim for bonus, in various ways. The clerk's efforts are rated by the L.A.T. as inferior to those of the production workers and therefore in the oil concerns, the L.A.T. has proceeded to give lesser bonuses to them than to the workers. The role of distribution is intimately connected with production and the L.A.T. without understanding the role of commercial wage-earners as Marx called the clerical workers, has done them unjustified injustice.

The instances cited above are sufficient to show the untold harm caused by the L.A.T. decisions on bonus, to the toiling workers of India.

Wherever a Bench of the L.A.T. holding a progressive or sympathetic approach to the workers' case would be deciding in their favour, either the decision is not followed by other benches or the decision is got quashed by the employers in some other way. In the Muir Mills Case (I. L.L.J. 1951 p. 447) the Lucknow Bench held that while ordinarily bonus was dependent on trading profits for the year,

the year, consideration ~~xxxx~~ of social justice should not altogether be excluded from consideration and in view of the high dividends paid even during the year of loss, the L.A.T. allowed the union's claim at annas four in the rupee.

The mills immediately appealed to the Supreme Court and though no question of law was involved in the appeal, the Supreme Court admitted the appeal on the ground that under Article 136 of the Constitution, the Court was vested with exceptional and over-riding powers to interfere where it reached the conclusion that a Tribunal had not given a fair deal to a litigant.

The Supreme Court quashed the decision of the L.A.T. granting a bonus to the workers and held that the considerations of social justice imported by the L.A.T. in arriving at the decision in favour of the workers were not only irrelevant but untenable. The Supreme Court said: "Social justice is a very vague and indeterminate expression and no clear-cut definition can be laid which will cover all the situations".

All social concepts are always vague in the beginning, it is their practice that makes them concrete and clear-cut. So was the concept of natural justice. And so was the concept of Democracy. The Supreme Court if it was so minded or moulded could have certainly succeeded in defining it for guidance of the Indian people but it did not. As the Supreme interpreter of our Constitution, the Judges ought to have taken upon themselves to find out what was meant by such words as "a living wage", "a decent standard of life", and "full enjoyment of leisure and social and cultural opportunities" contained in Art.43 of the Constitution itself. How did the Supreme Court decide that the Tribunal had not given a "fair deal" to the litigant Mills? Is "fair deal" less vague and more tangible than "social justice"?

The Supreme Court has in the Muir Mills decision laid down certain most disastrous principles. It holds that bonus is not a deferred wage, that dividends have a precedence over bonus, that workers have no claim to reserves of a concern and that even on a winding up of a company, the employees in no event would be entitled to any share or interest in the assets and capital of the company.

Time has come when this decision will have to be defeated by legislation on the subject. Reserves are built out of profits which are the fruit of the workers effort. A juristic view of the type reflected in this decision is not at all expected to result in industrial peace or "fair deal" to the workers.

We must therefore resolutely move to get the Government committed to a policy in which the principles of bonus are restated in the interest of workers.

The Indian worker cannot give up his claim to bonus so long as he does not reach the stage of a real living wage and even after reaching that stage he will not give up his right to share in the prosperity of his employer as that prosperity is mainly the workers creation.

The whole social picture today is disfigured by inequality. Poverty is made to consort with parasitism.

Dr. Shrikant Palekar, Director of Research Department of the Indian Tariff Board in his latest study of "Trends of Real Wages in India - 1939-1950" has this to say about workers' poverty:

"The poverty of the Indian working class as part of the poverty of the Indian people, is not a matter of opinion. It is a question of fact. This fact must be seen in order to be believed.

"The whole scheme of economic activity presents itself as a social tragedy to a student of economics. A humanitarian cannot, of course, fail to be moved deeply by this pitiable sight of struggle and frustration on the part, of this sizable section of the World's population. But even the most ardent admirer of a free enterprise system would be forced to recognise that the situation is fraught with the most serious danger to the stability of Indian Society.

"Mere philosophical generalisation on industrial relations and the important role of workers in the economy will serve no useful purpose. We have now to make a conscious effort to break the vicious circle of poverty in general and working-class poverty in particular. For we must bear in mind the well known dictum that the industrial proletariat is the spear-head of a Social Revolution."

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FOR INFORMATION

ON ASIAN SOLIDARITY.

AN APPEAL FROM THE INDIAN COMMITTEE FOR ASIAN SOLIDARITY

(43- Western Court, New Delhi)  
6th Sept., 1955

Dear friends:

The National Committee for Asian Solidarity is convening an All India Conference for Asian Solidarity at Hyderabad from October 14 to 16. We shall be very glad indeed if your organisation could participate in this Conference.

You will remember that a Conference of Asian countries was held in Delhi last April. The success of this Conference and the wide support it received from the leading persons of various political views and professions encouraged us to set up a National Committee for Asian Solidarity with a view to popularise the very valuable resolutions adopted by the Asian Conference.

Events have moved fast during the months since April. The Geneva Conference of the heads of the Four Great Powers has opened the path to real peace in the world. At present the Sub-Committee of the Commission of the United Nations on Disarmament is meeting and people in all countries are filled with great expectations at the possibility of an agreement being reached on these most crucial questions. At the end of October, the Four Foreign Ministers will meet and it is necessary for public opinion in every country to assert itself to ensure the success of this meeting.

The success of the Bandung Conference and the acceptance of the principle of Panchashila by several countries have given a lead for other countries to follow. There still remain several unsolved problems which must be solved. And many events have taken place on account of which new tensions have arisen. Our Prime Minister has called for a 'Summit' Conference to discuss Asian problems. We may give our support to this call and make an effort to prevent any breach of the peace and the armistice agreement in Indo-China and Korea. Threats are being held out already for the annulment of the truce of this area.

Several other Asian problems remain unsettled. Taiwan (Formosa) is still a source of tension and has not yet been returned to its motherland. The Chinese People's Republic continues to be debarred from its rightful place in the United Nations.

For us Indians, the violence and bloodshed being employed by the Portuguese against our people in Goa is a matter of the gravest concern.

On all these questions it is necessary that united Indian opinion should be expressed, not the view of one party or the other, but all our people together. Public opinion has already become a force, greater than that of any single Great Power.

But it is not only the political questions with which we shall be concerned at our Conference. The urge to know about the culture and the way of life of our Asian neighbours is at its highest pitch. There is so much we can do to spread knowledge and understanding, the desire for which is born out of the new Asian resurgence and the need for unity. The Conference must prepare a concrete programme of work in every state for cultural exchanges, for the publication, for instance, of text-books on Asia, for arranging study groups and lectures on the various aspects of the culture of Asian countries, etc.

In the economic field a number of proposals were made at the Conference of Asian countries for the promotion of trade, for the exchange of information, for concrete steps to raise living standards.

Under the head of social questions, in particular the questions relating to the status of women and the protection of children, there is again a great deal of work to be done.

In the scientific field, in a way a new era has opened with the holding of the Conference on the Peaceful Uses of Atomic Energy at Geneva. A Commission working for the exchange of scientific information, and other connected matters will undoubtedly be able to prepare a programme of work for our country. The above remarks have been made to give an indication of the broad outlines on which our conference can work.

Your suggestions will be most helpful and welcome. I shall be grateful for an early reply.

Yours sincerely,  
RAMESHWARI NEHRU

WORK OF THE AITUC CENTRE.

After the 24th Session of the AITUC held at Calcutta the office was shifted from Bombay to Delhi. Comrades Jose - typist, Krishnan - incharge of the technical work in the office; and Chitnis who was then working as the Office Secretary of the AITUC continued to work at Delhi. Comrades Mahendra Sen, and K.B.Panikkar, Members of the General Council, Satish Chatterji, Kalyan Roy, T.R. Ganesan and D.S. Patil volunteered to work in the Centre. Comrade Makhdoom Mohiuddin, Asstt.Secretary came to work in the centre from July 1954 and Comrade P.Balachandra Menon from September 1954. Comrade Chitnis was relieved in July 1954 for Sanatorium work in Betul. Comrade Kalyan Roy went to Calcutta in Novr 1954 in connection with Coal Tribunal work. Comrade Mahendra Sen was sent to Parasia in connection with Newton Chikkli disaster Court of Enquiry and then to Dhanbad to help in the setting up and functioning of the centre of the Indian Mine Workers Federation. He has come back to this centre since last week of Aug 1955. Com. D.S. Patil left the centre in the beginning of August due to personal reasons and Comrade T.R. Ganesan left due to ill-health. Com. Panikkar is now in Vienna, while Comrade Viswanathan who was working in the WFTU office for about ten months has recently joined the AITUC centre. Comrade Satish Chatterji is now working in the Road Transport front. At present besides the General Secretary Comrades P.Balachandra Menon (Asstt.Secretary), Mahendra Sen, Viswanathan, Jose and Krishnan are working in the centre.

The centre today is handicapped due to lack of sufficient cadre to cope up with the increasing work. Since last General Council meeting, the work at the centre has increased.

We took up the following issues with the Govt of India: Attack on T.U. Rights in the plantations of Coorg; Cement Works at Surajpur in Punjab; and Textile mills in Delhi, and in the State Collieries of Giridih. Victimization in Hindustan Shipyard; violation of T.U. rights in Asansol; Non-implémentation of Minimum Wages in various industries; and flouting of various awards by the employers.

Whatever representation came to AITUC, it was taken up, but it was found that there was little response when individual disputes were referred to the Govt. Even when such matters were taken up by our M.Ps, the concerned Ministers refused to take up individual cases and even the Speaker was not prepared to allow such questions in the Parliament.

AITUC made representations to the Govt. on industrial relations, planned wage structure, charter of T.U.Rights, amendment to Employees Provident Fund Act, Extension of the Provident Fund Act, to plantations and factories connected with plantations and amendment to Industrial Disputes Act.

Our Labour M.Ps in Parliament have moved the following amending Bills after consultation with the AITUC and in the case of Motor Transport with the National Federation also.

1. Industrial disputes (Amendment) Bill.
2. Factories (Amendment) Bill.
3. Workmen's Compensation (Amendment) Bill.
4. Motor Vehicles (Amendment) Bill.
5. Motor Labour Bill.

Comrade Satyapriya Banerji moved a non-official resolution in the Rajya Sabha asking the Govt to improve safety measures in coal mines and award deterrent punishment for violation of safety regulations. Comrade Majumdar moved a non-official resolution in the Rajya Sabha urging appoint of a committee of M.Ps to inquire into complaints of managements' interference with trade union activities of the plantation labour.

Innumerable representations were made to the Govts of Bengal, Assam, U.P., Punjab, Delhi, Bihar, Bhopal, Andhra, Madras, T-C State and Coorg on the violation of T.U.Rights in these States.

In T-C State the employers flout with impunity the provisions of the Minimum Wages Act. In the coal belts it is the victimisation of the trade union workers and goonda attacks on T.U. workers. In Madras it is the non-implementation of the awards, closure of factories and the miserable conditions of tobacco workers, in Punjab the demand is for the withdrawal of the police cases and reinstatement

of victimised textile workers of Amritsar. In Delhi and Corrg, the right of trade unions to organise and work without hindrance from the employers is being challenged. All these have been taken up with the concerned Governments by the centre.

The AITUC though it was not given any representation in the ILO Committees, or sub-committees under ILO, gave its views on such subjects as welfare facilities for workers, vocational training, on penal sanction for breaches of contract and unratified conventions.

The AITUC is not represented in the following committees constituted by the Union Government:

1. Industrial Committee on Coal Mines.
2. " " on Cement.
3. " " on Tanneries.
4. " " on Cotton.
5. " " on Jute.

Except in plantation we are not in any industrial committee and even in the plantation, we would not have been there but for the agitation we kicked up.

We were represented in the Minimum Wages Committees (Comrades Chopra from Punjab; Indrajit Gupta from Bengal and Balachandra Menon), Plantation Industrial Committee (Com. Satyan Mazumdar, M.P.), Indian Labour Conference (Com. P. Ramamurthy, Indrajit Gupta, S.Y. Kolhatkar, and ASR Chari), Industrial Housing ~~XXXXXXXXXXXX~~ (Comrades Manna from Delhi and Shantaram Pai from Mangalore), and in the Labour Panel of the Planning Commission (Com. S.A. Dange). Com. Balachandra Menon is in the Housing and Regional Planning Panel. Comrade Tushar Chatterjee, M.P. represents the AITUC in the Provident Fund Committee and Com. Deo Prasad Ghosh in the Tea Board. Com. Rosamma Punnose is now taken on the Rubber Board.

The following delegations on behalf of the AITUC attended May Day celebrations in various countries on invitations from their national trade union centres:

1. USSR - Comrades Ranen Sen, S.G. Patkar, Manoranjan Roy, Balachandra Menon, K.B. Panikkar and Sidhanta.
2. CHINA - Comrades Jyoti Basu, V.D. Deshpande, Mohd. Elias, K. Ramani, Gulabrao Ganacharya, and S.G. Lokhre.
3. RUMANIA - S.S. Mirajkar and Samuel Augustine.
4. CZECHOSLOVAKIA - Comrades Makhsoom Mohiuddin and Shatish Chatterjee.

The following TUI meetings were attended by the AITUC representatives:

1. MINERS' TUI - Comrade Narasimhan of Kolar Gold Fields. (also WFTU General Council)
2. TEXTILE TUI - " P. Ramamurthi.
3. LEATHER TUI - " Sailen Paul.

Comrade Robin Mukherji and Comrade P.V. Upadhyaya were nominated to the Engineering T.U.I. and Food and Tobacco T.U.I. meetings respectively. We are informed that Com. Robin was refused passport. And Com. Upadhyaya has not yet received passport.

Comrade S.A. Dange attended all the WFTU Executive and General Council meetings during this period.

The AITUC's influence ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ has considerably increased ~~ix~~ recently. The Regional and State Units are in touch with the centre when important problems face them. Often in the case of strikes and the tactics to be followed, the centre's advice and guidance is sought. But still the organisation is weak. The centre is looked upon to guide and advice only when very pressing problems or important strike actions ~~ix~~ face the Comrades. The unions and the Regional centres were not even able to furnish the required trade union statistics to the AITUC in time with the result we have not been able to furnish the Government with all the particulars they wanted. In spite of repeated Circulars and reminders comrades have not reacted. Out of 68 unions in Andhra only one union has given the particulars asked for. The Andhra PTUC has given us a ~~ix~~ full list of unions and total membership but the needed particulars are lacking. No union in Assam has given

of victimised textile workers of Amritsar. In Delhi and Corrg, the right of trade unions to organise and work without hindrance from the employers is being challenged. All these have been taken up with the concerned Governments by the centre.

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given the particulars, but the Assam PTUC has given us a list which does not contain the information we wanted. The Bombay PTUC has given a full list of unions and their membership but registration numbers and other particulars have not been furnished. Eleven unions from have sent the statistics fully. In Hyderabad only one union out of 49 has given the necessary information. South Kanara has given the list of unions and membership, but without the date and number of registration etc. Malabar has not given the list of unions, ~~xxx~~ so too T-C State. Six unions from Malabar and six unions from T-C State have given the information. Out of 242 unions in West Bengal only 15 have complied with our request. Gujerat has given a list containing all the particulars; so too Punjab. Rajasthan's particulars are for 1953-54. Seven unions from Tamilnad have given their membership figures and other details in full. Neither U.F. TUC or its unions have given us any information in this regard; so also the Madhya Pradesh TUC. One union from Madhya Bharat has given the required particulars. Orissa PTUC and unions are silent. Saurashtra's list contains the names and membership only.

Since Calcutta Session (24th Congress) 99 unions out of 925 have paid affiliation fees either in full or in part.

Only 23 unions have paid their subscription for T.U.Record. Four unions have paid half-yearly subscriptions.

Seven new unions have applied for affiliation out of which two unions in Malabar have applied without sending any affiliation fees.

The Committees of Andhra, Bombay, Bengal, Tamilnad, Hyderabad, South Kanara, Malabar, T-C State, Madhya Bharat and Orissa often write to AITUC Centre on the problems facing them, while Gujerat, Karnatak, Punjab are on occasional correspondence, and Assam, Bihar, Manipur, Madhya Pradesh, Rajasthan, Saurashtra rarely write to the AITUC. U.P. and Delhi Provincial Committees never write to the AITUC Centre.

Unions in Andhra, Malabar, Bhopal and Madhya Bharat, Tamilnad and Bengal send their reports to the AITUC. Bhupendra Cement Workers' Union in Punjab often writes for guidance. In Delhi the Engineering and Coffee Board Labour Unions occasionally write, while in Madhya Pradesh only Samyukta Kadan Mazdur Union keeps in touch with us. Rajasthan Textile Labour Union wrote thrice last year and once this year, while unions from Saurashtra and U.P. never worried the centre with any problem.

In accordance with the decision of the Nagpur General Council, the AITUC has been bringing out T.U.Record regularly. We also brought out publications on Bonus, Rationalisation and Resolutions of the Nagpur General Council meeting.

The AITUC Centre has issued 22 Circulars to State and Regional Committees apart from the circulars to unions and industrial groups. Press Statements have been issued on such important issues as Goa Satyagraha, Bombay General Strike, Govt discrimination against AITUC, Kanpur Strike, Darjeeling shooting, Decisions of WFTU Executive Bureau meeting (27th Session), on Com.N.M.Joshi's demise, Amritsar Textile strike, BEST strike, on disasters in Mines in Parasia, Dhanbad and Amlabad, on Bengal Mariners strike, and health insurance scheme etc.

The AITUC Centre can function more effectively only if the unions and PTUCs extend greater cooperation. We therefore suggest:

1. Unions should forthwith furnish the trade union statistics regarding name, address and membership, registration number and date, affiliation fees paid and trade group. PTUCs and Regional Committees should take this as the most important urgent task.
2. All arrears of affiliation fees and WFTU levy and subscriptions for T.U.Record should be cleared by 31st October 1955 - the fooundation day of the AITUC.
3. Regular reports to the centre and news-letters to the T.U.Record, to be sent.
4. A review of the struggles conducted during the years 1954-55 to be sent.

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WAGES POLICY IN THE PLAN

(S. A. Dange)

Formulations of policies in the Second Five Year Plan raise the question - What is the Labour Policy in the Second Five Year Plan? Have the Planners - that is the Government of India, who is to be the largest single employer in the Plan - any definite labour policy in the Second Plan? Have the private employers, who are the biggest private beneficiaries in the Plan, any new orientation in their labour policy? These questions now confront the working class and the trade union movement in India.

The questions have become urgent because by November this year, the Government of India will have completed its preliminary investigations and will be thinking on the formulations of the Second Plan. It has already taken steps to establish a "Labour Panel", for the Second Five-Year Plan and has squarely put certain questions to the trade union movement in the country, which the trade unions must answer as soon as possible.

The Second Five-Year Plan takes its departure from the First. It inherits certain experiences of the First Plan. In order to answer the questions of Labour Policy in the Second Plan, one might begin by asking the question - what are the experiences of the Labour Policy of the First Plan?

The First Five-Year Plan has led to rise in production, both industrial and agricultural. Industrial production in 1955 is said to be 140 over 1950 as 100.

What has the working class which has produced this wealth got in the First Plan?

Workers were promised more jobs; they were promised better living standards and working conditions; more freedom and rights. Were the promises fulfilled as regards improvements?

First Blow

The first blow of the First Plan against the workers was to tell them that their wages had to be prevented from increasing in order to ward off inflation.

The textile workers in Bombay, when they received bonus, were prevented from getting it in cash and their bonus was sought to be forcibly converted into State bonds. Only the united threat of a general strike prevented the Government from carrying out this attack on workers' earnings.

But the policy did not change. Very soon, the Shastri Tribunal refused increases to the bank employees by quoting the wages policy of the Plan, and everyone in India now knows how anti-working class the Government of India has been in order to protect the profits of the bankers. The scandalous behaviour of the policy-makers of the Government of India, who told blatant lies to the people about the alleged danger to the profits of the bankers if larger wages were given, has been now thoroughly exposed by the Gajendragadkar Tribunal.

Similarly in the case of the foreign-dominated and most sweated industries like tea plantations, coal-mining, etc., the Government of India has consistently sheltered the big monopolists, both Indian and foreign. Before the Tribunal appointed to consider the question of wages and working conditions of miners, the representative of the State collieries opposed the proposal to increase wages of miners.

It was seen in the big strikes of tea plantation workers in West Bengal, Darjeeling and Assam that the Governments of West Bengal and Assam have opposed the demand of the workers to raise their low wages to a higher level, and give them adequate bonus, especially when this British-owned monopoly is known to be making fabulous profits.

These few instances show that the Government of India and the State Governments have all along been opposed to improving the living standards and wages of even the most badly-paid workers in the most profitable industries. That was their wages policy in the First Plan.

Through Struggle.

But as against this, it can be pointed out by the Government, and it is being pointed out, that the wages of workers in several industries have risen in the last five years. It is said that "the index of real wages (1939 = 100) rose from 74.2 in 1946 to 103.1 in 1952".

This index is not based on a coverage of the total wage bill in the country. Even then, does this rise show that the Government of India and its Party leaders really helped the working-class to secure an improvement in wages under the Plan? It does not show that.

In the first place because every rise has been opposed by the Government of India and its policy-makers of the Plan.

Secondly, the increases were secured in every case on the basis of the struggles of the workers and not due to the recognition of the "Justice" of the claims of the workers. In order to wake up the so-called "conscience of social justice", several workers had to die in the firings resorted to by the State Governments.

Thirdly, a large part of the increase is due to increased work-load and output by the workers, and is not increased wages for the same old output.

The productivity of the workers has increased by 38 percent over 1906 according to Government statistics. What has the worker got? He could only get back what he was earning in 1939 in real wages. He could only recoup the vast losses he suffered during the war, but at the cost of his health and safety, due to speed-up, rationalisation and increased productivity.

It is claimed by spokesmen of Government that they have, through the machinery of the Minimum Wages Act, fixed the floor below which wages cannot fall and have given minimums for several categories of workers.

It is a fact that minimums have been tried, but in many cases these minimums are those that were already paid, in some cases they have even resulted in cuts on existing minimums, and only in a few cases they have given some increase in wages. The proceedings of the Minimum Wages Tripartite Committee will show this.

Has this so-called increase in wages in any way affected the profits of the employers? Has this "social justice" cost them or the State anything? If you see the percentages of the total income generated in factory industries as shared by the profits of the owners and the wages of the workers, you will find that the share of the wages and salaries has been falling.

The share of wages and salaries which was 42 in 1950 has come down to 33 in 1954, while the share of profits, etc., which was 58 in 1950 has risen to 67 in 1954.

AMOUNT OF WAGES, SALARIES AND PROFITS AND THEIR SHARES IN NET  
INCOME FROM FACTORY INDUSTRIES

( Amount in crores of Rs. & share in percent )

	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>	<u>1954 (a)</u>
Net Income from factory industries.	550	690	700	730	760
Of which wages	193	206	214	207	207
salaries (b)	39	41	43	42	42
Total Wages & Salaries	232	247	257	249	249
Profits, etc. (c)	318	443	443	481	511
Share of wages and Salaries.	42	36	37	34	33
Share of profits, etc.	58	64	63	66	67

Source: Government of India, Indian Labour Gazette; Monthly Abstract of statistics and Estimates of National Income, 1948-49 to 1953-54.

(a) Provisionally estimated. (b) Estimated as one-fifth of the wage bill on the basis of the returns of the census of Manufacturing Industries. (c) Estimated as residual.

Net income from factory industries rose from Rs.550 crores in 1950 to Rs.760 crores in 1954, or by 38 percent. At the same time, there was only a nominal increase in wages and salaries, an increase which was more than offset by increases in the cost of living. The amount of profits, etc.(including dividends, interest, rent, taxes, etc.), however, rose from Rs.318 crores to Rs.511 crores, or almost by the same amount as the increase in net income from factory industries. In other words, almost the entire increase in the net income from industries was taken over as profits to be distributed in the form of dividends, interest, rent and taxes.

Thus labour which produces wealth and which has produced all the increased wealth by raising productivity by 38 percent, has actually lost in its share of the increased wealth as compared to what the employers, including the State, have gained.

This is the net result of the Labour Policy in the First Plan.

In the Second, the slogan of the Planners, the employers and the State is - no increase except through increased sweating. Wear out yourself, your labour power, your life, faster and quicker at the machine, shorten your own working life to lengthen that of the exploiters, their wealth, their profits and then secure a few more rupees.

#### Exploiters' Way.

That increase also will not be in basic wages. It will be only as productivity bonus, as rationalisation, not an absolute basic increase in wages. The moment you lessen your speed in wearing out your labour power, and try to live longer at the machine and in life, your wages, your means to live will fall.

That is the sheer logic of the exploiters, of the philosophers of productivity, that lies behind the Labour Policy of the Second Plan also.

Will the trade unions accept this logic? Will the unity of the working class be achieved to defeat this anti-working class logic? This logic neither builds the nation nor profits the people. It is only the logic of profits of capital, now hiding under the mask of Socialistic Pattern.

Yes, the Plan has to be built, the vast enterprises have to rise up, from the labour of man. But that labouring man himself must refuse to be crushed by the profit-hunters, out to grasp those fruits of our labour.

Big questions of policy are now going to confront the working class in India. And some of these will be debated by the AITUC in its General Council meeting.

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In the matter of wages policy, the Planners of the First Plan followed a line of practically freezing wages and supporting increased work and rationalisation. But they were not successful in this policy to the extent they desired due to the action of the workers, who fought determined struggles for wage increases and against rationalisation.

The Planners and the Governmental forces at the Centre and the States know that the workers would resist this policy built in the interest of capital. Hence they had to work out a policy of industrial relations also.

What particular matters were covered in this field?

They wanted to make the INTUC and those who fell in line with it, the sole recognised trade union body in the country. Secondly to enact laws which would make it difficult, if not impossible, for other trade unions to exist. Thirdly to make the process of settlement of disputes, so dilatory and involved as would either make the workers take to so-called illegal strikes or compel them to lose their bearings in the rigmarole of the Tribunals.

With all the suppression of T.U. rights and democratic liberties accompanying the enforcement of this policy of imposing the trade unions of the Congress Party and Governmental agencies on the workers, the leadership of the ruling Party did not succeed in either securing "industrial peace" or making the INTUC the sole representative of the workers.

Have the Planners of the Second Plan and the Governmental leadership learnt anything from this? Have they shown any desire to evolve a better policy, more in conformity with the interests of the workers and not only the interests of the Congress Party and its class-interests?

As yet there are no clear indications that the Congress Party and the Planners want a united trade union centre to build the enterprises of the Plan and secure the interests ~~and those~~ of the workers also. They still speak of "industrial truce" as they did in 1948. They still think of enacting new laws on an all-India level, making one T.U. Centre as a "representative centre", through the force of law and the aid of Governmental and employers' agencies. They even want to go further this time.

They want not only to make the INTUC the only legally representative recognised centre; they want to obliterate others by imposing new registration laws for unions and a Governmental inspectorate to check up and supervise the records and workings of the unions in the matter of membership rolls.

A still further dictatorial move is to introduce the "close shop" in employment. It means that once a union is recognised ~~xx~~ and representative, it can ask the employer not to employ any one who is not a member of the union. It is close-shop to non-members of the union.

These features are already before the Labour Panel and the Planning Commission for discussion.

What can we say on this question? Do we not want one union in one industry and a representative recognised one at that? We do. Do we object to prescription of a certain membership for it? On principle - No.

Then should not the law allow all the existing unions to compete and get the representative character by their merit? It looks very democratic on paper. But, as experience shows it is not. The ruling Congress Party by its patronage and its directive to employers can secure the required membership and the representative character to its unions alone and deprive others of it.

In such a case, what those who desire genuine representative trade unions to grow should do is to provide -

- (1) that such a union gets its collective agreements ratified by the workers through a free discussion and vote and not have them imposed by mere legal force.

- (2) that such a union, which is empowered by law that 15% members can bind the rest of the 85% of the employed who are not its members, should be compelled by that very law to elect its executives and office-bearers openly, where a vote of not less than 51% of its total members must exercise their vote and express their opinion.
- (3) that such a union does not refuse membership to anyone and keep a select or closed and restricted membership, not only in theory but in practice.

Only when such a democratic check up is imposed, is it permissible for the State to give legal representative powers to a union.

Then arises the question as to what to do where there is more than one union, competing with each other? Should this state of affairs continue?

We have now got a T.U. movement which is divided into so many national centres and trends. They have to be united.

If the law wants to make way for one union, well let it provide for the workers to choose that one by its vote and compel the union so recognised to submit to periodical check ups of the votes of the workers.

One proposal, as suggested by Mr. Giri is as follows:

Let all the membership of all unions in an industry be pooled and a secret ballot be taken, to choose the one that the workers want. That one securing the workers' majority votes should be declared the representative.

It is a proposal deserving serious attention.

There is another proposal that the pooled membership of all unions elect by single transferable vote the executive and office-bearers that they want from a list submitted by the differing unions. The executive that is so elected will be the new industrial union to which all the pooled membership is transferred and the separate competing unions disappear in this general pool and the newly elected executive, in which all shades will be represented as the election is by proportional representation.

This method should be used to bring about a united national centre also.

Some people object that unions run by people with differing ideologies programmes and methods will not run smoothly and will soon split.

That is not inevitable. An agreed programme, principle, practice and democratic method of functioning can be discussed and agreed upon and on that basis the above method of choosing a united centre and local union leadership can be adopted.

Means of bringing about a united T.U. movement are under discussion everywhere. The Labour Panel which discusses the Labour Policy for the Second Plan can discuss this question.

The question of evolving legislation on industrial relations for the future has to be tackled very seriously and carefully by all concerned.

The report of the meetings of the Labour Panel that are appearing in the press show that the Panel members have had before them two serious questions: One - Industrial relations and two - Wages and rationalisation.

On the second it appears, the Governmental leadership might see reason and not press on with the disastrous policy they pursued in Kanpur. The AITUC has asked that Rationalisation be suspended for the next two years and let us see what happens to the Second Plan without rationalisation in the existing units. It is to be seen whether Government and employers will accept the proposal seriously.

The work of the Labour Panel has rightly drawn the attention of the whole T.U. movement.

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