

अखिल भारतीय ट्रेड यूनियन कांग्रेस
ALL-INDIA TRADE UNION CONGRESS
4, ASHOK ROAD, NEW DELHI.

File No. 154

SUBJECT UNIONS - WEST BENGAL

1960

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Folder Code: 3/4 File No. 154 S. No. _____

Digital File Code: _____

File Title: General Council Meeting

Year: 1957-1993/

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AITUC General Council Meeting

*General Secretary's Report
and
Information Materials*

CALCUTTA
16—18 October 1987

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OUTLINE OF GENERAL SECRETARY'S REPORT

(1) In the period which has elapsed since the Vadodara Congress, December 1986, several important developments have to be noted in the international arena:

- * In the struggle for nuclear disarmament, a radically new initiative was taken by the USSR - the proposal for "Double Zero" option, signifying its readiness to negotiate an agreement for removal of all nuclear missiles from both Europe and Asia - this has put the US imperialists on the defensive as never before; agreement on elimination of medium and short range missiles in Europe a major victory for peace forces;
- * The Warsaw Pact member countries have made concrete proposals to NATO for reduction of conventional weapons in Europe and total elimination of chemical weapons - they have also pledged never to be the first to strike;
- * Despite all this, however, the US Government is going ahead with its star-war plans, including putting rocket-components into orbit;
- * The Iraq-Iran war continues - the US Navy is increasing its activities in the Gulf, taking advantage of certain adventurist actions by Iran ;
- * The US continues to strengthen and build up its bases in the Indian Ocean area, and has again prevented the convening of the Colombo Conference on the Indian Ocean as a "Zone of Peace";
- * The US Congressional hearings have nakedly exposed Reagan's role in the secret arms sale to Iranian dissidents and transfer of the sale money to finance the contras in Nicaragua;
- * The military coup against the democratically elected Government in Fiji with CIA involvement, points to US designs in the Pacific;
- * Another coup attempt against President Aquino in Philippines has failed for the time being;
- * The anti-apartheid struggle in South Africa has been intensified - Black miners conducted a protracted strike in the face of brutal repression;
- * The India-Sri Lanka accord has effected a welcome cessation of civil war after 4 years - its effective implementation will ensure regional autonomy for the Tamils and safeguard Sri Lanka against imperialist intervention - but there are many obstacles - Indian armed forces involved in name of "peace-keeping".

- * Debt burden of Third World countries has mounted up to 1 trillion dollars - Western powers obdurate towards need to reform international structure of finance and trade - USSR joins UNCTAD Fund;
- * 70th Anniversary of October Revolution and 40th Anniversary of India's independence mark further cementing of Indo-Soviet friendship and cooperation - Indo-Soviet agreement on Science and Technology breaks new ground and is of immense significance.

- (2)
- = This period's outstanding feature of the domestic scene is the steep decline in the credibility of Rajiv Gandhi personally, and of his Government;
 - = Many factors contributed to this;
 - = President-PM controversy - public controversy left TUs largely untouched - Workers should be educated re: constitutional rights and duties under Parliamentary system;
 - = Scandals - Fairfax - W. German submarine deal - Bofors - V.P. Singh's ouster and Cong (I) campaign against him - corruption in high places becomes most popular issue - IMF revelation of flight of Indian capital to Swiss banks;
 - = Instigation of President by certain forces to dismiss PM - its implications - denounced by left parties;
 - = On top of electoral defeats in Kerala and West Bengal Cong (I) was routed in Haryana.
 - = Presidential election - new move by Rightists and some Cong (I) rebels/dissidents - foiled by Left - no "short-cut" to power.
 - = Vicious campaign unleashed against so-called "interference" in national affairs by Soviet - and against Communist parties .
 - = Rajiv's basic economic line of liberalisation, privatisation, concessions to monopolists and MNCs, continues - Joint sector in Oil, bigger share for private sector in Defence production, emboldened SCOPE calls for general privatisation of public sector - World Bank and Aid India Consortium exerting more pressure on India's economic policies.
 - = New crisis caused by worst drought in 100 years - and floods in Eastern States.
 - = Retrograde economic policies and serious corruption involvements are biggest destabilising factors.

(Some examples to be studied:-

Hazira-Jagdishpur Gas Pipeline project;
National Silicon project; approval for
use of foreign brand names; foreign
collaboration for on-shore oil drilling, etc.)

= Phenomenon of large-scale Bank frauds.

4. The Railway Budget, 1985-86, is no less retrograde in its main features:

- = 10% hike in fares and freights
- = Sharp cut in wagon orders, from 24,000 to only 5000 this year
- = Modernisation of workshops slowed down
- = Ban on recruitment to continue
- = Track maintenance work being increasingly assigned to contractors

5. = During this period, the danger of nuclear war took on a new dimension with President Reagan's commitment to the use of outer space for strategic military purposes-World peace forces universally condemned the "Star Wars" project - this includes Governments of India and non-aligned States, the Socialist countries and even France - the struggle for and against deployment of medium-range missiles in W.Europe continues.

= US military build-up of Pakistan going ahead, with suspected US connivance at development of nuclear weaponry by Zia regime-Indian Ocean situation is more threatening than before due to the induction of foreign military "advisers" and equipment into Sri Lanka, may be bases later.

= Imperialist threat is three-fold:- Military(easy to explain)
- Political- by aiding and abetting all forces of destabilisation, including separatist, secessionist, divisive and communal forces (can't always be "proved").

- Economic - this is the neo-colonialist strategy of advanced capitalist countries against the developing countries, including India-employing varied weapons such as the debt trap, high interest rates, cut down on concessional aid, protectionist trade barriers, dumping of goods, manipulation of dollar exchange rates, forcing down prices of primary commodities and jacking up prices of manufactures and machinery exports to the developing countries, aggressive expansionist policies by the MNC's, involving developing countries into a mini-arms race, etc.

= Peace movement has to attend to all 3 aspects - TU's, in particular, can and should be far more active than at present in the struggle for a new International Economic Order.

= In this context, the significance of the first Asian and Oceanic Trade Union Conference on Development, held in Delhi, February 1985 - how to propagate and popularise its Declaration and decisions among our working class?

- = Concrete exposure of the misdeeds of MNC's operating in developing countries was (and still is) possible when such a major disaster as the Bhopal Gas Leak at the Union Carbide factory has taken place on our own soil, killing thousands, crippling and poisoning an even larger number, and revealing the terrible hazards of toxic pollution without any regard for safety measures. Each of our TU's should ask itself - how did it react to the Bhopal tragedy and what did it do to rouse public opinion against the MNC criminals?
- = How to carry forward results of Bhopal convention held by Central TU's on May 24th?

6. Major problem continues to be of Closures, Lock-outs, retrenchment, rationalisation, modernisation, affecting jobs and job security of lakhs of industrial workers and white-collar employees.

- = Extent and intensity of the problem are growing - over 80,000 units lying closed - worst affected are textile mills, both cotton and jute, engineering, non-coal mines, Dalmianagar complex, small-scale miscellaneous units. - in some cases, specific departments closed down - threat of closure used to terrorise workers into accepting the "golden handshake", or to cover up profiteering as in DCM closure threat, a Camouflage for huge land racket in collusion with administration.
- = Job security and employment potential threatened in public sector also - banks (computerisation and mechanisation), ports and docks (containerisation), engineering units (cut in wagon orders, etc.) etc. - Ban on new recruitment to Government jobs continues - dismantling of RMS postal services.
- = Significance of Central Ministers' statements that "inefficient" and badly managed and "sick" units in both private and public sectors should be closed down - this concept goes directly against TU's demand for nationalisation or take-over of managements.
- = Last year's NCC Convention called for country-wide campaign against closures and lock-outs - poor response, so also on all-India "Day" declared for May 15 this year - one redeeming exception was Jute workers' protest general strike on 17/5 in West Bengal with participation of State INTUC leadership - objective conditions favourable for broad-based, united movement provided AITUC does not give up initiative.

7. = Rajiv Gandhi Government's labour policy still to be spelt out - Central TU's jointly, AITUC separately, and some sectors like jute and textiles, had several rounds of discussion with Labour Minister and submitted memoranda to him.

= Issues discussed include:-

- = National minimum wage
- = No going back to Wage Boards
- = Proper implementation of pro-labour laws, awards and recommendations.

- = Health, Safety and anti-Pollution measures (new awareness after Bhopal)
 - = Verification and secret ballot
 - = Unorganised and casual workers' plight.
 - = Meanwhile, D.A. rate for public sector undertakings, raised to Rs. 1.65 per point; minimum daily wage-rates in some industries under revision, but still far short of our demand; Bank and insurance employees succeeded in gaining negotiated wage increases; and Central Pay Commission awarded second interim relief for Government employees (10% of basic pay with minimum of Rs.50 p.m.).
 - = Incorrect just now to speak of "wage-freeze" in the old sense - main problems are (i) to protect real wages against erosion caused by rising prices and tremendous inflationary potential of the Budget; and (ii) to fight for a statutory national minimum wage whose demand can mobilise the unorganised sector for effective struggle.
8. = General Council should seriously assess how far we are actually implementing key slogan "Organise the Unorganised" given by Bangalore AITUC Session - if not, why not?
- = Reports at last Working Committee meeting (April 1985) showed some attention being paid to stone quarries and brick kilns in Haryana; hospital employees in Karnataka; handlooms, construction workers and small-scale engineering in Maharashtra; saw mills, plywood, forest workers in M.P.; united and militant struggles of Powerloom workers took place in Malegaon, Bhiwandi, etc. in Maharashtra against non-implementation of statutory minimum wages, a new advance.
 - = But progress has been uneven and slow-minimum wage demand varying from Rs. 500/- to Rs. 750/- p.m. - no reports from majority of States on -
 - = holding of district/State conventions
 - = organisation of agitation and mass actions on specific issues
 - = Setting up of District T.U.Councils
 - = expansion among agricultural workers, including plantations.
 - = fight for regularisation of contract labourers.
9. = After gains of 1983-85 mainly in Central public sector industries and breaking of BPE - imposed freeze, there appears to be a general lull in the movement - worst sufferers are workers of both organised and unorganised private sector.
- = Objective situation is highly favourable for broad-based, united movement, not only on immediate demands but also against negative consequences of Central Govt's budget philosophy, putting forward of alternative trade union solutions, and actively defending world peace and national unity and integration against the conspiracies of imperialism and the divisive forces.

- = Our electoral performance in majority of industrial centres shows the non-political essence of our T.U. work, failure to develop class conscious mass bases, and inadequate role in boldly leading mass actions - this way, we are likely to be overwhelmed by the developing situation and the "new" tactics of the ruling class.
 - = Experience shows that INTUC sections can be involved in common activity if proper efforts and approaches are made.
 - = NCC has to be activated - and so also, the work of the industrial Federations in the direction of promoting joint actions.
 - = We have proposed formulation of a Code of Conduct between AITUC & CITU to improve mutual understanding and cooperation, and to reduce bickerings and quarrels especially at the lower levels - initial response from CITU is positive - need for follow-up now.
10. Some other tasks to be taken re:
- = Young workers and working women
 - = Next September 1st - Anti-war Day
 - = October 1985 - observance of 40th anniversary of foundation of W.F.T.U.
 - = Serious preparations for next verification of membership (unless G.C. decides otherwise!)
 - = State TUC's to hold special Session for discussing organisation
 - = NCC Conventions by mid-August against closures, lock-outs, etc.

THE CENTRAL BUDGET 1985-86 AND OTHER MEASURES

1. Income Tax Exemption limit raised from Rs.15,000 to Rs. 18,000.
2. Tax Rates in different slabs of Income tax Reduced.
3. Surcharge on Income-tax to be discontinued, reducing the maximum marginal rate of Income tax on personal incomes from 61.875 percent to 50 percent. The revenue sacrifice in 1985-86 in rationalisation of tax structure would be Rs.200 crore in Income tax and Rs. 197 crore on account of surcharge.
4. Estate Duty Abolished.
5. Maximum marginal rate of wealth tax reduced from 5 percent to 2 percent, Loss of Revenue involved being Rs.70 crore.
6. Corporate Tax Reduced by 5 percentage points from 55 to 50 percent.

This would enable the 141 public limited giant companies in the corporate sector to save Rs.33.15 crores per annum by way of tax relief. Out of the 251 giant companies, as many as 141 companies for the year 1983-84 stand to benefit by the tax reduction. The remaining 110 companies were zero tax companies during 1983-84.

A detailed analysis of the 251 giant companies based on 1983-84 accounts reveals that five companies are likely to benefit more than one crore of rupees per annum each by the new proposal. Another 3 companies will benefit by Rs. 90 lakh to 100 lakh. As many as 65 companies will benefit to the tune of Rs. 1 lakh to Rs. 10 lakh per annum, 40 companies Rs. 10 lakhs to Rs. 30 lakhs per annum, another 28 companies fall in the benefit range of Rs.30 lakhs to Rs. 80 lakhs.

Hindustan Lever gets the tax benefit of Rs.215 lakhs followed by Tata Tea at Rs.125 lakhs. Other companies which benefit more than one crore rupees each per annum are Bajaj Auto (Rs.106 lakhs), Harrison Malayalam(Rs.104 lakhs) and Siemens (Rs. 104 lakhs).

The effective tax rate of 251 giant companies will go down from 39.4 percent to 35.8 percent.

As a result of changes in the incidence of direct taxes, out of about four million income tax payers, one million are becoming entirely tax-free, while the remaining three million will pay substantially less than at present.

The effective rate of taxes will fall down from the high 67.5 percent to 40 percent. In terms of our population the benefit of reduction in direct taxes will be enjoyed by a mere 0.57 percent of the population and 1 percent of the income earners.

20 percent disallowance on expenditure on advertisement, publicity and sales promotion etc. to be discontinued.

The limit in the value of the assets of the large industrial houses for the purpose of the MRTP Act raised to Rs. 100 crore from Rs. 20 crore "to reduce rigidities and improve the environment for industrial growth."

Data available for large industrial houses covered under Section 26 of the MRTP Act, revealed that as on December 31, 1981, there were 101 large industrial houses with assets of Rs.20 crores or more. Besides, there were single large undertakings not forming part of any house whose individual assets exceeded Rs.20 crores. The total assets of large houses including single undertakings, stood at Rs.17,444 crore as on December 31, 1981. Of this, there were 44 large houses with assets exceeding Rs.100 crores each.

The Economic Times estimate of the total assets of the large industrial houses as on December 31, 1984, based on an average growth in assets of 10 percent per annum, puts the total assets at Rs.23,218 crores. The number of beneficiary large industrial houses would be as high as 49.

10. The finance minister announced a list of 25 industries which has been delicensed.
11. The ceiling of investment in plant and machinery for small scale sector raised to Rs.35 lakh from the present limit of Rs.20 lakh. Likewise, the ceiling of investment in plant and machinery for the ancillary industries has also been raised to Rs.45 lakhs from the present Rs.25 lakhs.
12. Total additional taxes imposed

- Rs. 1131.29 crores.
= Rs.707 crores from customs and Rs.424.29 crores from excise.

By Railway Budget at the rate of 10 percent increase in fare and freight about Rs.450 crore per annum will be realised.

13. Total concessions in Indirect taxes - Rs.546.66 crores.
= Rs.287.12 crores from customs and 259.54 crores from excise.
14. Deficit budgeted for 1985-86 - Rs.3349 crores.
15. The Government notified on May 24 a list of 27 selected industries where the large industrial houses and FERA companies will be exempted from seeking prior approval of the Company Law Board under Sections 21 and 22 of the MRTP Act before applying for a fresh licence or an expansion. This liberalisation will be available for a period of five years. The schedule enlists 27 industries which include pig iron, castings and forgings, transmission line towers, electrical motors with starters and internal combustion engines, electronic components and equipments, printing machinery etc.
16. Issue of bonus shares

The Government on March 18 issued a series of additional guidelines for issue of bonus shares, and fresh and further share capital by companies.

The existing guideline for issue of bonus shares by profitmaking closely held companies has been relaxed.

The Government has also decided that companies raising equity capital would be allowed to retain over-subscribed equity to the extent of 25 percent of the amount for which they seek the consent.

The rate of interest of convertible debentures issued by non-MRTP and non-FERA companies has been raised from 13.5 percent to 15 percent per annum.

17. The total additional revenue from the general increase in prices of all petroleum products is estimated at over 1,400 crores, according to oil industry sources.

Of this, Rs.620 crores would go to central exchequer and the benefit to the oil industry is expected to be about Rs.800 crores.

18. The new Foreign Trade Policy or import-export policy announced after the budget, on April 12 will be valid for three years. As many as 210 items have been placed under Open General Licence and import of as many as 53 items has been decanalised. Import of computer systems has been liberalised, electronics sector has been given incentives.

The items of industrial machinery added to the list of capital goods allowed to be imported under Open General Licence (OGL) will benefit the industries ranging from oil field services, electronics, automobiles, jute manufacture, garment making, hosiery, leather and canning. Inflow of imports linked to exports has been enlarged.

19. The scheme of concessions and incentives available for "no-industry districts and backward areas" has been extended for a further period of one year from April 1, 1985 to March 1986.

20. The Government on May 25, 1985 announced further duty concessions in respect of raw materials for the electronics industry. On certain raw materials the import duty has been totally exempted, and on certain inputs the customs duty has been drastically reduced.

21. Levy Cement: The Government has decided to reduce the levy cement obligation for both existing and new cement units.

The existing yardstick for computing the levy cement component has also been changed to current output rather than on installed capacity.

The levy cement contribution in the case of existing units has been reduced from 65 percent to 60 percent, and from 45 percent to 40 percent in the case of new cement units and sick cement units.

On a conservative estimate, this change over will result in a net additional profit margin of about Rs.75 to Rs. 80 crores for the industry.

22. Alien Brand Names

The Union Government has decided to permit liberal use of foreign brand names for products manufactured in India under foreign collaborations. Also, the companies falling under the FERA will henceforth be free to use the same brand names as are being used by their parent companies overseas.

23. 82 Essential bulk drugs delicensed.

The Government on June 6 decided to de-license 82 essential and mass consumption bulk drugs and their formulations. This is in addition to the 12 bulk drugs and drug-intermediates which were delicensed as part of the delicensing scheme of March 16, 1985.

These delicensed bulk drugs and their formulations would require no licence under the provisions of the Industries (Development and Regulation) Act.

24. The new textile policy announced on June 6, 1985 gives more freedom and concessions to the private mill sector, with an elitist fibre policy and making way for largescale closure of mills and retrenchment of workers due to closures as well as modernisation etc.

25. "If we have two more budgets like this to follow, India will not only take off, it will be launched in an orbit of continuing accelerated economic growth." said R.S. Lodha, President of the Indian Chamber of Commerce, to quote only one reaction of Business and Trade to the budget.

26. In reply to debate on the Finance Bill, 1985 in Rajya Sabha on May 10, the Finance Minister, Vishwanath Pratap Singh asserted that the new Government had not given up the path of socialism, but had only moved from "discretionary controls to non-discretionary controls."

"We have established socialism in concrete terms. We don't believe in abstract socialism", he told the opposition members.

SPURT IN SHARE PRICES

The Economic Times

INDEX OF ORDINARY SHARE PRICES

INDUSTRIES	(Base: 1969 - 70 = 100)		
	June 18, 1985	June 12, 1985	On March 16, 1985 Pre-budget
Cotton Textiles	269.3	267.9	204.4
Jute Textiles	38.2	38.2	38.2
Man-made Fibres	634.3	637.8	497.3
Iron & Steel	927.4	910.6	567.9
Engineering	818.6	786.2	522.2
Fertilisers	397.4	393.4	319.8
Chemicals	364.7	350.5	294.4
Sugar	52.5	52.5	52.8
Paper	604.3	630.0	569.0
Cement	261.8	264.5	225.1
Rubber Goods	242.9	235.5	193.0
Plantations	540.4	513.2	469.2
All Industries/ All India.	430.2	419.8	312.5

INDEX NUMBER OF WHOLESALE PRICES

(Base: 1970-71 = 100)

<u>Year</u>	<u>General Index</u>
1980-81	257.3
1981-82	281.3
1982-83	289.7
1983-84	316.1
<u>1984-85</u>	
April	323.4
May	327.5
June	334.6
July	342.7
August	346.0
September	342.2
October	342.6
November	340.0
December	337.3

STEADY RISE IN THE PRICES AFTER BUDGET

	<u>I</u> <u>N</u> <u>D</u> <u>E</u> <u>X</u>
Budget was presented, on March 16, 1985 -	340.1
After Budget: week ending March 23, " -	342.8
" " March 30, " -	344.8
" " April 6, " -	346.2
" " April 13, " -	347.9
" " April 20, " -	348.1
" " April 27, " -	349.2
" " May 4, " -	349.9
" " May 11, " -	350.1
" " May 18, " -	350.6
" " May 25, " -	351.9
" " June 1, " -	353.8
" " June 8, " -	355.2

PUBLIC SECTOR INVESTMENTS

Plan Period	Public Sector Investment as % of Total	Private Sector Investment as % of Total	Total	Total Investment in Rs. crores (Target)
1st Plan	46.4	53.6	100.0	3360
IIInd Plan	54.6	45.4	100.0	6831
IIIrd Plan	63.7	36.3	100.0	11,280
IVth Plan	60.3	39.7	100.0	22,635
Vth Plan	57.6	42.4	100.0	63,751
VIth Plan	52.9	47.1	100.0	158,710
VIIth Plan	56.25 (Rs. 180,000 * crores)	43.75	100.0	320,000
Public Investment in VIIth Plan	46.9 * (Rs. 150,000 crores)	53.1	100.0	320,000

* Approach Paper

C O N S U M E R P R I C E I N D E X N U M B E R S

(1960 = 100)

1984	January	February	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Between January and December 1984
1. All-India Average	563	561	558	559	562	574	585	586	589	592	595	588	25
2. Hyderabad	554	557	554	548	561	572	581	589	604	614	612	603	49
3. Jamshedpur	514	507	509	511	509	517	535	538	538	538	542	529	15
4. Ahmedabad	562	554	547	551	557	564	572	575	575	579	580	573	11
5. Bangalore	637	637	632	625	626	628	641	644	647	550	649	648	11
6. Indore	581	580	591	596	600	606	616	623	608	505	609	606	25
7. Bombay	576	578	579	586	595	604	611	610	609	615	618	612	36
8. Jaipur	581	574	563	556	567	585	599	610	608	608	607	601	20
9. Madras	553	555	556	556	550	559	569	571	573	584	592	593	35
10. Kanpur	545	539	532	515	517	548	562	557	559	569	574	558	19
11. Calcutta	525	523	521	536	539	574	567	592	592	602	599	577	52
12. Delhi	560	559	562	570	575	589	598	602	608	608	605	598	38

Annual Average for 1984-576, Annual Average for 1983-532, Annual Average for 1982-475, Annual Average for 1981-441,
 Annual Average for 1980-390.
 1985: January - 583, February - 585, March - 586, April - 594.

OVER 80,000 INDUSTRIAL UNITS "SICK"

The number of sick units, both large and small scale units, has been rapidly increasing since 1979. According to the data collected by the Reserve Bank of India, the number of large units at the end of December 1983 was 491 and the number of small scale sick units was 78,363.

The impact of growing industrial sickness on employment and its adverse consequences to the national economy as a whole are causing concern to the government and the planners.

The causes for the present state of affairs can be attributed to internal factors such as inefficient management, dishonest management, diversion of resources, utilisation of current assets for non-current and long-term purposes, obsolescence of technology and machinery, etc.

Six major States viz., West Bengal, Maharashtra, Tamil Nadu, Uttar Pradesh, Karnataka and Gujarat accounted for 82.5 per cent of the outstandings on account of sick units.

The following table gives the number of sick units (large and small) and the loans outstanding against them during the period from 1979 to 1983:

I.No. of Sick Units	Large Units	SSI Units	All Sick Units
as at the end of	No.	No.	No.
December, 1979	378	20,975	22,366
December, 1980	409	23,149	24,550
December, 1981	422	25,342	26,758
December, 1982	450	58,534	60,147
December, 1983	491	78,363	80,110
II. Outstanding amounts (Rs. Crores)			
December, 1979	1158	262	1623
December, 1980	1324	306	1809
December, 1981	1479	359	2026
December, 1982	1804	567	2578
December, 1983	2041	729	3101

C L O S U R E S

Year	Number of Closures	No. of workers Affected
1980	340	18,219
1981	350	37,468
1982	286	26,602
1983	228	43,262
1984	96	34,801

WORKERS RETRENCHED

According to available statistics of the Labour Ministry, a total of 724 industrial units resorted to retrenchment of workers in 1980, 726 in 1981, 758 in 1982, 688 in 1983 and 247 between January and June 1984.

Gujarat and Maharashtra were worst affected states.

<u>Year</u>		<u>No. of workers affected</u>
1980	-	15,341
1981	-	17,320
1982	-	15,922
1983	-	20,378
1984	-	4,182

(January to June)

REGISTERED UNEMPLOYED

<u>Year</u>		<u>No. of Applicants on Live Registers of Employment Exchanges as at the end of the period. (,000)</u>
1980	-	16200.3
1981	-	17838.1
1982	-	19753.0
1983	-	21953.3
1984	-	23546.8

TEXT OF TEXTILE POLICY STATEMENT

The following is the text of the statement on textile policy-June, 1985: The textile industry has a unique place in the economy of our country. Its contribution to industrial production, employment and export earnings is very significant. This industry provides one of the basic necessities of life. The employment provided by it is a source of livelihood for millions of people, most of whom live in rural and remote areas. Its exports contribute a substantial part of our total foreign exchange earnings. The healthy development and rapid growth of this industry is, therefore, of vital importance.

In the past few years, the development of the textile industry has been guided by the policy framework announced in March 1981. While considerable progress has since been achieved in several areas under this policy framework, the objectives of the textile policy outlined in the Textile Policy Statement have not been fully achieved.

Thus, the per capita availability for and the per capita consumption of cloth, of our growing population still remain at a very low level. There is evidence of an increase in the incidence of sickness, particularly in the organised mill sector, reflected in a large number of closed units. There is a large unsatisfied demand for durable synthetic and blended fabrics at cheaper prices which is not being met by indigenous production. The full export potential of textile products remains to be realised.

The textile industry has experienced fluctuations in its fortunes in the past also. However, an analysis of the current difficulties faced by the industry reveals that the present crisis of the industry is neither cyclical nor temporary, but suggests deeper structural weaknesses. Therefore, the government have reviewed the present textile policy and after careful consideration, have formulated this new policy for the restructuring of the textile industry in India with a longer term perspective.

The existing textile policy sets out a number of objectives. While each of these objectives is important, the multiplicity of objectives has inhibited the achievements of the main task of the textile industry, that is to increase the production of cloth of acceptable quality at reasonable prices to meet the clothing requirements of a growing population. Henceforth, the approach to the textile industry would be guided by this main objective. In the pursuit of this main objective, the employment and export potential of the industry shall be kept in view, the availability of cloth at affordable prices for the poorer sections of the population shall be augmented.

The textile industry, has, so far, been viewed in a compartmentalised manner either in terms of various sectors namely, organised mills, powerlooms and handlooms, or in terms of fibre use namely, cotton textiles, woollen textiles, man-made textile and silk textiles. Classification on such grounds have led to structural rigidities in the textile industry. When the industry tends to be viewed in parts rather than as an integrated whole, it inhibits the technology use and production-flexibility commensurate with the pattern of consumer demand.

Such distinctions have led to the application of a policy mix which is sector-specific or fibre-specific resulting in the emergence of special interests on the one hand and fossilisation on the other. To achieve the main objective of the textile policy, it is necessary to eliminate the existing structural rigidities and to evolve a more integrated view of the textile industry.

The proposed restructuring of the textile industry would have the following three main dimensions: (a) the industry shall be viewed in terms of the stages of its manufacturing process, namely, spinning, weaving and processing; (b) the industry shall be provided with fuller flexibility in the use of various fibres; and (c) the industry shall be subject to more pragmatic policies regarding creation or contraction of capacities by units in order to increase competition and promote healthy growth in the industry.

In the spinning sector, all steps will be taken to ensure optimum utilisation of the spinning capacity. The availability of raw materials for the spinning sector would be augmented. The infrastructure for the distribution of yarn would be strengthened. At the same time, necessary measures to encourage and increase spinning in the Khadi sector would be taken in view of its large employment potential.

In the weaving sector, the distinct and unique role of the handloom sector shall be preserved. The growth and development of this sector shall receive priority. The composite mills and the powerlooms have their own respective strengths and weaknesses. For the purpose of policy, powerlooms in the organised mill sector and in the unorganised powerloom sector shall, as far as possible, be treated at par and allowed to compete on the basis of their inherent strengths and capabilities.

In the processing sector, the independent power processors and the processing houses in the mills would be treated at par and each would be allowed to operate on the basis of its competitive strength. The small hand-processing units with limited output will receive special consideration.

The multi-fibre approach implicit in the providing fuller fibre flexibility would be guided by the following considerations:-

i) Full fibre flexibility as between cotton and man-made fibres/yarn would be provided to the textile industry. Greater fibre flexibility in the use of wool shall be provided in a phased manner to units licensed for cotton and man-made textiles, woollen units shall be given full fibre flexibility;

ii) Adequate availability of manmade fibres/yarn at reasonable prices shall be ensured by increased domestic production supplemented as necessary by imports;

iii) Creation of capacity by new units and expansion of capacity by existing units for production of synthetic fibres/yarn would be so determined as to realise economies of scale in order to reduce costs of production;

iv) Fiscal levies on man-made fibres/yarn, and on the intermediates used as inputs for the production of such fibres/yarn, shall be progressively reduced in such a manner as to facilitate absorption of increased domestic production

so that the benefit flows to the consumer in the form of lower prices of synthetic and blended fabrics; and

v) The export window shall be kept open for man-made fibres/yarn.

The pre-eminent role of cotton as the main raw material of textile industry would be maintained. Utilisation of indigenous cotton would be ensured by domestic consumption and by export of cotton, yarn and other manufactures. Cotton growers shall always be assured off-take of their produce at remunerative prices. Cotton needed by the textile industry would be made available in adequate quantity and at reasonable prices. The role and functions of the Cotton Corporation of India would be reformulated to include price stabilisation operations. For this purpose, the Corporation would have the necessary access to international markets. The present varietal imbalance of cotton shall be corrected by a mix of policies aimed at encouraging increased use of long and extra long varieties of cotton on the one hand and higher production of short and medium staple varieties on the other.

Capacity expansion by existing units and capacity creation by new units would be permitted subject to the general industrial policies including the provisions of the MRTP Act and FERA. As a corollary, units would also be allowed to contract capacities, including closure of a unit or part thereof, wherever necessary and justified, provided the interests of the workers are fully protected. This approach would increase the degree of competition among units in the industry and create an environment conducive to a reduction in cost and an improvement in quality.

The unplanned growth of powerlooms in the unorganised sector has mostly tended to concentrate in a few areas. A significant proportion of the powerlooms remain unregistered and unauthorised. Henceforth, there shall be compulsory registration of all powerlooms. The organisation of production in the powerloom sector should be guided by the objectives of raising productivity, increasing efficiency, improving workers' welfare and facilitating locational dispersal.

In keeping with these objectives, a suitable package of measures would be evolved in order to bring about a healthy development of the powerloom sector. It would be ensured that powerlooms do not violate the locational guidelines for industries, particularly in large cities and metropolises. Effective measures would be taken to see that the powerlooms do not encroach upon articles reserved for exclusive production by the handloom. The organisational set up required for the above purposes shall be strengthened.

In order to preserve the unique role of Handlooms and enable them to realise their full potential, as also to ensure higher earnings for the handloom weavers, the following main steps shall be taken:-

i) The development of handlooms through cooperatives and Central/State level corporations shall be intensified;

ii) Greater emphasis will be placed on the modernisation of looms and provision of technological and other inputs for improving productivity of handlooms and the quality and finish of handloom products;

iii) Special efforts would be made to ensure adequate availability of yarn and other raw materials to the handloom sector. The infrastructure for procurement and supply of such inputs at reasonable prices to the handloom weavers shall be strengthened through the operations of the National Handloom Development Corporation and the State level handloom agencies;

iv) The production of mixed and blended fabrics on handlooms shall be encouraged with a view to improve the wages and earnings of the weavers;

v) Protection to handlooms will be provided by reserving articles for their exclusive production in the handloom sector under the "Handloom (Reservation of Articles for Production) Act 1985". The provisions of this Act shall be strictly enforced and the machinery for doing so shall be suitably strengthened;

vi) To improve the competitiveness of handlooms steps would be taken to remove, as far as possible, the cost handicap of the handlooms vis-a-vis the powerlooms by suitable fiscal measures;

vii) To improve the marketing of handloom products, infrastructure of marketing complexes, training of marketing personnel and intensive publicity shall be organised. Steps would be taken to upgrade the technical, managerial and administrative skills of personnel employed in the handloom sector;

viii) To strengthen the data base for the handloom sector for better planning and execution of handlooms development programmes, a census of handloom shall be undertaken. The machinery for implementation, supervision and evaluation of handloom programmes shall be strengthened.

In order to improve the working conditions of the handloom weavers and to provide direct benefit to them, the following schemes, among others, would be introduced:

i) A Contributory Thrift-Fund scheme to provide assistance to the handloom weavers during times of need;

ii) A Workshed-cum-housing scheme to provide a better place for work and living to the handloom weavers.

The responsibility for the entire production of controlled cloth shall be transferred to the handloom sector by the end of the Seventh Five Year plan. The quantum of controlled cloth and janata cloth which was fixed at 650 million metres shall be suitably increased in order to provide a larger quantum of cloth at affordable prices to the poorer sections of the population. Measures will also be taken to improve the quality of cloth and to ensure that it reaches the target group. The public distribution for controlled cloth would be strengthened and streamlined.

All encouragement would be given to the expansion of the khadi programme in view of its large employment and income generating potential in the rural areas, specially among women. Steps would be taken to improve the production process, upgrade the skills of workers, raise productivity, diversify the product range and strengthen the marketing arrangements under the khadi programme.

The incidence of growing sickness in the textile industry, particularly in the organised mill sector, is a matter of great concern. The reasons for sickness are manifold and complex which include financial difficulties, managerial incompetence and negligence, obsolete plant and machinery, inadequate maintenance, incorrect product mix, poor marketing, excess labour and poor industrial relations. While steps necessary to improve the health of the industry as a whole and to prevent sickness are indicated in this Statement, unit specific problems would have to be tackled on a case to case basis. The measures needed for the revival of a sick unit have to be based on a detailed and objective study of the causes that led to sickness and identification of the steps necessary to revive the sick unit. A distinction shall have to be made between units which are potentially viable and units which are not.

In the case of potentially viable units a rehabilitation package might, inter alia, comprise of provision of additional balancing equipment, replacement of existing machinery, change of product-mix, better marketing strategy, rationalisation of labour including improvement of work-norms, strengthening of management and organisation and adjustment of capacity in the different stages of manufacturing. In such cases, suitable financial package would need to be worked out. A nodal agency would be designated to evolve and manage this package. The financial and technical performance of such units shall be closely monitored.

In some cases, the units, although potentially viable, may have been led to sickness by inept management or mismanagement. In such cases, the existing management may have to be changed. Change of management will be essential in cases where restructuring of capital and liabilities is contemplated.

The measures enunciated in this policy would enable some of the units to come out of their present difficulties. However, where a unit has no expectation of becoming viable in a reasonable period of time, there may be no alternative but to allow the unit to close provided the interests of the workers are protected. Takeover by the Government or nationalisation of such sick units does not provide solution to the problems of sickness and the Government would not, as a rule, intervene in such cases.

In the process of revival of sick units and in the event of closure or liquidation, the interest of labour shall be fully protected. All possible avenues must be tried before retrenchment to minimise the social costs of transition implicit in the restructuring of the textile industry. Rationalisation of labour and revision of work-norms would need to be negotiated with labour to arrive at a satisfactory solution. The funds needed for payment of retrenchment benefit to labour shall be part of rehabilitation package and loans needed for such compensation shall be provided on concessional terms.

Displaced workers would be given priority in securing employment in other units under the same management or other industrial units in the same area. Concessional finance would be made available for providing opportunities of self-employment. Workers shall also be encouraged to form cooperatives to run part or whole of the units. Schemes shall be formulated for training and re-training of labour to facilitate redeployment.

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It is of utmost importance that the interest of the workers who might be displaced by permanent closure of units is safeguarded. For this purpose, schemes shall be formulated to provide relief for an interim period in addition to the statutory benefits. A Rehabilitation Fund for the workers of the textile industry would be created to provide relief to such workers for a limited period. Such a Fund shall, inter alia, be financed by a suitable cess on the textile industry.

It is necessary to monitor closely the performance of textile units to detect any sign of incipient sickness so that timely corrective measures can be taken. For this purpose, the monitoring mechanism at various levels shall be strengthened.

One of the main reasons for the present difficulties of the industry is inadequate modernisation and renovation of old and obsolete plant and machinery. Despite encouragement and incentives by the government, the industry has only modernised to a limited extent. Government policies would aim to accelerate the pace of modernisation in the industry.

There has been very little modernisation in the ginning area which has adversely affected the quality of cotton and hence the end-product of the industry. Expeditious replacement and modernisation of existing gins would receive priority. Concessional finance shall be made available for this purpose.

Modernisation in the spinning weaving and processing sectors shall be undertaken on the basis of carefully identified needs of each unit as to installation of blanking equipment, renovation of existing machinery, replacement and technology upgradation.

For the purpose of modernisation, adequate funds would continue to be provided in adequate measure under the soft loan scheme of the IDBI. In order to enable the industry to generate internal resources for modernisation, a Textile Modernisation Fund shall be created.

A national level Standing Advisory Committee on modernisation of the textile industry shall be set up, which would include representatives of management and labour as also suitable technical experts and representatives of financial institutions. This Committee shall identify on a continuous basis the needs of modernisation and the type of modernisation that the industry should adopt.

It will be ensured that in the process of implementation of modernisation programme, the interests of workers are adequately protected.

The indigenous textile machinery manufacturing industry shall be given encouragement to reduce costs, upgrade technology and improve the quality of machinery. However, liberal import of such textile machinery, which is not manufactured indigenously, shall be permitted at or near the international prices.

For expeditious modernisation of the handlooms, research for evolution of improved types of handlooms and adequate arrangements for ensuring swift and smooth transfer of technology from the research institutions to the handloom weavers will be given priority.

More powerloom service centres shall be established to enable the powerloom weavers to improve their skills in regard to maintenance of equipment, design development and quality of weaving.

The Textile Research Associations would be actively involved with the process of modernisation and its monitoring and their role expanded, so that may also cater to the needs of the handlooms and powerlooms.

The National Textile Corporation contributed significantly to the total production of yarn and fabrics in the organised sector. A number of mills under the NTC have been able to eliminate cash losses through a programme of rehabilitation. Greater effort is needed to implement programmes of selective modernisation so that as many units as possible become profitable.

The continued operation of units, which are incapable of becoming viable would mean a continued drain on scarce resources and such units or parts thereof may have to be closed down to prevent any further losses. In such cases, the interest of the workers would be adequately protected. With the implementation of a programme of modernisation of equipment, strengthening and improvement of management, raising productivity of labour and improvement of work-culture, it is expected that NTC would provide a stabilising influence and healthy competition on the textile industry.

Exports from the textile sector contribute a significant portion to the total foreign exchange earnings derived from exports. There are, however, certain constraints, both internal and external, which have meant that the full potential of textile exports has not yet been realised. In the international context, the government shall strive to bring about a liberalisation of world trade in textiles which would alleviate the external constraints on our exports. In the domestic sphere, all necessary steps would be taken to exploit our comparative advantage in this sector and to make our exports of textiles more competitive in the world market in terms of both quality and prices. For this purpose, the framework of policy would ensure that inputs for export production including capital goods, are made available at or near world prices.

At the same time, it would be necessary to intensify efforts in the area of product and market development, reorient marketing strategy and create capabilities for fashion and design development. Exports of products from the handloom sector, including silk products, have considerable potential in the world market.

All encouragement would be given to assist in the realisation of this potential. In so far as export production is an integral part of the total production base in the industry, the measures for restructuring and modernisation of the textile industry, outlined in this statement, shall provide the necessary impetus to exports.

The government would continue to lay emphasis on the development of sericulture on account of its employment potential in the rural areas, high income generating capacity and ability to earn valuable exchange through exports. Encouragement and support will continue to be given to the Central Silk Board and the State Governments for rapid development of this industry in all parts of the country.

Greater attention will be given to schemes relating to production of quality seeds, plantation of improved varieties and expansion of sericulture activities over larger areas and achieving a higher yield per hectare.

The existing extension and training services for educating the farmers in the improved techniques of silkworm rearing and control of diseases would be strengthened. Efforts shall be made for the development of technology in reeling, weaving and processing for improving the quality of the silk fabrics.

Government would continue to promote the growth of the woollen sector in order to ensure adequate availability of woollens and blankets at reasonable prices to economically weaker sections, particularly those living in the hill regions of the country. Programmes would be undertaken to augment the indigenous raw wool production in terms of both quantity and quality. Since the indigenous raw wool production is not enough to meet the requirements of the industry, liberal policy regarding imports of quality wool as well as shoddy would be continued. Research and development programmes will be promoted so that cheaper and better quality woollen products are developed for the domestic as well as export markets.

The knitting and apparel manufacturing sectors contribute significantly to employment generation and export earnings besides meeting the domestic demand for clothing. The government shall pursue policies for strengthening, modernising and developing these sectors.

The existing marketing and distribution system of the industry would be reviewed to introduce changes, wherever necessary, in order to evolve a more efficient system which would reduce costs and margins and provide both consumer satisfaction and consumer protection. The institutional mechanism for market research would be strengthened.

The textile industry has been subjected to a number of controls and regulations, many of which have become irrelevant or unnecessary with the passage of time. Such controls would be reviewed for elimination, phasing out or modification, as the case may be.

Government hopes that the policy framework outlined above would facilitate the necessary restructuring of the textile industry in India, would equip it to make an increasingly significant contribution to output, employment and exports in the country and would satisfy the clothing needs of all sections of the population.

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BHOPAL GAS TRAGEDY

- * Even after more than six months of the tragedy, it could not yet been fully established whether there was any other lethal gas mixed with the Methyl Isocyanate Gas.
- * The total number of deaths and affected in varying degrees, the effect of the gas on the environment and its extent have not been fully established.
- * The after-effects of the gas on the human body and functioning of its various organs, on new born babies etc. are yet to be firmly established.
- * Besides thousands of old cases, even now new cases are reported of the after effects of the gas inhalation in the shape of eye trouble or lung and other ailments.
- * The Pollution Control Board has recently in course of a report discounted the wind theory that wind direction brought in its trail the gas leaked out of the plant.
- * Relief and Rehabilitation is still far too inadequate including medical relief.
- * An investigation by a team of doctors has indicated that the gas tragedy in Bhopal has resulted in mental disorder on a fairly wide scale. Mental disorders were observed in nearly 168 adults, mostly women, under 45 years of age. A total of 41.5 percent suffered from neurotic depression, while 36.3 had anxiety neurosis. Another 8.9 percent had adjustment reactions.

REPORT OF TUI CHEMICALS (Abridged)

- * The gravest catastrophe in the chemical industry
- * Bhopal is still killing!

THE GRAVEST CATASTROPHE IN THE CHEMICAL INDUSTRY

Occupations in the chemical industry are extremely dangerous. The reactions of the inflammable, poisonous, explosive materials give birth to dangerous products. This means that strict specifications must be given for each stage of technology, while safety appliances and safety equipment must protect the health and safety of the workers. The increased precautions must also extend to the factory environment, the consumer of the product and strict specifications must be applied to the transport of the product and its storage outside the factory. Part of the equipment and the structural parts must be made of special material. Since the majority of chemical reactions run at high temperature and pressure and create considerable heat build-up, special specifications apply to the buildings as well. It is the obligation of the manufacturer to ensure that these conditions are met. The manufacturer is also responsible for the internal safety of the dangerous plant. Special attention must be devoted to the approach routes and the plant itself. They may not be used by unauthorized persons. Repair and maintenance may only be carried out by skilled workers in the presence of a competent person; workers may not work alone on such operations. These are only a few of the important principles; the description of the safety specifications goes to volumes. If the manufacturer does

not respect these specifications, the factory must be closed down. The slightest malpractice in the dangerous points of the chemical industry can lead to a mass catastrophe. These disasters are not accidental ones; the blame for them cannot be put on fate. They are all the consequences of some kind of negligence and carelessness. In many cases, the observance of the strict specifications is neglected deliberately. Many cases are known where, in order to cut costs, the manufacturer used structural parts and storage systems of weaker solidity, failed to provide safety devices, concealed the probable dangers from the workers, did not instruct them in how to protect themselves and did not provide them with individual safety devices.

A delegation from our TUI composed of Brothers Y.D. Sharma, Vice-President and Pal Gergely, Secretary visited Bhopal, India on 9th, 10th and 11th January this year. They collected facts and data for the ICPS. Their experiences are detailed as follows for your information. One of the aims in providing this information is to ensure that tragedies of this kind are never repeated.

Since 3rd December 1984 the Indian catastrophe precedes all other accidents in the chemical industry. When the tragedy happened the night was extraordinarily cold in Bhopal and vicinity. People were sleeping. At the railway station a big crowd was waiting for the train. At the Union Carbide plant workers began cleaning an underground tank containing 40 tons of methyl isocyanate. The job was done by unskilled workers without proper supervision. In doing this, the management seriously violated the rule known and accepted world wide that in dangerous plants and installations maintenance work may only be performed under proper supervision. The remark of an Indian trade union leader that "it is cheaper to neglect regulations than to respect them" is appropriate and can be applied to what happened later.

The gas in the tank began to escape from a faulty valve, water may have got into the tank and the reaction happening there resulted in overpressure which may have been the fault of the cooling system, or both. Workers noticed the leaking gas. They suspected that something was wrong and informed their supervisor living 10 kilometres away. This supervisor or another well qualified person should have been present while the maintenance was being carried out.

It is worth pausing here for a moment. An engineer from the plant made a statement accusing the local managers of Union Carbide of reducing the number of workers from ten to five in the place in question. A number of engineers and technicians with a thorough knowledge of the safety specifications had already been dismissed and replaced by less competent persons. The chief chemical engineer in this unit had been dismissed and replaced by an electrical engineer whose former activity had been confined to the battery charging plant. The engineer mentioned above who, incidentally occupies a leading post in maintenance, added that the workers had complained several times that the plant was becoming dangerous but no one had listened to them.

But to return to the events. The supervisor of the unit arrived on the spot late. The fumes were becoming more intense. The inhabitants of the neighbourhood saw the thickening fumes and suspecting fire, hurried to the endangered zone. This circumstance increased the death toll.

In Bhopal the catastrophe was made worse by the fact that the local people, including the authorities and institutions such as hospitals did not have adequate knowledge of the product manufactured in the plant and its dangerous nature. The famous Indian professor of pathology who holds a leading post in Hamida hospital raised the question of why Union Carbide had not announced at once what the leaking gas was, what kind of treatment and therapy was necessary to save people. The plant should have been obliged to inform the health authorities of the treatment and prevention. But it did not. As the professor pointed out, the plant should have published advertisements in the newspapers and should have warned everybody.

"The town became a gas chamber," said an eye-witness, then added: "These poor, uneducated people were unable to understand what had happened to them." This eye-witness was a missionary. In his statement he told us what a great many people asked him to explain what had happened. Why people lost their eye-sight and why their relatives and acquaintances died a miserable death. They did not understand it at all. It is quite obvious that the transnational company had failed to give the kind of information they had given to the parent company. The leaders of various Indian parties made statements. They raise the question of Union Carbide's responsibility and many of them criticize the policy of the transnational corporations. An opposition party leader argued that multinational companies do not apply such stringent safety measures in the developing countries as they do in the parent companies in their home countries. A representative of another party declared that the multinational companies set up in the developing countries the kind of plants they could not locate in their home countries.

But to return to the events. Panic soon broke out in the town. People suddenly began to feel stinging pain in their eyes and were racked by uncontrollable coughing. According to estimates, the rapidly developing cloud of gas spread over an area of 40 square kilometres. The gas penetrated into the houses and many people died in their sleep. The gas leak was finally brought under control, but the gas cloud over the city was equivalent in density to a chemical warfare attack. The agony of the victims poisoned by the gas was identical to the symptoms observed in soldiers poisoned during gas attacks in the First World War. One of the gases stored in the Bhopal tanks is a chemical warfare agent that was widely used 70 years ago. The pesticide Sevin, manufactured by the company has two main components: phosgene and methyl isocyanate.

Knowing the probable biological effects, damage to the liver, kidney and lungs can be expected later on and complications such as cancer may occur. A great many people are expected to suffer damage to the eyes and some of them may lose their eye-sight.

Union Carbide in India

Union Carbide entered India in 1905 as National Carbon Company/India/Ltd., predecessor of Union Carbide of India Ltd/UCIL/. It began operations with consignment of batteries worth Rs.500.

The Bhopal plant

The agricultural products division was started in a small way in 1966-67, when an office was opened in Bombay.

In 1968 the division was shifted to Bhopal and work started in the formulation plant. The Sevin formulation unit was set up in 1969. Carbaryl, the Sevin technical concentrate, was imported from the US and ground and formulated into pesticides of different concentrations. These include Sevin carbaryl 100%, 85%/sprayable/, 50% WP/wettable powder/, 10% D/dust/, 4% G /granular/, Sevidol 4 G, Sevinol 40LV, Temik 10G. In 1970, UCIL applied for a production licence on the grounds of saving foreign exchange. In November 1973, it signed agreements with Union Carbide Corporation for the provision of technical know-how and for the supply of plant machinery for the manufacture of methyl isocyanate /MIC/ based pesticides against a payment of 20 million dollars. /Indian Express/

The licensed registered capacity of the MIC-based pesticides plant at Bhopal was 5,250 tons at the end of 1983, against 5,000 tons in 1982. The production of MIC-based pesticides was 1,657 tons in 1983 against 2,308 tons in 1981. Their production had peaked to 2,704 tons in 1981.

In 1983 the company received a letter of intent for the manufacture of 200 tons of methabenzthiazuron and 50 tons of propour per annum, which was converted into an industrial licence. These two pesticides extend the range of MIC-based pesticides manufactured at Bhopal.

THE CHEMISTRY INVOLVED.

Organic isocyanates

Organic isocyanates are compound in which the isocyanate group is attached to an organic group. Isocyanates represent a reactive class of compounds since the isocyanate group reacts with a wide range of compounds as well as with itself to form dimers, trimers, polymers and carbodiimides.

Toxicology

Methyl isocyanate is an irritant of the eyes, mucous membranes and skin. It can cause pulmonary irritation and sensitization. Exposure may be either through inhalation or skin absorption. Exposure of humans to high concentrations causes coughing, dyspnoe, increased sensitization in susceptible individuals; should this occur, further exposure should be avoided, since even extremely low levels of exposure may trigger an asthmatic episode.

The process used in Bhopal is:

Methyl amine + Phosgene = Methyl isocyanate + Hydrochloric acid.

Methyl isocyanate + Alpha Naphtol = Carbaryl /Sevin/

The production process used at Bhopal plant is the following:

1. Burn coke and coal to form carbon monoxide.
2. Carbon monoxide and chlorine are reacted to produce phosgene. Phosgene is not stored. It is produced in order to further produce MIC. A small tank of 600-700 gallons is used for the intermediate storage of phosgene.
3. Phosgene and Methyl are reacted to yield MIC.
4. MIC is refined in a refining column. Hydrochloric acid is the by product. Some phosgene may also be left over.
5. Refined MIC is stored in about 40-ton stainless steel tanks under slight pressure. The purity of the stored MIC is 99.5%. Up to 0.1% of phosgene is allowed as an impurity. When MIC is required for the production of Sevin, the stored liquid MIC is transferred through pipes to one-ton charge pots under nitrogen pressure. These charge pots are connected to two reactors where MIC and alpha naphthol are reacted to produce Sevin.
6. 2600 kg of alpha naphthol is dissolved in 1400 to 1500 kg of carbon tetrachloride at a temperature of 50°C./It takes an hour to dissolve./ At this state the alpha naphthol originally in the form of white flakes is said to be charged. This charging is done in the presence of a specified percentage of trimethyl amine which is used as a catalyst. MIC is now slowly injected to the charged naphthol. Without the strict control of temperature, something other than carbaryl would be produced. For this purpose a heat exchanger is used and a temperature of 70°C is maintained. At this temperature MIC vaporises and the vapours are led to a vent gas scrubber. The reaction is continued for an hour. Up to 0.03% of MIC present is passed for further treatment; vaporised MIC is evacuated by vacuum and liquid MIC is collected. The remaining Sevin slurry, carbaryl and carbon tetrachloride are led into a surge tank for separation.

Facts and medical data

A team of experts visited Bhopal and met several disaster victims in the worst affected areas. The team also met several operators and engineers of Union Carbide India Ltd, Bhopal Plant and many local doctors and scientists, all of whom provided much valuable information and insight.

The group of experts has discovered sufficient evidence to show that there has been gross negligence both on the part of the Union Carbide Corporation and Union Carbide India Limited management, in those critical areas which related to processing and handling of the hazardous MIC, phosgene and other toxic substances. Plant maintenance was astonishingly deficient. Worse, many crucial safety functions were inoperative, some for "economy reasons". Such "economy measures" were also responsible for manning policy which depleted the plant's experienced and trained personnel, overloaded plant staff and led to stationing of untrained personnel in critical areas of the plant.

The accident has also exposed the utter inadequacy of the safety equipment, even had it been in working order. The entire plant was undersigned with respect to standby systems, control and monitoring facilities, safety barriers, etc. Computerised monitoring and control systems had not been provided in the Bhopal plant, unlike in the US parent plant.

In the hospitals

Victims began arriving in hospitals largely with the following complaints:

- severe chest congestion,
- foreign body sensation in the eyes,
- diminished and blurred vision,
- whiteness in the eye,
- frothing at the mouth,
- headache and giddiness,
- sore throat,
- pain and burning sensation in the chest,
- coughing and breathlessness,
- vomiting,
- abdominal cramps,
- diarrhoea,
- swelling of the legs,
- palpitation,
- vomiting of blood,
- weakness of tongue and limbs,
- paralysis,
- stupor,
- chills,
- cold, clammy skin,
- coma,
- fever.

After some delay

The clinical picture of the victims who presented themselves after some delay does not differ much except in the following ways:

- eye problems are somewhat less,
- fever, chills and chest complaints were common, suggesting development of secondary infections,
- many patients had earlier experienced a little discomfort and some of these had to be hospitalized,
- many of them had been discharged earlier without proper treatment.

Treatment.

Upto 11th December no official line of treatment was available. No specific antidotes for the MIC poisoning were available to the doctors. Sodium thiosulphate was used in certain cases suspecting cyanide poisoning on the 10th and 11th December but given up later as not found effective.

The general lines of treatment were:

- to reduce inflammatory conditions, intramuscular decadon, i.e. steroids were administered;
- aminophillin intravenous injections were given as broncho-dilators;
- antacids were administered to reduce stomach irritations.

Victims

The tragedy has parallel only in the use of poisonous gases in chemical warfare. Phosgene, small amounts of which were present in the nearly 45 tons of MIC that was released into the atmosphere, was in fact used in World War One.

Certain sources make an estimate of nearly 5000 deaths, although estimates quoted in Bhopal vary from 2000 to 10,000.

The total number of people severely affected could be put at around 20,000/excluding cases of delayed effects/. Considering the immediate impact zone of the accident, the total number of people requiring serious medical attention and follow-up can be placed around 50,000. The total population of the area immediately affected by the gas is about 250,000, of whom 150,000 live in areas over which the gas settled in high concentration.

Safety systems

As a summary of the information collected, several parts of the safety system, comprising the relief valve vent header, the vent gas scrubber and the flare tower were hardly in satisfactory condition. At the time of the accident, a vent line leading into the relief valve vent header was being washed, the line connecting the vent gas scrubber to the flare tower was mastercarded for repairs, the motors meant for pumping caustic solution into the vent gas scrubber were down and certain motors in the control panel monitoring the MIC tanks were malfunctioning. The chilling unit had been switched off as an economy measure. Many valves, vent lines, feed lines, etc. are in poor condition. Items which should have been replaced every six months have been overused for two years.

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Once toxic gases were released uncontrollably, even the seriously under/ safety system, which could have at best neutralized a small part of the 40 tons of MIC, was not in a satisfactory condition either. The caustic pump was down, rendering it impossible to charge the vent gas scrubber once the meagre amount of caustic charge in it was exhausted. The absence of a standby system using passive flow from overhead tanks made the situation, if possible, even worse. But even if the vent gas scrubber system had worked at its best, it was inherently incapable of dealing with this quantity and rate of gas escape. The line connecting vent gas scrubber and the flare tower meant for burning off the unneutralised toxic gas was also mastercarded for repairs. This line has suffered extensive corrosion due to neglect. The flare tower was inadequate to burn off such a large-scale escape of gases.

While methyl isocyanate is stored in 180-litre drums in other plants of the transnational, in Bhopal it was stored in a tank with a capacity of almost 40 tons!

While the storage of this product requires double-walled containers and pipes, in Bhopal they had single walls.

The negligence is quite clear in this catastrophe:

- In 1974 the mayor of Bhopal called for the transfer of the plant following gas leaks and explosions.
- In 1980 a fire that was brought under control with great difficulty could have caused a similar catastrophe.
- In 1981 there was a leak causing the death of a worker.
- In 1982, 24 workers suffered intoxication and there was talk of 10 deaths.
- Again in 1982, the burst of a valve caused the contamination of four neighbouring localities.

Why has there been no response to the repeated demands of the trade unions in the plant for the inspection of the safety systems and for the investments required to improve the safety conditions?

Why is the Union Carbide plant in Institute, Virginia /USA/ equipped with an automated early warning system able to detect any abnormal increase in the MIC tanks, while the Bhopal plant is not?

And they dare to speak of an "unforseseable accident"! That is far too easy. The product was known, the risks it presents are known. Why then is such a plant located in the middle of a densely populated area?

There are obviously many questions that require an answer, and a public answer.

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BHOPAL IS STILL KILLING !.

In Bhopal, as in Seveso not so long ago, pain and death have not finished their sinister work at a single blow. In India, as in Italy, it is the children who continue to pay the heavy price of the fatal carelessness of others.

Young mothers in the martyr city of Bhopal live in an anguish of fear since the pesticide plant released its clouds of toxic gases last December.

The result is terrifying and further adds to the scale of the massacre committed by the transnational Union Carbide. One out of four of the infants born to mothers who were the most exposed on the day of the drama, die shortly after birth.

But this is not all for, since 3rd December, horror can be found in all its forms in the hospitals of Bhopal. For example, the doctors have observed that at least 30% of newborn infants are below normal weight. Moreover, many young mothers who lived near the plant, complain of having almost no milk.

The criminal neglect of Union Carbide continues to kill and the most dramatic industrial accident in history /2500 dead and 200,000 persons affected to varying deg-

The truth is that the full limits of this catastrophe are still not known, while the capitalist company is showing complete disdain for the Indian people who are being treated like sub-humans. According to a member of the state government, the heads of Union Carbide deliberately refused to provide certain information in their possession that would have made it possible to treat and very likely to save a number of those who had inhaled methyl isocyanate.

The accusation has been made that the US transnational gave no information that could have helped the Indian medical corps in treating those affected. Why? Undoubtedly because Union Carbide regards Bhopal as an industrial colony on foreign soil and its inhabitants as slaves. But probably also because it considers that the life of an Indian is not worth disclosing a few production secrets.

As a result, hundreds of persons died from pulmonary oedema, cerebral, intestinal and renal complications while the doctors were unable to do everything that could have been done to save them.

This makes the crime of the company's managers even greater. All the more so since the investigations being made by the Indian government continue to throw light on the terrible responsibilities of Union Carbide which has been accused, in a new official study, of having done nothing to improve safety in the plant and to draw up an emergency plan to be followed in case of a disaster.

Employees were not given adequate training and the management of the Bhopal plant did not even know the exact volume of gas being stored.

As for the tens of thousands of people who lived in the shanty towns that sprang up in the meandering shadow of the plant, they were regarded as insignificant and were not instructed in even the most elementary precautions to be taken in the case of a catastrophe.

The list of charges against the American transnational is growing steadily longer. It is no longer a case of collective murder by lack of care, but an outright massacre by indifference.

In the country where the dollar is worshipped, human lives count for little when there is a chance to increase profits. Especially when these humans live in a Third World country and "generous America" acts as though it were making them a gift by sending them a turn-key death plant.

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RESOLUTION ADOPTED AT THE
ALL INDIA SEMINAR ON BHOPAL GAS TRAGEDY,
NEW DELHI, MAY 24, 1985.

* * * * *

The disaster caused by the leakage of Methyl Iso Cyanate (MIC) gas at the Union Carbide Plant at Bhopal on December 3, 1984 has been the worst industrial disaster on record in the world. More than 2500 people have died, many thousands have been affected. Sufferings of the affected people still continue. The after effects of the gas in the human body could not yet be fully assessed. All surveys of the affected people, both governmental and non-governmental show that the after-effects are much more alarming than predicted by the Union Carbide and the Governmental agencies.

The various investigations have convincingly brought home the fact that the U.S. multinational Union Carbide paid scant attention to the technological imperatives for ensuring human safety. In fact, the top management of the company, both parent and the Indian subsidiary, were aware of the danger, particularly after the report of the Union Carbide inspector who visited the factory at Bhopal in 1982. The plant's maintenance was utterly deficient. Many general safety functions were inoperative, some due to reasons of "economy". The accident has also exposed the utter inadequacy of safety equipment and the safety systems which were of inferior standard as compared to the U.S. plant. The entire technology package transferred to India was obsolete as is more often the practice of multinationals. The holocaust is a sharp pointer to the workers, the scientific community and the people at large regarding the sinister role played by the multinationals in the third world by passing on their discarded technology, transferring such industries which are hazardous, maintaining double standard of safety for their greed for profits.

Another most intriguing fact which has been revealed is regarding the R & D set up of Union Carbide at Bhopal. The UCIL entered into a collaboration agreement with the UCC, USA to conduct experiment on new molecules and supply the research data to UCC, USA. It is to be noted with serious concern the reported visit of a large number of chemical war experts from USA, West Germany, U.K. and Canada to Bhopal possibly to evaluate the potential of MIC in chemical warfare.

The disaster is also a pointer to the policy of the Government of India of inviting the multinationals, sacrificing all norms of industrial safety and environment at their feet. Despite a series of accidents, including fatal ones ever since the installation of the plant, neither it was shifted away from the city precincts nor the required safety measures were adopted.

Besides multinationals, the Indian chemical industries are also growing apace bringing in its trail the dangers of water and environmental pollution. The Government has identified 20 industries producing various substances of high polluting nature. There are a large number plants of high polluting nature, but without adequate safety and pollution control measures.

Bhopal disaster has brought forcefully the fact that the industrialists in our country, monopolists and multi-nationals have been flouting the existing safety laws and the Government and bureaucracy instead of prosecuting them remain transfixed before them. The workers in general have also not been aware of the collapse of safety legislations and failed to demand a thorough overhaul. The Bhopal gas tragedy should awaken the workers and their trade unions to the urgency of taking up the question of safety and pollution control measures in the respective industries in their own interest as well as that of the people at large.

Nothing has been done with regard to the rehabilitation of the Bhopal gas victims. Large number of working people among the gas victims are unable to return to work even now, after nearly six months of the disaster. Similarly, the government has not yet come forward with any assurance to absorb the workers who have been thrown out of employment subsequent to the closure of the plant. The Government should extend adequate relief to the victims and for their rehabilitation.

From facts and evidences received so far it is revealed that:

1. The safety system in the plant was utterly inadequate and the UCC maintained a double standard of safety.
2. There are extensive health problems and no effective medical relief has been provided. There has been no systematic survey of the health of the citizens of Bhopal nor any clear guideline of treatment and aftercare.
3. Measures taken with regard to relief, rehabilitation and compensation have been utterly inadequate. No steps have been taken to absorb the workers of the plant or give them compensation.
4. The vital information on the cause of the accident and other scientific facts have not been made public.
5. The official investigation have been limited and have not included a thorough investigation into the design of the plant and the research performance of the Union Carbide.

The Seminar therefore demands the following:

1. Immediate interim compensation to the victims pending full settlement from Union Carbide.
2. Immediate adequate medical relief to the victims be undertaken on a war footing.
3. A White Paper on the state of health of the people of Bhopal and proper and adequate health care with a well defined line of treatment.
4. All relevant facts should be made public and the scope of enquiry should be expanded to include the design of the plant and all areas of operations of the Union Carbide including their
working.

5. The assets of the Union Carbide should be taken over and a thorough examination of the activities of the multinationals who look to India as a "pollution haven" and of those companies which are using India as a testing ground for chemical and biological warfare. The companies which operate against India's national interest should be nationalised or be asked to quit the country forthwith.

6. Those guilty of the negligence leading to the catastrophe should be brought to book and punished.

The Bhopal gas tragedy also raises ^{larger} issues and these are essential to prevent more Bhopal type accidents. In this regard, the Seminar demands the following:

1. A statutory body to examine the safety standards of all industrial establishments that may have a potential to cause damage to life and property outside their factory limits in the case of an accident in the factory, or due to hazardous substances used, due to production processes and end products. Such a body be entrusted with the task of continuously monitoring the level of preventive maintenance and implementation of the safety norms. This body should also be empowered to penalise the offending companies and to initiate proceedings for the confiscation of their assets if the offence warrants such a course.

2. It should be mandatory to first get the entire project as well as the design approved by above-mentioned statutory body before any plant is allowed to be set up.

3. The factory laws and other laws dealing with factory and labour legislations should be suitably amended to incorporate the following:

- a) Right of the workers and general public to know about the nature of the process used and the materials employed as also its effect on public safety, occupational health and environmental pollution.
- b) Right of the workers and the members of the public to report actual and or potential accidents and seek state intervention and monitoring.
- c) Shifting of hazardous plants away from the densely populated areas.
- d) Right to prosecute by the Unions.
- e) Enactment of a new law conferring right to a citizen to claim compensation as a result of loss suffered due to the working of hazardous industries. Such law is there only for workers arising out of employment injury or death. For Bhopal only, the Government has already enacted a new law for this very purpose.

The Seminar appeals to the participating organisations and others to popularise the demands among all sections of workers, the scientific community and the people at large so as to bring pressure on the government to act accordingly in the interest of the people and the country, their health and safety, and appeals to observe all India Bhopal Day on December 3, each year in pursuance of the demands. The Seminar also suggests that a Continuing Committee should be formed by the participating organisations to pursue the demands and also that a team should visit Bhopal to assess the conditions of the victims and their relief and rehabilitation.

(The Seminar was jointly sponsored by the Central trade unions, Industrial federations and scientific organisations).

CORRESPONDENCE BETWEEN AITUC AND CITU

Letter from AITUC President Comrade Chaturanan Mishra to CITU President Comrade B.T. Ranadive:

Dear comrade,

Recently, while attending the HMS Conference at Rourkela as a fraternal guest, I met Comrade M.K. Pandhe and had occasion to discuss with him the desirability of our two organisations (AITUC and CITU) taking some concrete steps to avoid mutual conflicts and bickerings, particularly at the lower levels, and to improve our joint campaigning and united actions on common issues affecting the workers' interests.

Though our discussions could not be detailed or exhaustive, I had broadly suggested to Comrade Pandhe that we might try to evolve an agreed code of conduct which would at least help to solve differences and to defuse avoidable tensions and bitterness.

I got the impression that Comrade Pandhe welcomed the general idea. I also hope you will approve the suggestion, especially in view of the very serious situation which our organisations are facing today and the growing offensive of all reactionary forces.

In order to discuss the contents of the proposed code of conduct, and to give it concrete shape, I suggest we should meet at an early date and exchange our views.

11 May, 1985

With fraternal greetings,
Sd/-
(Chaturanan Mishra)
President

REPLY OF COMRADE RANADIVE

Dear Chaturananand,

I thank you for your letter of 11th May, 1985. I am sorry I could not reply to you earlier as I was out of Delhi. I welcome your proposal to hold joint discussions to avoid conflict and bickerings between our two organisations. However, I regret that it will not be possible for us to meet till the 15th of next month. I will be out of Delhi till then.

Thanking you,

26 May, 1985

Fraternally yours,
Sd/-
(B.T. Ranadive)

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NCC MEMORANDUM TO MINISTRY OF LABOUR ON VERIFICATION
OF MEMBERSHIP OF CENTRAL TRADE UNION ORGANISATIONS

The National Campaign Committee of Trade Unions in its memorandum dated April 7, 1984 to the Union Labour Minister pointed out, inter alia, that the present verification is most unscientific as it does not exactly assess the actual strength of the unions and the present machinery is open to bias and partiality by the verifying officers and there is no way to prevent this contingency. Besides, the records kept by the Registrars of Trade Unions are not upto date and accurate. In certain states unions fail to get registration number for months and even years on despite fulfilling all required formalities.

Although all unions are expected to keep their records properly and upto date, the records themselves and their maintenance are not a proof measuring the strength of a union. A suitable mechanism has to be evolved with regard to record checking machinery. This apart, the system of random sampling as well as of spot verification are the two areas which are open to abuse and provide room for arbitrary discretion exercised in a partisan manner. They cannot be checked either by the Union or by the workers concerned.

The Memorandum therefore suggested that mutually agreed new procedure for verification should be evolved through discussion with the central trade unions.

We still adhere to the principle of secret ballot as the only scientific and democratic method of determining the strength of each union. The recognition of a union should be decided only by taking opinion of the workers.

Although the majority of the trade union centres have expressed their opinions time and again in favour of secret ballot as against verification of membership rolls, the Government of India is not yet prepared to accept this reasonable proposal.

The outline of modified proposals in the overall interest of coming to a consensus on this vexed question is given below only for purpose of verification of membership of the central trade union organisations:

1. The verification of membership of Central Trade Union Organisations should be conducted once in 3 years.
2. We already suggested in October 1981 that all cases of disputes or objections raised by trade unions should be resolved by means of secret ballot of workers of the unit or undertaking concerned. For the purpose of coming to an agreed position we are prepared to limit the areas of such cases by taking such disputes or objection for secret ballot which involve membership of 500 and above and where records of employment are statutorily maintained. While raising objection to the membership of a union, some reasons should be adduced.
3. When membership of unions is being verified on the basis of claims put forth by each central trade union organisations, copy of Annual Return for the relevant year or receipt of submission of annual return should be considered enough to show that the union is registered and submitted the Return for a particular year.

Where the application for registration of a union has been pending for more than three months despite fulfilment of all formalities, such union should be deemed to be a registered union for the purpose of verification. This provision is necessary in view of difficulties faced by unions in certain states despite completion of all formalities.

4. The chance of abuse of the existing method of spot verification can be minimised if the sampling figure is increased from 10% to 20% and the verifying officer discusses before hand the matter with the representatives of the concerned unions whose membership is being verified in a particular unit or establishment and finalise the details of place, time, random numbers etc.
5. The existing method of physical verification to determine the affiliation of a worker is the most crucial part of the whole process of verification which has attracted criticism and doubt of the unions. To minimise the room for abuse of this method, firstly, it is necessary that the verifying officer does not conduct physical verification inside a factory premises or establishment or in presence of any management representative, secondly, the physical verification is conducted in presence of representatives of unions concerned so as to check that whatever the worker says is recorded correctly by the verifying officer and no undue pressures exerted on the workers.
6. A committee of Central Trade Unions participating in the verification should be set up to decide the timetable of verification, periodically monitor the progress of verification and to deal with the problems which crop up during the course of verification.
7. In case of prolonged lock-outs, closures, strikes or arrests in a particular unit which prevented the union from submitting the Annual Return for the relevant year, the annual return for the previous year should be taken into account for the purpose of verification. The spot verification should be conducted from amongst the workers available in such cases.
8. Where verification of a union for any purpose whatsoever has been conducted in the particular year for which verification of central trade union organisations is being undertaken, the membership of a union as already verified shall not be subject to re-verification or to any objection.
9. The periodicity of collection of subscription of a union should be according to the provisions of the union constitution and not according to any set rules fixed by the verifying officer.

The above are our preliminary proposals for modification of the existing verification procedure and we might supplement our suggestions in course of discussions with the Government - September 1984.

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AITUC'S VIEWS ON GOVT'S MEMORANDA
ON INDUSTRIAL RELATIONS

Note circulated to
17th Indian Labour Conference

1. The papers prepared by Government for this conference (17th ILC) completely shut their eyes to certain pressing problems affecting the workers, though these problems dominated the Nainital Conference and continue to remain acute as before. At Nainital every delegation raised the question of closures, retrenchment and unemployment. We discussed these problems and Government and employers promised to do certain things. But situation has not improved.
 2. True, one textile mill in Bombay has been taken over since then. But many more units in Bombay and elsewhere remain closed. Large-scale retrenchment and rationalisation in textiles, engineering etc., are taking place which the employers declare have the consent of the recognised unions of the INTUC as in Bombay and Madhya Pradesh.
 3. Several strikes have been taking place on these questions of retrenchment and victimisation of trade union workers. Court judgements permitting dismissals at the sweet pleasure of the employers are evoking protest strikes to defend the rights of the working class. Strikes in the Grindlays Bank, the Mahindra concern in Calcutta, Remington Rand, The National Electric and New Era Silk in Bombay, the lockout in the Harveys, the failure to take over Kaleeswarar Mills in Coimbatore, show that the Government of India and the State Governments, after having debated the question at Nainital, have gone back to their usual position of leaving workers alone to fight the superior weight of the employers.
 4. In this period some wage agreements have been negotiated. The Jamshedpur wage agreement has come out. But even the problem of work loads is still unresolved and unless wage workloads are resolved together, it is useless to expect to settle down to calm work. Workloads and retrenchment at Jamshedpur, the failure to evolve proper wages scheme and elsewhere, disturb the iron and steel sphere, one for our economy. Tea Bonus is still unsettled. Board for Metal and Engineering as a whole is an
- The promises made to appoint the wage board have been frozen. Even the Pay Commission and Board have been unable to report though a] exhaust the patience of the workers, has r ment.
- The Labour Minister Mr. Nanda has the coal disputes and in the Banking tions while securing temporary relief as a whole. They become only ber labour policy, which does not allow the workers to be resolved in their of a correct policy.

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The promises made at Wainital and perspectives held before the workers have been belied for the most part. Where small fulfilments have been shown they had to be extracted by prolonged suffering and struggles of the workers.

5. This not only shows the Labour policy of the Government in actual practice, it also shows that what is called PLANNED DEVELOPMENT has no plan, unless all these retrenchments, closures, victimisations, and lockouts are a part of the "PLAN" of the Government and the employers for better Development of the profits of the gentlemen of enterprise.

OFFENSIVE ON T.U. RIGHTS

6. Not content with the position in which the employers, aided by the Government machinery, are launching offensives against the workers, it seems in this conference, the Government has put forward an agenda on industrial relations, which is calculated to hamstring still further the freedom of the workers and their trade unions.

The proposal to give unheard of powers to the Registrar of Trade Unions; that is Government officials, over the organisations of trade unions, is the most reactionary proposal on the agenda. He is no more a mere Registrar. He is to be the Supreme Maker and Unmaker of trade unions. He is to judge how many and where the workers should have unions or not. In one State, he is even given the power to dismiss and decide the office-bearers of the union. Very soon it will not be the workers, who will be running the unions, but the nominees of the Government or its party. So long it was done behind the back of the workers. Now it is proposed to be done with the sanction of the law. We refuse to accept this position. All these proposals of enhancing the powers of the Registrar or keeping his veto on the unions must be scrapped in toto.

CODE OF DISCIPLINE

7. The Government of India has not been able to compel observance of the Code of Discipline by the employers, by the State Government or by its own Ministries. The Unions of the AITUC particularly have not reaped a single benefit under the code. Not one union of the AITUC has been recognised under the Code. And there is the most flagrant case on record, where the Secretary of the Union of Employees of Audit and Accounts has been dismissed on charges, one of which is that he submitted a memo to the Pay Commission of the Government of India, and suggested curtailment of the authority of his employer (immediate boss). We need not cite further facts which are too numerous to be quoted here.

8. The experience of the working of the code shows that the majority of the employers and the State Governments as also Ministries of the Government of India are not prepared to honour the Code. Hence the AITUC thinks that the code of discipline be suspended until the employers and Governments come in the proper mood to work it and that the AITUC be allowed to withdraw from its obligations, where the employers and States do not reciprocate and adopt a policy of special discrimination against AITUC. To begin with AITUC will like to opt out of the code in Bihar, Madhya Pradesh and Bombay.

9. The Government of India compels the workers to subscribe Crores of Rupees to ESI. In spite of the promises, it has failed to provide hospitalisation, care of the families of the insured and enhancement of the employer's contributions. Provident fund monies of the workers are known to have been swindled by lacs. In Madhya Pradesh alone about Rs. Fifty lacs have been so swindled.

So is the position.....

So is the position in Bombay and elsewhere. Several Governments can be said to have been abetting this position as they took no effective action and workers in need do not get relief. This open daylight fraud is not nailed down by confiscating the concerns involved in it.

Where is Morality, Democracy and observance of law and the Code of Discipline in all this?

RECOGNITION OF TUs

10. The AITUC has always held that compulsory recognition of trade unions is a vital necessity in India, and that in order to decide which union has the workers' support and is representative, a secret ballot of the workers is the only correct method. Both these demands have been refused by the Government. Ballot is regarded as the most democratic method in the political field. Then why is it denied in the trade union field?

The verification method is one sided and is heavily loaded on the side of the Government, and the employers and their supporters. The very fact that unions of the INTUC or those recognised by the employers alone can collect subscription money in the factory, handicaps the others in making rolls and registering fully paid membership. Over and above this some of the verifying officers are subjected to influences hostile to the AITUC. Compulsory recognition of trade unions and ballot to decide their representative character are the absolute preconditions for peace in industry and better industrial relations. These two measures will bring about a fundamental change in the situation and help the economy and the working class to go forward.

FOR A CLEAR-CUT SOCIALIST POLICY OF LABOUR

11. We have made the above remarks on some of the problems before us in general, because they embrace the most important aspects of any progressive labour policy.

For over 40 years, since the workers began to act in defence of their interests and formed mass unions, the Government and the employers have been avoiding direct collective bargaining between the unions and the employers. There has been a consistent attempt to interpose some other agencies between the workers' right to collective bargaining and the employers who, as a class the world over, have always resisted direct negotiations with and recognition of trade unions. The Congress Ministries with their avowed adherence to Socialism have not followed a different path. Even where they agreed to give bargaining right and recognition it is offered in exchange for surrender of some fundamental rights as shown in that new breed of unions called 'approved unions'. Hence for the last ten years there has been continuous arguments about all kinds of tribunals, arbitration boards, conciliation machineries, appeals and so on. The present tripartite has again placed all these questions on the agenda. We hold that unless a clear cut socialist policy of labour is adopted and unless compulsory recognition of trade unions, collective bargaining and ballot are introduced, no amount of tribunals, boards, and bans on this and that will lead to a satisfactory solution.

However, we will give our views on the various proposals in a general way.

* * *

Para 3.3 of Government Memo:

We endorse the provisions for the ballot in the Kerala Industrial Relations Bill.

Para 4.3: Since only a committee is to be appointed to once more discuss the works committee, nothing need be said. The employers do not want the works committee, nor do the Government concerns. We want works committees to have more powers and we want them as elected committees. The works committee, in principle, must so evolve as to be the basis of Socialist Management in the future set up.

Para 5.2: Agreements, negotiated and signed by any union must be submitted for ratification, in the first instance, to the executive committee of the Union and, in case of sharp differences, to the general body of the union. Where 15% of the workers affected by an agreement negotiated by a union object to or demand amendment of the agreement, which must in all cases be publicised before the workers in all suitable ways, the union shall take steps to call the general meeting of the workers affected, if it is an establishment, and an elected delegates meeting or the elected works committees of all the establishments in the industry if the agreement covers whole industry, to ratify, amend or reject the agreement and the union, thereupon, shall carry out the decision of such a meeting. In the absence of such ratifications the agreements will not be binding on the workers, for the mere fact that it has been negotiated and signed by the union whether representative or not.

Para 6.2: Arbitration boards may be instituted to which recourse may be had, by either party to ^{the} dispute, of their own free will. The Government should have no discretion to judge ^{the} merits of the case and then grant or withhold reference to arbitration.

Para 7.3: We do not want to adopt any "Model Principles" as such to predetermine the reference of disputes to adjudication. If the adjudication machinery is to exist, it must be available fully and freely to the trade unions. The present Veto exercised by the Government on such reference and their tampering with the issues framed by the workers must be done away with. The Government are known to exercise their veto and powers to the detriment of Unions whom they dislike and to the benefit of employers whom they favour.

Para 8.4.: The Labour Appellate Tribunal as such need not be revived because that would be no cure to the appeals sent up to the Supreme Court unless industrial disputes are banned from the purview of the Supreme Court. The element of delay and costs also affected the L.A.T. when it existed. We would suggest that all High Courts institute an Industrial Bench in their jurisdiction in which the Judges should make themselves versed in all questions affecting industrial disputes as such, besides common law and industrial law.

Para 9.3: The Madras Government proposal be endorsed. All the three fears expressed in para 9.2 are groundless.

Para 10.2: If the Central Government acts quickly and takes over the disputes to a national tribunal, the difficulty can be overcome. But in the absence of such a decision by the Central Government, the present power of reference to

local tribunal should remain.

ON T.U. ORGANISATION

Para 11.4: The AITUC is of the opinion that we have come to a stage where unions, in certain sectors of our economy, can find enough cadres and leadership to manage all their affairs, provided the union leadership is guaranteed protection from the victimisation in any form. No union functionary should be dismissed, discharged or transferred during his occupancy of the union post. Secondly, no dismissed or discharged worker shall be considered as an outsider for the unions of his industry or trade. Thirdly one fourth of his working time shall be available to the office-bearer for his trade union work. Only unions in an industry like coal mining, plantations and Class IV employees are not yet in a position to contribute suitable cadres for specialised sides of Trade Union work, such as correspondence, drafts of agreements, court work etc., for which outsiders are required by them. Hence the AITUC is prepared to discuss which industry or trades can even now be urged to accept a total elimination of outsiders, if the other national trade union centres would agree, and the employers and the Government would provide the above guarantees.

Para 11.5: Yes; annas four may be made the minimum.

Para 11.6: Registrars' powers be curtailed even as at present and some decentralisation may be done.

Para 11.7: No powers of this type be given.

Para 11.8: No power of this type be given.

Para 11.9: The power exists and may be continued.

Para 11.10: Even the suggestion is preposterous.

As the Government is aware and frankly shows it in its memorandum, all these powers, existing or proposed are against the spirit of the freedom of organisation guaranteed under the Constitution.

The failure of the Government to ratify the ILO convention No.87 on this subject is a serious breach of democratic behaviour and the Government's duties to the Constitution. That the Government of India did not consult the Tripartite Conference on the question of its refusal to ratify the convention should be taken note of by this conference. Curtailment of the freedom of association even with the concurrence of representative organisations is impermissible. And this is specially so when the Government's criteria to determine the representative character of an organisation, is of a partisan type and is worked by itself with partiality and extreme considerations. The latest verifications of membership and representative character of national trade union organisations carried out by the Government Officers is full of instances to prove the above statement. Even if verification were true and valid, no organisation has the right to curtail the freedom of association of others and the Government has no moral or constitutional justification to undertake curtailment of that freedom. It is undemocratic and unconstitutional.

(Note: The Government's Memoranda on Industrial Relations were published as supplements to Trade Union Record, dated May 20 and July 20, 1959. These supplements are also being circulated herewith.)

CENTRAL COMMITTEE ON EMPLOYMENT

Extracts from Summary Record
of proceedings relating to important
recommendations

The first meeting of the Central Committee on Employment was held in Delhi on May 25 and 26, 1959, under the chairmanship of the Union Labour Minister, Shri Nanda. The Committee consists of representatives of Central and State Governments, employers' and workers' central organisations as well as a few Members of Parliament. Com.S.G.Patkar, M.L.A., represented the AITUC on the Committee.

Shri G.L.Nanda who inaugurated the session said that the Central Committee on Employment had been formed to reckon with some special needs in relation to the economic and social life of the country. Employment was a matter of deep and abiding interest to the members of any community and, in our country, the solution of unemployment and under-employment which were of a large magnitude was a major task of planning. In this direction, the Chairman admitted, the Plans had so far not met with conspicuous success. He, therefore, urged that the Committee should, in addition to other functions assigned to it, devote the greatest attention to the approach to the Third Plan in relation to employment generation. The Committee will have to recommend measures in this regard and advise the Planning Commission.

The Committee later split up into three sub-committees to deal with (a) General Employment Policy (items 1, 2 and 3 of the Agenda), (b) Employment Service (item 4) and (c) Current employment problems (items 5a and 5b).

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The following is the report of the sub-committee on "General Employment Policy":

The Sub-Committee on "General Policy" met under the chairmanship of Shri T.Subramaniam, Mysore Labour Minister. The Union Minister for Labour and Employment guided the deliberations of the sub-committee in its early stages.

2. The sub-committee considered the first three items on the agenda, viz., (1) a general review of the present employment situation, (2) the outlook on employment in the Third Plan, and (3) strengthening the sources of employment information.

3. The sub-committee underlined the following observations of the Union Labour Minister in his opening address:

"I feel that it is incumbent on us to explore unorthodox ways of enlarging the scope of productive employment in the country for the many who cannot be absorbed in the normal pattern of employment opportunities created through plan investments and the regular agency of the market. There are enough tasks of economic utility to be performed and plenty of natural resources remaining to be utilised for this purpose.....

"Today, the rural boys and girls who get education in towns are practically lost to the rural areas as these areas do not have modern amenities and attractions for the educated youths. The consequence is that the rural areas are deprived of that stimulus and leadership which the presence of educated persons in the village community can provide. We are apt to lose sight of the fact that the tasks of economic development in rural areas and the mobilisation of efforts there, on the requisite scale, calls for the service of a much larger proportion of educated persons than are available now. But to bring this about, organised effort on new lines is called for."

. . . A summary of the conclusions

A summary of the conclusions reached is given below:

(See page 4 re. amendment.)

4.1 While the various development projects under the plan have created employment and raised income levels all round, there were large sections of the people who were hardly affected by the projects that are being implemented. One of the aims should be to pay special attention to ameliorate the conditions of such persons. Any scheme of giving doles to unemployed is no effective solution of the problem of unemployment. The solution lies in the direction of a more rapid pace of development.

4.2 The extent of employment opportunities that can be provided under the Third Plan will depend on the size and pattern of investment. The experience in regard to employment generation in various sectors of the economy vis-a-vis investment actually undertaken during the Second Plan period will provide guidance in determining the size and the structure of the Third Five Year Plan.

4.3 Where alternative techniques are available for a particular line of production, the one that provides maximum employment opportunities should be chosen. This, however, is subject to local and regional factors. (Action: Planning Commission).

5.1 The dearth of statistics and information regarding the creation of employment opportunities and the unemployment position was noted. It was considered that the Central and State Governments should give priority to the collection of such information. The current programme of employment market information should be strengthened. (Action: DG R&E)

5.2 It was noted that some studies were already in progress regarding the indirect employment effects of investments. Similar studies should be undertaken for other sectors of the economy. (Action: Ministry of Lab. & Empt.)

6.1 It was noted that the supply of trained craftsmen and other skilled technicians was not adequate to meet the requirements. There was need to train craftsmen and production process workers in large numbers so that as industrialisation progressed, there would be an adequate supply of the right type of skilled personnel. For this purpose, apprentice training schemes should be organised on sound lines, by resorting to legislation if necessary. (Action: DG R&E).

6.2 A procedure should be evolved for diverting young persons in schools into technical training institutions in accordance with their aptitudes. Extensive vocational guidance programmes should be undertaken for this purpose. (Action: DG R&E)

7.1 Emphasis should be given to the creation of employment opportunities in rural areas. One method suggested was to encourage the location of new factories in rural areas. For this purpose, it will be essential that rural areas be supplied with the necessary overheads, such as power, transport facilities, etc., at reasonable cost. (Action: Ministry of Commerce & Industry).

7.2 The importance of a strong agricultural base in planning was emphasised. With improvement in techniques and better organisation, agriculture could provide fuller employment for a somewhat larger number of persons. (Action: Planning Com.)

7.3 Both from the angle of increased industrial production as well as employment, it is important to develop rural industrial estates. (Action: Ministry of Commerce and Industry).

8.1 Another source of employment which could be developed is small-scale and cottage industries. This should be planned on a regional basis. Properly organised, they would be able to meet the requirements of consumer goods and provide increasing employment. In organising these industries, we also aim at developing them as feeders to large-scale industries.

8.2 In the field of small-scale industries, the main provision of (a) Credit and (b) Organisation. While noting the Small Scale Industries Board in this regard, it was concluded that Panchayats and other local bodies should be given greater responsibility. (Action. Min. of C&I)

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9. Construction programmes generated large-scale employment for a limited period but only a small fraction of it was of a permanent character. In considering priorities in terms of employment, therefore, this limitation of construction as an employment generator should be kept in mind. (Action: Planning Commission).

The Report of the Sub-Committee on Current Employment Problems is the following:

The sub-committee considered the following two items of the Agenda:
Item 5(a): Workers rendered surplus from projects nearing completion; and
Item 5(b): Employment of workers in manufacturing and other establishments threatened with closures:

Item 5(a): The sub-committee discussed and approved of the existing arrangements and procedure followed by the Central Coordinating Unit, in the Ministry of Labour and Employment, for deployment of large number of workers thrown out of employment from construction projects nearing completion. As the Unit is doing useful work and the problem is likely to continue, it recommended that the Unit should continue its work on regular basis. It was, however, felt that the work of the Central Unit will be facilitated only when the State Coordinating Units, which have by now been set up in all States in pursuance of the recommendations of the National Development Council, function effectively and supply advance information to the Central Unit about the number and categories of workers to be rendered surplus and avenues of employment in the States. The Central Unit will get in touch with different State Units, which in turn will consider the extent of local absorption. Though there will be no obligation on the State Coordinating Units with regard to the number of persons to be absorbed in a State or with regard to priorities to be given to surplus workers vis-a-vis the local unemployed personnel, every effort will be made by them to help the Central Unit to solve the problem by as much local absorption as possible. The sub-committee suggested that the State Units while reporting likely retrenchment to the Central Unit should simultaneously initiate action to get the surplus workers absorbed locally to the extent possible. Questions regarding wages and seniority of surplus workers absorbed in alternative employment vis-a-vis the existing employees will be settled individually by the employers and the workers concerned; ordinarily, seniority of the existing employees will not be disturbed. It was also felt that the Central and State Coordinating Units should so organise themselves as to be able to collect advance information on likely retrenchment of workers and suggest suitable phasing or other measures to avoid large-scale displacement at a time. (Action: DG R&E)

Item 5(b): Realising the gravity of the situation caused as a result of closure of units in textile and other industries, the sub-committee recommended that the problem, which has direct bearing on the level of employment and unemployment in the country, should be dealt with on a regular basis in collaboration with all concerned. There are two aspects of the problem: (a) avoiding closures and retrenchments of workers by taking suitable measures, and (b) providing alternative employment to workers rendered unemployed due to closure of units which are uneconomic and cannot be run or rehabilitated.

Insofar as the second aspect of the problem is concerned, i.e., where units are uneconomic and cannot be revived at all, the sub-committee recommended that the Central and State Coordinating Units should take suitable measures, as they are doing in the case of workers thrown out of employment in construction projects nearing completion, to find alternative employment, as far as possible, to workers rendered unemployed due to closure of these units. In order to improve the employability of such persons, suitable facilities for training and vocational guidance may be provided. (Action: DG R&E)

2. For avoiding closures and consequential retrenchment, the sub-committee made the following recommendations:

(i) It was necessary for Government to get advance notice about the likely closure of a unit and as decided at the Sixteenth Session of the Indian Labour

. . . . Conference, three months

Conference, three months notice should be given in advance of closure by the Management to Central/State Governments. (Action: Min. of L&E).

(ii) The requests of State Governments for investigation of units under the Industries (Development and Regulation) Act may, as far as possible, be met. (Action: Min. of L&E)

(iii) Where, on investigation, it is found that the unit was closed due either to lack of finances, mismanagement, etc., and can be run economically, efforts should be made to revive and run it. The question as to who should run such a Unit - whether the State Government, or an independent Corporation or any other agency - should be examined. (Action: Min. of L&E)

(iv) The question of obtaining necessary finances to meet the requirements of (a) working capital (b) capital investments and (c) to cover losses, of the concerns taken over, either from the State Government or from a Special Fund to be created for this purpose, should be examined. (Action: Min. of L&E).

(v) When a concern has to be taken over and for this purpose, some readjustment in the basis of remuneration of workers becomes inescapable, this may be considered in consultation with the concerned workers so that the units start working and losses are avoided, as far as possible. (Action: Min. of L&E). (Refer amendment on page 5, last para)

(vi) The desirability of expanding the Schedule to the Industries (Development and Regulation) Act so as to include other industries may be examined. (Action: Min. of L&E).

(vii) The right of Central/State Governments to intervene in all liquidation proceedings with a view to safeguarding production and employment may be examined. (Action: Min. of L&E).

(viii) In winding up proceedings, a wider view of maintenance of production and safeguarding of employment situation in the overall interest of the country should be taken. (Action: Ministry of L&E)

(ix) When a concern is taken over under the Industries (Development and Regulation) Act, the liquidation proceedings may be allowed to be initiated and continued, if Government so desires. For this purpose, any modification of the Act, if necessary, may be considered. (Action: Min. of L&E)

The above two reports of the sub-committees were considered by the Central Committee on 26th May, 1959. The official Summary Record of proceedings states:

"Shri T. Subramanyan, Labour Minister, Mysore, who was the Chairman of this (Sub-Committee on General Employment Policy) sub-committee, introduced the report. There was some discussion regarding the reference in para 4.1 of the conclusions of the sub-committee to the question of unemployment doles. The sub-committee was of opinion that giving doles to unemployed persons in the present economic set up of the country was not a practical proposition. Shri Vankataraman, Labour Minister, Madras, however, felt that there should be no prohibition for a State Government to give some relief to unemployed persons if it could do so. He said that even providing relief work on road construction, etc., might, in the ultimate analysis, amount to giving a dole. There was a general discussion and the consensus of opinion was that it would be more desirable to provide jobs to the unemployed than to keep them on doles. The Committee therefore adopted the following amendment to the concluding portion of para 4.1:

"Any scheme of giving doles to the unemployed is no effective solution of the problem of unemployment. The solution lies in the direction of a more rapid pace of development."

"Dr. N. Das, representing the Employers' Federation of India, objected to the recommendation for legislation on apprenticeship training as proposed in para 6.1 of the report. He said that his Federation was opposed to legislation being resorted to for this purpose. Shri Qadir, DG R&E, pointed out that this matter was examined

matter was examined by a special committee appointed by the Small Scale Industries Board which recommended legislation for compelling the employers to train apprentices. The National Council for Vocational Trades had also recommended legislation in this respect."

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The Central Committee discussing the report of the Sub-Committee on "Current Employment Problems" noted: (extracts from Summary Record)

"Shri R.Venkataraman, Labour Minister, Madras, who was the Chairman of the Sub-Committee, presented its report. Shri Shantilal Shah, Labour Minister, Bombay, while expressing disagreement with the recommendation that three months' advance notice of impending closure should be given to Government, stated that no management would like to inform the Government or workers three months in advance about their intention to close, or about their financial difficulties. The stipulation of three months' advance notice would do considerable harm to the credit-worthiness of a firm and might even precipitate its closure. He felt, therefore, that only one month's advance notice be called for. Dr.N.Das of the Employers Federation of India and Shri S.D.Patil, M.P., also associated themselves with these views.

"Shri Venkataraman, Labour Minister, Madras, on the other hand, felt that three months' advance notice was absolutely necessary as otherwise the Government would not have adequate time to arrange for alternative employment, re-training and other facilities for workers likely to be retrenched. Shri Amarnath Vidyalankar, Labour Minister, Punjab, and Shri Bahuguna, Deputy Minister of Industries and Labour, Uttar Pradesh, while agreeing with Shri Venkataraman, drew the attention of the Committee to the decisions already taken by the Indian Labour Conference on the subject, and, therefore, considered it unnecessary to reopen the subject. Shri Patkar of the AITUC also expressed the same view.

"After a brief discussion it was decided that since the Indian Labour Conference had decided that three months' advance notice should be given, this recommendation of the sub-committee should be accepted.

"Dr. N. Das of the Employers' Federation of India then referred to the recommendation of the sub-committee regarding the creation of a Special Fund for providing finances to help the units that are taken over to revive and said that his Federation was against the idea of creating such a Fund through the levy of a cess. If such a cess were levied, he argued, it would amount in effect to penalising the more efficient and progressive units for the faults of the less efficient ones in the industry. He, however, had no objection to the question being examined and placed for further consideration before the next meeting of the Committee. Shri Shantilal Shah was also of the same view.

"Shri Venkataraman, Labour Minister, Madras and Shri Vidyalankar, Labour Minister, Punjab, were however of the view that a Special Fund for the purpose of providing working capital and capital investment was essential if employment was to be provided to workers threatened with retrenchment as a result of closures of units. The consensus of opinion was that even if the creation of Fund meant a strain on more efficient units, it should not be grudged as the prices of the product are determined largely with reference to the cost of production of the marginal units and this itself meant an advantage to efficient units. After a general discussion, it was agreed that the question of creating a Special Fund for the purpose of rehabilitating weaker units should be examined in all its aspects, viz., its need, desirability, practicability, etc. and a note on the subject placed before the Committee at its next meeting. (Action: Ministry of L&E)

"Referring to the recommendation (v) of the sub-committee on the payment of appropriate wages to workers, Shri Patkar of the AITUC said that it would not be possible for workers to accept this recommendation as it was worded, for, it would imply that whenever a concern was taken over by Government, there would have to be a cut in the wages. The Chairman and other members also felt that the recommendation did not give the desired impression as the idea was that a cut in wages should be effected only as a last resort when it was not possible to avoid losses and that too, after consultation with the workers concerned. After discussion, it was agreed that the recommendation (v) may be amended.

On other recommendations

A.I.T.U.C.

WORKING COMMITTEE MEETING

Delhi - August 8-9, 1959

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On other recommendations of the sub-committee, a general discussion was held....."

During the general discussion, the Chairman, Shri Nanda, said that the members of the Committee had done a good job of work in indicating directions in which further studies should be made and action taken. In order that results may be achieved, it would be advantageous to work in Committees or Study Groups.

The Chairman suggested that two Study Groups may be formed; the first to examine the employment aspects of planning in general and the second to study, in particular, the employment opportunities in the village industries sector. The latter Study Group would deal with problems of creating productive employment in rural areas through what the Chairman described as 'unorthodox' ways. It was proposed that the two Study Groups should be constituted as follows:

I. STUDY GROUP ON EMPLOYMENT PLANNING - Shri Shantilal Shah, Shri T. Subramanyam, Shri R. Venkataraman, Shri Amarnath Vidyalankar, Shri H. Bahuguna, Shri D. C. Sharma, Shri P. B. Advani, Shri N. Das, Shri S. G. Patkar and Shri B. Dutta.

II. STUDY GROUP ON EMPLOYMENT OPPORTUNITIES IN VILLAGE INDUSTRIES SECTOR - Shri Shantilal Shah, Shri R. M. Dave, Shri S. D. Patil, Shri Jhaverbhai Patel, Shri Nirmal Kumar Sen, Dr. K. N. Raj, Shri T. M. Sheth.

The Study Groups would also have powers to co-opt experts and representatives from Central Ministries.

It was tentatively agreed that the next meeting of the Committee may be held some time in October, 1959.

AN ANALYSIS OF INDUSTRIAL AWARDS

ON

BONUS

(The following analysis was made by the Labour & Employment Division of the Planning Commission and circulated to members of the Steering Group on Wages.)

The Labour Appellate Tribunal in the case of a dispute between the Mill Owners Association Bombay and the Rashtryia Mill Mazdoor Sangh Bombay (L.L.J.2 - 1950 page 1247) laid down, for the first time, comprehensive principles regarding award of bonus to workers. These principles designated as 'Full Bench Formula' have been further elaborated in a number of subsequent awards given by the same tribunal in its different sittings. The study of industrial awards made by adjudicators for the period the Labour Appellate Tribunal continued to function, indicates that the principles enunciated by it were more or less uniformly followed by lower tribunals as well as higher courts. The purpose of this note is to examine whether there have been any substantial departures on the part of judiciary from the principles laid down by the Labour Appellate Tribunal since the time the latter was abolished.

2. Any comparison of the broad principles followed by adjudicators since the abolition of the L.A.T. in 1956, demands first of all restatement of the principles laid down by the said tribunal. These principles are as under :-

- (a) Bonus is a cash payment made to employees in addition to their wages. It differs from wages in that it does not rest on contract but payments for bonus are made because legally due but which parties do not contemplate to continue indefinitely;
- (b) where industry has capacity to pay and has been so established that its capacity to pay may be counted upon continuously, payment of 'living wage' is desirable but where 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 wage', bonus must be looked upon as a temporary satisfaction wholly or in part of the needs of 'the employees';
- (c) both capital and labour contribute to the earnings of an industrial concern and it is fair that labour should derive some benefit when there is surplus left after meeting prior necessary charges;
- (d) as regards prior charges it was laid down that the first charge on gross profits should, therefore, be the amount of money that would be necessary, for rehabilitation, replacement and modernization of machinery and corporation taxes to be paid to the exchequer. As depreciation allowed by income-tax authorities is only a percentage of the written down value, the fund set apart for depreciation and designated under that head would ~~be~~ not sufficient for the purpose. An extra amount would have to be set apart under the heading of 'Reserves' to make

up that deficit. Further as initial and additional depreciations are allowed by authorities with a specific purpose of helping the industry, these cannot be included as items under prior charges particularly if these tend to diminish unduly the gross profits and thus jeopardise the chances of granting bonus to labour. The general rule, therefore, should be that only normal depreciation has to be allowed as an item of necessary expenditure for determining the balance left for awarding bonus to workers;

- (e) As regards returns on invested capital, it was laid down that interest at the rate of 6 per cent should be considered to be a fair return on paid-up capital and somewhat lesser return on working capital. In a number of subsequent awards made by the same tribunal 4 per cent on working capital was allowed;
- (f) The claim of the employees for bonus would arise only if there should be a residue left after making provision for (a) prior charges; (b) a fair return on paid up capital; and (c) a fair return on reserves employed as working capital; and
- (g) As regards quantum of bonus, it was laid down that it would essentially depend upon the relative prosperity of the concern during the year under review; that prosperity may be best reflected in the amount of residuary surplus; the level of labour's existing wages is also a consideration of importance. Further there cannot be any rigidity about these principles; for instance, no scheme of allocation of bonus could be complete if the amount out of which bonus is paid is unrelated to employees efforts and so on.

3. An analysis of industrial awards of tribunals inclusive of those given by High Courts and Supreme Court since the abolition of the L.A.T., indicates that the disputed points which have been adjudicated upon, could generally be termed as 'matters of detail' rather than 'principles'. There is no doubt that judgments have been reported which have sometimes reversed the previous decisions of the L.A.T. or the principles have been so interpreted as sound a note of conservatism resulting in narrowing down the benefits awarded to workers in the matter of granting bonus but an objective evaluation of awards as a whole does indicate that the tribunals have kept themselves more or less within the broad principles laid down by the L.A.T. In fact as will be seen from Appendix 'A' the number of principles which have been adhered to are far greater than cases where departures have been noticed. The awards which form the basis for our above mentioned observations are those which have been reported in various issues of the Labour Law Journal and Labour Gazettes. These are discussed below. These awards have been grouped in two parts; first part deals with cases in which the generally accepted rules have either come to be reversed or some conservative opinions expressed in interpreting them and the second part relates to cases in which principles laid down by the L.A.T. have either been closely followed or have even been liberally interpreted than before. Part III brings out the main principles emerging out of the awards studied.

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4. Before Supreme Court of India: Between Baroda Municipality and their workmen (LLJ - 1 page 9 - 1957). This case relates to an appeal filed by the Baroda Municipality against an award of the L.A.T. which allowed bonus to workers of Electricity Department which had made profits during the year of dispute. The L.A.T. held in this case that the Electricity Department was

a profit making concern; the concern was run separately and as it was a trading concern from its very nature, the balance of earnings derived from it after allowing for all out-goings was pecuniary gain and it made no material difference to the actual nature of the gain whether it was called surplus or profit. Further in case, all conditions for granting of bonus were present, such a claim on behalf of workers could not be ignored. As to the payment of bonus to workers of one department only when adequate amount was not available to meet the demand of all workers, L.A.T. observed that in case profits were found to be adequate it was permissible to treat profit-making department as a separate unit unless there was some nexus between the profit-making department and other departments. These points were considered by the Supreme Court which reversed the decision of the L.A.T. According to the Supreme Court, Electricity Department could neither be considered as a separate department nor a trading concern as understood in the ordinary sense of the term. Property and income of the Electricity Department belonged to the Municipality as a whole and could not be utilised for purposes other than mentioned in the Municipal Act. It was held, therefore, that under these circumstances, there was no case for bonus being awarded to workers of the Electricity Department.

5. Before Industrial Tribunal Madras: Standard Vacuum Employees Union and Standard Vacuum Oil Co. Ltd. (LLJ-1 p.165 - 1957) In spite of fairly huge surplus available for determining the amount of bonus to be awarded to workers, the Tribunal awarded only 3½ months' basic wages as bonus on the plea that (a) there has been recently narrowing of the gap between existing wages and living wages in the concern and (b) care has to be taken to see that bonus which is given is not so excessive as to create fresh problems in the vicinity. This decision represents in our view undue rigid interpretation of the theory of creating fresh problems and bonus meant only for partly bridging the gap between existing wages and the living wages.
6. Before the Supreme Court of India: Burn & Co. Ltd., and their Employees (LLJ-1 page 226 - 1957). This case relates to an appeal filed against the decision of the L.A.T. which had awarded bonus to workers involved in this dispute. The L.A.T. while awarding bonus to workers had stated that no doubt in this case profits were not sufficient for awarding bonus to all workers but as other workers had not demanded it, members of the union claiming bonus should be awarded the same. The Supreme Court rejecting the above decision of the L.A.T. held that in law, claim for bonus will be admissible only if there are sufficient profits which mean sufficient for paying bonus to all workers.
7. Before the High Court of Adjudicature, Madras; Between Mysore City Hotels' Association and LAT and other (LLJ-1 page 282 - 1957). A claim for bonus had been made 17 months after the year had ended and after the profits of the partnership for that year had been ascertained and distributed. The LAT in its award conceded the demand for bonus on the plea that although the claim was belated, ignorance and lack of organisation among workers were sufficient reasons to condone the principle of belatedness. It was this decision which was appealed against before the High Court which rejected the findings of the Tribunal on the ground that a belated claim could not be conceded no matter whether labour was or was not conscious of its rights at the appropriate time.
8. Before Labour Court, Madras: Basic Foundry Madras and its workmen (LLJ-1 1957). This is one of the cases in which courts have allowed a higher return on paid-up capital than allowed by the LAT in its 'Full Bench Formula'. The specific reason given by the tribunal in awarding 9 per cent interest on paid up capital was that the concern was a proprietary one in which

profits of the past years have been ploughed back justifying a higher return.

9. Before Industrial Tribunal Madras: Tea & Coffee Workers' Union and others and Brook Bond India Private Ltd. (LLJ 1 page 645 - 1958). The tribunal rejected the claim for bonus on the ground that the balance left was not sufficient for awarding bonus to all workers.

10. Before the High Court Calcutta: National Carbon Co. India Ltd. and LAT and others (LLJ 1 page 472 - 1958). This case again relates to an appeal filed against the decision of the LAT. The facts of the case are that at the time of hearing before the LAT, the company refused to produce the necessary documents like balance-sheets for ascertaining the amount of surplus available for granting bonus to workers. The LAT took the view that the only legal inference which could be drawn from company's non-production of documents was that in case these are made available, these will disclose sufficient surplus for awarding bonus to workers. On this basis, the L.A.T. conceded in full the workers' demand for bonus amounting to six months basic wages. The High Court rejected the findings of the lower tribunal on the plea that in order to award bonus, it was necessary first to ascertain gross profits and surplus available after meeting prior charges. It further stated that the claim for bonus could be granted only on a legal basis and computed in a particular manner. As regards quantum of bonus awarded, it was stated that the lower tribunal had not taken into consideration the adverse effects of granting six months' bonus on other industries in the same area. Under the circumstances, the decision of the LAT was completely reversed and the demand for bonus rejected.

11. Before the Supreme Court of India: The Assam Co. Ltd., and its workmen (LLJ1 page 770 - 1958). The disputed point which came for adjudication in this case was the amount of return to be allowed on paid-up capital and working capital. The Supreme Court allowed 7 per cent on paid-up capital and 5 per cent on reserves used as working capital against the accepted returns of 6 per cent and 4 per cent respectively on the plea that an industry connected with agriculture like the tea industry had to face additional risks such as weather, pests and general deterioration of the soil, necessitating thereby a higher return on investment as compared with other industries.

12. Before the Supreme Court of India: Mathura Das and others and LAT (LLJ 1 -II page 265 - 1958). This case relates to an appeal filed against the decision of the LAT which had awarded bonus to workers. The facts of the case were that there was an agreement entered into between Government and the appellants; the former allowing an incentive bonus of four annas per ton to the latter on certain conditions of the contract being fulfilled. The workers employed by the appellants claimed a share of incentive bonus which employers received from the Government. The tribunal which heard the case came to the conclusion that although there was no legal stipulation in the agreement that the incentive bonus either whole or in part was meant to be passed on to labour but keeping in view all the circumstances, social justice demanded that 45 to 50 per cent of the incentive bonus which employers received from the Government as additional remuneration should be distributed between workers because without their cooperation no such claim would have arisen. The Supreme Court rejected the above findings of the tribunal on the ground that neither it formed a part of the contract nor it was awarded on the basis of available surplus profits of the concern.

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13. Before the Industrial Tribunal Bombay: Vakil & Sons and
their workmen

their workmen (LLJ 1 page 146 - 1957). The point in dispute related to the nature of depreciation to be allowed before arriving at the surplus available for determining the amount of bonus to be granted to workers. The tribunal allowed full statutory depreciation in accordance with the decision of the L.A.T. as given in the case of workmen in Deccan Sugar Co. Ltd., Madras State and Deccan Co. (LLJ II page 567 - 1952) in which it was stated that the usual amount of depreciation as allowed by Income-tax authorities was to be deducted as a prior charge. As regards initial depreciation, the tribunal again followed the decision of the LAT in the case of Dalmia Cement Co. Ltd. and their workmen (LLJ II page 451 - 1952). The LAT had decided in this case that full initial depreciation could not be allowed as it tended to cause adverse effect on the surplus available for determining bonus for workers.

14. Before the Industrial Court Madras: Standard Vacuum Oil Co. Ltd. (LLJ 1 page 165 - 1957). On the question as to whether bonus awarded in terms of wages should also include over-time wages earned by workmen, it was held that the full bench decision of the L.A.T. in the Greaves Cotton Co. case (LLJ 2 page 185 1954) did not seem to include it on principle. The tribunal's view, therefore, was that the prevalent practice of excluding overtime allowance should be followed as such a course was undoubtedly just, equitable and proper. The tribunal accordingly awarded bonus equivalent to $3\frac{1}{2}$ months basic wages. The principle of linking bonus to basic wages only, is in accord with the LAT's decisions given on this subject in a number of awards.

15. Before Industrial Tribunal, West Bengal: Burn & Co. Ltd., and their Workmen (LLJ 1 page 401 - 1957). The disputed point which came up for adjudication related to the return to be allowed on paid-up capital. The tribunal expressed the view that 6 per cent return on paid-up capital as laid down by LAT was fair and therefore, there was no reason why a departure should be made in this case. In addition, the tribunal also allowed similar return on bonus shares.

16. Before the Industrial Court Bombay: B.E.S.T. Workers' Union and Bombay Suburban Electric Supply Company (LLJ 2 - page 112 - 1957). The tribunal rejected the claim for deducting initial and additional depreciation as items of prior charges for estimating the surplus available for grant of bonus to workers.

17. Before Industrial Tribunal Ernakulam: Cannanore Spinning & Weaving Mills Ltd. and its Workmen (LLJ 2 page 190 - 1957). This is an important case in which the Industrial tribunal seems to have rather liberally interpreted the principles laid down by the LAT. The tribunal observed that the LAT in its 'Full Bench' decision had applied 2.7 as multiplier to the cost of machinery because in that case, practically the whole of the machinery employed which required replacement in future had been purchased before the commencement of the World War II. As such, use of the same multiplier could not be justified in the case of purchases made long after the war. In the circumstances, a much lower multiplier could be allowed as in the present case. The tribunal further observed that even a mere calculation statement on the basis of a lower multiplier could not be accepted unless legally established and for this, the burden of proof lies on management. As regards the amount of return to be allowed on working capital, the tribunal while following the general principles laid down by the LAT in the case of Beardsel and Co. Ltd (LLJ 1 page 58 - 1956) stated that it must be proved that the amount for which return is claimed was actually used in or about the business and also the period for which it was so used and where the company

failed to prove it, the claim for return must be negatived. According to the tribunal, the company in this case could not adduce adequate evidence and hence no return was allowed. Applying these principles, the tribunal allowed 3½ months' basic wages as bonus to workers.

18. Before Industrial Tribunal Madras: Soundararaja Mills Ltd. and their Workmen (LLJ page 128 - 1957). In this case the tribunal held that the bonus paid by other units in the same industry in the same area should be taken into consideration in fixing bonus to be paid in a particular unit, but it could not be taken as a deciding factor. According to this tribunal, therefore, when the available surplus for the year in question was admittedly very large and where the wage of the workmen was moderate, bonus equivalent to six months' basic wages was considered to be reasonable and proper.

19. Industrial Tribunal Bombay: Imperial Chemical Industries Private Ltd. Bombay and its Workmen (LLJ II page 331 - 1957). The tribunal held that the prevailing tendency of time emphasises that industrialists and investors should be contented with a moderate return on capital as long as workmen are not getting a living wage. In the circumstances, the tribunal held that 6 per cent return on paid-up capital and 4 per cent on working capital were reasonable and just.

20. Industrial Tribunal Madras: Gordon Co. and their workmen (LLJ 2 page 604 - 1957). The tribunal held that only normal depreciation and not the initial and additional depreciation should rank as prior charges in applying the 'Full Bench Formula'.

21. Industrial Tribunal Ernakulam: Piercesle & Mercantile Employees' Association (LLJ 1 page 628 - 1958). The tribunal held in this case that the amount to be allocated for rehabilitation and modernization is a question of fact depending upon proof in each case. The tribunal allowed the usual return of 6 per cent on paid-up capital and 4 per cent on working capital. As surplus left after deducting all prior charges was found to be fairly large, the tribunal awarded 8 months' basic wages as bonus.

22. Before the Supreme Court of India: Shri Meenakashi Mills Ltd. and their workmen (LLJ 1 page 239 - 1958). In this case the Supreme Court followed the principles laid down by the LAT - initial and additional depreciation as prior charges for determining the surplus available for granting bonus to workers was disallowed.

23. Labour Court Madras: Press Labour Union and Hindi Parchar Press (LLJ 2 page 358 - 1958). The tribunal held in this case that even in respect of charitable institutions like the above mentioned undertaking, if all the conditions for the grant of bonus are present, workers will be entitled to the same both legally as well as on ethical grounds because charity must begin at home.

24. Before Industrial Tribunal Bombay: Britania Biscuit Co. and its workmen (LLJ 2 page 371 - 1958). The tribunal held that it was always open to adjudicators to reduce the allocation for rehabilitation, replacement and modernization if the estimated costs far exceed the amount that should be reasonably provided.

25. Before Industrial Court Hyderabad: D.B.R. Mills and their workmen (LLJ 2 page 507 - 1958). The tribunal allowed only normal depreciation as a prior charge on gross profits. Further, according to the tribunal's view when employer could not prove the cost of the machinery or of the construction of buildings, full claim for rehabilitation could not be allowed. Under the circumstances, only a reasonable amount for rehabilitation for both buildings and machinery could be provided.

26. Before Industrial Tribunal, Madras: National Textile Employees' Union, Mettur and Management Mettur Industries: (Indian Labour Gazette). The Tribunal held that in estimating the available surplus for the purposes of determining bonus to be paid to workers, an unduly high dividend tax to be paid on dividends declared during the previous year but due during the year of dispute, cannot be allowed to pass as one of the prior charges. Only that much amount which would be needed to pay taxes on the dividend declared during the year of dispute could be allowed. This is in line with the general policy laid down by the Labour Appellate Tribunal from time to time that bonus should be determined on the basis of results of working of the concern during the year of dispute only.

27. Writ Petition No. 378/1957:- The Court held that in a proprietary or partnership concern, an added consideration by way of allowing a portion of the profits to be retained by the proprietor has to be kept in view while determining the available surplus for granting bonus to workers.

28. The principles laid down in the course of various awards of adjudicators have been analysed above. A reference also requires to be made to the quantum of bonus awarded and the balance left with the management. There are no rigid principles evolved by the Courts to meet the requirements of all cases. The amount of bonus awarded invariably depended on the facts of each case. The only uniform trend which was observed in such cases was that the available surplus after deducting all prior charges was divided more or less in the ratio of 60:40 between management and labour. In case there was some surplus left but which was found to be insufficient to meet the demand for bonus for all workers, the demand for bonus was generally rejected.

III

29. The general principles which emerge from an analysis of industrial awards cited above can now be summed up as follows:-

- (i) The original as well as the appellate courts have, more or less, continued to follow the principles enunciated by the Labour Appellate Tribunal in its 'Full Bench' decision as well as rulings given in its divisional sittings.
- (ii) Judgements have been reported which are sometimes contrary to the decisions of the Labour Appellate Tribunal or have resulted in narrowing down the benefit accruing to workers. Closer scrutiny of these judgements, however, indicates that divergence of opinion is round 'matters of detail' rather than 'principles'.
- (iii) The demand for bonus is generally disallowed unless profits for a particular year are adequate for payment of bonus to all workers. In case these are found to be inadequate, courts have generally held that neither law nor equity demands that bonus should be paid to workers.
- (iv) The claim for bonus cannot be recognised on any arbitrary ground; it has a legal basis and has to be computed according to accepted legal procedure. The claim for bonus fails where the legal procedure for calculating the available surplus has not followed.
- (v) The onus proving that there is a surplus left for granting bonus lies on workers.
- (vi) In the matter of reserves courts have generally seen that only reasonable amounts are provided and not necessarily those amounts which are indicated by management.

The amount.....

- (vii) The amount of dividend declared on paid-up capital and bonus shares is of no consequence so long as accepted rates of return are allowed on these investments while calculating the available surplus for determining the amount of bonus to be paid to the workers.
- (viii) A return of 6% on paid-up capital and 4% on working capital are to be normally considered as adequate except in industries which are of a wasting character like plantations or in concerns where profits for the past years have been ploughed back with a view to expanding business. The maximum returns which have been allowed in such cases range from 6 to 9% on paid-up capital and 4 to 6% on working capital. In respect of working capital, courts also generally insist on submission of adequate proof not only regarding the amounts so used but also the period for which the funds were so utilised.
- (ix) Bad debts which have accumulated during past years or reserves towards gratuity fund have been allowed as prior charges for the purposes of determining available surplus left for payment of bonus to workers. In respect of amounts earmarked towards gratuity fund, however, courts have generally held that only reasonable amount could be allowed as prior charges.
- (x) Whole of depreciation admissible under the Incom-Tax Act is not allowable in determining the available surplus on the ground that initial and additional depreciations are allowed by Incom-Tax authorities on an altogether different consideration of assisting the industry which has installed new machinery. In other words, the concept of depreciation as used by Incom-tax authorities and for the purposes of determining available surplus according to the formula laid down by the Labour Appellate Tribunal are different and as such in the latter case, only normal depreciation can be allowed.
- (xi) In determining the amounts to be earmarked for rehabilitation, courts generally insist upon adequate proof of the cost of the machinery and the period after which it needs replacement. These are questions of facts and wherever adequate evidence is not led on these issues, courts have generally allowed only reasonable amounts and not the amounts indicated by the management. In a number of cases, the courts have also rejected the use of 2.7 as the multiplier as indicated by the Labour Appellate Tribunal in its 'Full Bench' decision in determining the amount needed for rehabilitation on the plea that the particular figure suited only those cases where the machinery to be replaced was purchased before the Second World War.
- (xii) It is a well-settled law that if the workers put forward a claim for bonus long after accounts are settled and after the profits have been appropriated, their claim cannot be considered. In cases where a claim is made and pending settlement such a bar will not be attracted.
- (xiii) There is no rigid formula evolved by the courts for determining the actual amount of bonus to be awarded. This depends upon the facts of each case. Instances have been noticed in which bonus awarded has varied from one month to 9 months of the basic monthly earnings. Wherever, the surplus has been found to be very large, tendencies have been noted on the part of adjudicators to keep bonus within limits on the plea of adverse effect. Unduly large bonus is likely to cause on less prosperous concerns in the same area and the theory of bridging the gap between existing wages and living wages only in part and not in full. Bonus thus continues to assume the nature of profit-sharing in industry.
- (xiv) Courts separate extraneous profits which have been earned by the management independently of any efforts made by the workers. In such cases, these amounts have been treated on par with other items of prior charges.

STATEMENT INDICATING THE EXTENT TO WHICH COURTS HAVE FOLLOWED THE PRINCIPLES LAID DOWN BY THE L.A.T. IN THE MATTER OF AWARDING BONUS AFTER ITS ABOLITION IN 1956.

S.No.	Principles laid down by the L.A.T.	Changes, if any	Reasons for divergence from accepted principles (4)
(1)	(2)	(3)	(4)
		No change	
1.	The claim of employees for bonus would arise only if there should be a residue left after making provision for prior charges, fair return on paid-up capital and a fair return on reserves employed as working capital.		
2.	As regards prior charges, the first charge on gross profits should be the amount of money that would be necessary for rehabilitation, replacement and modernisation of machinery and corporation taxes to be paid to the Exchequer.	No change. Courts, however, generally insist on providing only reasonable amounts to be calculated on the basis of legal evidence being led regarding the original cost of machinery, the period after which it will require replacement, etc. In a number of cases, the use of 2.7 as a multiplier adopted by LAT has been rejected.	Rulings imply only logical extension of the principles laid down by the LAT.
3.	Depreciation allowed by the income-tax authorities is only a percentage of the written down value. The fund set apart for that purpose would not be sufficient. An extra amount would have, thus, to be set apart under the heading of 'Reserve to make up that deficit.	No change.	
4.	Initial and additional depreciation allowed by the income-tax authorities cannot be included as prior charges for the purposes of determining surplus available for bonus. Only normal depreciation is allowed.	No change	
5.	Interest at the rate of 6% on paid-up capital and somewhat lesser return on working capital should be considered as adequate.	No change with the exception of industries which are of a wasting character like plantations, mines or where profits of the past years have been ploughed back. 9% on paid-up capital and 6% on working capital represent the maximum limits set by the courts in such cases. Additional rulings given by the courts include submission of adequate proof regarding	According to courts, such industries are exposed to additional risks; hence the need for somewhat greater return on investment. Similarly profits of the past years ploughed back in business with a view to its expansion deserve a higher return.
	the amount of working capital actually used and the period for which it was so used.		

Principle laid down by LAT	Changes, if any	Reason
6. The quantum of actual bonus to be awarded will be determined by the relative prosperity of the concern, gap between the existing and the living wage, relationship between the contribution made by workers and the profits earned and the effect that it is likely to cause on other smaller concerns in the same area.	No change.	Surplus left dividend more or less on equitable grounds between labour and management.
7. In the matter of reserves, it has to be seen that only reasonable amounts are to be provided.	No change.	
8. Bad debts accumulated during past years and reserves towards Gratuity Fund rank as prior charges.	No change	
9. In the calculation of gross profits, bonus, if any paid to supervisory or administrative staff has to be included.	No change	
10. The amount of dividend declared on paid-up capital and bonus shares is of no consequence so long as accepted returns are allowed on these investments for the purpose of calculating available surplus.	No change	
11. The claim for bonus will arise only if there is adequate surplus left for grant of bonus to all workers	No change	
12. In case where surplus left was found to be insufficient and some of the workers claimed bonus but others did not, those claiming bonus are entitled to the same.	Uniformly rejected in all cases.	It has been held by the Supreme Court that the claim for bonus can be sustained only in case profits are sufficient for grant of bonus to all workers. Any other criteria is likely to result in discrimination and added industrial unrest.
13. In a dispute where the management refused to produce necessary documents, the only legal inference to be drawn by the management's attitude was that in case these are made available, these will disclose sufficient surplus for the award of bonus to workers.	Uniformly rejected in all cases	It has been held by the Supreme Court that bonus not be awarded on any such ground; it has to be calculated according to accepted legal procedure and where no such procedure is followed, the claim for bonus cannot be sustained. It has to be noted in this regard that the LAT's ruling has been reversed on procedural grounds and not on any matter concerned with substantive law.

Principle laid down by LAT	Changes, if any	Reason
14. Extraneous profits which have been earned by the management independently of any efforts made by the workers are to be treated on par with other prior charges.	No change	-
15. Workers' claim for bonus made long after the accounts are settled and after the profits have been appropriated, cannot be considered. In case, however, where claim is made and pends settlement, such a bar is not attracted.	No change	-
16. In suitable cases, ignorance and lack of organisation among workers are sufficient reasons to condone the principle of belatedness.	Uniformly rejected	Whatever may be the reasons, settled accounts cannot be reopened.
17. Bonus has to be granted on the basis of basic earnings only	No change	-
18. In case all conditions for the granting of bonus are present, the same has to be granted no matter if the concern is primarily of charitable character.	No change	Charity must begin at home so long as existing wage falls short of the living wage.
19. Despite the fact that there was no agreement that incentive bonus either whole or in part which the employers received from the Government as a result of fulfilling certain terms of the contract, was to be passed on to the labour. Social injustice demanded that 45 to 50 per cent of the additional amounts received should be distributed between workers because without their cooperation, no such claim would have arisen.	Uniformly rejected.	There cannot be any social justice apart from what is embodied in the 'Full Bench Formula'.

STUDY OF LABOUR COSTS

(Note prepared by the Labour & Employment Unit, Central Statistical Organisation and circulated to members of the Steering Group on Wages)

The question of 'Labour Costs' in relation to 'Costs of Production' is often raised in discussions regarding (a) the export policy (b) surpluses required for financing further development and (c) the cost of manufactured articles to the consumer. But often the term 'wage costs' or 'labour costs' which are used as synonyms, are not always properly defined or understood.

2. At the third meeting of the Steering Group on Wages held on 19.9.58, with Labour Minister as Chairman, it was recommended that a Study Group might be formed to go into the contents of the controversial term 'wage costs' and define them in a precise manner. The Chairman of the Steering Group on Wages desired that the study should proceed so as to secure estimates of the following indicators:

- i) for wage costs per unit of production allowing for changes in the character of production;
- ii) for changes in the wage bill in relation to the value added by manufacture and/or wages in proportion to the value of ex-factory sales;
- iii) for relation of wages to depreciation and other reserves built up by industry;
- iv) for international comparison in regard to (i), (ii) and (iii) above.

3. Before convening a meeting of the Working Group for considering the study of labour costs, informal discussions were held between the Ministry of Labour and Employment and the Central Statistical Organisation (CSO). The CSO prepared a preliminary memorandum covering the different aspects of the problem including the concepts and definitions, the difficulties involved in getting the estimates of the suggested indicators, and the availability of the information relating to the wage costs at present. Decisions of the Working Group on the proposed study are summarised in the following paragraphs.

4. The term 'labour costs' is a wider concept than the term 'wage costs' and actually the former includes the latter. The 'labour costs' besides 'wage costs' (cash and non-cash) includes the cost of group benefits and social security charges. The components of 'labour costs' as given in Appendix I, have been itemised more or less on the lines recommended by the ILO vide "Report on Wages and related elements of labour cost," International Labour Review, December, 1957. It may be emphasised here that wage costs incurred either through statutory obligations or otherwise should be evaluated in terms of what they cost to the employer and not what has actually accrued as benefits to the labour. Furthermore, wage costs should also not include contributions by the Government or labour.

5. Having finalised as to what items constitute 'Labour Costs', the next important question to be decided is the category of workers that would come under 'labour' for the purposes of this study. Different definitions of 'worker' are given under the various Acts like the Factories Act, Payment of Wages Act, Industrial Disputes Act. Logically, the distinction between 'worker' and 'non-worker' should be made on a functional basis and not on the

basis of remuneration. At present, however, information on 'wages' and 'salaries' is being collected for the group of workers as defined in the Factories Act. The definition of worker as given in the Factories Act, 1948, is:

"'worker' means a person employed, directly or through any agency, whether for wages or not, in any manufacturing process, or in cleaning any part of the machinery or premises used for a manufacturing process, or in any other kind of work incidental to, or connected with, the manufacturing process, or the subject of the manufacturing process."

Information on wages and salaries will also be made available under the Payment of Wages Act (1936) as amended in 1957, for all workers coming under the Factories Act and receiving wages below Rs.400/- per month. It was, therefore, decided to include only this category of workers for the determination of 'wage costs'. The different indicators that are to be obtained for providing answers to the three questions raised in the beginning were then considered by the Study Group.

6. It is difficult to work out the indicator "Wage costs per unit of production allowing for changes in the character of production", due to the production of different products and by-products of varying costs in the same industry in most cases. However, the 'labour costs' entering into each rupee of output could be estimated and the labour costs per unit of production of each product could then be estimated on the basis of valuation of the products in a fixed proportion to each other.

7. It was agreed that the indicator, viz., "changes in wage bill in relation to the value added by the manufacture and/or wages in proportion to the value of ex-factory sales", will be useful for the study of 'wage costs'. The ratio of changes in wage bill to the value of ex-factory sales, however, suffers from one disadvantage, viz., that it is not comparable from factory to factory because it depends to a large extent on the precise nature of the manufacturing activity undertaken by the factory. The type of difficulty pointed to does not arise in the case of the ratio of wage costs to the value added by manufacture.

8. The Study Group recommended that the indicator, viz., "relation of wages, to depreciation and other reserves, built up by industries" be changed to "relation of labour costs to (dividends plus undistributed profits), relating to the year under study", as the term depreciation is not uniformly understood and applied by the various firms. It is, however, felt that it will not be possible to make useful international comparisons for these indicators.

9. The two main sources of information that provide us some data for the study of 'labour costs' are the Census of Manufacturing Industries (CMI) and the Sample Survey of Manufacturing Industries (SSMI). The CMI as well as the SSMI collect information on "total salaries, wages, bonus and other cash benefits" and "workers" and "persons other than workers". This category of workers does not coincide with the one envisaged by the Study Group for the study of labour costs, in that it includes workers receiving more than Rs.400.

10. Information on the different items constituting 'labour costs' is not collected either in the SSMI or CMI in the manner and detail envisaged by the Study Group. The CMI collects information on wages as defined in the Section 2(vi) of the Payment of Wages Act separately for workers and persons other than workers. The term 'wages' mean "all remuneration capable of being expressed in terms of money, which would, if the terms of contract of employment, express or implied, were fulfilled, be payable, whether conditionally upon the regular attendance, good work or conduct of contract of employment, express or otherwise, to a person or other behaviour of the person employed or otherwise, in respect of his employment or of work done in such employment, and includes any bonus or other remuneration of the nature aforesaid which would be so payable, and any sum payable to such person by reason of the termination of his employment, but does not include:

. . . (a) the value of any house

- a) the value of any house accommodation, supply of light, water, medical attendance or other amenities or if any service excluded by general or special order of the State Government;
- b) any contribution paid by the employer to any pension fund or provident fund;
- c) any travelling allowance or the value of any travelling concession;
- d) any sum paid to the person employed to defray special expenses entailed on him by the nature of his employment; or
- e) any gratuity payable on discharge.

Besides information on 'wages', the CMI collects data on "money value of any privileges, benefits, etc." lumped together under one item for all employees. This item includes various benefits such as free or subsidised housing, foodgrain on concessional rates, etc. It is not, however, clear whether the various items under the Group benefits and Social Security charges as envisaged are fully covered in the CMI returns.

11. SSMI schedules use the same definition of wages as in the CMI returns and the information on wages is collected for workers and non-workers separately. As regards items other than wages, SSMI also does not cover the various items in the manner or detail required, although a more detailed break-up of these items is adopted in the SSMI than in CMI. Besides wages, information on:

- i) individual benefits in kind;
- ii) group benefits; and
- iii) contributions to funds (provident fund, social insurance, etc.);

is collected in the SSMI schedules. It is also observed that neither CMI nor SSMI collect any information on dividends and undistributed profits. However, CMI provides data on depreciation.

12. Reliable estimates of the indicators required for the study of labour costs cannot thus easily be obtained from the available CMI returns in view of the limitations pointed above. Details of the items on labour costs as given in the SSMI schedules broadly conform to the Study Group's recommendations. However, the definition of worker used in SSMI is not the same as the one envisaged by the Study Group. Hence the data of SSMI cannot be readily used for getting these desired indicators. With slight changes in the concepts adopted either in the SSMI or CMI, it may be possible to meet requirements for the study of wage costs as recommended by the Study Group.

APPENDIX I

ITEMS OF WAGE COST

A. WAGE COSTS - CASH

1. Basic Wages
2. Dearness allowances
3. Overtime payments
4. Shift allowances
5. Leave Wages
6. Bonuses - (a) annual
(b) paid rewar
incentiv
7. Other cash payments - (a)
(b)

B. WAGE COSTS - NON-CASH

8. Cost of free or concessional supplies (a) food articles
(b) other articles
9. Cost of housing accommodation
supplied free or at concession - (a) housing
(b) electricity
(c) water
(d) sanitary services.
10. Cost of transport services provided free or at concession.

C. GROUP BENEFITS

11. Cost of running medical facilities - (a) hospitals
(b) dispensaries
(c) first aid equipment.
12. Cost of educational facilities - (a) schools
(b) adult education centres
(c) libraries and reading rooms.
13. Cost of running recreational entertainment
and other services - (a) theatres, cinemas
(b) clubs, sports
(c) radios, etc.
(d) canteen
(e) creches
(f) sanitation
(g) drinking water facilities, etc.
14. Cost of running multi-purpose welfare centres.

D. SOCIAL SECURITY CHARGES

15. Contributions to State Insurance
16. Contributions to Provident Funds
17. Contributions to Pension funds
18. Contributions to welfare funds
19. Compensation for work injuries and occupational diseases
20. Compensation for lay-off and retrenchment.
21. Maternity benefits.
22. Payments of gratuity.

- E. OTHERS (specify such as cost on vocational training, apprenticeship and training facilities and the like).

NOTE: Contribution means Employer's Contribution.

REPLACEMENT COSTS IN INDUSTRY

Tentative conclusions on Appropriate

Methods of Replacement Finance

(Note prepared by National Council of Applied Economic Research for the Steering Group on Wages).

The National Council makes the following recommendations on appropriate methods of financing replacement needs of companies in general:

DEPRECIATION IS THE APPROPRIATE
METHOD FOR REPLACEMENT FINANCE

(a) An adequate charge on current revenue for the depreciation of assets should be considered by all companies as the only sound method of financing their replacement needs. The public, the company managements, as well as the Government need to be reminded of this basic tenet of corporate financing policy. In order to meet short-term considerations like dividends, bonus or tax revenue they are quite prone to ignore the significance of an annual depreciation charge as the means by which a corporation may set aside enough internal saving to finance its replacement needs, and to keep its capital intact.

DEPRECIATION SHOULD BE MADE COMPULSORY

(b) We find from our study of company balance sheets that there are companies which in some years do not charge depreciation on their fixed assets. The need to provide for depreciation is obvious if the soundness of a company is to be maintained. After money is invested in fixed assets, such as machinery and buildings, it becomes important that they be maintained properly. This can be done only if enough money is saved out of current earnings for meeting replacement costs. Even if a depreciation provision means declaration of a net loss, a company should show its true position to its share-holders and the public. There is at present no legal obligation on the part of a company to provide depreciation. This lacuna in the Indian Companies Act, 1956 should be removed by making depreciation a compulsory charge for every company.

MINIMUM RATES OF DEPRECIATION SHOULD BE FIXED

(c) We find, on the basis of information collected from the replies to our questionnaires, that on factory buildings the rates of depreciation charged by companies vary from 2½% to 10%, and on plant and machinery from 3% to 15%. Such diverse rates on the same kind of asset in the same industry employing the same depreciation formula indicate that they are influenced not only by technical considerations such as the life of the asset but also by managerial policy/capital formation. In the present context of India, the rates of depreciation charged on company assets form an important instrument for raising the internal savings of

corporations required.....

corporations required for financing replacement. Therefore, in the national interest, we cannot afford to leave the fixation of these rates entirely to the corporate management. What is required today is the fixation of certain minimum rates of depreciation for the assets (on the basis of their technical life and adequacy of depreciation to meet the financial needs of future replacement); and the companies should not be allowed to charge rates of depreciation lower than the minimum rates fixed. The Income Tax rates of depreciation calculated on purely technical aspects of the asset, might conveniently be fixed as the minimum rates for this purpose.

PRESENT DEPRECIATION FORMULA IS UNSOUND AND SHOULD BE DISCARDED

(d) The depreciation formula followed by most of the companies in India is : a fixed percentage of the written down value of an asset (or 'reduced balance method'). If the original cost of an asset is Rs.100 and if the rate of depreciation adopted by a company is 10%, then the depreciation charged in the first year is one tenth of 100 (i.e. Rs.10), in the second year it is one-tenth of the remaining value, 100-10 (i.e. Rs.9); in the third year one-tenth of 90-9 (i.e. Rs.8.1); and so on. It is easy to show that by this method a company with a given rate of depreciation would require far more number of years to recover the original cost than under the straight-line method where depreciation forms a fixed percentage of the original cost instead of the written-down value of the asset. It should not be surprising therefore if a company in India complains that its accumulated depreciation is not sufficient to finance its replacement needs. The sooner this method is discarded the better for the companies and the country. The minimum reform that the National Council can recommend for the present formula is that depreciation should be calculated as a fixed percentage of the 'original cost' instead of the 'written-down value' of an asset. If this simple modification is made in the present formula, the original cost of an asset can be recovered during the technical life of the asset. In the above example, if the technical life is 10 years, the original cost is recovered by way of an annual depreciation charge of Rs.10 at the end of 10 years, and the company will be in a better position to finance replacement of the asset.

There is also another important reason for which the present 'written-down value' methods needs to be discarded. It is natural that repairs as a percentage of the original cost of an asset should increase year after year, particularly more so after the expiry of its technical life when its performance deteriorates more rapidly. Under the 'written-down value' method, the depreciation continues to be charged even after the expiry of the technical life, in consequence of which the variable costs of a firm (which include cost of repairs and maintenance, and also a depreciation charge) would be higher than under the straight-line method where no depreciation is charged after the lapse of the technical life. It is not surprising therefore if the direct costs increase for an industry as a result of this practice.

COMPULSORY REHABILITATION RESERVE FOR EVERY COMPANY TO PROVIDE FOR THE RISING COSTS OF REPLACEMENT

(e) The insufficiency of depreciation provisions under the present practice is further aggravated by the ever rising costs of replacement particularly after World War II. The present depreciation rates as well as formula fail to cover the original cost of an asset which is several times lower than the present

replacement cost of the

replacement cost of the same asset. Consequently the corporate savings from depreciation provisions each year have become grossly inadequate to finance the current replacement needs. For reasons of inadequate finance, corporations are holding on to the old assets even after their technically useful life and postponing the replacement of old machines. If export industries were to stick to their old machines for this reason, then the export of India would run the risk of losing foreign markets. Therefore, in the larger interest of the country, it should be made obligatory (and not optional as it is now) on the part of every company to create a price rehabilitation fund by means of a compulsory deduction of a prescribed amount, in addition to depreciation, from the gross profits before any appropriations are made for dividends to share-holders or bonus to workers.

It is found from our survey that many Indian companies do not make a provision for the rising market prices of replacement of their assets, in consequence of which depreciation (which is the annual loss in the value of fixed capital such as machinery and buildings) is under-estimated, and the net profits overestimated. In order to work out the real net profit available for appropriations to dividends and workers' bonus, a deduction from gross profits, should be made for the rehabilitation fund, in addition to normal depreciation. In many wage disputes, though the necessity for such deduction and creation of a rehabilitation fund is realised by both labour and management, the controversy generally centres on the mode of calculating the amount which should be allowed under this head. The Labour Tribunal and Courts have generally adopted the following mode of calculation to arrive at the amount of the rehabilitation fund required in any year: Expected annual depreciation multiplied by the expected rise in prices of replacement, where

$$\frac{\text{Exp. annual depreciation} \times \text{Estimated present value of the assets (i.e. written-down value)}}{\text{the no. of years the present assets are expected to last.}}$$

A company might accept this mode of calculation for the purpose of bonus payment, but as things stand now it is not obligatory on the part of a company to make such deduction and create a rehabilitation fund.

In the interest of sound corporate financing policy, the National Council considers that in a period of rising replacement costs, a deduction from gross profits towards this end must be made compulsory for all companies. The Council, however, envisages some practical difficulty in employing the above method to calculate the amount each year for the rehabilitation fund. Several convenient methods may however be devised for this purpose one of which is given below for general considerations:

$$\begin{matrix} \text{(Amount of annual} \\ \text{rehabilitation} \\ \text{charge)} \end{matrix} = \begin{matrix} \text{(Annual depre-} \\ \text{ciation} \\ \text{charge)} \end{matrix} \times \begin{matrix} \text{(Annual percentage} \\ \text{change in the} \\ \text{market price of} \\ \text{replacement)} \end{matrix}$$

Under this formula if the annual depreciation charged by a company is Rs.100 and if the market price of replacement has risen by 10% over last year's, the rehabilitation charge in the year will be Rs.10/-

What is required in this method of calculation is the availability of a suitable index of prices of investment goods for each industry or for all India, acceptable to labour, management and the Government. It will be less complicated,

though not accurate,.....

though not accurate, to have all India indices of prices of building material and machinery for the use of companies.

Today, more than ever, an annual rehabilitation charge has become necessary for the following reasons:

- (a) To secure the internal savings required by corporate enterprises (private or Government) for financing replacement needs.
- (b) To avoid the present overestimation of capital formation in the corporate enterprises. For reasons such as the ever rising market prices of replacement in the post-war period, the actual amounts so far provided for depreciation in the corporate enterprises are under-estimates: they do not reflect the real capital consumption during the process of production. Consequently, our estimates of net capital formation in the corporate sector are likely to become overestimates.

WAGE REVISION OF

ANDHRA PRADESH GOVERNMENT EMPLOYEES

(Following is the text of a press communique issued by the Andhra Pradesh Government on June 22, 1959 announcing the decision of the State Government on the recommendations of the Pay Committee set up to consider the wage demands of State Government Employees. The Statement issued by the Employees' Associations on the announced pay revisions is also appended.)

On the 10th of July, 1958, the Government announced the appointment of the Pay Committee to make an enquiry into the living conditions of its low-paid employees and to recommend appropriate action as speedily as possible in regard to their grievances. This committee, under the Chairmanship of the Finance Minister and which included the leader of the opposition and others, submitted an unanimous report on the 16th November, 1958. The report was accepted by the Government in December, 1958 and orders were issued in implementation of the report on the 9th January 1959. Some representations were made immediately afterwards by various service associations pointing out that some features of the report had militated against its intention. Government thereupon appointed a sub-committee of the Cabinet to examine the report and make due recommendations to the Government. This Committee reported to the Cabinet on 30th May, 1959. Government have re-examined the report of the Pay Committee and reviewed the orders already passed by them in the light of the report of this Sub-Committee and on such review are pleased to issue the following orders.

PAY SCALES.

As regards scales of pay, the following modifications have been made.

	<u>Revised grade.</u>
1) Assistant Secretaries to Government and the State Legislature.	Being considered separately till which time existing scales will continue.
2) Superintendents, Governor's Secretariat, Superintendents of the Secretariat and Superintendents and Reporters of the Legislature Secretariat.	Rs. 200-20-400. (Existing scale will continue; but to be treated as revised scale for purpose of weightage)
3) Upper Division Clerks of the Secretariat, the State Legislature and the Governor's Secretariat.	Rs. 100-5-120-10-200
4) The posts of Tahasildars in the Revenue and Settlement Departments, Huzur Sharistadars and the Block Development Officers (These posts have been declared Gazetted)	Rs. 200-20-400.

Revised grade.

- 5) Deputy Tahsildars (Scale originally fixed by Pay Committee Rs.150-250) | | Rs.180-250
- 6) Superintendents (Telangana Collectorates)- (item 6, page 97 of the Pay Committee Report) | | Rs. 150-7½-210-10-250.
(Fresh appointments will be made by promotion on merit since the posts are upgraded)
- 7) Assistant Treasury Officers (item 3 on page 104 of the Report) | | Rs.180-7½-210-10-300.
- 8) District and Divisional Accountants at present in the grade of Rs.154-190 | | Rs.150-7½-210-10-250.
- 9) 2nd Accountants and Huzur Treasurers (item 3, page 104 of the Report). | | Rs.120-5-140-7½-200
- 10) Senior Statistical Assistants, Economic Research Assistants and the Economic and Statistical Investigators of the Bureau of Economics and Statistics. (items 7, 8, and 9 on page 105 of the Report). | | Rs. 150-300 and Rs.150-250.
- 11) 2 posts of Technicians of the Bureau of Economics and Statistics. (page 109 of the Report) | | Rs. 90-4-110-5-150-7½-180
- 12) Field Investigators of the Statistics Department | | Rs. 75-3-105-4-125-5-150.
- 13) Junior Statistical Inspectors (item 10 on page 108 of the Report) | | Rs. 50-120
- 14) Sub-Registrars (Grade-II) of the Registration & Stamps Department (item 3 on page 113 of the Report) | | Rs. 100-5-140-7½-200.
- 15) Superintendents of the District and Sessions Courts (item 6, page 120 of the Report) | | Rs. 150-7½-210-10-300
- 16) Inspectors of Police | | Rs.200-10-290-15-350
- 17) Sub-Inspectors of Police | | Rs.100-7½-130-10-200
- 18) Havaldars A.P.S.P. of the Police Department. | | Rs.50-2-64-3-85
- Co. Havaldars Major A.P.S.P. | | Rs.50-85 plus Rs.10/- special pay.
- 19) Head Constables and Naiks of the Police Department and Reserve Head Warders, Jamadar | | Rs.45-2-65

Revised grade

- Chauffers and Police Janedars of the Prisons Department. Rs.45-2-65
- 20) Police Constables and Followers including Armed Reserves and Lance Naiks of the Police Department and 2nd grade Warders, (Grade-II), Home Assistants and the Police Defedars of the Prisons Department. Rs. 32-1-50
- 21) Accountants (item 2 Ministerial staff on page 141 of the Report) Whether in the city or in the Districts. Rs.90-4-110-5-150-7½-180
- 22) Head Clerks of Divisional Forest Offices. (item 12 on page 152 of the Report). Rs.90-4-110-5-150 (Fresh appointments will be made by promotion on merit since the posts are upgraded.)
- 23) Accountants of the Forest Department. (item 9 on page 152 of the Report) Rs.120-5-150-7½-210-10-250.
- 24) Supervisors in the Co-operative Department (item 22 on page 151 of the Report) Rs. 50---120
- 25) Propogandists (item 24 on page 151 of the Report) Rs.62----120
- 26) Nursing Tutor (Grade-I) in the Medical Department Rs.180-300
- 27) Mission Trained Nurses in the Andhra Nursing Service. Rs.50-2-64-3-85
- 28) Clinical and Non-clinical Lecturers. Rs.250-500
- 29) Pharmacist (item 35 page 171 of the Report (in the grade of Rs.125-175). Rs. 120-5-150-7½-210-10-250
- 30) Health Sub.Inspectors in Telengana area and Vaccinators (Agency) and the Health Assistants in Andhra area (items 49 and 50 on page 181 of the Report) Rs.50-3-92-4-100
- 31) Junior Engineers, P.W.D. Rs.200-10-300
- 32) Radio Assistant Engineers (item 1 on page 200 of the Report) Rs.250-10-300-20-500
- 33) Radio Supervisors with Diploma qualifications (items 4 and 5 on page 200 of the Report) (Certificate holders will continue to be in the grade of Rs.100-200 recommended by the Pay Committee). Rs, 120--- 250
- 34) Veterinary Assistant Surgeons. (item 1 on page 162 of the report). (Both for Diploma and Degree holders). Rs. 180---350

Revised grade.

- 35) Veterinary Assistants and Live-Stock Inspectors. (item 6 and 7 on page 162 of the Report) } Rs. 90-4-110-5-150-7½-180
- 36) Marketing Assistant (item 52 on page 156 of the report) of the Agriculture Department. } Rs. 150---300
- 37) Tracers (item 70 on page 156 of the Report) and Surveyors in Agriculture Department (item 90 on page 159 of the Report) } Rs. 50---100 if Matriculates, other Rs. 50---85
- 38) Attenders (item III on page 161 of the Report). }
Laboratory Attenders (48) } Rs. 30-1-50
Attenders, (14) } Rs. 30-1-45
- 39) Special posts of the Education Department.
- i) Statistical Officer }
ii) Special Officer for Basic Education }
iii) Hindi-Education Officer }
iv) Special Officer for Nationalisation of Text Books. }
v) Senior Officer, Peria-Patetic Scheme }
vi) Assistant Secretary for Text Book }
vii) Special Officer for Implementation of Three Year Degree Course. } Rs. 250---500.
viii) Assistant Commissioner for Government Examinations. }
vii) Gazetted Assistant Office of the C.C.E. }
x) Counsellors State Bureau of Educational & Vocational Guidance. }
xi) Joint District Educational Officers. }
- 40) 1st Grade Telugu Pandits -(item 32 on page 209 of the Report) } Rs. 90---200
- 41) Manager, Office of the Director of Stationery Department (item 2 on page 228 of the report) } Rs. 150---300
- 42) The Upper Division Auditors of the Local Fund Audit Department will remain in their Existing scale of Rs.80---125.
- 43) The revised scales of pay of the staff of the Hyderabad Water Works, Public Works Workshop, Hyderabad, Jubilee Hall, and the Government Guest Houses at New Delhi, Bombay and Kurnool are given the scales applicable to similar categories of employees in other Departments.

COMPENSATORY ALLOWANCES.

Government are of the view that there is no sufficient reason for differentiating between Hyderabad City and other large comparable cities in the State where the cost of living is higher than elsewhere. In lieu of the existing City and House Rent Allowances applicable to Hyderabad and other cities and towns in the State, they have decided that the following compensatory allowances shall be admissible to all cities which, at the last census, had a population of one lakh and above, and such other towns as may be prescribed for the purpose from time to time.

<u>Pay range</u>	<u>rate of allowance</u>
Rs- 1 to 49	Rs. 4/-
Rs.50 to 100	Rs.8/-
and Rs.101 to 200	Rs.10/-

with marginal adjustments upto Rs.210/-. This allowance will not be admissible to those who are provided with free quarters. Those provided with Government quarters at concessional rates of rent will draw the allowance at only half the above rates.

TEACHERS

The ad hoc increase of Rs.5/- allowed to teachers in 1958 will now be merged with their basic pay in the course of re-fixation of pay in the revised scales and they will be eligible to compensatory allowance mentioned above. The allowance will, however, be continued as such to teachers eligible to it who prefer to opt for the old scales of pay.

DEARNESS ALLOWANCE.

The rate of D.A. recommended by the Pay Committee in the pay range of Rs.60/- to Rs.149/- ^{was} It has been represented that this range, which covers Rs.35. a large number of employees, is too wide and needs revision. Government have decided that the following rates of D.A. should be fixed for the pay range as follows:-

Rs 60 to Rs.99	..	Rs.36/-
Rs.100 to 149	..	Rs.38/-

The other rates of dearness allowance recommended by the Pay Committee will remain unchanged except that the ceiling of Rs.75/- fixed by the Pay Committee for pay scales of Rs.500/- and over will be removed and the rates previously admissible will be restored.

HIGHER STARTS

Various representations have been made that higher starts should be made available for various categories of posts either on account of extra qualifications or employment risks and so forth. Government have decided that the following higher starts and allowances should be sanctioned. These also include such higher starts as have already been recommended by the Pay Committee.

(i) The allowance paid to Motor Drivers serving under the Ministers has been raised from Rs.15 to Rs.25 per mensem.

(ii) The allowances of Rs.4 now paid to peons and Rs.5 to Jamedars working under the Ministers have been raised to Rs.6 and Rs.7 respectively.

(iii) Graduates and persons with higher qualifications appointed as Lower Division Clerks or Typists will start at Rs.62/- in the grade of Rs.50-120 and holders of recognised certificates or Diploma in Commerce at Rs.56 in that grade. The initial pay of Graduates already in service and drawing less than Rs.62 will also be fixed at Rs.62/-.

(iv) Stenographers possessing the certificate of Lower Shorthand examination will draw a shorthand special pay of Rs.15 per mensem and persons who have passed the shorthand examination in the Higher Grade will draw a special pay of Rs.25 per mensem.

(v) Medical Graduates with D.P.H. qualification will start at the stage of Rs.300/- in the scale of Rs.250-500.

(vi) Resident Medical Officers in Hospitals, non-clinical tutors and Public Health Officers who are debarred from private practice, will draw a non-private practice allowance of Rs.75 per mensem. Assistant Surgeons in charge of Primary Health Centres will draw non-private practice allowance of Rs.100

per mensem.

(vii) Student Nurses undergoing training will draw as Stipend Rs.70 in the first year, Rs.75 in the second year and Rs.80 in the third and fourth years of training without any allowance such as Dearness Allowance, Ration allowance, Dhobi allowance, etc.

(viii) Radiographers in the Medical Department will draw a risk allowance of Rs.25 per mensem instead of Rs.15.

(ix) D.C.E., D.M.E., or D.E.E. Diploma-holders in P.W.D. will start at the stage of Rs.140/-. Similarly, persons possessing L.C.E., L.E.E. or L.M.E., qualifications appointed as overseers in the grade of Rs.75 - 150 will start at Rs.117 in that grade.

(x) Degree-holders - B.E. (tele-Communications) or M.Sc. (Wireless) of the State Broadcasting Department appointed as Radio Supervisors will start at Rs.150 in the grade of Rs.120-250.

(xi) Accountants in the Police Department will start at the stage of Rs.110 in the revised grade of Rs.90-180.

WEIGHTAGE

The Pay Committee had recommended that an increment in the revised scale should be given for all those with service of more than 5 years in the grade and two increments for those with service of more than 10 years. On a reconsideration, Government have decided that weightage of one increment shall be given for service upto five years, two increments for service between 5 and ten years and three increments for service over ten years in an employees' present grade, subject, however, to the condition that he has put in a minimum total service of at least two years altogether in any grade upto 1.11.1958 or the date on which he enters the revised scale, as the case may be, according to his option in regard to the new scales.

Where the weightage, as calculated above, exceeds the total pay beyond the maximum of the new scale, the difference between the maximum and the pay so fixed shall be treated as personal pay. An employee will be allowed the benefit of F.R.23 to come into the revised grade from the date on which he earns his next increment in the old scale.

OPTION

Employees are given a period of two months up to the 31st of August 1959, for the exercise of option either to the new or old scales. This option will be given to all employees, including temporary emergency employees and also to reverted probationers.

Those who opt for the existing scales will continue to draw House Rent Allowance and Dearness Allowance at the existing rates, provided the sanction for the continuance exists.

The revised scales and allowances as well as options and fixation of pay will also apply to teachers of aided schools and schools administered by District Boards, but not to employees of local bodies other than school teachers, whose case is separately under consideration, nor to work-charged establishments nor establishments chargeable to contingencies.

The revised scales will take effect from 1-11-1958.

These changes are expected to cost the Government a sum of Rs. one crore approximately per annum immediately in excess of the financial effects of the recommendations of the Pay Committee which are estimated at Rs.2.65 Crores to start with and Rs.4.50 Crores eventually.

As illustrations of the increase which will accrue as a result of the present decisions of the Government, the following may be mentioned.

The total emoluments of a peon with just over two years of service will go up from Rs. 54 to 61 per mensem in the City and from Rs. 48 to 57 p.m. in some of the mofussil towns. Similar figures for a Lower Divisional Clerk over two years service are from Rs. 92 to 98 and from Rs. 86 to 90 p.m. Graduates appointed as L.D.Cs. will get an additional benefit of Rs. 5 to 10. In the case of an upper division clerk, the increase would be from Rs. 139 to 156 in the Secretariat and Rs. 125 to 138 p.m. in the Directorates, and in the mofussil offices from Rs. 119 to 138. The differences are larger for those with over 5 years service.

Government would recapitulate that these present increases are in addition to various increases given to N.G.Os. and other employees of Government before the appointment of the Pay Committee which involve an additional cost of over Rs. 2.5 Crores per annum to the Government. They hope, therefore, that the present orders will be received with satisfaction.

EMPLOYEES' ASSOCIATIONS' STATEMENT

(The following resolution was adopted by a joint meeting of the Employees' Associations held on 28.6.1959)

This joint meeting of the Executive of the A.P.N.G.O's Association, the Government Teachers Union, A.P. Secretariat Association, the A.P. Elementary Teachers Union and the All A.P. Class IV Employees Association, after a careful review of the position that has emerged from the Government's decisions on the Cabinet Sub-Committee's recommendations feels constrained to express its deep-felt disappointment and regret that the Government's decisions have far from removing the numerous anomalies inherent in the Pay Committee's recommendations, brought forth in their wake the most inequitable and uneven benefits to the various sections of the low paid employees. The following are but the most important among them:

1. The re-grouping of scales as demanded by Government Teachers' Union has been left completely untouched.
2. Peons, L.D.Cs., U.D.Cs., Typists and Stenographers, Primary School headmasters and several other categories have not been afforded the relief deserved, and practically there has been no improvement in the benefits to be derived by them when compared to the Recommendations of the Pay Committee.
3. The financial commitments owing to the Government's decisions on the Cabinet Sub-Committee's recommendations are again not entirely correct, as in the case of the estimates of the Pay Committee.

In spite of the treatment, which is certainly less than just, meted out to this chronic problem by the Government's decisions, the noble sentiments expressed by the Chief Minister at the time of announcing the Government's decisions, have weighed with us to pause and bestow our most earnest and serious consideration in deciding the future course to achieve our rightful due. This joint Meeting has sufficient reasons to believe firmly that by some adjustments in the decisions taken will really help to afford satisfaction to all the sections of the employees and we hope the Government in justification of their noble gesture will give their earnest attention to the minimum changes necessary.

This meeting hereby resolves to authorise the joint council of action to set up a Negotiating Committee to move the Government in the matter and in the event of their efforts not bearing fruit, to go ahead with the ballot already contemplated.

AITUC WORKING COMMITTEE MEETING
(Delhi, August 8-9, 1959)

A NOTE ON GOVT'S DISCRIMINATION

AGAINST THE A.I.T.U.C.

The discriminatory policy of the Government of India against the AITUC and its unions has been the subject matter of discussion in our Working Committee, General Council and the General Session and we have lodged several protests on this account. On the grant of passports to AITUC delegates to participate in international conferences down to the most ordinary question of registering a trade union sponsored by persons sympathetic to the AITUC, the partisanship of the Government in favour of the INTUC and its anxiety to crush the AITUC by means fair or foul, this policy of the Government is very much evident.

To cite more recent instances:

Ever since the inception of the Employees State Insurance Corporation (ESIC), the AITUC has been a member of the Corporation but when it comes to election of the Standing Committee, all through the years, the AITUC has been deliberately kept out. At the last meeting of the ESIC, our representative, Com. Kolhatkar, walked out of the meeting as a protest against this discrimination. After this walk out, the authorities agreed to "invite" the AITUC representative to every meeting of the Standing Committee - but formally we have no place on the Standing Committee as yet.

The National Productivity Council sponsors a great many delegations to study productivity techniques abroad and trade union representatives are also nominated on the delegation. The AITUC has sent so far four nominations, and recently the Council condescended to consider one for the Productivity Team on Building Construction - the nomination of Com. N.N. Manna. However, shortly after the nomination was accepted unanimously by the Council, the Secretary of the NPC wrote to the AITUC that the Technical Co-operation Commission of the USA which provides the funds for the productivity team for its tour abroad has vetoed the inclusion of Com. Manna in the delegation. At this shameful interference of the TCM in the matter of selection of delegation, a national organisation and the equally shameful attitude of the NPC authorities in succumbing to such blackmail on the part of the TCM, our representative on the Governing Body of the NPC had to walk out of the recent meeting of the Governing Body.

In the matter of passports for AITUC delegations, the situation is extremely deplorable. Strange reasons are now being adduced for denial of passports. For instance, in the case of the International Conference of Miners held in Poland in July, Com. Kalyan Roy, General Secretary of the Indian Mine Workers Federation was denied passport on the ground that the "invitation" to participate in the conference did not come "through the Ministry of External Affairs." It is common knowledge that hardly few invitations are "routed" through the Government's External Affairs Ministry, in order that passports may be granted to the invitees. But, more than anything else, such a demand for "routing" the invitations is a downright interference in the rights of trade unions in this country to have international affiliation of its choice and once affiliated, to exercise their right to send their delegations to participate in the conferences of the international body. In the mere fact that INTUC leaders freely get their passports and participate in international gatherings, it is crystal clear that the demand "routing the invitation is only meant for the AITUC.

The much-publicised 'implementation committees' which are supposed to be forums for bringing about amicable settlement of disputes have become another scandalous instance of how the policy of discrimination against the AITUC is continued by the Government. For instance, in Uttar Pradesh, the

State Committee.....

State Committee of the AITUC has no representative on the E&I Committee, In other centres, it has been found that the weightage given to the INTUC is much more and in addition to the representation given to the INTUC as the national TU centre, its affiliates in the State are given representation on the Committee separately. This practice automatically puts the AITUC to a disadvantage vis-a-vis the INTUC in such tripartite committees.

5. The discrimination against the AITUC and the patronage of the INTUC was clear in the Government's nomination of the workers' group in the Indian delegation to the ILO this year too. While at the 16th Indian Labour Conference, a revised procedure for verification was adopted for determining the representative character of the national TU centres, the Government of India without waiting for the findings of this verification, nominated the INTUC to the Workers' Group of the Indian Delegation. This, the Government did, when the AITUC claimed a larger membership than the INTUC in the returns submitted for the period ending 31.3.58.

6. The most heinous method of discrimination against the AITUC - the one that cuts at the root of the fundamental right to organise workers in trade unions - is the practice of outright denial of registration to trade unions sponsored by persons sympathetic to the AITUC or unions affiliated to the AITUC. This practice is mostly in Bihar. Unions commanding the support of thousands of workers as in Gua iron ore mines, and unions which have been in active existence for over five years have been refused registration and these unions had to move the High Court through writ petitions. In the case of the A.C.C. Rajanka Limestone Quarries Mazdoor Union, Chaibasa, long after a writ of mandamus was issued, the union was told that the Registrar cannot register the union. No reasons were given for this refusal. A few of the unions which have not yet got registration for over two years now in Bihar are: (1) United Mineral Workers Union, Gua, (2) Maubhandar Copper Workers Union, Chatshila, (3) Ganga Bridge Railway Mazdoor Union, Garhara (4) Dhanbad District Firebrick and Ceramic Workers Union, Dhanbad (5) Phulwarisharif Suti Mill Mazdoor Union, Phulwarisharif, (6) Hindusthan Vehicle Mazdoor Union, Phulwarisharif, Patna, (7) The Biri Shop and Establishments Workers Union, Giridih, (8) Patna Engineering Workers' Union, Patna.

7. In Madras, in the City transport services, ballot was held to determine the representative character of the union and the AITUC union won the ballot. The union was not however recognised on the plea that the margin of victory was not substantial and the Government stated that both the unions will be recognised. But as against this promise, what the Government did was to recognise the rival union and the recognition of the AITUC union, in spite of its having won the ballot, has been denied.

8. There are numerous instances of such discrimination, especially in the States of Bombay, Madhya Pradesh, Punjab, etc. Even in the matter of workers' education, several State Governments have been trying to exclude the AITUC from such schemes.

AITUC WORKING COMMITTEE MEETING
(Delhi, August 8-9, 1959)

S T R I K E

D I A R Y

(January - June, 1959)

On January 6, all the 1300 workers of AID Ltd., Shyamanagar, W.Bengal, struck work as a protest against the management's recruiting policy. The management, later on, declared a lock-out on January 19, which was lifted only in March, thus causing a total time loss of 80,600 mandays.

241 workers in Woodbriar Estates Ltd., Devarshola (Madras State) went on strike from January 12 to 22, demanding reinstatement of two workers victimised by the management.

On January 15, 1800 workers of Simon Carves Ltd., P.O.Durgapur Steel Project, Burdwan, struck work demanding increase in wages. The strike was called off on January 31, pending adjudication. The strike caused a total time loss of 27,000 mandays.

Following a strike by 47 workers in the Nundydroog Mine (Kolar Goldfields), Mysore from January 16, demanding lay-off compensation, the management declared a lock-out from January 19, affecting 4,349 workers. The lock-out was lifted on January 27 as a result of mutual discussions. The dispute caused a time loss of approximately 30,000 mandays.

On January 22, more than 8,000 employees in 21 different hospitals in W.Bengal observed a 6-hour token strike to press for their demands of increased wages, revision of pay scales, etc. During the month, 600 workers of R.G.Kar Medical College and Hospital were also on strike.

More than 1000 workers of Dalmia Cement Factory, Dalmiapuram (Madras State) struck work from January 23. The strike was called off on January 31, on the advice of the Madras Labour Minister. The workers had demanded bonus and increase in wages. 10,280 mandays were lost due to the strike.

44,200 mandays were lost in the strike of 3,400 workers engaged in the Ganga Bridge Project, Hathidih, Patna, which began on January 31. The workers were demanding alternate work for surplus workers after the completion of the project.

On FEBRUARY 2, 1,180 workers of Raza Sugar Co., Ltd., Rampur and 1,082 workers of Buland Sugar Co. Ltd., Rampur, struck work, demanding among others, the withdrawal of the cut in holidays which the INTUC union had agreed to by a backdoor agreement with the employers. On February 4, the managements declared lock-out. The lock-out was lifted on February 26, but the strike continued till March. The time loss is estimated at 35,712 and 37,492 mandays respectively.

Nearly 4,500 tannery workers in Ranipet (Madras State) went on strike on February 8, in sympathy with the Union President who was convicted.

On February 27, sections of Government employees of Andhra Pradesh observed "Quit Work Day", as a protest against the Pay Committee's Report. The token strike which was called by the trade unions of the employees on the same day was called off following last-minute negotiations but some sections of the employees who did not receive information of the calling off in time observed the "Quit Work Day".

On MARCH 2, more than 1300 class III and class IV employees working in the Madhya Pradesh Government Secretariat refused to take their pay for the month of February as a protest against the indifference of the Government to their demands, which included grant of interim relief and appointment of a Pay Commission.

The Post and Telegraph employees all over India observed "Pay Strike" on Mar.2, by refusing to accept their pay, protesting against the failure of the Government to award a second instalment of interim relief, early publication of Pay Commission's Report and withdrawal of Rules 4(a) and (b) of Service Conduct Rules.

On March 4, over 8,000 workers in 14 beedi manufacturing establishments in North Arcot Dt., Madras State struck work demanding increased wages. The strike continued for three days when it was called off on intervention of the Government.

Dock workers in Calcutta employed by the Dock Labour Board Stevedors, Shipping Companies and contractors went on a token strike for eight hours on March 5, as a protest against assumption of "special powers" by the Chairman of the Dock Labour Board.

On March 11, motor transport workers of Ajmer District in Rajasthan observed a token strike, as a protest against the ill-treatment and harassment of workers by the police and owners as well as to protest against the delay in granting increased wages, DA, etc.

1600 workers of Bhagaband colliery, Kusunda, Dhanbad, struck work on March 16, demanding that assurances should be given against deduction of tubs at the pit top. The strike was called off on March 31, when the dispute was referred to adjudication. The time-loss is estimated at 22,400 mandays.

About 3,000 domestic workers of Delhi observed a token strike on March 19, to press their demand for legislation regarding working hours, minimum wage, etc.

On March 19, more than 600 workers of Braiburu and Bichaikar mines in Barajanda, Bihar, went on strike demanding increase in wages and profit-sharing bonus, reinstatement of victimised workers, etc. The strike was called off on May 24, following a settlement.

On March 19, 472 trained and skilled technicians of Hindustan Steel, Rourkela, went on strike demanding revision of pay scales.

On March 20, 1959, over 20,000 employees of 86 municipalities throughout West Bengal observed a one-day token strike as a protest against the non-implementation of the recommendations of the Minimum Wage Advisory Committee.

On March 20, nearly 1300 workers of the Andhra Cement Company, Vijayawada, went on strike protesting against retrenchment of 314 workers. The strike was called off on April 16, when the dispute was referred to adjudication.

On March 23, workers of Kirkend Colliery and New Marine Colliery in Dhanbad Dt., Bihar, went on strike protesting against violation of statutory provisions, victimisation of workers and against victimisation of workers. The strike in New Marine colliery was called off on May 6. The strike in Kirkend colliery continued during the months of May and June.

770 workers in Venesta Ltd., Kamarhaty, W.Bengal, struck work from March 26, on the victimisation of two workers. On April 2, the management declared a lockout which continued for about a month. When the lock-out was lifted, the management agreed to make a relief payment of 50% of four weeks' basic wage and D.A.

On March 30, over 1000 workers in Binnys Engineering Works, Madras went on strike demanding bonus for 1958. The strike which was called off on April 3 was resumed for one day on April 15 and later on from April 18 onwards.

From APRIL 4 to 10, employees of Caltex oil company at Ernakulam (Kerala) went on strike to press their claim for arrears of overtime dues. The strike was called off following a settlement.

969 workers of the Bank of India, Bombay, went on a token strike for 2 hours to press ^{for} their outstanding demands. Similar strikes were also resorted to on the same day by the employees of the Bank at its branches in Ahmedabad and Poona.

About 1300 workers in Century Rayon Mills, Shahad (Bombay) went on strike from April 6, demanding reinstatement of 8 workers victimised by the management. The strike was called off on April 16.

2,150 workers in Mahalakshmi Mills, Bhavnagar, went on strike from April 7 to 9, demanding festival pay of Id, to all the workers.

543 workers of Jaifabs Rayon Industries, Bombay, went on strike from April 10, demanding reinstatement of 13 discharged workers. 120 workers were arrested by the police for demonstrating in front of the mill. On April 24, the management declared a lock-out.

On April 18, 160 workers in Vaikundam Rubber Estate, Marthandom (Madras State) went on a one-day strike, protesting against introduction of contract system in field work.

Workers in Asbestos-Cement Co., Kymore, M.P., went on strike from April 18, demanding increase in DA, etc.

313 workers in Indra Cotton Mills, Chrompet, Madras State, went on strike from April 19, protesting against change in working conditions. Subsequently, management declared a lock-out.

1030 workers employed by the Salt Merchants and Dealers' Association, Morwa (Bombay) went on strike from April 20, demanding increase in pay and bonus for the years 1956-57 and 1957-58.

On April 21, about 3,000 workers of Chinese Tanneries, Dhapa and Tangara, Calcutta, struck work over non-implementation of minimum wages. The strike terminated on April 28, through direct negotiations.

650 workers of the National Electrical Industries, Bombay, went on strike from April 24, protesting against changes made by the management in the wage-structure and retrenchment of over 20 workers. The strike was called off on June 10, following mediation by the President of the AITUC, but since the management went back on its assurances, the workers resumed strike from June 20. On June 26, the management declared a lock-out.

700 employees of Express Newspapers (P) Ltd., Madras, went on strike from April 27, protesting against transfer of printing and publication of the Daily "Andhra Prabha" from Madras to Vijayawada and move to shift machinery. The management declared a lock-out the same day.

On April 30, about 90,000 teachers in W.Bengal went on a one-day token strike, in response to the call by the Education Movement Coordination Committee. The strike was to press the demand for wage increase and improvement in service conditions.

On MAY 2, 800 workers of the New Era Fabrics Private Ltd., Bombay, went on strike demanding reinstatement of two workers who were Works Committee members. The strike prolonged and was on in June and July.

On May 18, 1959, 22,000 workers were locked out in the four textile mills run by the Harveys at Madurai, Tuticorin and Vikramasinghapuram in Madras State, when the workers refused to accept the arbitrarily increased work-loads. The lock-out was lifted on July 21, following a settlement.

On JUNE 4, nearly 3000 clerks working in the Bombay Municipal Corporation went on strike demanding higher wages, housing facilities, etc. The strike was called off on June 9, following a settlement.

From June 7 to 19, workers of Alsi textile mills, Jodhpur, went on strike to press for their outstanding demands.

On June 14, 2500 workers in the Indian Tinplate Company, Jamshedpur, went on a token strike protesting against the management's attitude of not paying any heed to workers' demands.

From June 20 onwards, over a thousand workers of the Machinery Manufacturers Corporation Ltd., Calcutta, went on strike demanding reinstatement of 249 retrenched workers. The factory was closed by the management, since then.

Employees of the National and Grindlays Bank Ltd., at its offices throughout India went on strike protesting against dismissal of six employees. The strike continued till July 20, when the union and the management agreed to mediation.

On June 26 and 27, the bank employees in Delhi went on a sympathetic token strike for 2 hours on each day. Similar token stoppages were also organised by the bank employees' trade unions in Calcutta and other centres.

On June 25, over a million workers in W.BENGALE observed a GENERAL STRIKE in response to the call given by the Famine Resistance Committee and the Trade Union Action Committee. The general strike was called to protest against the food policy of the Government which landed the people of W.Bengal to near-famine conditions.

PWD Workers in Dehri-on-Sone (Bihar) went on strike from June 29, to press for their outstanding demands relating to service conditions. The strike was called off on July 2, following a settlement.

(NOTE: The Strike Diary does not claim to be a complete account of all actions during the period Jan-June, 1959. It would be helpful if additions or corrections are suggested for inclusion in the Diary.)

ALL INDIA CONSUMER PRICE INDEX NUMBERS

Year	<u>GENERAL INDEX</u>		<u>FOOD INDEX</u>
	1949 base	1944 base	1949 base
1950	101	138	101
1951	105	144	104
1952	103	141	102
1953	106	145	109
1954	101	138	101
1955	96	132	92
1956	105	144	105
1957	111	152	112
1958	116	158	118
1959			
Jan.	117	161	119
Feb.	118	163	120
March	117	161	118
April	117	161	119

AITUC WORKING COMMITTEE MEETING
(Delhi August 8-9, 1959)

RISE IN PRICES OF FOODGRAINS

(The following statement was laid on
the Table of the House in the Lok Sabha
by the Union Food Minister on August 4,
1959)

RICE PRICES

(Prices in Rs. per Maund)

STATE/CENTRE	VARIETY	AS ON 1.4.59	AS ON 29.7.59
<u>ANDHRA PRADESH</u>			
Kakinada	Akkulu	18.75	21.50
Nellore	1st Sort	20.75	23.50
Nizamabad	Akkulu	17.31	20.91
Vijayawada	II Sort	18.50	21.08
<u>A S S A M</u>			
Haikandi	Sali	19.25	25.00
Tehu	Coarse	18.50	19.00
<u>B O M B A Y</u>			
Chiplun,	Coarse	24.00	30.00
Kalyan	Inferior	22.00	27.00 (27.7.59)
Nagpur	Gurmatia	23.00	27.00
<u>B I H A R</u>			
Dumka	Coarse	21.00	22.50
Gaya	Common	19.00	21.87
Jayanagar	Coarse	19.75	22.00
Ranchi	Coarse	19.88	23.50
<u>K E R A L A</u>			
Kozhikode	II Sort	18.50	24.50
Trivandrum	Pasanki	20.82	23.07
<u>MADHYA PRADESH</u>			
Kotma	Gurmatia	14.50	13.50 (coarse)
Akaltara	Coarse	14.50	14.62
Raipur	Coarse	14.50	16.00
<u>M A D R A S</u>			
Kumbakonam	Kurvai	17.00	22.87 (Katthai Samba)
Tirunelveli	Anakomban	20.77	19.77
Tiruchirapalli	Katthai Samba	19.07	23.00
<u>M Y S O R E</u>			
Mandgarh	Inferior	16.00	18.00
<u>O R I S S A</u>			
Jaipur	Rasu	14.33	14.75
Cuttack	Coarse	12.19	15.12
<u>P U N J A B</u>			
Amritsar	Coarse	23.00	26.00
<u>UTTAR PRADESH</u>			
Nowgarh	III Sela	17.00	17.50 R
Gorakhpur	IV Sort	21.25	22.00R
Etawah	Safed Sela	21.12	23.25 R
Bahraich	III Arwa	19.50	25.00 R
D E L H I	Punjab Sela	25.00	27.50

N.R. Not reported; R. For Transactions of less than 10 maunds.

WHEAT PRICES

(Rs. Per Maund)

States/Centre	Variety	1.4.1959	29.7.1959
<u>B I H A R</u>			
Khagalia	white	22.50	19.00
Patna	white	24.00	21.00
<u>B O M B A Y</u>			
Bombay	Nasik Yellow	22.77	23.88
Dhandika	Red	18.00	20.00
Rajkot	Red	19.74	21.50
<u>MADHYA PRADESH</u>			
Sagar	Pissi	14.37	14.75
Rewa	Ordinary	16.00	14.56
Hoshangabad	White	15.00	15.50
Bhopal	White	16.00	15.25
<u>P U N J A B</u>			
Abohar	Dara	21.02	14.19
Moga	591	23.25	15.25
Barnala	FAQ	20.50	14.75
Karnal	Dara	20.42	13.00
<u>RAJASTHAN</u>			
Ganganagar	Dara	24.00	14.75
Kotah	Red	16.50	16.50
<u>UTTAR PRADESH</u>			
Hapur	FAQ	22.00	19.00 R
Bahraich	FAQ	20.00	18.50 R
Chandausi	Sarbati	19.00	17.57 R
DELHI	Dara	17.50	14.50

R. Transaction of less than 10 maunds.

NOTE: The Food Minister has omitted the State of W.Bengal in the above Statement. As is well-known, prices of foodgrains in W.Bengal have shot up very sharply during this period.

INDUSTRIAL DISPUTES

Year	No. of disputes	No. of Workers involved	No. of Man-days lost
1954	1,166	5,27,767	56,97,848
1955	1,203	7,15,130	69,92,040
1956	1,248	6,40,871	49,82,229
1957	1,630	8,89,371	64,29,319
1958	1,248	9,28,566	77,97,585
1959 Jan.	160	64,147	3,19,885
Feb.	128	39,850	2,91,294
March	134	55,078	2,79,346
April	143	34,365	3,21,261

EMPLOYMENT IN COTTON MILL INDUSTRY

Year	Total No. of Workers on Roll	Average No. of Workers Employed daily	No. of Mills remained closed	No. of mills worked one shift only	Total number of mills
1954	7,97,483	7,41,169	25	27	392
1955	8,55,726	7,58,044	26	24	399
1956	9,32,873	8,06,791	21	21	405
1957	9,43,417	8,12,948	21	22	487
1958	9,00,166	7,67,150	41	33	441
1959 Jan.	8,85,958	7,69,804	46	21	481
Feb.	8,83,823	7,66,470	47	24	482
March	8,90,113	7,62,083	43	24	481

No. of mills remained closed during March 1959 according to States is as follows: Andhra 2, Bihar 1, Bombay 16, Madhya Pradesh 1, Madras 4, Mysore 3, Orissa 2, Punjab 1, Rajasthan 4, Uttar Pradesh 7, West Bengal 2.

TEXTILE CLOSURES

Commerce Minister's Statement in Parliament

The following statement was laid on the Table of the House on August 3, by Shri Nityanand Kanungo, Minister of Commerce, in reply to a question by Shri S.M.Banerjee, Shri Nagdish Awasti, Shri Nagi Reddy and others in the Lok Sabha:

(a) Figures regarding closure of cotton textile mills are available upto 30.6.1959. As on that date, 39 mills are closed down completely. State-wise distribution of the same is as follows:

Andhra Pradesh	1
Bihar	1
Bombay	15
Kerala	-
Madhya Pradesh	1
Madras	5
Orissa	2
Mysore	3
Punjab	-
Rajasthan	4
Uttar Pradesh	5
West Bengal	1
Delhi	1
Pondicherry	-
TOTAL	- 39

There are 33 mills working partially as on June 30, 1959 — 23 in Bombay, 3 in West Bengal, 2 each in Madras and Pondicherry and 1 each in Mysore, Kerala and Uttar Pradesh.

(b) 3 mills which remained totally closed at the commencement of 1959 have reopened subsequently. The mills are:

1. Aurangabad Cotton Mills, Aurangabad
2. Pollachi Bagyalakshmi (re-named as Kwality Textiles), Pollachi
3. John Princess of Wales Spinning Mill No.4, Agra

- Under Section 18-A of the Industries (Development & Regulation) Act, 1951, Government have recently taken over M/s.Atherton West Mills, Kanpur and M/s.Model Mills, Nagpur.

- As a result of the closure of 8 mills in 1959, the estimated monthly loss is 4,382 bales of cloth and 11,495 bales of yarn.

EMPLOYMENT EXCHANGE STATISTICS

Year	No. of registrations during the period	No. of applicants placed in employment	No. of applicants on the live registers at the end of the period
1954	14,65,497	1,62,451	6,09,780
1955	15,84,024	1,69,735	6,91,958
1956	16,69,895	1,86,855	7,58,503
1957,	17,74,668	1,92,831	9,22,099
1958	22,03,388	2,33,320	11,83,299
1959			
Jan.	1,87,924	19,255	11,95,926
Feb.	1,73,513	19,966	12,10,523
March	1,63,386	17,860	12,17,650
April	1,94,390	22,575	12,36,988

Occupational distribution of applicants on live registers in April 1959 is as follows:

Industrial Supervisory services	-	9,178
Skilled & Semi-skilled services	-	96,660
Clerical Services	-	3,14,829
Educational Services	-	55,660
Domestic Services	-	49,382
Unskilled Services	-	6,52,971
Others	-	58,308

INDEX NUMBERS OF INDUSTRIAL PRODUCTION

Item	(1951 - 100)									
	1952	1953	1954	1955	1956	1957	1958	1959		
								Jan.	Feb.	
General Index	103.6	105.6	112.9	122.4	132.6	137.3	139.4	155.0	-	
Coal	105.6	104.5	107.2	111.4	114.9	126.8	132.1	142.9	137.8	
Iron Ore	106.3	99.9	107.8	116.7	116.1	126.3	156.3	198.7	194.2	
Sugar	134.0	115.8	97.4	143.0	166.5	185.5	175.5	478.6	442.6	
Tea	98.6	96.7	102.0	106.2	106.0	106.9	112.0	19.7	17.0	
Vegetable oil products	110.7	111.2	133.9	151.3	148.3	174.9	171.3	193.5	191.6	
Cigarettes	102.3	109.1	110.9	111.9	117.5	115.6	108.9	114.8	104.7	
Cotton Textiles (Cloth)	102.0	109.5	109.5	109.2	115.2	109.7	101.8	106.3	96.7	
Woolen Textiles	107.6	101.1	107.3	118.9	127.3	120.5	123.9	129.3	119.7	
Matches	107.1	106.9	91.5	106.6	106.6	100.1	106.3	98.5	106.8	
Soap	103.5	98.5	105.5	118.7	132.1	133.8	147.2	131.8	-	
Cement	110.7	118.3	137.6	140.4	154.2	175.3	189.9	187.6	188.8	
Iron & Steel	102.2	95.7	113.2	113.3	119.4	119.3	119.2	129.9	135.1	
Non-ferrous Metals	80.7	85.2	126.5	123.7	124.7	151.7	165.4	181.2	-	

(Source: RESERVE BANK BULLETIN, June 59)

NATIONAL INCOME (1948-49 - 1957-58)

Year	Constant Prices (Factor Incomes)					NET NATIONAL PRODUCT
	Net Output of Govt. Administration***	Net output of Govt. Enterprises	Net Output of private Sector	Net earned income from abroad	(In Rs.100 Crores)	
1948-49	4.0	2.4	80.3	-0.2	86.5	
1949-50	4.1	2.7	83.5	-0.2	90.1	
1950-51	4.3	2.9	88.3	-0.2	95.3	
1951-52	4.5	3.2	92.2	-0.2	99.7	
1952-53	4.6	3.1	90.6	-0.1	98.2	
1953-54	4.9	3.2	96.7	-	104.8	
1954-55	5.2	3.6	87.3	-	96.1	
1955-56	5.7	4.2	89.9	0.1	99.8	
1956-57	6.1	4.8	102.1	-	113.1	
1957-58 ^o	6.6	→ 107.0 ←		-	113.6	

*** Includes Central, State and Local Governments

^o Preliminary

TEA PLANTATION ENQUIRY - 1954

A Summary of
THE REPORT

The Plantation Enquiry Committee, appointed by the Government of India in 1954, in its report on Tea industry in India, says:

"In an industry in which capital is so largely in the hands of foreign business houses and 75% of whose production is controlled directly by a limited number of agents of these foreign firms and whose produce is sold largely to the same foreign country and in many cases through the same agents, it is inevitable that there should be a high degree of concentration. Large concentration of business . . . can conceivably work to the disadvantage to the sellers in certain circumstances. . . . Excessive concentration of economic power (auctioning and warehousing) give room for complaints of discrimination and other grievances. The situation is therefore inherently unsound. . . . In the marketing of tea in Calcutta the brokers have come to an unusually strong position. The business is concentrated in the hands of four non-Indian firms. We note that there is excessive concentration of economic power in the hands of a few brokers."

"The larger proportion of old plants, those planted before 1900, are in gardens under non-Indian ownership ranging from 43.4% in the case of non-Indian Rupee companies to 29.4 in the case of Sterling companies. The percentage of tea plants planted before 1900 in Darjeeling region amount to 79.16%. . . . During the ten years ending 1953, the extent of replanting has been less than 1% per year. In spite of the need of a programme of replanting for the very existence of the industry, in the long run, we have observed that the progress has been tardy."

The Commission went into the condition of the industry in all its aspects including its cost structure, and has revealed a number of most disquieting facts, which the AITUC, INTUC and other Central TUs had been pointing out for a long time. But the Government of India so long paid no heed. In a memorandum submitted by the West Bengal Committee of the AITUC to the official team on Tea Industry appointed by the Government of India in 1952, pointed out: "A number of old gardens have been changed hands at a very high price, and the Indian entrepreneurs find it difficult to run the gardens and invest further capital which these old and almost exhausted gardens badly need. . . . Most of the gardens of Darjeeling and Cachar are in a condition of exhaustion. The planters, instead of investing on new planting, . . . continued to squeeze the plants for the last three quarter of a century to their exhaustion. . . . Moreover, the foreign investors do not take any interest in the industry is shown from the fact that only 20 crores of capital was added in 50 years while many of the companies have unbroken dividend record since the 'Eighties of the 19th century."

The memorandum also pointed out: "The British monopolists, finding East Africa as better soil to exploit the workers . . . are investing capital on Tea Industry there. . . ." The findings of the Commission corroborates the points in the Memorandum.

Emphasising the importance of the industry, the Commission points out that India produces nearly half of the total world production, having 40.5% of the total world acreage. In the year 1948-50, the total value of

Dealing with the structure of the tea industry and the high concentration, the Commission observes, out of the total capital of Rs.113.06 crores,

64.2 per cent (Rs.72.55 crores) is non-Indian and 35.8 per cent (Rs.40.51 crores) Indian.

Thirteen leading houses in Calcutta control over 75% of the production in North India. Of these, 7 companies control 50% and 5 companies as much as 36% of the production. Eight agency houses of producers in Calcutta within associate firms purchased over 50% of the tea at the Calcutta auction in 1954.

The retail distribution of tea in India is controlled by two non-Indian firms in Calcutta to the extent of 85% who also control in blending and distribution, 95.6% of packaged tea and 54.4% of tea for internal consumption in India.

The growth of the paid-up capital from 1934 to 1953 . . . shows that the increase is not very significant. What little increase there has been is also wholly accounted for by the issue of bonus shares.

In the marketing of tea in Calcutta 4 non-Indian houses handled 96.5% and 2 Indian firms only 3.5% of tea in Calcutta auction in 1954. In the majority cases they act as brokers both for sellers as well as buyers. They also act as financiers to producers.

In the sphere of export of tea, Indian firms exported 88.6% and non-Indian firms 99.1% of their total export through the U.K.Banks in 1952. In the year 1953-54, non-Indian banks advanced Rs.33.02 crores to both Indian and non-Indian producers and realised Rs.64.47 crores by sale of hypothecated tea. In the same year, Indian banks advanced only Rs.6.28 crores and realised Rs.11.75 crores. Calcutta warehousing is controlled only by one non-Indian Agency House, who are also producers and exporters.

Thus the Commission's findings show the grip of the British monopoly capital over our industry and its trade.

COSTS: "Changes in cost of production are prima facie indications of the competitive position of the industry in the international market and its profitability" says the report. Sri Sivaswami, a member of the Commission, in his note of dissent, remarked: "The producer got such a competitive price that it could cover the uninterrupted growing costs since 1933. . . The object of concentration is restriction of surplus and maintenance of highest possible price."

The report of the Commission notes that in 1953, the Sterling Companies had the highest total costs at Rs.135.67 per 100 lbs. and the Director-controlled Indian public Ltd., companies, the lowest costs at Rs.102.11 per 100 lbs. of tea. According to the Cost Accounts' reports, the causes of high cost were the following:

Non-Indian Rupee Companies: Managing Agency commission based on sales and manager's commission based on profits; high costs of recruiting labour and high salaries of tea-makers; heavy building repairs shown under current expenditure; extraneous payments in the name of technical consultants and additional assistants and increase in overseas pensions.

Sterling Companies: General increase in salaries and allowances and employment of extra European assistants; cost of recruitment and medical facilities.

Indian Companies: Low yields due to low costs; more expenses under salaries, plucking and depreciation; all directors taking a commission of 5% on profit.

According to the Commission, there is room for reduction of costs under the head "General Charges" which accounted for 32.41% of the All-India average total costs, by decreasing the remuneration paid to Managing Agents and Secretaries, by abolishing the Commission paid to managers, etc., by increasing Indianisation of managerial personnel and reducing the non-Indian managerial personnel to the minimum, etc. etc.

PROFIT AND ITS DISTRIBUTION

The total gross profits of 247 companies (covering nearly 50% of the total acreage) rose from 4.75 crores in 1939 to Rs.11.16 crores in 1946, Rs.15.64 in 1950 and Rs.21.09 crores in 1953. In 1954, the gross profits of a smaller number of companies namely 123, amounted to Rs.22.98 crores. Generally speaking the ratio of gross profit to total capital employed in the tea planting industry has been very high. Sterling companies made comparatively less profits; but they distributed a large percentage of their profits as dividends than Indian companies. Distributed profits expressed as percentage of profit after taxation was higher in Sterling companies in 1953 than in Indian companies though it was less than that in non-Indian rupee companies, says the report.

MANAGING AGENTS' COMMISSION:

One of the reasons for the high costs and lower profits of the non-Indian companies is their remuneration to Managing Agents. The Commission to Managing Agents, Secretaries, by 210 tea companies rose from Rs.140 lakhs in 1950 to Rs.164 crores in 1953. Even in 1952 when most companies registered losses, the total commission paid by those 201 companies amounted to Rs.91 lakhs.

PROFITS OF NON-INDIAN BROKERS HOUSES

Regarding the non-Indian Brokers' Houses of Calcutta and Cochin, the Commission observes that in 1953-54 while their capital employed was Rs.16.82 lakhs, reserves were Rs.45.15 lakhs, they had a gross income of Rs.91.38 lakhs and net profit after deducting all expenses and providing for taxation was Rs.22.2 lakhs. An examination of the total paid-up share capital of brokerage firms reveals that nearly half the paid-up capital is accounted for by allocation of shares for considerations other than cash. On one company, the entire share capital with the exception of a very nominal sum has been thus allotted, observes the Commission.

HIGH SALARIES

Regarding highly-salaried personnel, the following figures reveal the position of 136 companies as on 1.1.1955:

In the salary group (including allowances) of Rs.1000 to Rs.3000, the Indian technical and managerial personnel numbered only 134 as against 1104 non-Indians. In the salary group of above Rs.3000, there were no Indians but only 53 non-Indians.

While the production of tea in India has steadily increased from 56.05 crore lbs. in 1947 to 61.36 crore lbs. in 1952, to 61.47 crore lbs. in 1953, to 64.41 crore lbs. in 1954. The number of labour employed has decreased from 10.33 lakhs in 1950 (from Tea Board's figure) to according to Commission's report 9.70 lakhs in 1953, which shows a decrease of 6.3 per cent in total employment.

The Commission observes that in Assam, labour per acre decreased from 1.44 per 1951-52, 1.36 in 1952-53, to 0.86 in 1953-54. Thus decrease of labour per acre between 1951-52 and 1953-54 stands at 5.8%.

In spite of this increase in production and decrease in number of workers, the Commission emphasised the need of "increased productivity" by rationalisation and retrenchment. The Commission observes "rationalisation operation is necessary to increase productivity" and further says, "Government and labour should be willing to face problems of retrenchment arising from increased productivity."

When unemployment is one of the acute problems in the country, when the First Five Year Plan has failed to tackle it and there is no hope of its solution in the Second Plan, particularly when the problem of surplus labour in tea gardens has become acute, one fails to understand how the Commission expects the workers to willingly face further retrenchment.

It is useless to say, as the Commission has recommended, that steps should be taken to provide alternative employment for those who would be retrenched due to rationalisation, when lakhs and lakhs of jobless people are remaining in the country, when the Government in spite of its pious wish has failed to provide even a small part of them with employment, when the problem of surplus labour has not yet been solved to any extent. It is our bitter experience that no amount of promise of the Government, not to speak of the Commission's recommendations serves any purpose. The reality is that if rationalisation is not resisted by the workers, it will end in heavy retrenchment. No doubt, workers will resist any rationalisation resulting in further retrenchment.

The Commission observes that the labour cost on total production for 1953 was 12 annas per lb. The Commission naturally had to rely on the figures supplied by the management. It was also noted by the Commission that garden expenses in case of rupee companies and total expenses by managing agency or secretaries in case of sterling companies are not audited. Particularly in tea estates, there is no system of taking signatures or thumb impression during any payment to the workers. There is, therefore, enough scope for doubt about the actual expenses that were incurred by the management of tea estates. Particularly when the Commission itself finding the Sterling companies' returns submitted to their London Office by the Agency Houses in India without any auditing and "in the case of Rupee companies also, the auditors' certificates indicate that certified return from gardens are accepted as such," recommends "it is essential that a system of local audit of the garden expenditure and other branch office expenditure should be insisted upon by the Government in case of all companies." It is evident that without any auditing no one can take the accounts seriously. So we cannot accept this high labour cost. It is all the more doubtful about the expenses on labour amenities, which to the estimation of the Commission was 15% of the total labour cost.

Dealing with the question of wages of the workers which are Rs.1.12.3 in Assam, Rs.1.11.6 in Duars, Rs.1.11.0 in Terai, Rs.1.9.6 in Travancore-Cochin, Rs.1.7.0 in Madras and Rs.1.6.0 in Darjeeling, the Commission observes that the minimum wages should be uniform in all States varying only for difference in cost of living. The Commission has not gone into the question of whether the present extremely low standard of living justifies the present most inadequate wages. On the contrary views are that wages increment would not improve the standard of living, but more amenities such as implementation of Plantation Labour Act would serve the purpose better. But our experience is that without any further wages increment no improvement in the standard of living is at all possible. It should be noted that the tea workers spend about 77% of their earnings on food alone, still the diet they take lacks nutrition even to the minimum. Under the circumstances, immediate wages increase is urgently needed. Moreover the Commission's recommendations for uniform minimum wages for all States, we are afraid will give a plea for the managements to decrease the wages of all areas to the lowest minimum prevailing in Darjeeling or Cachar. There must be definite recommendation that nowhere the wages can be reduced than at present and wages of other areas with lower wages should be increased to the present maximum. The recommendations of the Commission on the rates of plucking areas:

- i) It should be progressively increased for quantities plucked.
- ii) It will have to be higher in cold season or for bushes recently pruned when the quantity of leaf is small.
- iii) It should be fixed in such a way that it enables a worker to earn at least minimum wage for a normal working day.
- iv) The rate should be equal for men, women and adolescents.

While recommending the above, the Commission wants a definite quantum of work which must be finished within the prescribed time, it also wants the

plantation workers to work full time during the plucking season as well as during the winters to earn their minimum wages. But, firstly, this combination of quantum of work and time will only help the management to enforce increased intensity of labour without any proportional increment of wages. Secondly due to meagerness of the wages, the workers are forced to do certain work such as collecting fuel, etc., during the winter season. It is not possible till the present wages and living condition of the workers continue to work eight hours during the winter. The Commission has recommended for payment of Bonus to the workers, subject to the following conditions:

- i) Depreciation allowance by the income-tax authorities should be separately funded and drawn up only for meeting expenditure on replacement and renewal of fixed assets.
- ii) The tea planting fund should be set apart.
- iii) After providing for taxation, such Company should build out of its profits a statutory reserve for meeting development expenditure and unforeseen charges.
- iv) From what is left over, a certain minimum dividend should be provided for as a percentage on share-capital.
- v) The remainder should be divided between the share-holders and labour staff according to a suitable formula.

After fulfilling the items (i) to (iv), we are afraid there will remain very little for the workers to get a bonus. These conditions should therefore be reconsidered, so that a minimum bonus may be guaranteed irrespective of the so-called "losses."

PLANTATION LABOUR ACT

The Commission recommends phased programme of implementation of the Act on grounds of non-availability of funds. We feel that the housing and other provisions of the Act may not need the estimated expenditure provided the managements take the co-operation of workers and employ the unemployed workers living in each garden. To depend on contractors for every bit of job requires much more expenditure than if done directly by the management with the help of the workers. We think the Commission's suggestion to find out materials locally for building workers instead of waiting for the Cement, steel, etc. This, if taken into consideration and workers cooperation taken, the expenditure will certainly be much less than the present estimate. It will save time and hasten the building of badly-needed houses for the workers. Phased programme cannot be accepted as the planters have been delaying the implementation since 1951 on various pleas.

Even in the year 1954-55 when fabulous profits were earned, the planters did not think it necessary to keep sufficient funds before distribution of profit. According to the Commission, funds for implementation of the Plantation Labour Act should be set apart and in case of any garden without discharging this obligation, the Government should deduct the amount from the sale proceeds before the transfer deed is allowed to be registered.

The Government should enforce necessary legislation on the matter without delay.

Regarding the suggestion of forming a welfare organisation under the control of the Union Government, we feel that all the Central T.U.s should be adequately represented in the body.

INDUSTRIAL RELATIONS

"Unfair practices such as refusal to grant interviews or negotiate, favouritism and discrimination in treatment of employees, evasion in implementing the Plantation Labour Act, dismissal of workers without cause, supporting one union against the other - these acts on the part of some managements increased disharmony (in industrial relations). The illegal methods sometimes resorted to by some labourers in expressing their grievances, already referred to, add to it," says the Commission.

While all the responsible Trade Union leadership always want peaceful solution of all disputes and persuade the workers not to be provoked by managements' actions, the attitude of the managements remain the same as the Commission's findings as stated the above.

We hope the Government and the employers will take note of the above findings of the Commission and take immediate steps to act on them, if they really want industrial peace.

MONORANJAN ROY

Year	No. of Stoppages	No. of workers involved	Manhours lost
1951	1068	6,91,320	38,18,928
1952	960	8,09,244	33,36,960
1953	972	5,80,132	34,11,078
1954	1072	4,67,138	37,72,630
1955	1539	7,34,412	47,15,858
1956	1690	10,19,181	70,95,960
1957 January	154	1,26,995	3,95,003
February	135	1,00,198	2,60,794
March	116	40,488	2,77,013
April	144	59,309	3,53,245

NOTE: The figures given above have been taken from the Monthly Abstract of Statistics, Cabinet Secretariat, Central Statistical Organisation, New Delhi. The figures for 1951 and 1952 are based on Monthly averages. The figures for 1953, 1954, 1955 and 1956 have been taken from the issues dated March 1955, May 1955, March 1957 and June 1957 respectively. The figures for the months in 1957 is based on the issues for those months for which figures are indicated.

(AITUC Letter - contd.)

It has been asked whether the calling off of the strike would not disarm the workers to such an extent that the Government with its repressive legislation and victimisation would smash the organisation and nullify the possibility of making any gains further.

Our considered view is that there is no doubt that a certain amount of anger would remain in the minds of the workers if the Council decides to call off the strike. It would lead to some demoralisation in a small section of the workers. It would even make some people doubt the wisdom of the action. But as against this, if the Council of Action succeeds in bringing to the attention of the people the fact that the main core of the demands on which the whole movement was built, has been conceded though a tangible sum of rupees has not fallen into their hands in the form of interim relief and if the Council of Action were to point out that an orderly withdrawal of the action in view of the concessions given and a further development of the organisation and its strength in order to hold down the Government to its words and its fulfilment and the saving of the hundreds and thousands from dismissals and imprisonments would lead to an attitude in the minds of the workers which would strengthen their organisation further and not weaken it. It would enable them to take a leap forward from the positions they have attained so far in order to achieve still greater results.

There, of course, remains the question that even after we have resolved this deadlock, the repressive Act will be there to be fought out. Certainly, the democratic movement throughout the whole country will have to take steps to fight this measure. But that question should be separated at present from the question of the settlement of the demands of the workers. The repressive Act will surely be fought by the working class and the democratic masses in the country unitedly until it is abolished from the statute book.

On a balance, we find the gain would be more than the loss which loss would be quite temporary. Hence we would request you to give due consideration to this viewpoint and take your decisions with calm consideration, which should not be allowed to be vitiated by the ideas of prestige or subjective prejudices.

The AITUC and all those who have participated in this, pledge their support to your cause. This letter of ours is not meant to, in any case, divert the workers away from the Council of Action and the Federation but it is only meant to help you in arriving at correct decisions and it is only meant for the consideration of the Council of Action and the leadership of the P & T Federation and the Confederation of Trade Unions of Governmental services.

We wish you all success.

The Prime Minister made a statement as under, conceding on the floor of the House that in the notification appointing the Commission, reference would be made to the question of Interim Relief being considered by them and that the Commission will be requested to make an interim report:

"Government, and I am sure this House, are deeply concerned about notices and news of impending stoppages of work in various essential services in the country. This matter has come before the House in different forms on several occasions during the last two weeks or more. I should like to keep the House informed of recent developments in what the Government have done in this matter and propose to do.

"While it is the duty of the Government to take necessary powers to maintain essential services and take steps to that end, it is equally their concern to deal with the problems that have arisen, taking into account all the aspects involved and the demands of the workers affected.

"During the last three weeks or more I have myself been intimately connected with this matter and so have indeed my other colleagues in Government. On the 26th July I met a deputation from the National Federation of Posts and Telegraphs Employees. My colleagues, the Ministers of Labour and Communications, were also with me. We had long and friendly talks in the course of which I explained to the deputation more fully our ideas about the proposed Pay Commission. The question of interim relief was then raised and the deputation was informed that this would also be referred to the proposed Pay Commission.

I came away from this meeting feeling that an atmosphere of friendly cooperation had been created and the proposed strike would not take place. I was therefore much surprised and distressed to learn the next morning that the strike decision had been confirmed by the Committee of P&T Federation.

On the 3rd August the terms of reference of this Commission were announced in the House by the Finance Minister. These terms were to form part of the subsequent notification to be issued by the Government of India.

On the 5th August I made a broadcast to the country in the course of which I spoke about the Pay Commission and referred to their functions. In particular I stated that the question of interim relief would be referred to the Commission.

I was informed later that some representatives of the P&T Federation wanted to meet me again to seek some clarification. I met them on the late afternoon of the 6th August and had a long talk with them. The principal subject discussed was that of interim relief and I explained again that this would be referred to the Commission. Thereupon I was pressed for some immediate grant of relief. I pointed out that as this matter was being referred to the Pay Commission it would neither be desirable nor possible for us to accept any such proposal for immediate relief. This would naturally affect many others, apart from the P&T people.

The question of a dateline or time-limit being fixed for the Commission to present their interim proposals had also been raised. I made it clear that in our opinion this would not be proper nor suited to the dignity of the high-level commission that we were appointing.

Thus, Government have already announced that the high-powered Commission with an eminent Judge of the Supreme Court as Chairman will be appointed soon. In the notification appointing this Commission reference will be made to the question of interim relief being considered by them and they will be requested to make interim reports. I have no doubt that the Commission will consider with care and expedition all problems brought to their notice.

It will appear that Government are well seized of these problems. They have given adequate assurances that they have met and intend to meet all reasonable demands of the workers. It is in the interest of the workers themselves as well as the country as a whole that there should be no stoppage of work in our essential services and that these problems should be dealt with by peaceful approaches and methods of conciliation to which Government are committed.

If, however, there is a stoppage of work in these essential services, then it is the duty of Government to see that the essential services are maintained and we seek the cooperation of public in this matter.

In view of the re-affirmation of the strike threat, in spite of the efforts that Government has made, Government has been compelled to advise the President to issue an ordinance on the lines of the Essential Services Maintenance Bill passed by the Lok Sabha on the 6th August. I trust, however, that there will be no stoppage of work and that it will not be necessary therefore for this ordinance to come into operation.

Shri Lal Bahadur Shastri in the afternoon announced the same and the other decisions earlier talked over on the floor of the House.

The Joint Council of Action withdrew the strike decision at about 4 P.M.

Extract from the review of strike by the Federation of P & T Employees:

DEMANDS

- | | |
|--|--|
| 1. Pay Commission | Accepted |
| 2. Grant of D.A. | Referred to Pay Commission for Interim Report |
| 3. Abolition of distinction between Class III and IV | Leave, Pension and Medical Rules Already decided upon. T.A. and D.A. under consideration. Other matters referred to A/C. |
| 4. Abolition of other distinctions | Referred to Pay Commission |
| 5. Merger of full D.A. | -do- |
| 6. E.D.A. | A Committee to be appointed |
| 7. Assam C.A. | A favourable decision is assured. |

August 13, 1957

The President revoked the Maintenance of Essential Services Ordinance.

Major C.V.Rajan appointed on the One-man Committee for E.D.problems.

August 22, 1957

The Finance Minister laid on the table of Parliament, Government resolution as below appointing the Pay Commission:

As promised by the Prime Minister to the representatives of the Unions, the final terms of reference provide that the Commission may consider demands for interim relief. The Commission is also authorised to indicate the date from which this relief should take effect. The following is the text of the Government of India resolution placed before the Lok Sabha by the Finance Minister and before the Rajya Sabha by the Deputy Minister, Mr.B.R.Bhagat.

"The Government of India have decided to set up a Commission of Enquiry composed of the following:

Chairman: Mr.Justice Jagannadha Das, Judge of the Supreme Court.

Members: Mr.V.B.Gandhi
Mr.M.K.Sidhanta
Mr.M.L.Dantwala
Mrs.Maragatham Chandrasekhar
Mr.L.P.Singh, I.C.S., Member-Secretary.

Associate Secretary: Mr.H.F.B.Pais.

"The terms of reference of the Commission will be as follows:

. . . Examine the principles

TERMS OF REFERENCE OF THE PAY COMMISSION

- (i) Examine the principles which should govern the structure of emoluments and conditions of service of the Central Government employees;
- (ii) Consider and recommend what changes in the structure of emoluments and conditions of service of different classes of Central Government employees are desirable and feasible keeping in mind the considerations mentioned below;
- (iii) Recommend, in particular, the extent to which benefits to Central Government employees can be given in the shape of amenities and facilities; and
- (iv) In making their recommendations, the Commission will take into account the historical background, the economic conditions in the country and the implications and requirements of developmental planning, and also the disparities in the standard of remuneration and conditions of service of the Central Government employees on the one hand and of the employees of the State Governments, local bodies and aided institutions on the other and all other relevant factors.

"The Commission may consider demands for relief of an interim character and send reports thereon. In the event of the Commission recommending any interim relief, the date from which this relief should take effect will be indicated by the Commission.

"The Commission will devise their own procedure and may appoint such advisers as they choose for any particular purpose. They may call for such information and take such evidence as they may consider necessary. Ministries and departments of the Government of India will furnish such information and documents and other assistance as may be required by the Commission. The Government of India trust that the State Governments, Service Associations and others concerned will also extend to the Commission their fullest co-operation and assistance.

"The Commission are requested to make their recommendations to the Government as soon as practicable."

SUGGESTIONS ON

PLANTATION T. U. S

Report from Tamilnad

We are sending herewith a note for consideration by the Working Committee on the situation amongst the unions in the Plantations. We have tried to pose the problems that face us as regards organisation and the workers' demands.

I

The plantation workers all over India are organised in trade unions affiliated to one or the other of the all-India organisations. But there is no coordination amongst them and we find that the conditions of service, wages, etc., vary from place to place, even in neighbouring areas (Tamilnad and Kerala; West Bengal and Assam; etc.).

The managements dictate terms not only to the workers but to the Government also. They were able, for instance, to influence the Government to delay the implementation of the Plantation Labour Act for more than two years. Even today the whole Act is not in force. Take also the recommendations of the Plantation Enquiry Commission--the Government have been influenced to turn them down.

Realising the need for a more coordinated movement here in Tamilnad, we are in the process of forming a provincial federation--the first step towards this is that of amalgamating the AITUC Unions. We are a major force in Anamalais area and Kulasekaram - in the Nilgiris, we are making some headway.

In the past few years with the growth of our movement in the plantations we have faced difficulties in organising coordinated action even in our State. Some organisational remedy must be found for this. Particularly is it important for us to have some organisational coordination with the unions in Kerala, because the same companies operate in both regions.

We feel that, therefore, on an all-India scale a federation drawing in all the trade unions, irrespective of their central affiliation (as exists in Cement, for instance) would be of great value--from the point of view of labour as well as the industry. We hope that the AITUC will take the initiative to call a meeting of representatives of plantation labour which could be preceded by a meeting of AITUC representatives. We would like to add that we are quite willing to act as the hosts for such a representatives' meeting.

II

The immediate attention of the Unions should be drawn to the following issues affecting plantation workers:

1. Wages: Wages, as per the Minimum Wages Act, have been fixed taking 3 wage earners in each family--this has now been rejected by the Study Group of the Planning Commission and by the recent Indian Labour Conference. So early and effective steps should be taken to change the bases for the present wage structure and revise the rate in accordance with the new formulations.
2. Plantation Labour Act: A number of provisions (creches, hospitals, schools, canteens, etc.) are yet to be implemented.
3. Bonus: In other industries irrespective of the fact that we may have our own formula, the LAT formula is being accepted as the basis for calculation of bonus, whereas in the plantations there is no such basis. The practice that now obtains here is that the Managements declare an ad hoc quantum and then when the workers agitate, another ad hoc quantum is fixed as a settlement. In the South, the managements have not so far given their balance sheets or profit and loss account to decide bonus at any time. We must undertake a campaign to bring the necessary pressure to bear on them to see that a formula is evolved for payment of bonus in plantations.

In Madras State, for the years 1952 to 1956, the bonus dispute is still pending. On August 19, 1957, there were tripartite talks in presence of the Labour Commissioner on the 1955 and 1956 bonus issue. The managements have so far paid for these two years 9% and 6% (ad hoc) and now state they are prepared to pay 6% more for both the years bringing the total to 21½%. The Government also put forward this proposal. They have based themselves on the recent agreement brought about by the Labour Minister in Kerala. None of the Unions here have so far agreed to this and the talks have been postponed to a later date (possibly first week of September). We have asked for figures of profit and loss--the managements have so far said that such figures are not available.

4. Award of the Special Industrial Tribunal: Everyone is aware of the award by the Special Industrial Tribunal for the plantation workers which was given after detailed investigation for 4½ years. The management moved against this in the Supreme Court and have obtained a stay. They are moving for quashing of the award as a whole.

In the meanwhile, some of the unions--the INTUC Union and Neelamalai Unions in Nilgiris--have signed an agreement binding them for five years in which they have given up almost all the benefits granted in the Award. The wages have been reduced by them from Rs.2.4.0 to Rs.1.11.6.

The AITUC Unions and all the other Unions in Valparai did not sign this agreement. The employers have therefore resorted to harassing the workers individually and are getting them to sign documents agreeing to the same terms as are set down in the agreement. We have pointed out that this is unfair labour practice but it continues. In the Anamalais a large number of workers (belonging to our Union especially) are still refusing to sign. The managements hope to produce these signatures before the Supreme Court and get their case settled thereby.

Contrary to ILO recommendations two grades of wages have been accepted in this agreement for one and the same area--one for estates of 200 acres or less, another for more than 200 acres, a third for coffee estates, a fourth for Salem area, etc.

We approached the Government to call a conference to reopen discussions on an area basis. But at this Conference the management adopted a stiff attitude of sign the agreement and nothing more. So the talks broke down, but the Labour Commissioner has asked us to give concrete proposals in writing and then he will try for another conference.

We learn from the papers that an agreement has been signed in Kerala also on the same lines as the Madras agreement, but are told that AITUC Unions are not party to this agreement. We have been unable to get detailed information about this.

At present, the workers in the Anamalais are holding out--nearly 500 of them marched in procession on foot for 70 miles and staged a demonstration before the building where the talks were taking place. If we could have a meeting with the Kerala comrades and hold talks with them, we could certainly plan some concerted action which would strengthen our position vis-a-vis the employers. According to the figures given in the Plantation Inquiry Commission, the Anamalais are a very prosperous region--we have made this our starting point in asking for reopening of the talks. The yield per acre in this region is the highest in India.

Coimbatore,
August 20, 1957.

P.Vriddhagiri
A.Ramanathan
Parvathi Krishnan.

On UNESCO Awards

FOR WORKERS STUDY TOURS IN ASIA

by K.B.Fanikkar

The WFTU has taken considerable interest in the UNESCO programme for the Workers' Study Tours. In 1955 study tours for workers in Asia was initiated by the UNESCO. The 9th General Conference of UNESCO held in New Delhi last November decided to continue this programme for 1957 and 1958.

Quite a good number of WFTU affiliates have taken initiative in participating in the Workers Study Tours for Europe and were accorded UNESCO grants for workers study tours in Europe for 1957.

"The purpose of the scheme is to use the links which bind workers of a similar occupation as a bridge to increase the comprehension of the history, culture and customs of another country. It is not to provide an opportunity for technical training. The grants are intended to benefit ordinary wage earners who would otherwise have no opportunity for an educational experience in foreign countries." (UNESCO document EXP/W/664-482)

Hence the participation in the exchange of workers delegation under UNESCO auspices will contribute greatly in forging closer links with workers of other countries of Asia, in exchanging experiences and enriching the cultural level of the workers and strengthening mutual understanding and international trade union unity and solidarity.

During 1955-56 many trade unions in the countries of Asia have taken advantage of UNESCO awards including the INTUC and the All India Co-operative Union from our country.

Participation by the AITUC in the UNESCO programme of Workers Study Tours in Asia will be of advantage to our organisation.

The following conditions apply:

- * Applications are accepted from workers' organisations, which are of affiliates of the international workers' organisations having consultative status with UNESCO. Since the WFTU is in consultative status with UNESCO, the AITUC is competent to apply.
- * The application should be sponsored by the National Commission of UNESCO in each country. (Here, care of Ministry of Education).
- * The study tours should be planned sufficient time in advance (4 to 6 months). Within one month after receipt of the application the Director-General of UNESCO will inform applying organisation whether an award is granted or not.
- * The grant will cover return travel (air, tourist class) between the point of departure in the country and the town to be visited in the host country.
- * Majority of the participants of the Study Group should be rank and file workers. Grants will be awarded to normally to groups of not more than five.
- * The beneficiary organisation is at liberty to increase the number of participants in its group and to distribute the total UNESCO grant over the whole number.

(Ordinarily the organisation applying for grant should meet the cost of accommodation, excursions in the country visited and other incidental expenses either through its own funds or through arrangements with organisations in the host country. In special cases when the organisation applying for a grant cannot meet these expenses, the UNESCO will be prepared to contribute an additional sum, not exceeding the equivalent of 150 US Dollars per person for a period of not less than one month.)

* The study tours are arranged within a continent or geographical region, from one UNESCO member State to another UNESCO member State. The following countries of Asia are members of UNESCO: Burma, Cambodia, Ceylon, India, Indonesia, Japan, Laos, Malaya-British Borneo (associated member), Nepal, Pakistan, the Philippines, South Korea, South Vietnam, Thailand, Taiwan, the USSR.

* It is a condition of the award that the beneficiary group undertakes to prepare a report, on its experiences and impressions which should be sent to UNESCO's Exchange of Persons Services within two months of the return home, together with press cuttings, photographs or similar material.

The Working Committee of the AITUC may consider seriously as to how effectively we can participate in this programme of the UNESCO during the year 1957 and 1958..

A.I.T.U.C. NOMINEES
ON GOVERNMENT-SPONSORED CONFERENCES & COMMITTEES

- | | | |
|---|------|-------------------------------------|
| 1. Indian Labour Conference | .... | Nominated from time to time |
| 2. Standing Labour Committee | .... | -do- |
| 3. Technical Education | .... | Com.SHANKERLINGAM |
| 4. Directorate of Resettlement & Employment | .... | Com.S.G.PATKAR |
| 5. Minimum wages: | | |
| (i) Advisory Board | .... | Com.P.BALACHANDRA MENON |
| (ii) Revision Board | .... | Com.INDRAJIT GUPTA |
| (iii) Fixation Board | .... | Com.V.D.CHOPRA |
| 6. Provident Fund | | Com.TUSHAR CHATTERJEE
(Resigned) |
| 7. Employees State Insurance Corporation | .... | Com.S.A.DANGE |
| 8. Central Advisory Council for Industries | .... | Com.S.A.DANGE |
| 9. Workers' Education | .... | Com.MOHD. ELIAS |
| 10. Tripartite Technical Committee for drawing up Tripartite Agreement on Working Conditions in the Cement Industry | .... | Com.N.SATYANARAYANA REDDY |
| 11. Advisory Council for development of Internal Combustion Engines | .... | Com.T.R.GANESAN |
| 12. Vocational Training | .... | Com.VITTAL CHOUDHURY |
| 13. Sub-Committee on Workers' Participation in Management & Discipline In Industry | .... | Com.T.C.N.MENON |

Some Recent Working Class Struggles
in Foreign Countries

The year 1957 opened with a wave of massive united struggles waged by the working class for higher wages, shorter working hours and for improvement in working conditions, throughout the capitalist world.

UNITED KINGDOM

In Great Britain, as the year 1957 opened, about 7 million workers including three and a quarter million engineers and shipbuilders, one million building workers and various others such as miners, bank employees, railwaymen, shop assistants, textile workers and policemen were demanding wage increases.

The Engineering workers and railwaymen demanded a 10 per cent wage increase while the Mineworkers decided to ask for a minimum wage of £10 per week for daily-paid underground workers and £9 for daily-paid surface workers.

In March 1957, 2 lakh shipyard workers in Great Britain were involved in the biggest stoppage for 30 years, demanding a 10 per cent wage increase. Another 2½ million engineering workers have also decided to launch their struggle on March 23 for a 10 per cent increase.

The impending strike of 1¼ million strong engineering and shipbuilding workers was called off by a narrow vote when the Government announced a court of enquiry. An agreement signed with the employers provides for an increase of 6½ per cent as against the 10 per cent demanded by the Union.

One lakh bus drivers in Britain were engaged in a nation-wide strike from July 20 to 29. They were demanding a wage increase of approximately £1 per week. They have obtained a rise of 11 shillings. The employers had previously refused to grant any increase higher than 3 shillings a week.

JAPAN

The SOHYO of Japan, which includes in it the Government and Public workers, coal miners, chemical, railway and metal workers of Japan called for launching a struggle jointly with Independent unions of electric manufacturing workers, brewery workers, gas and petroleum workers to press for a minimum wage of 8,000 yen per month, wage increases to enable a living wage to be made on the basis of an 8-hour day and other demands.

These joint demands came in the wake of a successful struggle waged by 2.4 million Government and Public workers, including railwaymen in December, 1956, which forced the Government to concede an additional annual bonus of 15 percent thus bringing the total up to 165 per cent of the monthly wage.

The Spring offensive led by the 3-million strong SOHYO was opened on February 6 by 200,000 coalminers which ordered its members to begin one-hour daily sit-down strikes, carried out in the form of a complete enforcement of rest time, in order to press for their wage increase demand of 2,000 yen a month.

The coalminers have won a 1,300 yen wage increase after a 72-hour strike in March, 1957.

FRANCE

During the week March 11-18, a whole series of limited strikes took place in France. The miners struck work for 24 hours on March 11, the postal workers on March 13 and the Air France personnel also struck work.

A 48-hour strike of railwaymen was held throughout France on April 17-18. Not a goods train ran during the period and only 5 per cent of passenger trains were in service. They were demanding higher wages.

ITALY

The Postal and Telegraph workers numbering 105,000 went on strike for 48 hours on March 1 and 2. The Railway workers have won a £5 rise in wages following their token strike.

On March 23, 370,000 railway workers commenced a strike for wage increases.

WEST GERMANY

Over a million building workers won a 45-hour week together with an increase in hourly pay of 7 pfennings from April 1, 1957.

A four-month long strike of 34,000 metal workers in West Germany was called off in February following the partial concessions won by them.

In CANADA the railway workers struck work from January 2 to 11, demanding a 25 per cent wage increase and against the dismissals arising out of mechanisation and automation. The ten-day strike was called off after the Government decided to set up a commission to examine the dispute.

In MALAYA, 320,000 workers succeeded in winning a wage increase of 33 cents a day, after a long drawn out struggle. Gold mine workers in the State of Pahang, civil aviation employees, smelter workers and Government and bank employees and teachers, carried out strike struggles for rise in wages.

In NIGERIA, the railway workers after a dogged struggle succeeded in winning a 7 hour day.

The ARGENTINE railway workers resorted to a "go slow" strike in support of the demand for higher wages in January, 1957. On April 6, 50,000 municipal workers struck work. They were joined on April 9 by 60,000 workers employed in the cold storage depots. On July 12, about two million workers took part in a 24-hour General Strike.

In INDONESIA, the SOBSI warned the Dutch Government that, if it insisted on retaining West Irian, it would call for a general strike by its 2½ million members in all Dutch enterprises throughout the country.

In SOUTH AFRICA, 100,000 African working people took part in a remarkable bus boycott following increase in fares and in defence of their rights as Africans. 20,000 walked nearly 20 miles a day at Alexandra Township to go and return from the factories. 8,000 people were arrested.

In the PHILIPPINES, the transport workers have gone on strike demanding reinstatement of 20 trade union members who were dismissed and repayment of excessive deductions from the pay-packets of trade union members over a period of more than 30 years. This is the most important transport workers' strike that has ever been seen in the Philippines.

In BRAZIL, 40,000 metalworkers in the Rio de Janeiro district came out on strike on July 22 in support of a wage claim.

In BELGIUM, the Metal Workers Trade Union decided to call a general strike for all metal workers to commence on July 1, in support of their demand for extra holiday bonus. The strike lasted 15 days. The employers agreed to a wage increase of 2-3% in the form of productivity bonus and the Government declared itself willing to examine the problem of tax relief on wage earnings.

In GREECE, a 24 hour general strike called by the General Confederation of Labour took place in Athens on May 28. The demand is for a wage increase of 30 per cent for about 5 lakh Greek workers.

In the UNITED STATES, the International Association of Machinists has endorsed the objective of 30 hour week. The Steel workers and all unions in the electrical and machinery field have already gone on record for a shorter working week and so have the oil and textile workers. The automobile workers have also demanded that the "shorter work-week" should be accompanied by "increased take-home pay," because of the rapid increase in production alongside the lag in people's purchasing power.

S T R U C G L E D I A R Y

1956-57

JANUARY 1956.

The Central Committee of the AIBEA called on Bank employees all over India to observe a protest strike against the wage cuts imposed by LAT Award on January 6 & 7. 12,000 employees went on a one-day strike in Bombay on December 28, 1955. In Calcutta on the same day, bank employees struck work for an hour. One hour token strikes took place in Madras, Lucknow, Allahabad, Banaras, Amritsar, Ambala, Kanpur and other Cities.

10,000 workers from all departments of the British-owned Calcutta Tramways Co. went on a token strike on January 4. The strike was called jointly by the Tramway Mazdoor Union (AITUC) and the Tramways Mazdoor Panchayat (HMS) to protest against rejection of workers' demands by the Industrial Tribunal.

General strike of 14,000 textile workers of Nagpur continues against rationalisation in Empress Mills and closure of one of their units. The strike which started from January 29 lasted over 87 days.

APRIL 1956

Over 8,000 dock workers of the reserve pool in Calcutta Port went on strike on April 15 as their mid-month advance of wages was not paid and for other demands. The strike was withdrawn after two weeks following an assurance from the authorities that payment of the mid-month advance would be made on the 15th of every month in future and that the other demands would revive sympathetic consideration.

Nearly 3000 civilian employees of the Indian Naval Dockyard in Bombay went on an indefinite tools down stay-in-strike from April 18 demanding constitution of a joint negotiating machinery at the Dockyard level and restoration of leave facilities which had been curtailed to employers with more than 10 years of service.

About 1000 workers led by Jahazi Mazdoor Union, Bombay, went on strike on April 22 demanding better pay and service conditions.

Over 3000 stevedore workers in Bombay Port went on strike on April 10 demanding new wage scales as required by the Award of the Labour Appellate Tribunal.

22,000 employees of the Damodar Valley Corporation decided on a strike ballot on April 1 to resist retrenchment of several thousand employees.

The Madurai Textile Workers' Union served a strike notice on April 21 on the management of the Madurai Mills Co., for six months' basic wages as bonus for 1955, raising the basic minimum wage to Rs.30 per month and D.A. at the rate of 4 annas per point of increase in the cost of living over 100, etc.

MAY 1956

7000 workers employed at the Dum Dum Engineering Works of Jessop & Co., went on strike on May 15 demanding higher pay and better amenities and withdrawal of suspension orders served on 16 members of the Union's executive. The strike was called off after a week on an assurance from the management that the demands would be considered favourably.

120 firemen employed in the Central Railway at Kazipet went on strike on May 12 demanding among other things stoppage of direct recruitment of firemen to Class B and payment of officiating allowance to Class C firemen when they work as first firemen.

2500 railwaymen in the Adra and Chakradharpur dist of the S.E.Rly and loco and traffic staff struck work on May 7 to protest against an assault on a ticket collector by a railway constable at Puri station.

The Executive Committee of the All-India Defence Employees' Federation at a meeting held in Delhi on May 17 decided to postpone the strike which was to take place from May 21 till such time as the Federation decided otherwise.

... Four railway loco workers were

Four railway loco workers were killed and seven seriously injured when the police fired upon railway workers at Kalka station on the Northern Railway on May 29. Protesting against this firing railway workers in Delhi junction went on strike on May 30. Operational staff, firemen, loco shed, cabin workers and engine drivers joined the strike, demanding open inquiry into the firing and payment of compensation to the families of workers killed and suspension of the Chairman of the Railway Board. The strike was called off on May 30 when a judicial enquiry was instituted on the firing.

12,000 workers of the railway workshop and loco sheds in Kharagpur Workshop returned to work on May 28 after a strike which lasted 21 days. The strike began on May 8 in support of the stand of 112 painters in the wagon section of the Kharagpur Workshop who refused to do skilled work when drawing wages for unskilled work.

JUNE 1956

8000 workers of the four collieries in West Jammuria went on strike from June 4 to protest against victimisation of Union leaders.

500 workers of a spinning and weaving mill in Mirzapur who had been on strike for 65 days returned to work on June 22, following a settlement. The strike was against dismissal of six workers and for withdrawal of mass fine.

600 employees of the running staff of the State-managed Orissa Road Transport Company serve a strike notice on their management to win realisation of their demands.

2200 workers of the Maharana Mills of Porbunder locked out by their management on June 18, alleging a go slow action on the part of the workers.

AUGUST 1956

About 2500 workers of the Alagappa textiles in Kerala struck work on August 6, on a demand for 4 months' bonus for the year 1955, 25% increase in D.A. and confirmation of badal workers. The strike was a joint action by the INTUC-led union and other unions. The strike was withdrawn following an agreement reached with the management.

Fifty TUs representing 75,000 workers in Hyderabad State decided at a conference on August 19 to prepare for a general strike from September 18 if the Government fails to concede their demands for wage increases and allowances. The unions were affiliated to the different national centres - AITUC, INTUC, HMS, &c.

Seven workers were killed and 25 injured when the police opened fire on August 25 for the second time within a month upon the striking workers of the iron and manganese ore mines in Barbil, Orissa. The employers had violated agreement with the Union and imposed an illegal lockout.

SEPTEMBER 1956

- Sept. 17 - 50,000 workers in 26 collieries in the Raniganj area, 80 miles outside Calcutta, struck work against irregular implementation of award and for increase in wages, reintroduction of rations, bonus, free rice and other amenities.
- 12,000 KGF workers struck work to win their demand for increased wages and allowances.
- Sept. 18 - 700 Civilian employees of the Ordnance Depot at Sewri in Bombay struck work to protest against retrenchment of 30 employees.
- 2000 C.O.D. workers of Allahabad and Ambala struck work to protest against retrenchment of defence employees.
- 1500 gold miners of Hutti struck work demanding a wage increase of Rs.35 in basic wage and a D.A. of Rs.55.
- Bombay, Poona, Khapur and Cossipur Defence workers decide to give strike notice as from Sept.20.
- Calcutta and Bombay dockers give strike notices (to take effect from October 5.)

- Sept. 21 - 8000 out of the 17,000 defence employees of Poona struck work in pursuance of a call given by defence employees' Federation.
- 2000 civilian defence employees at Bangalore go on indefinite strike.
- Sept. 25 - Calcutta and Howrah observe a 10 hour Hartal to protest against rise in prices. The call was given by Price Increase and Famine Resistance Committee.
- Dehra Dun and Agra Ordnance workers strike.
- Sept. 26 - Firing at Kamuria takes a toll of 3 (coal strike)
- 2000 conservancy employees of Madras strike for wage increases. Salem and Coimbatore conservancy workers go on a token strike.
- Kamaria defence installations workers go on a token strike.
- Sept. 27 - Muradabad Ordnance workers strike completes second week.
- 5000 employees in various civilian defence establishments in Bombay go on strike at a call of Indian Naval Dockyard Employees' Union.
- Sept. 28 - Dehu Road Defence employees join strike.
- Port & Dock workers' strike postponed to Nov.15, 1956.
- Sept. 30 - 2000 workers of defence establishment join strike.

OCTOBER 1956

- Oct. 2 - Defence employees at Poona resume work.
- 8000 Jabalpur beedi workers strike in support of 12,000 workers thrown out of jobs following a dispute between bidi contractors and the Co.
- 8000 tramway workers of Calcutta strike as a protest against alleged high-handedness of a superior officer towards one of their colleagues. The strike continued for four days.
- Oct. 6 - 6000 workers in electricity supply, water works, municipality, FWD workshop, public gardens, of Hyderabad struck work demanding minimum wages and interim relief.
- Oct. 8 - 700 employees of Indian Aluminium Co., Always, withdrew their 56 day old strike after an agreement was reached between the workers' representatives and the management.
- Oct. 19 - 1000 employees of the Delhi RMS went on a spontaneous 'Hands Down' strike against transfer of Union activists. The action was withdrawn after 3 days and work resumed.
- Oct. 26 - 1000 workers of the Hunter Colliery in Bolamau dist. went on strike to protest against serving of retrenchment notices on 291 workers.

NOVEMBER 1956

- Nov. 3 - 674 workers of Hindustan Shipbuilding Yard of Vizag went on strike protesting against termination of services of one supervisor and not heeding seniority in making appointments.
- 10,000 jute workers of Jugdala went on a token strike in sympathy with workers of 3 other jute mills locked out three weeks earlier.
- Nov. 15 - Central Railway employees asked to prepare for strike action to win their vital demands - such as appointment of CPC, a 25% rise in the interim period, 50% rise in D.A., confirmation of temporary staff, and 42 hour week in railway workshops and sheds.
- Nov. 18 - 4000 colliery workers of Chanda decide to go on strike from January 1, if colliery owners fail to implement satisfactorily the award by then.

Nov. 21 - 1000 employees of Indian Airlines Corporation observed one hour tool down strike to protest against discharge notices on 250 of them.

DECEMBER 1956

Dec. 5 - Insurance employees all over India observe a token strike to protest against the new pay scales and service conditions sought to be imposed by Life Insurance Corporation.

JANUARY 1957

Jan. 3 - Auto-rikshaws in Delhi remained off the road to demand withdrawal of the order banning plying of tonga type rikshaws.

Jan. 4 - 10,000 Champion Reefs Mines employees struck work as a protest against the non-implementation of the bonus award for the year 1953, 1954 granted by Industrial Tribunal, Madras.

Jan. 5 - Seamen of seven coastal freighters strike in Bombay Harbour against the vindictive attitude of shipowners.

Jan. 12 - Workers of Mysore Kirloskar Machine Tool Factory ended their 10 day old strike over payment of bonus.

- 15,000 teachers working in Delhi schools went on a one-day token fast to press for their demands, pending over 10 years. These include demands for revision of scales of pay and confirmation in service.

Jan. 13 - Central Council of North Eastern Railway Mazdoor Union decides to call a general strike from February 14 to win the demands included in a charter presented to the administration.

Jan. 16 - 35,000 teachers employed in Dist. Local Board Schools give strike notice to win their demands for new scales of pay and allowances.

Jan. 21 - Executive Committee of the Indian Telephone Industries Employees Union decides on a strike ballot to protest against the indifferent attitude of the management and to win demands for better pay scales, DA, house-rent allowances, two months' bonus, etc.

Jan. 25 - 26,000 Station Masters and Asst. Station Masters of Railways decide to defer acceptance of their pay as a protest against "non-fulfilment of their demand for minimum living wages."

FEBRUARY 1957

Feb. 2 - North Eastern Railway Mazdoor Union served a strike notice on authorities after a strike ballot.

Feb. 7 - Defence Employees Co-ordinating Committee of Bombay Area at a meeting here yesterday decided to take a strike ballot to enforce their demands which include the appointment of a new Pay Commission and 25% increase in wages.

Feb. 12 - 6000 P & T employees in Assam and Manipur region struck work to win compensatory allowance and winter allowance. The strike has been called by eight different unions.

- Strike on N.E. Railway put off for 3 months to facilitate negotiations.

Feb. 17 - P & T strike in Assam called off on Minister's agreeing to consider sympathetically the employees' demands after the General Elections.

MARCH, 1957

Mar. 2 - 800 workers employed in tugs, dredgers and launches and shore establishments in Bombay Port strike work to protest against Government's failure to honour the assurances given to Port & Dock Workers' Federation.

- Mar. 15 - Strike by Delhi State Electricity Board Workers' Union called to demand reinstatement of the Union Secretary removed from service on a charge of insubordination, postponed.
- Mar. 16 - 1800 workers employed on Central Railway, Lalgude station serve a notice on authorities to strike in protest against victimisation of workers who participated in an earlier strike declared illegal.
- 200 members of the house staff including doctors struck work to protest against rude behaviour of Hospital Secretary.
 - 1000 electricity workers of Delhi went on a lightning strike when the condition of one of the hunger-strikers took a turn for the worse. Their demand was reinstatement of union activists victimised for trade union work.
- Mar. 18 - The electricity workers' strike called off following an agreement entered into by Union officials and administration.

MAY 1957

- May 16 - 4000 Delhi telegraph employees resort to 'go slow' action in pursuance of their demands placed before the administration.
- May 17 - Over 5000 civilian employees of various defence establishments observed a one-day tool down strike in pursuance of the call given by the Coordination Committee of Defence Employees of Bombay, waging a speedy settlement of their various demands.
- May 20 - Delhi telegraphists end protest following agreement reached with Union Ministry. The demands were: Appointment of a Telegraph Enquiry Committee, Gazetted posts to telegraph office clerks, higher pay scales for telegraphists and cancellation of the supplementary list of the Telegraph Masters' Examination of 1953.
- Naval Dockyard Employees of Bombay observe a token strike on May 17 in pursuance of their demands.
- May 30 - Price Increase and Famine Resistance Committee called for a General Strike to protest against new taxation proposals. Over a million workers and office employees and shop assistants participated.
- The General Council of Kapra Mazdoor Ekta Union of Delhi asks the Delhi textile weavers to go on strike from July 1. The action is for drawing attention to important and longstanding demands of the workers which include a demand for 33% wage increase and increase in D.A. and other allowances.
 - Strike action by 52,000 village officers of Madras State averted following negotiations between the Workers' Committee and the Administration.
 - 1000 workers of Ranipur Colliery of Jharia struck work demanding abolition of payment of their weekly wages through contractors.

TELCO WORKS STRIKES
and
DISPUTE IN TINPLATE COMPANY, JAMSHEDPUR

JAMSHEDPUR, August 16.

Shri Kedar Das, M.L.A. (Bihar) has issued the following statement to the Press, on certain remarks which Shri J.R.D.Tata, Chairman of the Board of Directors, Tata Locomotive & Engineering Company Ltd., made while delivering his speech at the Annual General Meeting of the Shareholders, on August 12, 1957:

The recent strikes in the Telco Works and the dispute in the Tinplate Company of India Ltd., have come in for a considerable commentary by Shri J.R.D. Tata in his Annual speech to the shareholders of the Tata Locomotive & Engineering Company Ltd. He has raised an alarm about a Communist conspiracy to paralyse not only the Telco Works, but the entire industrial complex of Jamshedpur. He has also called for what seems to be obviously repressive measures to suppress the Trade Union movement in Jamshedpur and I therefore consider it my duty to give the true version of the developments in the Steel City.

The Communist bogey raised by Shri J.R.D.Tata is a very crude attempt on his part to confuse the real issues and pose as if the workers have no real grievance. The facts are however otherwise. The grades of the Telco workers are extremely low and the piece-rate bonus system most inequitable and unscientific - a fact testified by no less a person than Mr.Fish, an expert of the International Labour Organisation, who examined this question some two years back at the instance of the Company. Mr.Fish's report which told some unpalatable home truths about the recognised Union also has been suppressed for obvious reasons.

The fact that about one thousand casual labour are made to work on skilled and semi-skilled jobs on rates as low as Re.1/- per day without any dearness allowance, etc., in the Telco Works and without being absorbed in the regular labour force is, I believe, a genuine cause for discontent. Similarly the fact that workers are not ordinarily confirmed after the expiry of six months and even after they are confirmed, they are not made permanent for years together

With regard to the Tisco and other Factories, nobody can perhaps deny that the prices of essential commodities have steadily increased, particularly during the recent months, but no increase in dearness allowance has been effected in Jamshedpur after 1952.

Similarly, indisputable is the fact that the productivity of the worker has gone up everywhere but workers have not got any increment in their rates in any industry since 1947.

I have been greatly astonished to see a man of Shri J.R.D.Tata's eminence seeking to further befog the issue by introducing the question of Foreign Experts and further by stating wrongly that the Telco strike took place against the normal routine transfer of three workers from one department to another.

Before the Telco workers went on strike on the 5th August, 1957, the casual workers were already on strike for their demand of being absorbed in the regular labour force and increase in their pay. These casual workers work sometimes on skilled job inside the works and so when the casual workers went on strike, the management sought to send the permanent workers to do their jobs. This the permanent workers refused to do and when the workers were sought to be forced into it, that became the immediate cause of the strike.

Shri Tata has taken a great objection to the fact that the striking workers refused to be represented by the recognised Union. I do not know if this will be news to Shri Tata and the Government, that the total membership of this recognised Union - The Telco Workers' Union was just 150 when its annual elections were held last year and even today it cannot claim a membership more than 500; but of the total

If the workers of the Telco demanded that they should be represented by the Jamshedpur Mazdoor Union, of which I happen to be the General Secretary, even though this is not recognised by the Company, there is no reason why Shri Tata should consider it a crime or smell a "Communist conspiracy" behind it.

I am sorry that the German Experts' question has been raised in this context by Shri Tata. I fully agree with him that some of the Foreign Experts were doing a great service to our country by helping us to develop our industries and we are thankful to them for it. But while doing so, we expect and demand that the Indian workers working under them should be treated as human beings and not as members of an inferior race, which unfortunately, seems to be the attitude of a few of the German experts at Telco, who perhaps are unaware of any other tradition except that of Hitlerite Germany.

The rude, insulting and often abusive behaviour of these experts in the Telco and also some in the Kaisers Engineers at Tiscow, had been the cause of great discontent among the workers and one would only expect that the methods of slave-driving should be given up in the interest of all. But it is quite wrong to say that there was any manhandling of the German experts in the Telco.

The perfect discipline of the workers and their exemplary forbearance is brought out by the fact that even though serious attempts were made to provoke the strikers by throwing brickbats on them inside the Boiler Shop on the 6th August which injured 3 workers, absolute peace was maintained. Secondly, when the Labour Commissioner refused to negotiate with the Jamshedpur Mazdur Union, and the workers refused to be represented through the recognised Union, it was at the instance of the Labour Commissioner that a representative Committee was formed to conduct the negotiations with the Labour Commissioner.

The demands put forth by this Strike Committee were also pressed by the recognised Union even though it had opposed the strike in the beginning. Does not this prove the absolute genuineness of the demands that the Union which is such a favourite of the Company had also to support them?

A few words about the situation in the Tinsplate Company of India Ltd., where the strike is alleged to have been brought about in a bid to expand the Communist influence. For the last three months a number of disputes have arisen in this Company because of the extreme corruption and nepotism prevalent therein in the matters of appointment and promotions and very great inefficiency in dealing with the most petty cases. The latest dispute which is being magnified into such a big affair is also another example of the slovenliness, inefficiency and provocation of the Tinsplate management.

The facts of this strike are thus: The Packers, Stickers Openers, etc., of the Shear & Opening Department were promised an increment in their rates from 1st July 1957. But when the workers received their pay-slips in August they found that the promise had not been kept. The workers were naturally incensed and there was a stoppage of work from the "C" shift on the 9th August.

Once again the justice of the workers' demands is demonstrated by the fact that the Company issued a notice giving the increment to the Packers at 11.30 in the night. Such however is the inefficiency or purposeful provocation - I do not know which - that no increment was given to the Packing in-Charges whose rates became equal to that of the Packers. Naturally they refused to work as Packer in-Charges. Similarly the Sticker-Openers also insisted that their rates should increase along with those of the Packers. It has to be remembered that the demand for the increment had come because an additional Mill had been installed in this Department without any increase in the labour complement and that similar increments have been given in other departments in similar situations.

The Tinsplate workers had also placed their basic demands for the revision of Grades and a 25% increase in basic wages, increase in Dearness Allowance and its linking with the cost of living Index, Hot Mill Bonus, Incentive Bonus, Accident Allowance, etc.

. . . The Company has issued charge-

The Company has issued charge-sheets to about 50 workers threatening them with discharges for this dispute. Even workers who are unfit and were not on duty, including a worker who is in jail, have been charge-sheeted for "inciting the strike".

Shri J.R.D.Tata has called upon the Central and State Governments to suppress the workers in Jamshedpur. But no amount of threats and victimisation of the workers can solve the problems unless the grievances of the workers are redressed. We are all interested in maintaining industrial peace for the development of our industries and the successful completion of the Second Five Year Plan. To ensure that let there be an increase in the Dearness Allowance - commensurate with the cost of living index, an interim 25% increase in the Basic Wages, let an end be put to the policy of victimisation of the Trade Unionists and let the question of recognition of the Unions be decided with reference to the wishes of the workers and their confidence.

Copy of letter dated 23 August 1957
from the Jamshedpur Mazdur Union to:

1. Labour Minister, Government of India, New Delhi
2. Labour Minister, Government of Bihar, Patna.

Sir,

I, on behalf of the Jamshedpur Mazdur Union want to place before you the following facts regarding the latest developments in the labour situation at Jamshedpur.

Recently there has been the seven days' old strike of the Tata Locomotive & Engineering Co. workers. A political colour is sought to be given to this strike. It is sought to be made out that the Communist Party is seeking to paralyse the whole industrial complex of Jamshedpur and the strike of Telco was the result of some conspiracy to sabotage the industrial production of Jamshedpur. This was the purpose of the speech of Mr. J.R.D. Tata at the Annual General Meeting of the Shareholders of Tata Engineering and Locomotive Co.

While nothing will be farther from truth than the above insinuation, it seems to us that the representatives of both the Central and State Governments have gulped down this piece of interested propoganda and the workers of the Telco are already having a taste of the "firm measures" demanded by Mr. Tata against the workers.

Our first complaint is that the Government machinery and particularly the Labour Department has failed to remain impartial in a dispute between the workers and the management. Mr. Tata in his speech mentioned above refused to accept the strike at Telco as a normal dispute between the workmen and management, because he says "the workers demanded to be represented by a Communist group led by a Legislator of Bihar Assembly" because "the normal channels of the recognised Union were not used by the workers."

Actually the striking workers of Telco demanded that the Government and the Management talk with the General Secretary of Jamshedpur Mazdur Union, who also happens to be an MLA. The Labour Commissioner of the Government of Bihar refused to do so, saying that he does not know such a Union and its General Secretary. Now the Jamshedpur Mazdur Union is a Registered Union of the Steel and Engineering Workers at Jamshedpur, and while we can understand the Management refusing to talk with the General Secretary of Jamshedpur Mazdoor Union, because they have a policy of not recognising Unions which do not function to their dictates, we are unable to understand the reason for this attitude of the Labour Commissioner. We would like to know, whether it is the policy of the Government also not to conduct any negotiations or discussions with a Union, which is not recognised by the Management. Why and how should the Government make a distinction between a Union recognised by Company and another not recognised by the company? Why should the Government insist that the workers should

claims only through a recognised Union, when there is no law governing recognition of Unions in Bihar? Such brazen-faced violation of impartiality was underlined by the Labour Commissioner, when he told Mr. Kedar Das categorically that he refused to talk to him as General Secretary of the Jamshedpur Mazdoor Union.

What is the position of the recognised Union - the Telco Workers' Union? It has not got on its rolls more than a few hundred members, while the Jamshedpur Mazdoor Union claims to have a majority of Telco Workers as its members.

We would submit that such an attitude by the Management and particularly the Government is bound to further aggravate the Labour situation in Jamshedpur and not help in solving it.

Coming to the facts of the strike of Telco Workers, we would like to submit two or three points for your consideration.

Firstly we would like to refer to you the report of Mr. Fish, the I.L.O. Expert who examined the question of Bonuses in the Telco Works.

His findings are that the Bonus Scheme in the various departments of Telco is most inequitable, unjust and unscientific and is the biggest source of unrest and trouble in the Works. His remark that the rates of basic pay are unreasonably low can give a clue to the situation in Telco. This report of Mr. Fish seems to have been put in cold storage by the Company.

Our third submission is regarding the question of German technical experts in the Auto Division of the Telco Works. While the workers do and will always welcome the opportunity of getting the necessary training at the hands of foreign experts, they also expect that they should behave towards workers in a civilized manner. We invite the Government of India or the Government of Bihar to appoint a Board of Enquiry into the manner in which these German officers in the Auto Division have been behaving towards the Indian workers. Their behaviour is most rude, offensive and insulting and the abuses they seem to be in the habit of hushing at the workers, is one of the biggest causes of unrest among the workers of Auto Division.

Finally, about the genesis of the strike at Telco Works. It is absolutely wrong to state that the strike in Telco Works started against the routine transfer of two workers from one department to another. The fact of the matter is that two permanent workers of the Auto Division were asked to do the job of Casual Workers who were on strike for better pay. The strike took place when the management threatened to force them to do a job, considered by the workers to be straight and simple strike-breaking.

The whole dispute of the Telco Works including the demand for a revision of basic pay structure, D.A., Bonus, etc., has now been referred to a Tribunal. Following the appointment of a Tribunal, the Jamshedpur Mazdoor Union advised the workers to resume work and the strike was withdrawn with effect from 12th August. The workers had expected that now at least they shall be allowed to work in peace and they started making preparations for putting their case before the Tribunal through the Jamshedpur Mazdoor Union.

However, the management of the Telco Works seems bent upon making further trouble. Since it cannot discharge or dismiss any worker on account of the dispute which has been referred to the Tribunal, it has instituted cases against large number of workers for alleged assault on the German officers. The police has obliged them by already arresting three workers and even though there is not a shred of evidence that violence was used against the officers, cases have been instituted u/s 147, 337, etc., and on the strength of this, three workers of the Auto Division have already been suspended indefinitely. A new practice has been started of suspending the workers during the pendency of the cases. Similarly a worker, Khushi Ram, has been discharged by violating the normal procedure of the Standing Orders.

We want to vehemently protest against this attack on the workers after the appointment of the Tribunal and want to emphasise that this is in no way conducive the growth of normal relationship between the management and the workers.

We earnestly desire the return of normalcy in the worker-management relations, which we can assure you cannot be achieved by measures of victimisation and repression.

We are therefore taking this opportunity of drawing your attention to the serious situation at Telco Works, with the request to intervene immediately in the matter.

We demand that:

- * All cases instituted against the workers in connection with the strike commencing from 5th August be immediately withdrawn and the suspension order rescinded.
- * Tribunal proceedings should be expedited.
- * A referendum should be held to determine the representative character of the Jamshedpur Mazdoor Union and the Telco Workers' Union.

Hope this will receive your early attention.

Yours faithfully,
Sd.
General Secretary,
JAMSHEDPUR MAZDOOR UNION.

On the Question of

RECOGNITION OF TRADE UNIONS

by K.B.Panikkar

The trade union movement in India and especially the AITUC has been continuously struggling to win the most important trade union right, viz., the Recognition of Trade Unions and Collective Bargaining.

In spite of the considerable advance the trade union movement has made in our land, this right has yet to be won.

The right of recognition and collective bargaining is one of the most important rights which greatly helps the working class in their struggle for the improvement of their working and living conditions and also in contributing their proper share in the development of the national economy. It assumes an added importance today, especially in the context of developing national economy and increased industrialisation in our country.

There is no doubt that the importance of this question is recognised by all trade unions. The employers as well as the Government, though not formally opposing its need, have been continuously bypassing this issue for years together. During the last few years, the lack of unity in the trade union movement and the multiplicity of trade unions in our country has also been made an excuse for denying this vital right to the trade unions. Yet in some States, the Congress Governments throwing overboard all democratic considerations have forced on the workers certain unions of the INTUC as recognised unions in the textile industry. Such partisan and undemocratic approach naturally leads - and also led - to worsen the industrial relations and helps to widen the disunity among the workers.

It is the prime task of the AITUC as a national organisation of the working people of our country which makes determined efforts to unify the trade union movement, to put forward the most democratic and feasible proposals and mobilise the working class behind such proposals for adoption. In order to do this, there should be a common understanding within the AITUC itself on vital points.

While considering this problem certain essential points need be kept in view. The proposals if implemented should strengthen the position of the working class vis-a-vis the employers. They should be conducive to industrial peace and strengthen industrial relations. They should encourage and respect the democratic will of the workers, help the different trade unions to move towards unity voluntarily, provide fullest possibility for collective bargaining and minimum compulsion from the law and feasy and feasible for implementation. The problems posed are:

Should there be a law giving the right of recognition and collective bargaining to trade unions and making it compulsory on the employers to give such recognition? There seems to be no difference of opinion on the need for such a law.

If a law has to be enacted, what should be the main provisions governing such recognition and collective bargaining? Differences of opinion begin to crop up on the following:

In an industrial establishment or industry, if there are more than one union, what should be the criteria for affording for according recognition? Should all trade unions existing and functioning in an establishment (or industry is the case may be) irrespective of their membership, influence or ability

capacity or work be afforded recognition and be given the right of collective bargaining with the employers? Those who share the view that all trade unions should be given this right, argue that at present it is rather difficult to assess the real strength of different unions due to split in the TU movement and also due to the partisan attitude of the Government and the employers towards certain trend of unions. Under the circumstances, it will greatly help to develop strong and democratic trade unions if the workers are given opportunities to test them in action. In this way, each union could get an opportunity to prove its worth before the workers and the workers at a later stage will be able to select the best union as the only bargaining agent. This will help to develop a strong and united trade union democratically chosen by the workers through practical experience. Thus those who hold this view consider that this phase will be a temporary one but an essential one under the present stage.

According to this view, in an establishment where there are more than one union, if a particular union reaches an agreement with the employers and if that agreement is contested by other union or unions (may be backed by certain percentage of workers) such agreement or agreements should go before the workers for ratification. In this way, on every contested agreement, it will be the will of the majority of the workers that will prevail.

There is another view which though in the main accepts the above-stated position makes a qualification that all unions with a certain percentage of members only should be given the right of collective bargaining.

There is a view which opposes the desirability of affording recognition to all trade unions. According to this view, such a position will lead to utter chaos and also add to the existing disunity. Their solution is: Give the right for collective bargaining only to one union. And the workers should be given the right to choose such a union out of all the existing unions by a secret ballot. The union which secures the largest number of votes from the workers should be considered as the bargaining agent. In the ballot, all workers irrespective of whether they are members of the trade union or not will participate. This point of view asserts that this the most simple and practicable solution basing on the democratic will of the majority of the workers.

There is another point of view which sees certain desirable features in both the above-stated positions. The basis from which this point of view starts is that sufficient opportunities should be given to the existing unions to voluntarily come together. There should be neither compulsory merger nor any effort to reduce the position of other unions to only paper existence. This point of view at the same time, also asserts that the right to collective bargaining and the conclusion of the agreements should not be vested in more than one union. Because it feels that in the event of disagreement between the unions, the employers will have sufficient scope to make the whole thing ineffective. Implementation will be most difficult and on each and every agreement, final ratification from the workers may have to be resorted to which in turn discourages the conclusion of agreements.

Basing on the approach of this point of view, the following proposals are placed:

In an establishment or industry where there is only one union, this union shall be recognised as the bargaining agent. The agreement shall be binding on all the workers.

In an establishment of industry where there are more than one union, a ballot of all the workers shall be taken and the union which secures the largest number of votes should be given the right of the bargaining agent.

Provided that either at the outset or during a specified period (say, one or two years) if all the unions agree to constitute for the purpose of collective bargaining an Ad-Hoc negotiating body composed of the representatives of the bargaining unions, such a negotiating body should be treated as the bargaining agent.

The agreement concluded by such a body should be binding on all the unions. If such a negotiating body comes into existence, there should be a specified time limit for the functioning of the Ad-Hoc Negotiating Body after which, if there is no agreement between the unions either to merge or choose one union, the bargaining agent shall be chosen by a ballot of all the workers and the union which secures the majority of votes shall be considered as the only bargaining agent.

In case, no negotiating body comes into existence and the bargaining agent is chosen by the ballot in order to prevent any abuse of its position by the bargaining agent, certain safeguards are also proposed. If an agreement concluded with the employer by the bargaining agent is opposed by any other union or unions backed by certain minimum number of workers, such agreement should be placed before all the workers for ratification. In case an agreement fails to get ratification, the agreement should be considered null and void. If a bargaining agent fails to get ratification on two occasions consecutively or three ratifications during the period of one year, it should be considered that the bargaining agent has lost the confidence of the workers and as such, a new bargaining agent should be chosen on the basis of the ballot of the workers.

Even though the right of collective bargaining is given to one union or authority this point of view stresses the need to associate other unions. Towards this, it suggests that it should be made obligatory on the part of the bargaining agent to consult other unions on all matters connected with the collective bargaining. To achieve this end, it is suggested that the bargaining agent before submitting its demands on the employer should circulate this demand to other unions; opinion of other unions on the demands should be sought and the bargaining agent should give consideration to the views expressed by other unions. But this in no way should prejudice the right of the bargaining agent in either submitting its demands or concluding an agreement.

According to this viewpoint, all unions should have equal rights with the bargaining agent on all matters save that of collective bargaining.

This question of the bargaining agent being the most controversial one, it appears very necessary and desirable to have clarity. Hence the need for the working committee to consider this.

There are many other important points connected with this question, such as the procedure after failure of negotiations, authorities to enforce the provisions, nature of the labour courts, or tribunals, etc. But there is also a general agreement that the authorities under the industrial relations law should be reduced to the minimum and procedures should be quite simplified. Hence, if a common understanding could be arrived at on the major question posed above, it seems easy and possible to work out other proposals.

REPORT FROM BIHAR T.U.C.

(In Reply to
AITUC letter dated 3.6.57)

PATNA, 19. 6. 57

1. Movement About Increase in Wages,
Bonus and Dearness Allowance.

(a) One day's protest strike by about 15,000 mica (factory) workers of Bihar for a rise in their wages on 2nd July, 1956. All the three Unions, INTUC, HMS, AITUC gave a call separately for this strike. The issue was since referred to an Industrial Tribunal. The AITUC submitted its memorandum and argued the case in the Tribunal.

(b) Strike notice by HMS-led Union at Dalmianagar for bonus in March, 1957 ended in a compromise.

(c) Strike by 4,000 State electric workers in Bihar for a period of ten days between 8th February to 18th February, 1957 for increase in wages and other demands. Strike withdrawn without demands being immediately fulfilled, on assurance of no victimisation. The State Council have again resolved to take to direct action if demands not fulfilled by July 1957. The State Electricity Workers' Union is comprised of elements from UTUC, HMS and AITUC.

(d) The State hospital employees have also demanded a rise in wages and are considering direct action if demands are not fulfilled.

(e) Bank employees are submitting a memorandum for increase in D.A. in Bihar in view of the special rise in the cost of living in Bihar.

2. Closure of Factories, Compensation and Reopening:

Large number of biri and mica factories have been closed. But this does not reflect the real condition of trade in these industries. In fact, factories are closed just to deprive the workers of some of their rights, e.g., annual leave with pay, bonus, etc. Such factories generally do not pay any compensation to workers and they reopen in another name. The TUC took up the cases of about 350 of the 2000 retrenched Biri workers of Biharsharif and pursued the matter with the Government. A case was instituted and a sum of Rs. 95,000 was decreed in favour of the workers. The employers have since appealed to the higher court and the Labour Department is paying scanty attention to the case. Other cases for retrenchment relief are not taken up by the labour department generally and it becomes difficult for the workers to wait and pursue matters for long time. Ways and means should be devised to surmount this difficulty so that the workers may really get the retrenchment reliefs.

The Second Five Year Plan and its First Year of Working: Nothing tangible has come out of it for the workers in Bihar.

Experience, if any, of Workers' Participation in Management: There has been no case of a real participation of the workers in management. Even the much-criticised Tata-John agreement was characterised by the Finance-cum-Labour Minister in his speech in the Assembly this time as a first step towards a future participation of workers in management. Since AITUC is informed amply on this agreement, we need not tell much about it.

Works Committees: Works Committees everywhere is not constituted properly as much as while selecting the representatives of the workers, the AITUC Unions (where there is more than one union) were not consulted. In such Works Committees where the representatives of AITUC Unions constitute the workers' representative, they tend to become a Committee of deadlock where most of the issues remain unsettled. In many other places where non-AITUC unions'

representatives are on the Committee, they generally do not function and at times even act as a repressive agency of the management.

6. Rationalisation in Mills and Factories: Not possible to write a note in a short period that is at our disposal.

7. Working of Employees State Insurance: The scheme has recently been introduced in Bihar at three centres, viz., Patna, Monghyr and Katihar. The Monghyr Tobacco Factory workers (though led by INTUC) have strongly protested against its introduction as they had been enjoying much more facilities from the company than those proposed to be given in this scheme.

It will be a welcome measure at Patna and Kathihar where the employers do not give any medical aid to their employees. But it is too early to comment as to how the matter in reality will work out.

8. Compilation of the Cost of Living Index and Any Complaints or Suggestions about it. It appears that the cost of living index is not compiled properly and does not reflect the real rise in prices. Even Shri Murli Manohar Prasad, a prominent Congress leader of Bihar, wrote on 12th June, 1957, in an article in the INDIAN NATION captioned "Food Crisis - A Jolt to Official Infallibilities:"

"Both at the Centre and in Bihar there has been a tendency to minimise the phenomenon of rising prices.

	<u>Jamshedpur</u> Base 1944 - 100 (1)	<u>Jamshedpur</u> Base August 1939 - 100 (2)
1954 (1) Eastern Economist, May 17, 1957		
(2) Bureau of Statistics & Economics Govt. of Bihar	140	427
1955	135	
1956	149	409
1957 January	144	447
February		430
		448

The disparity between the two series is obvious.

9. Strikes, Firings, Arrests in your Areas: Please refer to item No.1 where some information about strikes is given. Apart from those, the important strike struggles in our State have been:

(a) Strike by the Bank of Bihar employees against victimisation which ended after 11 days in a compromise to refer the matter to an arbitrator and assurance of no victimisation and payment of wages during strike period.

(b) Strike by 6,000 Bermo Coal workers on 28.5.57 for 11 days on the issue of payment of arrears and other local demands. An agreement was reached. Strike led by AITUC union.

(c) Strike for 7 days by Tata Town Workers against victimisation. The strike ended without achieving any demand.

No firing on workers since firing at Patna in August 1955.

Arrest and cases are continuing in Giridih, Bermo, Dhanbad, Jamshedpur, Katihar, for demonstration, u/s 107 and Industrial Disputes Act (illegal strike at Jamshedpur) and strikes in coal, jute, electric and Tata workers.

10. Tribunal Cases and Experiences: Since sometimes past, it is our general experience that the tribunals are very reluctant to consider favourably the demands of the workers and nothing tangible has come out.

three years from the industrial tribunals. They exhaust the patience of the workers and take so much time in deciding issues that the workers lose their interest on such issues. For example, the bonus for the year 1954 is pending before the Tribunal since 1955 and nobody knows if the matter will be concluded this year. Similarly, the wage question of mica workers remain undecided for the last one year. Such examples can be added ad infinitum. Moreover, in the course of Tribunal proceedings, the employers on a small pretence run to High Courts and Supreme Courts thus delaying the matters all the more.

11. Trade Unions And United Actions: No such movement has yet grown which can force different central trade unions to join hands on issues. Even the UTUC and HMS do not generally tend to act jointly on issues affecting the workers. However, there are certain unions and trade Federations (e.g., Press, Electric), where except INTUC, other TUs or representatives thereof work jointly.

Since sometimes past a trade union coordination committee has grown out of solidarity action and sympathies shown by Unions to the various struggles of workers in Patna. This co-ordination committee of Patna includes most of the effective TUs, in Patna, viz., Bank, Insurance, Working Journalist Association, P & T employees, BTUC and other big and small unions of Patna. Such a coordination committee was recently formed at Muzaffarpur.

On the question of rise in prices and food crisis in Bihar, some joint actions are being contemplated through the Patna TU co-ordination committee.

12. Food Situation: Food situation is very bad. Newspaper reports will reveal. A comparative study of the cost of living index reveal the following:

1956 - The cost of living index figures in Bihar was higher in this year by 21 points above Kanpur, 38 points above Nagpur, 98 points above Calcutta and 109 points above Bombay.

Jan. 1957 - In this month, the Bihar index was higher by 12 points above Kanpur, 32 points above Jagpur, 96 points above Calcutta and 111 points above Bombay.

Feb. 1957 - The figures in this month in Bihar stood 65 points above Kanpur, 133 points above Calcutta and 142 points above Bombay.

13. Effects of the Election Results on T.U. Work. We have won from only one T.U. centre in Bihar and that is Jambhedpur. This has aroused some enthusiasm among the Jamshedpur workers which need be consolidated.

14. T.U. Schools and Workers' Education: No schools by any agency so far as our information goes for the last 2 years.

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REPORT
OF
ASSAM T.U.C.

Tinsukia, 24.6.57

The period under review witnessed so many partial victories of the trade union movement on the issues like wages, bonus, dearness allowances, etc. During the period, the Coal Tribunal Award has been implemented bringing certain substantial improvement in workers' wages. The new wage rates introduced by the Company, i.e., Assam Railway & Trading Company (producing 80 per cent of the coal in the State) on the basis of an agreement arrived at earlier between the said Company and the Assam Colliery Mazdoor Congress (INTUC) along with Company's separate Bonus Scheme are in most cases better than the minimum fixed by the Tribunal. But the wage-rates coupled with all sorts of bungling in the process of implementation and constant attack on the working conditions have only made the workers indignant, not to speak of satisfying them. The significant event in the movement of the miners of the State is that in the post-Tribunal period, the Assam Coal Mine Workers Union has come into existence and the INTUC Union is completely ousted and now it is a de-registered and defunct union.

OIL: Along with the recent rise in the cost of living, the workers of the Assam Oil Company Ltd., have been carrying a campaign for a rise in D.A. commensurate with the rise in the cost of living. A.O.C.Labour Union (not affiliated to any all-India TU centre or Federation) has demanded an increase of D.A. by 30 per cent of the amounts the Company was and is paying at present to its workers. Negotiation is going on with the representatives of the Union and the Company. Earlier, the Union had signed an agreement with the company whereby the workers would get 3 months' bonus.

CENTRAL GOVT EMPLOYEES: About 40,000 Central Government employees of Assam have long been moving for special compensatory allowance for meeting the higher cost of living. It was one of the issues on which the N.E.Railway Mazdoor Union had served a Strike Notice for resorting to strike on and from 14th February, 1957. Subsequently, the strike was postponed on certain assurances of the Government. The P & T workers had launched a strike on and from 11th February and the strike was called off on the assurances given by the Government. (It can be recalled in this connection that by the latter part of 1956, after a round of agitation on the issue, the Ministry of Finance sanctioned a compensatory allowance for the non-gazetted Central Government servants posted in four hill districts of Garo, Mizo, Waga and United Mikir Hills and North Cachar at graduated rates commencing from Rs.5 to Rs.20.) Now, after the aforesaid strike, the Government have selected seven big towns of the State for paying a kind of allowance which is, however, much below the demand. Further negotiation is going on in the matter.

LIFE INSURANCE AND BANK EMPLOYEES: The general upward revision in the pay-scales and dearness allowance of 21,000 clerical and lower grade employees of the Life Insurance Corporation of India was announced by the Union Ministry of Finance. How it affects the wage-scales the employees remains to be ascertained.

The Bank employees have observed "Demand Week" in the month of May last. All these are all-India developments and I am not dealing in details here separately.

EMPLOYEES UNDER THE STATE GOVERNMENT: So far the Government servants under the State Government are concerned, the Pay Committee's recommendations were already out by August 1956 whereby the minimum basic pay has been raised from Rs.22.8.0 to Rs.28.0.0. Obviously, this has failed to satisfy the employees. We are gathering the informations regarding how it has affected various sections

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But it is found that even the All Assam Aided High School Teachers' Association has accepted the new pay scales "under protest".

TEA: You are aware of the fact that Tea Plantation workers of North-East India will receive bonus totalling Rs.2 crores to Rs.2½ crores on account of the year 1956 according to an agreement arrived at between employers and INTUC leaders and J.Mitra. According to the agreement, full bonus entitled to a worker in Zone I in Assam will be Rs.67/-, Zone II Rs.57/-, Zone III Rs.49/-, Dooars Rs.23/-, Terai Rs.14/-, Darjeeling Rs.9/- and Cachar Rs.4/-.

CLOSURE OF FACTORIES: There was no closure of factories as such so far as the major industries of the State are concerned. But occasional closures and their reopening are general features in saw mills and other such small factories and mills, and, hardly a worker gets any pay or benefit in case of lay-off or retrenchment.

RATIONALISATION is a feature in all major industries. Introduction of most upto date machines (which replace workers) is not yet a perturbing feature, because quite contrary is the case in Assam. It is haunting workers' lives in the workplace in the form of new changes in working arrangements coupled with increased workload. Recently, the representatives of IBCON (Private) Ltd., have been brought by the AOC for re-fixing nomenclatures and categorisation of the workers.

Re. WORKERS' PARTICIPATION IN MANAGEMENT, we have got no concrete experience in this province.

WORKS COMMITTEES that exist in Railway, AOC, etc., are mere showpieces. These Committees do not enjoy any power except approving or confirming any plan of the management whenever occasion arises.

EMPLOYEES STATE INSURANCE SCHEME is not in operation in any industry in the State so far my information goes.

FOOD SITUATION: Though Assam always enjoyed the credit of being surplus in the past, people today suffer from chronic food crisis. Prices of essential commodities - everyday necessities of life have risen so high that it caused sharp fall in the purchasing capacity of the people.

Price of rice has gone up to Rs.30 per maund. Vegetables of all kinds sell at a very high rate. Potatoes are selling at annas 10 per seer (six months ago it was As.6/-). The small quantity of fish which are available are more costly.

In the Fair Price Shops, rice is available to public at Rs.18.12.0 per maund but that rationed rice is also not regularly available. When Assam's Finance & Supply Minister specially met the millowners in the last month, they promised to release 5000 maunds of rice for sale through special dealers at Rs.23.8.0 per maund (transport charges are to be borne by the Government!). So what can be position in open market can be easily understood. In spite of Government's pompous declarations for arresting the rising prices of food, hoarders and profiteers dominate the market. Due to abnormal rise in prices, the people in general are facing great crisis.

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**AITUC
GENERAL COUNCIL MEETING**

**REPORT
&
INFORMATION MATERIAL**

**HYDERABAD
DEC. 30-31, 1993**

A G E N D A

1. Condolence Resolution.
2. Minutes of the last meeting of the General Council.
3. Resolution and Credential Committees.
4. Report of activities and developments since the last General Council meeting.
5. Discussion on Report.
6. Report on NFFU General Council meeting.
7. AIFUC Conference
8. Resolutions.
9. Amendments to the AIFUC Constitution proposed by Comrades H. S. Krishnan and D. K. Ganguli.
10. Credential Committee Report.
11. Any other matter with the permission of Chair.

TIME TABLE (to be set by the
Working Committee)

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3. Statistical Tables	

REPORT TO THE GENERAL COUNCIL OF AIFUC ON
ACTIVITIES AND PROGRAMMES UNDERTAKEN SINCE
IPS BHILAI SESSION - 30-31 December '93.

Comrades,

It was in October, 1992, that we had met in General Council Session held in Goa. The Council, after undertaking a broad analysis of the situation confronting the working class and the trade union movement, concluded that it had become absolutely necessary to further develop struggles of the working-people both on our own, as well as through the newly-created united trade union forum of "Sponsoring Committee of Trade Unions". While laying down certain concrete organisational and movement-related tasks, the report as approved by the Council called on all affiliates to "unfailingly take lead in bringing together constituents of the T.U. Sponsoring Committee and other left-oriented workers' organisations for joint agitation and struggles on slogans and demands commonly decided upon by the Committee". The immediate target and focus of agitational activity at the time was the 25th November (1992) workers' march to the Parliament. Perspectives for the AIFUC-led trade union movement were also set out with some degree of precision in the operative part of the report. The main aim projected was building up of a broad and formidable fighting front of the working class with a view to effectively repelling the onslaught of the new Economic and Industrial policies of the Rao Government at the centre on the vital interests of the working class in particular and toiling masses in general, and forcing the Government to retreat from some of its highly obnoxious anti-working class and anti-people policies.

Main tasks set by the General Council

These tasks as approved by the General Council, gave high priority to the 'toning up or streamlining our own organisation at every level 'with utmost sense of urgency and earnestness'. Others high-lighted the need to considerably expand the dimensions of the AIFUC - led movement through speeding up efforts to organise the vast mass of unorganised workers on the basis of their most pressing demands and issues like need-based minimum wages, elimination of obnoxious casual and contract system of employment, job-security, trade union rights, etc. Yet others stressed the urgent need to stir up activity of workers/employees in different sectors of industry and services with a view to enlisting their active and conscious participation in the developing nationwide combative actions against anti-people policies of Narsimha Rao Government on the one hand and against dark forces of communalism and religious fundamentalism on the other.

Our role in subsequent major campaigns undertaken unitedly

The working Committee in its meeting held in Shilal on May 14-15, 1993, undertook a review of the extent to which the state Committees of AIFUC, and the organisation as such, were able to implement the programme of agitational and combative activities, besides fulfilling the organisational tasks set by the Goa General Council Session. As regards the main target set for the period immediately following the Session, it felt satisfied at the role played by the AIFUC in ensuring the resounding success of the 25th November (1992) March to the Parliament. The Working Committee appraised the 25th November March to the Parliament as an important milestone in the advance of united action of Trade Unions in our country on the basis of a joint platform of common concerns and demands of the working-people.

the set back and resumption of march forward

Although the march forward of the campaign unleashed by the strident call issued by the 25th November (1992) united rally for intensification of the struggle against New Economic and Industrial policies of the Government suffered a set back due to the communal holocaust triggered by the demolition of the Babri-Masjid structure by Hindu communalists, the Sponsoring Committee of Trade Union managed in the following months to restore the tempo of the movement. As is known to you all, this was achieved by considerably expanding the composition and mass base of Trade Union action, through its broadening into a joint action-platform of all left oriented class & mass organisations, including agricultural workers, Kisans, Youth, students, and women. Thousands of representatives of these organisations held a historic Convention in New Delhi on the 15th April, 1993. Judging by its extensively broad composition and the content of its deliberations and conclusions, this Convention could well be described as the first of its kind in the history of mass movements in the post-independence era.

Reviewing this phase of the toiling peoples' movement, AIFUC Working Committee held in Shilal observed that this Convention of Trade Unions and mass organisations constituted a historic step in the direction of giving concrete shape to the long over due task of building up the broadest possible platform of action for defence and extension of common demands and rights of the mass of the toiling people. Besides articulating firm opposition of mass of the toiling people to the world Bank and I.M.F. dictated anti-people policies of Narasimha Rao Government the platform advanced slogans and tasks involving mobilization of vast sections of the people to beat back the fierce onslaught of communalism and religious fanaticism on our class unity as well as on national unity and integrity.

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In the subsequent months our State Committees and affiliates all over the country earnestly engaged themselves in intense mass activity in order to fulfil the tasks arising out of the decision of the April Convention. From the available reports of campaigns and agitational activity mounted by our State and Distt./local Committees, it could be concluded that they had gone into the battle with utmost seriousness and fighting zeal. Even making allowance for shortcomings occurring in certain sectors and states, the AIFUC on the whole can take legitimate pride in the role played by its leadership at almost every level in taking initiative to organise and mobilize different sections of the working people with diverse or no affiliations for implementing the decisions of the April Convention. AIFUC affiliates in majority of cases were in the forefront during the entire campaign culminating in the 9th September industrial strike and Bandh. Tens of thousand AIFUC Cadres, members as well as leaders at various levels bore the brunt of police repression, including arrests, lathicharge and tear-gassing, etc. In the capital city Delhi itself hundreds of members of AIFUC Unions, led by national T.U. leaders, including Coms. Indrajit Gupta, Chaturanan Mishra, Secretariat members of AIFUC, besides members of Parliament like Trade Union leader Com. Gurudas Dasgupta, Khet Mazdoor leader Com. Bhogendra Jha, and Com. Balram, etc. were subjected to brutal lathi-charge and teargassing while participating in the 'Jail Bharo' programme on the 19th August, 1993.

As per our Working Committee reckoning, not less than 20 million workers, peasants, agricultural workers and members of mass organisations of Youth, Students and intelligentsia participated in one form or the other in various programmes and actions connected with the 'Jail Bharo' campaign on the 19th August and the general strike on the 9th September 1993. It could safely be described as the biggest yet mobilization of the working masses of the country in post-independence period with the aim of defending their own interests as well as those of the nation which stand seriously jeopardised by the policies being pursued by the Narasimha Rao Government on the one hand, and by diabolical forces of communal reaction, spearheaded by the BJP - RSS - VHP - Bajrangdal combine. In its meeting held in Delhi on 21-22nd October, 1993, the Working Committee congratulated the tens of thousand AIFUC cadres, members and leaders at different levels for the indomitable courage displayed by them in the face of combined onslaught of the Government's repressive machinery and of employers, aided by disruptive forces of communal reaction. A summary of reports on the 19th August "Jail Bharo" and the 9th September strike and Bandh is being appended to this report (appx.I).

Campaigns and struggles at state/local and industry level

The period under review has been marked by a whole series of struggles by our affiliates at different levels with their specific demands and grievances, an increasing number of which are arising out of the implementation of one aspect or the other of the New Economic and Industrial policy of the Government. A summary of reports on these struggles is given in appx.II. Some of the highly negative aspects of these policies that have come to the fore with

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devastating effect on the economic and social life of the working people, have been high-lighted in the memorandum presented to the Union Finance Minister in the course of the pre-budget discussions on the Union budget for 1994-95. The memorandum is being reproduced in extenso in appx.III. It may be pointed out that a similar exercise was undertaken in January 1993 in respect of the 1993-94 Budget & the correctness of analysis of the disastrous consequences of the implementation of the New Economic and Industrial policy undertaken in it is borne out by the developments taking place thereafter. Pursuit of the new Economic and Industrial policy, with its essential components of 'liberalisation,' free market, so-called industrial restructuring, disinvestment of PSU shares aimed at denationalisation and privatisation, unrestrained entry of MNCs leading to destruction of the very foundation for building a self-reliant economy and not so concealed implementation of 'exit policy', has already given rise to acute economic and social crisis in the country. The World Bank and I.M.F. ordained prescription for up-lifting national economy with drastic squeeze on developmental and social spending has only contributed to intensifying further the effect of recession. Constant and steep price-rise and explosive situation on the employment front are combining to pull down the already miserable living standards of the people. Closures, shut-down and lay-offs continue unabated throughout the industrial sector. Even prestigious and giant Public Sector enterprise like BHEL, Jhatri Copper mines, IISCO, IDPL, WPC, NPCC with ever increasing number of units particularly in the Metal and Engineering sector are being rendered sick either by withholding orders for their products or by starving them of their requirements of working capital and of budgetary allocations. The special tripartite machinery set up by the Government under pressure from the Trade Union movement to devise ways and means to tackle the situation, has all but been scuttled and utilization of BIFR mechanism is instead in full swing. Repeated demand by all the national Trade Union centres to activate the tripartite machinery and industrial Committees has been falling on deaf ears. The situation in enterprises run by State Governments is no different. Road transport industry in particular, is being hit hard by the privatisation drive.

At The AIFUC Centre is virtually flooded with requests from our Unions in the stricken enterprises and industries to intervene in the situation. In its turn the centre has been repeatedly knocking the doors of various ministries of the Central Government without any appreciable results. At times some amount of relief could be obtained for workers in some cases with the assistance of members of Parliament - Coms. Indrajit Gupta, Chaturanan Mishra, Gurudas Dasgupta and Gaya Singh. But these efforts merely touch the fringe of the fast developing situation.

It is worth mentioning, however, that the workers and their Trade Unions almost in every case, are increasingly refusing to take things lying down. A gratifying feature of the situation is that even forgetting their rivalry

wherever it exists, trade unions with different affiliations, including the IAFUC-affiliates, are unitedly resisting the attacks on their jobs and working conditions. It has to be appreciated that AIFUC affiliates are in most of the cases taking a leading part in the increasing number of such skirmishes on local or industrial level. A brief account of some of the major sectoral struggles is given below:

1. Public sector workers' phased programme of united action

The phased programme of united action (including a threatened 3-day token strike) organised by the CPSTU against ban on wage-negotiations and for increase in rate of industrial D.A., achieved partial success. The Govt. agreed to lift the ban on wage negotiations and hike the basic rate of D.A. to Rs.2.00 per point. However the issue of working out of slabs at different levels was left to be discussed among Trade Unions to evolve a consensus before the Government could finally decide the issue. The Trade Unions have by now presented the Government a commonly agreed scheme of slabs, and are awaiting Government's response thereto. All the Trade Union centres are confronting the Government unitedly with the demand that the preposterous 'guidelines' for wage negotiations by the D.P.E. be withdrawn and managements of individual Public Sector undertakings be given free hand to discuss and decide wage and connected demands of employees through the process of collective bargaining.

2. Central Government employees' struggle for wage revision and connected issues

As a consequence of powerful united agitation by the Central Government employees, with the National Joint Council of action deciding on an indefinite strike for enforcing the acceptance of their wage claims, the Govt. was forced to come to a settlement with the Council. Hard bargaining between the parties yielded an interim relief at the rate of Rs.100/- p.m., with provision for setting up a new Pay Commission (the 5th one) to review structure of pay and allowances and other related matters. Besides merger of a part of D.A. with wages for the purpose of payment of gratuity, the ceiling on emoluments for Bonus payment stands raised from Rs.3500) to Rs.4,500/- in case of Railwaymen, and from Rs.2,500/- to Rs.3,500/- in case of other Central Government employees in receipt of Productivity Linked Bonus, including P.& T. and a section of the Defence workers.

3. Bankmen's struggle for introduction of Pension Scheme

Following a long, but well-organised agitation and struggle, including token strikes, the Bankmen, lead jointly by the AIBSA and AIBOA, achieved a signal victory in enforcing the acceptance of their demand for a full-fledged Index-linked Pension Scheme. High-lights of this Scheme have been published in Trade Union Record dt.20.11.93. The Bankmen are now up in arms against the so-called "action plan", hatched by top Bank executives under advice of the finance minister himself, in order to cripple their bargaining power vis-a-vis the I.B.A. and the Govt.

so as to overcome this resistance to measures leading to adverse changes in banking laws and practices in the name of reforms in the Banking sector.

4. Strike of postal staff

Payment of
Rs. 50/-
as Int. m.
A-list to

The postal staff went through a 4-5 day country-wide strike with tolling effect. The strike was called off on reaching a positive understanding with the government on the main issues involved in it, one of the main issue being the regularisation of 'extra-departmental' staff. Further authentic details with regard to the outcome of the strike are still awaited.

In almost every case the AIFUC Secretariat lent its full support to the workers' struggles by sending communications to the concerned departments of the Government and by issuing press statements, besides highlighting them through the columns of Trade Union Record.

State of our organisation

The functioning, and to a certain extent performance, of the Secretariat continued to suffer severe handicap due to further depletion in its strength following totally unexpected demise of our dear old Comrade P.N. Siddhanta. With his mature knowledge and rich experience gained in the course of his devoted life-long Trade Union activity he had all along the last two decades, been an immense source of strength for the Secretariat. With its already depleted strength due to prolonged illness and calamity befalling our General Secretary, Com. Homi Daji and inability of Com. Manindra to devote full time to the work of the Secretariat on grounds of health, AIFUC Centre could ill afford to lose the invaluable services of Com. Siddhanta, particularly in the present stormy phase of working class struggles. The task of streamlining and toning up our own organisation at all levels, as set by the Goa Session of the General Council, could not therefore be fulfilled to the desired extent. However with all its limitations imposed by above-mentioned factors, the Secretariat continued to strive hard to at least partially measure up to the major responsibilities entrusted to it. Regular meetings of the Secretariat were held at least once every month in which the extent of implementation of decisions taken previously was reviewed and appropriate steps taken to undertake tasks thrown up by the movement on priority basis, besides tackling unfinished tasks. Steps were also taken to bring about some improvement in the functioning of the central office consistent with the means available. As already stated some important aspects of functions of the centre, e.g. those connected with the I.U.R. and regular participation of AIFUC representatives in various official, semi-official or I.L.O sponsored meets, seminars or discussions had to suffer due to depletion in the

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strength of the Secretariat particularly after Com. Siddhant's demise. A begining has been made to make up for this rather serious handicap by inducting Com. G.L.Dhar, a veteran Trade Union leader of Central Government employees into the Secretariat besides commissioning Com. Santosh Kumar, a prominent leader of the Newspaper Employees' Trade Unions to assist in editing and publishing the PUR. Both the Coms. have by now taken up the responsibilities entrusted to them.

Inspite of utmost efforts the Secretariat as such has not found it possible to give on the spot guidance, to state Committees on matters requiring such guidance, particularly on the all-important issue of toning up and strengthening the organisation at state level. While many of the State Committees particularly those in the south, have been able to enlist the assistance of office bearers or senior Working Committee members in the state in tackling this important task successfully, others continue to be in an indifferent shape so far as their internal organisation is concerned. As the Working Committee in its Ghilai meeting observed, State Centres functioning regularly and democratically hardly constitute a majority. Functioning of the organisation from grass-root level upwards continues to be unplanned and unorganised in several cases. In all such cases state centres find themselves resourceless both in terms of money as well as field cadres and organisers. Even skeletal facilities for proper and efficient functioning of state centres and its leadership are non-existent. On the other hand many of our affiliates in these very states possess resources sufficient to ensure them smooth and efficient functioning. The causes underlying such serious shortcomings plaguing many of our State organisations require to be gone into thoroughly and with utmost seriousness, and appropriate remedial measures applied before it is too late. We will be deluding ourselves if we feel satisfied merely by the mass response to the repeated calls of the Joint Trade Union platform. It is an inexorable logic of mass united activity that the constituent with the greatest internal cohesion, compact organisation and clearest perspectives concerning the direction of the movement, ultimately emerges as de-facto leading and guiding force. Difficulties faced by the leadership both in the states as well as at the centre in ensuring the completion of formalities for verification of membership, and for properly going through the prescribed verification process, furnishes an indication of poor organisational outlook on the part of several of our state Committees. If properly accounted for we could surely be found having decisive superiority over other national centres in respect of genuine membership.

Some of the state organisations till recently suffering from acute organisational weakness have during this period appreciably overcome the same. Among these could perhaps be placed the State Committees of Maharashtra Madhya Pradesh and Punjab. State organisations in U.P., and

Himachal Pradesh appear to be still struggling to bring about some improvement in their rather poor organisational set-up. Delhi and Haryana have lately fallen behind others on this account. The State organisation in West Bengal too in need of putting its house in order. State organisations in Gujrat and Rajasthan continue to be in a bad shape and require to be looked after with necessary advice and spot guidance. Assam seems to be doing well considering the rather difficult internal situation in that State and its neighbouring territories. The State organisations in Andhra, Karnataka, Tamil Nadu and Kerala are able to look after themselves to an appreciable extent.

WORKING COMMITTEE MEETINGS

Since the holding of Goa Session of the General Council, the Working Committee has met twice - in Bhilai, M.P. on May 14-15th 1993, and on October 21-22nd in New Delhi. On both the occasions a thorough review of the work and performance of the centre as well as of the organisation as a whole was undertaken and fresh guidelines laid down for conducting agitations and campaigns necessitated by new developments affecting the working class and the toiling masses in general. Important issues affecting the working people like Pension, sickness in industry, functioning of Special Tripartite and industrial committees, D.A. to public sector employees, ban on wage negotiations and DPE guidelines on wage revision, union Government's budget for 1993-94, of reports of a number of Committees appointed by the Government with a view to secure recommendation in favour of its industrial and financial restructuring, struggle against the menace of communalism, etc. engaged serious attention of the Working Committee in these sessions.

A special meeting of State Presidents and secretaries was convened in April '93 to discuss threadbare the Pension Scheme as framed by a Special Sub-Committee of the S.P.F. Central Board. The conclusion reached at the two-day meeting was that the Government should be pressurised to come forward with legislation ensuring continuance of its own contribution to the scheme and thereafter introduce the scheme with a number of major amendments like indexation, etc. The Government however, still appear to be undecided in the matter despite united stand taken by all the centres thereon, except the CIPU.

State Conferences

The Working Committee had decided that State Committees should as far as possible hold their State Conferences by the end of December 1993, simultaneously ensuring the payment of all affiliation dues by AIFUC affiliates in their respective states. So far only the SFUS of Punjab U.P. and Gujrat have held their Conferences.

have
asked for
permission
to hold
their
conferences

State Conferences in Punjab and U.P. were attended and addressed by Coms. Indrajit Gupta and B.D. Joshi, while no central leader was able to attend the Gujrat Conference for complete lack of information from the State Committee. A few of the State Committees in January, 1994, while no response has been forthcoming from others.

35th. Conference of the AIFUC

As has already been notified our Bihar State Committee has been kind enough to agree to host the 35th Conference of the AIFUC in Patna from 11th - 15th March, 1994. A circular notifying the dates, venue, agenda etc. for the Conference has already been issued from the Centre and must surely have already reached the State Committees and AIFUC affiliates.

Some Major organisational tasks of crucial importance to the working class movement in the country.

One of the most important and urgent tasks set by the Goa Session of the AIFUC was "to considerably expand the dimensions of the AIFUC-led Trade Union movement by taking up with much more seriousness the opt-stressed task of organising the unorganised on the basis of their/pressing demands". Not many State Committees appear to have found it possible to fulfil this task with the seriousness expected of them. Or else they have not cared to report to the centre their performance on this front. Mention must, however, be made of the States of Madhya Pradesh, Maharashtra, Karnataka, Punjab, Goa, Tamilnadu and to a certain extent Andhra and Bihar, where our State Committees have given attention to this priority-task.

In this connection it would be worthwhile taking note of the following facts on the extent and dimensions of unorganised labour in our country. The provisional data of National Sample Survey organisation revealed that 40% of the rural population and 28% of the urban population continue to be below the poverty-line. These figures have since proved to be considerably under-estimated, and the actual figures for the two spheres are easily above 40%. Going by official statistics the total labour-population has in 1993 hit the 400 million mark. A vast majority of these unfortunate beings eke out a near - animal living by engaging themselves in unorganised professions, cottage or small-scale industries, besides seasonal employment in agriculture. In all these cases either there is no minimum wage legislation applicable to them or if such legislation has been enacted its enforcement is far from satisfactory, even non-existent. This particularly is the case in the vast unorganised, small-scale employments in the private-sector or even in the public sector in the case of so-called casual/Contract labour. Minimum wages continue to linger around what is called "rock-bottom level of human existence" for such employees in most of the major States. Though battles have been fought by our Unions in some instances in the States mentioned in the foregoing para, yet our efforts have to go much beyond what could be called 'touching the tip of the ice-berg'. To organise this vast mass for improvement of their miserable living and working

conditions on the basis of demands for enactment and stringent enforcement of Minimum Wage legislation, minimum wages linked to Consumer Price Index, security of jobs through abolition of the abominable contract/casual system of labour, and introduction of reasonable social security measures is not only a humanitarian and Trade Union task but an intensely patriotic one. It may be pointed out that the Supreme Court in its judgement delivered in civil appeal no.4336(NL) of 1991, in *Workmen Vs Management of Reptakos Brett. & Co.* have held that an additional component for children's education, medical requirements minimum recreation, including festivals/ceremonies and provision for old age, marriage etc. should further constitute 25% of the total minimum wage. Subordination of Indian economy to imperialist financial agencies resulting ultimately in erosion of countries' independence and sovereignty, which the present Economic and Industrial policies of the Government inevitably lead to, cannot be prevented by the organised working class movement unless it assumes all-embracing dimensions by bringing into its fold this vast mass of unorganised toilers both in urban as well as rural India. This has become a most pressing task, not a distant but an immediate one in the context of the present critical situation.

struggle against communal reaction and religious fundamentalism

It hardly needs mention how the forces of communal reaction and religious fundamentalism were able to halt the progress of the united struggle of the working people for defence of their rights and interests by enacting the most heinous and shameful outrage of demolition of the Babri Masjid structure in Ayodhya. This most shocking outrage against the secular and democratic foundations of Indian State, perpetrated in furtherance of diabolical RSS-VHP-Shiv Sena-BJP combine resulted in orgies of communal violence throughout the country. It should not be forgotten that the communal riots following this heinous crime engulfed many of the industrial centres with quite substantial concentration of working class population. While industrial centres like Jamshedpur, Ranchi, Kanpur, Bhopal, Ahmadabad, Bangalore, Baroda and Hyderabad and even Calcutta could not escape the fratricidal consequences of communal conflagration, Bombay, the cradle of working class movement in our country witnessed unimaginably shocking situation. It was beyond anyone's imagination how the Shiv-Sena inspired gangs of Hindu workers blocked the entry of their Muslim brethren in certain industrial establishments. The seeds of bitter communal conflict sown by these diabolical forces continue to haunt the people of Bombay till to-day in one form or the other.

AIFUC Centre issued repeated calls and circulars to State Committees and fraternal organisations to wage a determined all-round struggle against these diabolical forces through mobilisation of the mass of the working and toiling people on the basis of secular-democratic values of our country and its constitution.

In the following period the campaign against communalism and for communal peace and amity was taken up first by the Sponsoring Committee of Trade Unions, later merging into a national campaign initiated by several secular and democratic parties and groups (except the Congress & BJP) constituting the "Rashtriya Ekta Abhiyan". As one of the participants in the 'Abhiyan', AIFUC decided to participate in this movement. One of major items of the programme undertaken by the steering Committee of the Abhiyan was to conduct a countrywide signature campaign on a pledge to fight for safeguarding the secular character of Indian polity. The State Committees were asked to take up signature programme on a mass scale and forward the pledge forms supplied to them to the centre by a fixed date. Our constituents, however, do not appear to have attached due importance to the programme as is evident from the disappointing fact that barely a few scores of signature-sheets with a few thousand signatures thereon were received in the centre instead of a few lakhs expected by the leadership. Our performance at every level in this behalf requires to be subjected to a searching scrutiny. As stressed by the resolution adopted by the April Convention of class and mass organisations, active struggle against communalism and religious fanaticism has become an integral part of the struggle of the working people for defence of their rights and interests, and for defending the independence, integrity and unity of the country.

Struggle against privatisation of IISCO

An important struggle being currently conducted jointly by all the major national Trade Union centres (including the INTUC) is one against the determined privatisation move of the IISCO by the Central Government. A joint call for one-day token strike in the entire nationalised steel sector against this move achieved partial success. Reports received at the centre reveal that while the strike was fairly successful in Durgapur and Rourkela, it was partial in Bokaro and a total failure in the INTUC dominated Bhilai Steel Plant. However, the joint campaign against IISCO privatisation continues in various forms. A copy of resolution adopted unanimously at a meeting of representatives of unions in the steel sector convened by the national trade union centres is being circulated along with some other documents.

AIFUC's intervention in some other sectoral struggles

Although a complete account of intervention which the AIFUC Centre has been called upon to effect in a large no. of cases during period is difficult to be rendered, it would perhaps be worthwhile mentioning some more important ones. As has already been mentioned the NER with its industrial restructuring exercises has already created a havoc on the employment front, particularly so in the public sector, which is sought to be ultimately liquidated through privatisation. While BIFR continues to be flooded

with references for dealing with "unviable" cases, the AITUC office itself has had to devote considerable time and attention to make personal representations at the level of Minister of Industrial Development, Labour, Power, Textile, Chemicals, Steel, Agriculture etc. Notable among these are BHEL, ILDPL, Scooters India, Braithwaites, Hindustan Photofilms, FCI (Pallebars) and NTC, etc. Though these interventions have not yielded the desired results so far, we continue to exercise whatever pressure we are capable of with the valuable assistance of some of our Trade Union leaders among MPs, including Coms. Chaturanan Mishra, Indrajit Gupta, Gurudas Dasgupta, and Gaya Singh. We have been able to achieve some notable results in case of NTC, by compelling the Labour and Textile Ministries to set up a special Sub-Committee of the Tripartite Industrial Committee on NTC. The Special Sub-Committee, comprising representatives of INPUC, AITUC, CITU, HMS, BMS, and NLO, was successful in compelling the Textile Ministry to reconsider and revise the turn-around strategy decided upon by the Cabinet which envisaged the outright closure of 14 NTC units, and closure through merger of 19 units resulting in around 80000 loss of jobs. Joint stand by representatives of the abovementioned national Trade Unions has yielded some positive results for the time being. A unanimous recommendation has now been made to the Tripartite Industrial Committee for Textiles recommending modernisation of the NTC units in consultation with the workers' unions taking into consideration the findings of the four Textile research organisations commissioned to carry out a unit by unit study of the units described as unviable. Copies of this document embodying broad-outlines of the revised approach on NTC units will be made available to each STUC. However, Trade Unions cannot leave the matter at that. It has therefore been decided to hold a full-fledged national Convention of Textile workers' organisations in Indore somewhere in the first week of February 1993 in order to take further steps to bring to bear sufficient pressure on the Government to agree to the unanimous recommendation of the Special NTC Committee to carry out modernisation without tears. Pressure continues to be exerted by us on the concerned Government ministries to resolve the issues in other cases involving loss of jobs resulting from intended closures, privatisation, etc. as a consequence of withdrawal of budgetary support and non-availability of working capital on the pretext of the net worth of the enterprise having turned negative. The situation on this account has become extremely serious. It can be tackled only through well-conceived and well-organised united struggles on the level of the industry or enterprise concerned on the one hand and persistent pressure on the Government on the basis of feasible rehabilitation/revival packages evolved through a concrete study of the techno-economic factors operating in the situation on the other. Involvement of members of Parliament in the process of meetings and discussions at ministerial level is also becoming increasingly unavoidable due, particularly, to growing reluctance on the part of Union Ministers to entertain representations made by Trade Unions, including the Trade Union centres, in view of strict instructions issued by the Finance Ministry in line with the world Bank - I.M.F. directives.

Representations, protests, etc. made to the Government on certain important issues

During the period under review/^{numerous} representations and protests written as well as oral continued to be made from the AITUC centre.

The AITUC Secretariat lost no opportunity to oppose and lodge protest against anti-labour and anti-people recommendations contained in reports like those of Goswami Committee, Narasimhan Committee, Biju Pattnaik Committee on austerity etc. It has flayed the reported Government decision of bringing forward the Industrial Relation Bill. It has been consistently opposing the so-called exit policy at every forum.

Participation in Seminars, workshops etc.

There has been a big spurt in public debate through Seminars, workshops, round-table discussions during this period. They are being organised by official, semi-official, private or foreign financed agencies besides a number of those convened by the ILO. Some of them have also been organised by progressive academic circles, often in collaboration with mass organisations. While the main theme of has been connected with one aspect or the other of the New Economic policy and its consequences for different sections of the society as viewed from different angles and in different interests, newly emerging issues of considerable importance for the Trade Union movement have started coming to the front. Such are issues concerning safety and health in industry, environment, Human Rights, women workers and child labour, family planning, adult education, Industrial Relations workers' Training and redeployment in the context of the new economic policy Productivity, workers' Education, etc. In the present situation it is of considerable importance that the view-point of the working class in general, is put across effectively through these meets, and the platform offered by them is utilized to our i.e. workers' advantage. Although we have tried our best to depute suitable comrades to participate in these seminars, etc., it has not been possible to register AITUCs presence to the desired extent. The two main reasons responsible for this are non-availability at the proper time of comrades who could prove equal to the task, and secondly lack of a properly organised information centre or mechanism which could make available necessary inputs to the intending participants on the subject matter or theme under discussion on these fora. We can hardly afford to miss these opportunities offering us the advantage of projecting the AITUC and its standpoint on various issues affecting the working people in the country. Financial constraints under which the AITUC is having to operate is also a factor that obstructs our manoevrability in this direction. An attempt is being made by the Secretariat to set up some sort of a research-cum-training institute in order to equip our comrades with useful information on current affairs and copies.

WFTU General Council on Renewal of International Trade Union movement

The General Council of WFTU, which met in Poland in October last has after prolonged deliberations unanimously adopted a new Policy Document. After carrying out an indepth study and analysis of the present situation in the world, especially as it affects the world of labour. The document boldly outlines the need for renewal of the international Trade Union movement in order to effectively defend the interests of workers against onslaughts of international capitalism and imperialism by forging broadest possible unity of working people based on convergence and solidarity brought about through democratic means. The document lays considerable emphasis on development of regional activity. "The more specific activity of the Regional offices, and their close liaison with national centres and the TUs," the document observes, "should enable cooperation and coordination to be furthered on the basis of real needs". The document also lays stress on the need to develop more actively Trade Union movements' participation in the work of UN specialised agencies - especially the ILO - and regional institutions.

In furtherance of the above understanding a functioning Regional office of the WFTU has already been set up in New Delhi, with Com. Deb Kumar Ganguli, Secretary of the WFTU at its head. AITUC centre has been keeping close contact with the Regional office which has helped us to establish useful contacts with Trade Unions in the erstwhile Asian Republics. Regional Secretariat of TUI Transport headed by Com. S. Basu, one of the Secretaries of the TUI has also become almost fully functional. Com. Basu has of late been quite active in assisting our Road Transport workers' Federation to establish useful international contacts using the columns of a regularly published news-letter. The Working Committee in its New Delhi meeting approved the idea to maintain close contact with the WFTU Regional organisations; while also keeping in mind the need to discharge certain important obligations towards the WFTU as one of its important affiliates in this part of the globe.

I leave it to Com. Ganguli to give you a report on the outcome of the WFTU General Council meeting held recently in Poland.

Exchange of fraternal delegations

During the period under review AITUC had the privilege to receive a number T.U. delegations from abroad. A Chinese T.U. delegation headed by the Senior Vice-President (General Secretary) of Chinese Federation of Labour) visited our country on an invitation jointly extended by INTUC, CITU, AITUC and H.S. In return an AITUC delegation consisting of Bant Singh Brar, Member of AITUC Working Committee and Com. Vijay Kumar, our Vice-President visited China a couple of months back. We were also able to receive Trade Union delegations from Cuba, and Asian Republics of Kazakastan and Turkmenistan arranged by the regional office of WFTU. In return AITUC delegation consisting of Com. Aziz Pasha visited Kazakastan and Uzbekistan as part of a joint T.U.

delegation consisting of representatives of WFTU Asia Pacific Region and INTUC, CIPU and AIFUC. These visits both ways have been quite useful and further development of bilateral relations between our respective Trade Unions has been made possible on the basis of agreements signed between AIFUC and Central Trade Union organisations of these Asian Republics. Closer fraternal relations between AIFUC on the one hand and the Asian Republics of erstwhile Soviet Union on the other, acquire a special significance in view of the emerging situation in this part of the world. Unfortunately, however, both the sides presently suffer from lack of financial resources necessary to further the objective on a desired scale.

Solidarity with Cuba

In its resolution "For an End to Economic Blockade, Trade Boycotts and Sanctions, Discrimination and Protectionism", the 45th WFTU General Council Session called upon the workers of the world to strengthen further solidarity with the Republic of Cuba in its heroic resistance to the unjust, inhuman and criminal economic, trade and financial blockade to which it has been subjected for more than 30 years by the US Government and to register their condemnation of the blockade with the Secretary - General of the United Nations and US President Bill Clinton".

In keeping with its consistent and firm support to the Cuban workers and people, communications were sent on behalf of the AIFUC Secretariat to the Secretary General of U.N. demanding that all unilateral measures taken by the U.S. administration involving economic blockade of, and every type of discrimination against Cuba be forthwith ended. Almost at the same time the U.N. General Assembly adopted a resolution to the above effect.

AIFUC and the vast following that it enjoys must continue to mobilize opinion and support of the broad mass of the toiling people in the country in favour of the valiant working class and people of Cuba.

Greater prospects for cooperation with ILO

Certain developments leading to further reorientation of ILO policies towards developing countries, in particular India, have opened prospects for closer and fruitful cooperation between the AIFUC and ILO, as represented by its Regional Organisation located in New Delhi. Issues concerning workers' education and training, women workers, child labour, labour research, safety and environment besides problems arising out of what is called "Structural adjustment" in developing countries, etc. are increasingly offering avenues and opportunities for developing such cooperation with benefit to the participants in activities being promoted by the ILO. In fact due to some of our organisational drawbacks we are unable to take advantage of the opportunities offered by ILO programmes in our country. The matter must engage our serious attention.

Trade Union Unity

Massive offensive against workers' jobs and living standards accompanying the induction of the World Bank - IMF dictated structural adjustment programmes, is increasingly forcing the components of national Trade Union movement to come together in one form or the other. AIFUC has all along stood for genuine Trade Union Unity, and has naturally welcomed the opportunity to further this process in word and deed. While playing its due role in expanding and deepening the broad unity symbolised by the Sponsoring Committee of Trade Unions, it is constantly laying stress on convergence among Trade Unions with varied orientations - political, non-political or independent. Free and frank exchange of views, dialogue, accompanied by joint actions on specific issues at plant, local or industrial level, are now yielding results. This approach, facilitated by the increasing number of problems being faced by affiliates of different Trade Union centres has of late brought the IAFUC leadership as well as rank and file nearer to the left-oriented Trade Unions. While joint stand is being taken by the IAFUC with other major Trade Union centres on issues commonly affecting the working class, united activity on plant as well as industrial level is assuming proportion. Joint delegations of affiliates of different centres, till now engaged in rival activities, seeking redressal of their major grievances or protection of their jobs with united efforts of the leadership of various Trade Union centres have become quite frequent. This has again contributed to unity at the top on major issues confronting the working people in the context of the New Economic and Industrial policies of the Central Government. The IAFUC leadership no longer fights shy of opposing many aspects of these policies unitedly with other centres. This is a very positive development which must be consciously strengthened through democratic methods. All our affiliates should be encouraged to steadfastly, patiently and perseveringly further this process.

Some

AIFUC - HMS unity move

The proposal for coordination of activities between AIFUC & HMS with the ultimate aim of merging together has been revived in recent months with the HMS leadership reacting positively (though belatedly) to it. After some serious discussions, a tentative agreement has been reached. The text of the same as commonly agreed between the respective Secretariats is appended to the report as appendix IV. It has been proposed that a meeting of authorised representatives of the two organisations be held sometime in mid-January '94, to formalise the instrument and release the same to the press.

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The Maharashtra Quake Tragedy

The AIFUC Centre issued an appeal to all the affiliates through State Committees to collect and rush relief to the victims of this shocking tragedy. It also addressed communications to the Prime Minister as well as the Chief Minister of Maharashtra expressing grief at the tragedy and offering AIFUC's full cooperation in organising relief. Some of our affiliates are reported to have responded to the appeal and sent relief through our Maharashtra State Committee, which could provide details about the source and extent of the same.

WFTU and CGT of France have sent relief in cash which has also been diverted to the Maharashtra State Committee through the Regional office of the WFTU in New Delhi.

TRADE UNION RECORD:

The void created in the Secretariat by the demise of Com. P.N. Siddhanta has seriously affected the publication of T.U.R. stop-gap arrangements have for the time-being been made to ensure uninterrupted publication of the journal. These arrangements have to be perfected in several respects. The journal has not only to be published regularly, but also requires lot of improvement as regards its coverage, contents, make-up, etc., so as to become a much more powerful instrument of furthering the cause of the working people besides becoming an effective catalyst in AIFUC's organisational drive. This naturally entails increased cooperation and contribution by our state Committees and affiliates in terms of ensuring substantial increase in its circulation, procuring advertisements, enrolling as many life-members as possible besides feeding it with factual and analytical reports on different aspects of activities campaigns and struggles of the working-people. We have also to seriously consider an increase in its price commensurate with its size and content in order to enable the TUR establishment to stabilize its finances. As at present it is running on a heavy subsidy out of AIFUC funds.

Malfunctioning of Social Security measures

Due to our Trade Union's main preoccupation with major issues affecting their jobs and wages, we have often ignored taking a serious view of worsening state of affairs in social security sphere. For example it has been reported by Com. G.V. Chitnis, our representative on the ESIC Central Board that the standard of services rendered by the Corporation Hospitals and dispensaries in almost every state has been suffering drastic deterioration during the last few years. While workers are getting a raw deal in matters of overall medical assistance, including supply of medicines, absence of hospitalisation facilities, general family health care, funds on a fantastic scale amounting to hundreds of crore accumulated out of workers' contributions have been invested by the ESIC authorities elsewhere on low interest. As on March 3, 1993, an amount of Rs. 178.56 crores is reported officially to be outstanding on account of ESI dues against various employers. Similarly as on March 31, 1993, over 10,900 establishments had been found defaulting in making payment towards ESI contributions. Bureaucratic hurdles persistently stand in

the way of the workers deriving timely benefit of these social security measures. We must not allow the autonomous institutions administering these schemes to oblige the Government at the expense of the workers through loaning their funds to the former while the latter stand deprived of benefits and services legitimately and justly due to them. Due vigilance requires to be observed on this account by our affiliates and Distt./State Committees. Besides persistent pressure on the enforcement machinery has to be kept upto prevent breach of the provisions of social security legislation.

GATT agreement - a shameful compromise of our sovereignty.

With the surrender by Rao Government to the dictates of G-7, and imperialist financial agencies signing the GATT agreement incorporating the provisions of the infamous Dunkel-Draft, India would appear to have exposed itself to neo-colonial plunder of its industry, agriculture as well as scientific-technological potential. Even a cursory glance at the text of the agreement appearing in our Press is sufficient to convince any sensible person that the nation has been doped in. Even the high pressure salesmanship indulged in by the Government, including the P. M., Commerce & Finance Ministers themselves fail to conceal the anti-national consequences of the deal. As against the false claims of these gentlemen that the deal would ensure nearly 4.6 billion Dollar annual benefit from Trade reform envisaged in the GATT agreement, the following devastatingly harmful consequences stand out prominently. Nor is this all. There is much that has been attempted to be swept below the carpet, and the entire and real truth will be revealed only in the course of implementation of the agreement which will surely assume a near-unilateral character at the hands of the big partners - USA - E.C. and Japan.

TEXTILES:

Instead of integrating the Textile Trade into GATT, even products outside the MFA have been included in the list of textile products that are to be freed from restrictions after the transition period of 10 years - further backloading the transition which itself has been forced on us most arbitrarily. Clinton's assurances given to the AFTA partners clearly express USA's intention that this transition period can be reviewed upwards in course of time. This leaves our Textile Trade, constituting almost 25% of external Trade in terms of value high and dry.

Pharmaceuticals:

No longer will Indian companies be able to use the process-route to manufacture drugs patented abroad-mainly by E.C. partners and USA. With subordinating our pharmaceutical and drug industry to the Multinationals prices of life-saving and even other medicines will register phenomenal increase.

AGRICULTURE

Patenting of micro-organism by Western Companies, as inherent and implicit in the new situation is bound to have far reaching adverse consequences for our entire economy including scientific research and developments.

- a) Customary use of micro-organism in India will become impossible;
- b) Exchange of seeds or modification thereof for use will become impermissible;
- c) Produce of Hy-brid seeds will not be allowed to be retained as seed;
- d) Take-over of Indian seed-market by MNCs will follow;
- e) Unrestrained increase in seed-prices is bound to take place.

All this will result in total subordination of our economy by Multinationals with imperialist stranglehold on state power.

As regards the much trumpeted annual trade benefits to our country, even a very recent W.B.-OECD Study predicts huge losses from a fall in international prices of agricultural products that India exports (i.e. Sugar, plantation crops and rice). At the same time it asserts that there will be rise in prices of those very agricultural products that India has to import. The industrial as well as urban sectors of India, it concludes, would suffer a net loss of welfare as a result of lower tariffs on imported manufactured goods, enforced in terms of the relevant provisions of the agreement. As against a total of 2002 billion USD annual benefit accruing from trade reform, India's share at the maximum amounts to merely 4.6 billion as against 18.8, 25.9, 80.7, 12.8 billion dollars in case of USA, Japan, E.C and EFTA respectively, according to the study.

The above appraisal of the deal entered into by Rao Government without taking into confidence even the Parliament of the country, actually underestimates the grave consequences which will ultimately emerge out of it for the future of our country. General Council will naturally have to discuss and decide on mounting a nationwide campaign both jointly with other class and mass organisations as well as on its own to rouse the toiling masses to take to the streets for prolonged and bitter struggle to compel the Government to abrogate all the provisions of the GATT document which impinge on our sovereign right to order and conduct our economy in the best interests of our nation.

On enhancement of AIPC's organisational and fighting potential

With the Indian Government's seal having been put on GATT agreement incorporating within it the essence of the abominable Dunkel Draft, the Government is evidently poised to go full steam ahead with the entire package of its "structural adjustment programme" forming the core of its new Economic and Industrial Policy. This naturally brings into sharp focus the prospects of a long-drawn-out and bitter struggle by the working class and its allies on a

countrywide scale. The situation, therefore, demands, considerable improvement in our internal organisation at every level, first and foremost at the central level. Two months hence forward we shall be meeting in the 35th Conference of AIFUC in Patna, Bihar. It is time, therefore, our leadership at every level starts giving serious thought to the renewal of the organisation. This implies, firstly, strengthening the central team by releasing or deputing experienced, capable and comparatively young comrades to assume responsibilities of leadership at the centre. Alongside the Central office apparatus also needs to undergo some degree of modernisation, through provision of better office equipment (e.g. an electronic typewriter), a good library professional assistance like that of a stenographer, etc.etc. Members of the Secretariat and office bearers have to be enabled to undertake regular visits to different States to assist the State Committees in performing organisational as well as combative tasks with greater degree of success. The condition of State centres, at least of some of them in bigger States, also requires improvement to facilitate more effective functioning on their part. In particular democratic functioning of our State and District Committees is of utmost importance so that the activities of the organisation as such could fully reflect the wishes and sentiments of millions of workers and their Unions owing allegiance to this great premier organisation of the working people of India. Taking realities of the situation into account it is no longer possible, nor desirable that our leaders, organisers, or the office-staff itself, should continue to be denied reasonable or modest requirements for their efficient functioning in terms of necessities of present day life - some of which fell under the category of 'comforts' in the past. All this entails strengthening of finances of AIFUC both at the Central as well as State level. Whether this could be ensured by raising the rate of affiliation-fees or by resort to the device of frequent calls for special levies or contributions is for all of us to consider. In this connection the Centre has to admit its failure in not being able so far to secure a suitable site for constructing its office-building, despite having at its disposal funds sufficient to make a fairly good beginning with a building project. Let it be known, however, that funds received from affiliates towards the building fund remain untouched, having been invested in Fixed deposits in a nationalised bank.

It may, en-passant be mentioned that there appear to be grounds for carrying out a number of amendments to the present AIFUC constitution, several provisions of which are evidently out of date. Some suggestions on this behalf have already been circulated, while some others are being circulated now.

TASKS:

Most of the tasks, in particular those relating to organisation, laid down by the Goa Session of the General Council retain their full validity in the present situation too. They require to be pursued with greater vigour and urgency, in order to enable the AIFUC in its capacity as a

major constituent of the broad platform of class and mass organisations, to become a decisive force in contributing to further development and extension of united struggles against anti-people policies of Rao Govt. By signing the GATT agreement in dotted lines, the Govt. demonstrated its shameful resolve to irretrievably pursue the path chartered by imperialist financial agencies and MNCs at the cost of even our country's independence. The battle against this gross national betrayal has to be carried forward with unwaveringly combative intrepidity. Full organisational preparedness on our part to prove ourselves equal to this patriotic task has got to be ensured.

The working class will have to evolve new methods of struggle in this period. What has become essential is to devote special attention to painstakingly undertake study of concrete problems and issues economic as well as technological, involved in each specific industry, service or establishment. Agitation and struggles in every sphere of activity have to be conducted on the basis of both negative as well as positive demands and slogans evolved through the knowledge derived from such a study. Besides fully participating in campaigns and struggles sanctioned by the Sponsoring Committee of IUs and the newly created platform of class and mass organisations, struggles on plant, local and state-level have to be persistently planned and waged against particular aspects of the new Economic and Industrial Policy distorting the performance or operation of the industry or service concerned. Solidarity actions in support of agitating and struggling workers have to be developed in every case. Our State and District Committees must unfailingly take the initiative and lead to assist our affiliates to fulfil these tasks which, if properly planned and pursued will enable the movement to develop horizontal dimension as well. All means of propaganda and publicity have to be utilized to convince the working masses of the ominous implications of the new Economic Policy for them and their future generation. It is equally necessary that the grave danger posed by communal and religious fanaticism to the unity of the nation itself should be consistently and persistently explained to them.

Myriads of struggles waged on plant, local, state or industry level, backed by such well-conceived publicity and explanatory campaign have to be untiringly intensified and developed into acquiring a deeper class-content. These struggles have to get merged into one mighty wave of sustained national protest, powerful enough to force the Govt. to reverse its anti-working class and anti-people policies or get wiped out.

Let us prepare fully ourselves to spearhead this crusade.

Thank you for lending me your ears for such a long time.

APPENDIX-I

SUMMARY OF REPORTS ON 19TH AUGUST JAIL BHARO
AND 9TH SEPTEMBER GENERAL STRIKE AND BHARAT BANDH

PUNJAB

- PEPSU Roadways Transport Corporation Staff - 80% buses were off the roads.
- Punjab Roadways - 60% strike.
- Punjab State Electricity Board - 65% strike.
- Banks and Insurance - Nearly 100%.
- F.C.I. Palledar - Majority on strike except INFUC workers.
- P.W.D Workers - withdrew from the strike.
- General Industrial workers - majority on strike.
- Shops and markets - limited response.
- Mass organisations, Peasants, Rural labours, Women, Students - could not mobilise masses in a big way as was expected.

Opinion expressed is that the call for 'Bharat Bandh' was not proper. Only Industrial strike should have been announced. Industrial areas of Amritsar, Jullundhar, Ludhiana, Batala, Dhariwal, Rajpura, Maler Kotla, Mansa, Abohar, Kharar, Muhali and Chandigarh were almost totally strike bound. 50,000 Electric Board workers were on strike.

UTTAR PRADESH

1. Kanpur: -
 - Defence - 5 production units including MES and IGS on total strike.
 - Banks - 100% strike but BEFI members applied for leave.
 - LIC, GIC, Indian Oil - Total strike.
 - Textiles - Total strike in only two mills; attendance in WTC, BIC normal.
 - Engineering and Leather - Very little response.
 - Electricity - workshops and some other establishments totally closed.
 - Power House - Normal functioning.
 - Markets - Functioned normally in general; some areas closed.
 - General impact - Good.

contd.....2

2. DEHRADUN:

Preparations for Bharat Bandh were mainly undertaken by AIFUC units. Despite their repeated efforts both CITU and Janta Dal continued to adopt obstructionist tactics and made little contribution to the bandh. However, determined efforts by AIFUC workers resulted in obstructing traffic and forcing bandh in several areas.

3. DALA CEMENT FACTORY

10,000 workers courted arrest, mainly AIFUC and CITU organised the 19th August "Jail Bhara" movement. Many women and youth workers participated. No report on 9th strike.

4. GHAZIABAD

Over 50 small and medium establishments in the industrial areas in Ghaziabad district were totally strike bound on the 9th September '93.

5. (HARDWAR, RANIPUR)

BHARAT ELECTRONICS

- 19th August Dharna took place with participation of our own union members only.
- 9th September strike - only members of AIFUC and CITU participated. Others including H.M.S and INTUC and HMKP did not co-operate. Majority of the workers not on strike. 800 only on strike. A big procession with participation of several smaller Trade Unions taken out through markets in Hardwar.

6. LUCKNOW

SCOOTER INDIA LIMITED

- Total strike on 9th September 1993.

KARNATAKA STATE

The AIFUC unit in Karnataka did a nice and splendid job. It was able to mobilise all the forces and organisations who had participated in New Delhi Convention. In addition, it also mobilised local forces. About 30,000 people courted arrest on the 19th of August. The response to the bandh on 9th September '93 was wide-spread, both in industrial belts as well as rural areas. Transport strike was complete. Civic life was also affected seriously in most of the areas. Besides CITU, elements of Janta Dal also participated in certain areas. Large number of arrests were also made. Police violence was much in evidence. On the whole, the action programme on the 19th August as well as on the 9th September can be described as highly successful.

contd.....3

Karnataka State Road Transport Corporation

Many struggles launched. A complete token strike on 28.7.93 also observed in support of their demands. Large scale victimization against which campaign is on.

GOA

AITUC and CITU unions participated in a big way in Jail Bharo Andolan on 19th August. A total of over 10,000 workers participated in the Jail Bharo Andolan in various localities in Union Territory of Goa.

Performance of Trade Unions in Goa who mobilized different sections of the society for the bandh yielded splendid results. Tens of thousand workers in the 11-industrial estates mining establishments, public services, electricity and transport, ferry - services etc., were on strike. A number of towns in Goa observed bandh following massive demonstrations, marches and processions by workers. Police high handedness including Lathi Charge and arrest of union leaders did not deter workers from going ahead with militant actions.

DELHI

Over 10000 workers belonging to AITUC, CITU, HMS, UTUC, and some other left-oriented Trade Union groups participated in 19th August "Jail Bharo" programme. The massive march of workers for courting arrest was led by national leaders of AITUC, CITU, HMS, UTUC, etc. The processionists including Com. Indrajit Gupta, Chaturanan Mishra, Gaya Singh and Gurudas Dasgupta, etc. were subjected to brutal lathi charge. Nearly 8,000 workers were arrested but later released. Number of workers striking work on 9th September is estimated between 40,000 to 75,000.

MAHARASHTRA

About a lakh workers participated in "Jail Bharo" programme in Maharashtra, including 22,000 in Bombay city alone. At many places peaceful processionists were brutally lathi-charged and large number of arrests were made. Among those arrested in other parts of the state there were a large number of women Bidi workers.

RAJASTHAN

There are reports of wide-spread meetings, conventions etc. held in different parts of Rajasthan. In Jaipur many establishments in industrial estates were closed. Strike of roadways workers was partial. In Kota a number of big and small industrial establishment were closed. Many markets also got closed. In some of the cities like Sardar Sahar large number of women picketed railway tracks and forced a Bandh on the town. Workers in Khetri Copper mines observed a partial strike.

PORT AND DOCK WORKERS

Units affiliated to Port, Dock and Water Front Federation of India also participated in 9th September strike at various places.

GUJRAT

Industrial areas in and around Baorda responded to the strike call.

ANDHRA PRADESH

The Bandh call was quite successful in the state as whole. Most of the public sector undertakings in Hyderabad and Visakhapatnam areas were strike bound. Road transport was also disrupted. There was a brutal Lathi Charge by police in Hyderabad and nearly 2,000 arrests were made.

TAMIL NADU

The industrial strike and Bandh call registered a big success in the State of Tamil Nadu also. The Bandh call evoked good response in a large number of towns and cities including, in particular, Coimbatore, Tirupur, Trichi, Nager-Coil, Neel Giris, Kambacomom, Balore, Salem and Madras. Large number of small as well as major factories remained strike bound. These included the entire Textile Industry and Engineering factories in Coimbatore, BHEL factories in Trichi and Ranipet, Neyvey Lignite Corporation, Hindustan Photo Films, Hindustan Motors in Fribillore, besides mass of transport and electricity workers. Lakhs of workers in unorganised industries like Bidi, tannery, powerloom, handloom, Cashewnut also observed token strike. Banks, Insurance and oil company offices also observed complete strike. In many places even IITUC and BMS workers also joined the strike. Primary school teachers struck work en-mass.. Others joining the strike were Air Corporation Employees, employees in post and telegraph and tele-communications and medical workers etc. Estimated number of workers and employees joining the strike throughout the State has been placed at about 14 lakhs. About 2,000 workers were arrested.

TRIPURA

The 9th September Bandh was a big success. All State Government offices, Road transport, Schools and colleges besides industrial establishments observed complete strike.

MADHYA PRADESH

Over 50,000 industrial workers, peasants, youth and students and women courted arrest on 19th August. AITUC unions, in mining, Textile, engineering, Bidi and small-scale industries were in the fore-front in organising the 9th September General Strike and Bandh bringing together other affiliates of Central trade unions organisations besides youth and agricultural workers. Major cities and towns including Bhopal, Jabalpur, Indore, Raipur, Bilaspur etc. observed a complete bandh despite opposition from Congress and B.J.P.

ASSAM

There was total bandh in certain areas including Malegaon, Kokrajhar Tea Estates and in many sections of telegraph employees. Top state leaders of AITUC were arrested.

HARYANA

Entire industrial area of Rohtak observed strike. Local peasantry in several districts including Sirsa, Hissar, Shiwani, Delhi-Road blocked the traffic for several hours. Electricity Board workers in districts of Palwal, Faridabad industrial areas also joined strike. P.W.D. workers also joined the strike.

BANKS, INSURANCE ETC.

Employees in banks, and insurance companies participate in the struggle every where in country with their usual determination and enthusiasm. So was the case with electricity workers in many of the states. Performance of road transport workers however, does not give cause for much satisfaction barring a few brilliant exceptions like that of State Transport workers of Karnataka, Goa and Punjab, besides those of Bengal and Kerala. Post, telegraph and telecommunication services exhibited enough enthusiasm but their actual participation did not match their enthusiasm. This was perhaps mainly due to lukewarm attitude of the national leadership of these services.

Highly noteworthy has also been the performance of state government employees practically all over India. Their participation in the "Bharat Bandh" surpassed even expectation of sponsoring organisations.

The same could be said about Defence workers who steadfastly responded to the General strike call almost all over India in spite of the fact that several other departmental undertakings backed out from the strike decision at the last moment.

Employees in major sectors like Railways and sections of ports and Docks, (except the AIFUC affiliates) made little contribution to this historic struggle in spite of repeated calls made by the Sponsoring Committee of trade unions. Participation of postal services and major sections of Central Government employees could also be described as less than partial. Participation of employees from these vital sectors in 9th September strike and bandh would have invested it with character of a near national upheaval.

COAL

Coal Mines organised under Samyukta Khardan Sangh (including Captive iron ore mines of Bhilai Steel plant, Dalli-Raj-Hara and mines in other areas) - organised the 9th September strike. It was highly successful in Dalli-Rajhara, Nandini and Hirri Coal Mines. In addition the strike call was fully responded to by workers in various mines including Kirandool, Bachel, Balco mines, Malanji Khand Copper mines, mines in areas like Korba, Gevra, Kusunda, Juma Katma, Rai Gadh, Chrimiri, Suhagpur etc. The strike of workers in all these Coal fields created considerable impact in many areas resulting in stoppage of commercial, educational etc. activity.

UPPAR PRADESH & MADHYA PRADESH - NCL

Singrauli Coyala Mazdoor Sangh and Colliery Mazdoor Sabha:

Though no clear-cut information has been made available as to the extent of participation of workers of these Coal fields in the 19th August "Jail Bharo" and 9th September Bharat Bandh it appears that the strike in these Coal-fields has not been very successful except, perhaps in certain sections of N.C.L. The role of affiliates of other Central Trade Unions in the 19th August and 9th September action would appear to be negative.

BRAJRAJ NAGAR COAL MINES - ORISSA

Large number of workers in Brajraj Nagar Coal mines led by the AIFUC and All India Mines Workers' Federation are also reported to have participated in 9th September strike.

Serious note has also to be taken of the fact that inspite of the wide dimensions of the movement extending even to several unorganised sections of the industry and professions, workers in certain major segments of organised industry could not be persuaded to respond to the 9th September general strike call. Giant BHEL units like those in Harwar and Bhopal Singareni Coal Mines, etc., besides sections of workers in major steel enterprises furnish such examples. Similar has been the case with certain important sections of services like ITDC and many of nationalised Hotels under it.

A SPECIAL FEATURE OF THE JAIL BHARO AND BANDH CAMPAIGN

Special mention must be made of important contribution made to the success of the struggle by large sections of the toiling people in rural India, including small peasants and agricultural workers. It was for the first time in the history of working class struggle in our country that the toiling sections of rural population made common cause with the industrial workers and urban toilers on matters of policy vitally affecting national interests. As already stated teachers both in schools and universities joined the struggle in a big way. Active participation of unorganised workers including women on such a vast scale and in such overwhelming numbers is another highly encouraging feature of this struggle. Participation of organised sections of youth and students, though on a limited scale, also contributed to expanding the base of movement in appropriate directions.

Diary of main struggles/agitations(as reported)
organised since Goa General Council Session.

1. Strike of Familnadu. Textile workers numbering about a lakh and half employed in about 100 textile units of Familnadu and Pondicherry, 15-21 December, 1992. Their demands were referred to adjudication with simultaneous bipartite negotiations and grant of an interim relief of Rs.125/- per month and other gains. The struggle was led and settled by JAC with INTUC, AITUC HMS, CIFU, LFF, NLO and ATP, etc.
2. Karnataka: State Road Transport workers organised a rally participated in by about 15,000 workers on 5 March '93 against delay in starting wage negotiations.
3. Goa: workers of the Sancoale Industrial Estate went on prolonged strike on the 8th May '93 demanding unconditional release of the 10 workers arrested in the Estate on trumped up charges. They were brutally beaten up by police. The State Committee decided to spread the agitation and demanded suspension of police officials involved.
4. Familnadu: As a result of police firing on April 10, 1993 on a peaceful procession of workers of Pugalur Sugar factory in Karur Talum of Trichy district, 3 workers were killed and 7 injured. It was a peaceful procession of 130 workers demanding reemployment of about 500 workers who were retrenched in November 1992, on the pretext of transfer of ownership.

All shops, schools, industries observed a bandh on 12 April '93, when the workers took out a huge silent procession, carrying the dead bodies of the workers shot by the police.
5. Madhyapradesh: Hundreds of Bidi workers in Madhya Pradesh assembled in Bhopal on June 14, 1993, to stage Dharna near Raj Bhavan demanding increase in the minimum wage rates from Rs.14/- per day to Rs.32.42 per day linked with Consumer price Index and also for payment of D.A. separately following increase in CPI.

Nearly 500 Bidi workers who proceeded to submit memorandum to the Governor were arrested and sent to Jail by police. Later a delegation, led by the General Secretary to Madhya Pradesh State committee of AITUC, Com.C.R. Bakshi submitted a memorandum to the Governor, who admitted that there was a strong case for wage increase of the Bidi workers.
6. Karnataka: As per call of KSRTC Staff and Workers' Federation, the State Road Transport workers observed Dharna before the Divisional offices all over the State of Karnataka in support of their charter of demands and against the irresponsible statement of State Transport Minister. The corporation employs about 50,000 employees.
7. Campaign against Privatisation of IISCO.

Five major Trade Unions, AITUC, INTUC, CIFU, HMS and BMS in a letter to the Chairman, Parliamentary Standing Committee of Industry, and the Minister for Steel, opposed any move to induct privatisation either through

Mukund Engineering or any other private party and advocated IISCO's modernisation through SAIL. In response to an invitation of the Minister on the 17th December 1993, all the Trade Union representatives attending the meet made it clear that no further discussion could be held unless the above proposal was conceded in principle and the meeting, therefore, abruptly ended.

8. Power Workers strike in Bihar

30,000 employees of the Bihar State Electricity Board went on strike from 7 October 1993 against extremely hostile attitude and victimisation by the Chairman, who wanted to float a pocket-union by large scale removal of several prominent leaders of the movement from service and transferring scores of them to far off places. The situation became so serious that two of the top leaders of the Federation, Coms. A.B. Bardhan and Chakradhar Prasad Singh, were forced to go on hunger strike.

9. Against Dunkel Draft

A memorandum was presented by a 15 member delegation including AIFUC representative to the Commerce Minister describing Dunkel Draft as a charter of compromising the Nation's Sovereignty and protesting against the visit of Mr. Sutherland, the successor of Dunkel on the 28th October '93.

10. Bata Employees Struggle

Bata employees of Faridabad have lodged a complaint with the Labour Commissioner against the management's unilateral policy of ordering curtailment of production and ultimate reduction of manpower and mass retrenchment.

11. Mineral Exploration Corporation Employees' Dharna against Government's Apathy.

About 7,000 employees of MECL, all over the country launched a week long Dharna against the Government's apathy in getting work and refusing to give financial support to the expert drilling exploration corporation in the Central public sector, between 22 and 27 November 1993.

Having formed a Joint Action Committee, with AIFUC, INPUC, CIPU, GMS and BMS representatives held a press conference on 30 November '92 1993 and a seminar on its Revival plan on the 4 December 1993 with the participation of the CMD, Director (Technical), President of officers association, Com. A.B. Bardhan of AIFUC, S.Q. Zama of INPUC, B.P. Kashyap of CIPU, Ms. Rawal of BMS, with Shri Mahip Singh, ex CMD of MECL, WCL, CMPOI, NLC as the Chief guest.

12. Postal Employees' strike: (already referred to in the main report)

New Economic and Industrial policies lead to worsening of economic situation with gross distortions in social life

1. The Government has been finding itself unable to prevent persistent rise in revenue deficit, which on the basis of the year 1993-94, is almost certain to rise from Rs.17,630 crores to Rs.32,874 crores during the next two years, constituting much more than the target of 4.7% of GDP. Budget deficit on all calculations is going to soar to more than 6.2% of GDP, which is well above the target of 5.7% for the year 1993-94. Substantially higher volume of RBI credits than the target of Rs.4314 crores advanced to meet the Budget deficit has become a contributory factor in fuelling inflation. This is taking place despite heavy cut-backs on capital expenditure and social spending.
2. Sustained rise in annual rate of inflation has been taking place all through this period. This rate according to official figures for the week ending 13.11.93, stands at 8.5%, which represents the steepest level in the last 47 weeks. These being only provisional figures, which always underestimate the extent of price-rise, the actual rate in all probability may by now have crossed the double-digit mark.
3. Official wholesale price Index for all commodities has already recorded a rise to 251.7 during the week ending 6.11.93. Working class Consumer Price Index for September 1993, according to official figures stood over 7% higher than the corresponding period of 1992(259 against 243 in September 1992). Continuous increase in indices of food articles constitute the main factor in causing the rise. These figures, as is well known, underestimate the actual extent of price-rise which is manipulated downwards through introducing consumer durables in the consumption basket.
4. In spite of having a good monsoon for the 6th succession year, and good procurement performance with ample food stocks claimed by the Government, grain prices continue to soar. In October, 1993, alone the price of wheat increased by 4.3% and of rice by 2.3%. This is naturally leading to drastic erosion of the already meagre purchasing power of mass of the working people, imposing untold misery and privations on them.
5. Overall stagnation and decline of growth in industrial sector- further deepening of recession etc.

In the first quarter of the current financial year (April - June 1993) industrial production increased by a meagre 0.8% against the targetted growth rate of 5% in the current year. The manufacturing sector, in particular the capital goods segment, has had a negative growth of 0.4% so far. The industry according to expert opinion

has to an appreciable extent been hit by a decline in public sector spending ordained by the W.B. and IMF, besides factors like under-utilization of capacity caused by anti-public sector measures being taken by the Government besides persisting demand-recession.

6. Persistent & Staggering rise in unemployment.

Taking into consideration all the foregoing factors along with others directly affecting employment, the situation has been assuming alarming proportions. With increasing number of unemployed on the live register, constantly dwindling number of vacancies notified, and still smaller number of actual placements, along with millions of lost jobs due to "restructuring" of the industry under the overall IMF - W.B.-brand 'Structural Adjustment Programmes' of the Government, compounded by unabated spate of closures, partial as well as full, lock-outs, etc., the number of persons for whom jobs have to be created would far exceed the Government's own estimate of nearly 100 million during the next 6-7 years. Viewed against these facts and figures the so-called 'Exit policy' advocated by IMF-W.B., besides Indian and foreign monopolies, and accepted by the Government spells disaster for our social and economic life. Nod of approval on the part of the Government to highly retrograde recommendations of bodies like Goswami Committee, Narasimhan Committee and Committee on Austerity and Rangarajan Committee etc. is sure ultimately to lead to protracted industrial strife, social tensions, threatening the very unity of the nation. All talk of 'retraining' and 'redeployment' is proving deceptive, with the so-called NRF being utilized for anti-working class 'VRS' or retrenchment schemes only.

7. Highly damaging consequences of direction of Foreign Direct Investment (FDI) and unrestricted entry of MNCs.

As against the totally unfounded claim of the Government that the bulk of the total FDI approvals of Rs.9,168 crores have been in the priority sector, an analysis of the direction of actual investments, based on facts and figures released by the ministry of Industry itself, prove that in reality the bulk of the promised inflows of FDI are confined to Consumer non-durables & durables. Hardly any concrete inflows in sectors like power, Telecom, etc. have so far materialised and the Government has all but surrendered to the demand of the MNCs for sovereign guarantee of 16% return on capital. However, MNCs are putting forward a number of other conditions like the right to have captive coal mines and joint operation of accounts with electricity Boards, etc., before making actual investment in these industries. Considering that Dollar Bond rates are currently nearly 8%, entertainment of FDI on such liberal terms can-not but lead to seriously adverse consequences for our indigenous industry particularly in the small-scale and ancillary sectors.

Wedded to the basics of the NEP, the Govt. is not able to prevent the wholesale take-over of our Consumer Industries by MNCs through various devices. Take-over of Parle by Coke of USA, absorption of Godraj by Proctor and Gambles, of Iomco by Hindustan Levers & Malhotras by Gillette, furnish ready examples of such take-overs. Policies pursued by the Government render it incapable of intervening in a situation where Rights shares at fantastically heavy discount are being issued to the promoters of foreign companies operating in India, thus enabling them to enrich themselves with bonanzas amounting to thousands of million rupees.

8. Privatisation and Disinvestment measures threaten gross misuse/misdirection of nation's resources

The zeal with which the Government conducted the last round of disinvestment of PSU shares has already resulted in under-realisation of receipts aggregating to Rs.3,441.71 crores. This was due to complete disregard of guidelines on mechanism to be set up for disinvestment, and met with serious objection from CAG, besides severe criticism in the Parliament. What further compounds the guilt of the Govt. is the fact that receipts from disinvestment are being utilised for meeting deficit revenue instead of meeting the requirements of modernisation and expansion of PSUs. The intended implementation of recommendations of Ranga Rajan Committee is going to lead to indiscriminate disinvestment and privatisation under the smokescreen of "augmentation of equity base of PSUs" from capital market. All these measures are fraught with grave consequences for national interests, virtually paving the way for full control and take over of vast national assets of our PSUs by indigenous and foreign monopolies for a song.

9. While unable, or unwilling, to curb predatory operation of MNCs in league with sections of Indian monopoly houses, and refusing to make any effort whatever to unearth the black money which is playing havoc with economic and social fabric of the society, the Government is readily contemplating implementation of the World Bank - IMF dictated measures to curb basic Trade Union and democratic rights of workers. The proposed measures to bring forward the so-called Industrial Relations Act in furtherance of blatantly anti-labour and anti-social 'exit policy'.

10. In this connection pointed attention of the Hon'ble Finance Minister is invited to the contents of a recent World Bank study on the crucial Government role in steering national economy of 'East Asian tigers' - South Korea, Hong Kong, Japan, etc. The study takes special note of the systematic intervention by the Governments in these countries in playing a key role in developing the industry. This has taken many forms, like targetting subsidized credit to select industries, protecting domestic import-substitutes, supporting R & D through public investment, coupled with anti-inflationary, fiscal and monetary policies. This is a clear indication of even :

the World Bank moving away from placing complete faith in markets to advocating selective Government intervention as practised in the abovenamed countries.

11. From whichever angle the matter is viewed disinvestment, reduction of investment and privatisation of major PSUs with proven record of good performance is inimical to the interests of national economy. Policies which are resulting in throwing open the entire public Transport industry to private operators, denying even economically viable public sector units their requirements of working capital/inputs and starving giant enterprises like the BHEL of orders which they are capable of executing even in a competitive market, have nothing in common with the well-being of the people. The reported move to close down a number of branches of nationalised banks and to allow foreign equity participation upto 49% in private banking sector, which is being substantially expanded, have seeds of subversion of the entire public sector banking system.

12. Menacing shadow of Dunkel proposals

In the race for integration of Indian economy with global economy our Government feels compelled to accept the infamous Dunkel proposals in one form or the other. These proposals in essence amount to acceptance of the G-7 claim to retain monopoly over technology, while indulging in glib talk of "Free Trade" with the aim of gaining access to our markets. Acceptance of these proposals would scotch R & D in India, making it permanently dependant on them. It would directly and seriously hit out pharmaceutical industry besides adversely affecting our agriculture.

13. Balance of Trade and prospects of external aid receipts - Foreign debt

Though the gap between exports and imports has narrowed down during this period but the position still remains unsatisfactory and uncertain. This is so because of substantial increase in the share of agro based products in the total value of exports. The share of manufactured goods in our exports remains far from satisfactory, and to that extent our export trade continues to be unstable and shaky. As for our foreign exchange reserves, they are of the order of 7 billion Dollars as against a total external debt of 85 billion Dollars. There is thus need for a sustained annual export growth rate of 20-25% in Dollar terms and the NEP shows no way to achieve this target.

Total external aid receipts for the centre during the first half of 1993-94, for which figures are available, have continued to be negative. Against a gross aid receipt of Rs.2,883 crores in this period there is actually a net outflow of 1,676 crores after deducting repayments of Rs.2,518 crores and interest payments of Rs.2,041 crores. Note must also be taken of the disconcerting development involving NRI deposits. Total outflow from NRI deposits in the first half of the current financial year is

estimated at 778 million U.S. Dollars, which is substantially higher than the outflow of 158 million U.S. Dollars during the same period of 1992-93. Outflow in September, 1993, alone is estimated at 192 million Dollars - with foreign currency account outflow claiming a major share of the total outflow.

14. Summing up the experience of the NEP during this period, the AITUC is of the firm opinion that the road to competition does not and cannot flow from IMF - W.B. model of 'liberalisation'. On the contrary it flows from policies of self-reliance- with foreign trade contributing to strengthening its base. Experience and success of far east economies confirm that loans from World Bank & IMF with their conditionalities raise costs in the present with a highly doubtful benefit, if any, in the future.

In keeping with the foregoing analysis of the economic policies of the Government, the AITUC makes the following proposals/suggestions for framing the budget for 1994-95:-

1. The Budget deficit should be reduced by imposing taxes on builders, speculators, the big land holders etc., increase taxes on import of consumer goods and streamline the machinery for collection of tax, customs duty and excise etc.
2. Steps should be taken to see that the wasteful expenditure of the Government is eliminated;
3. Exports of manufactured goods should be encouraged as that gives better unit value. The increase in exports should be accompanied by decrease in import of luxury goods and goods manufactured in the country.

The thoughtless import of Copper is leading to the crisis of Hindustan Copper Ltd.

4. Public Sector units should be made autonomous and political interference should stop. They should be accountable to the Parliament for efficiency and quality so as to remain competitive. They should be run on business lines and workers participation upto Board level should be introduced. Stop privatisation or disinvestment of shares.
5. The banking system should be restructured. A single banking corporation of India should be created besides establishing a Central banking authority delinked from the Reserve Bank of India. This authority should be entrusted with full responsibility for supervision guidance and monitoring of the Banking System. Any attempt to disinvest shares or permitting large scale banking in private sector or F.N.B.'S should be stopped.
6. Small scale industries should be given tax concessions and should be encouraged.
7. Investment in Infrastructure including Power sector should continue as it is essential both for industrial and agricultural development.

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8. Import of foreign technology should be restricted to high tech sector and capital goods sector.
9. Expenditure should increase on R. & D. A special cess should be levied on private sector for development of R & D. This is a must to be competitive in the world.
10. Free trade is disastrous. There should be necessary guided restrictions.
11. The National renewal Fund should be utilised for revamping of sick industries and for training and retraining instead of only for Voluntary Retirement schemes.
12. Restriction should be imposed on bank credit to the wholesale traders in foodgrains and other consumer items.
13. Strengthening and expansion of Public distribution system to rural areas along with wider coverage in items of mass consumption with effective supervision on sale and pricing of such commodities.
14. Investment should be encouraged and directed towards production of wage goods rather than consumer durables.
15. Firm steps should be undertaken to unearth black money through curbing malpractices in foreign trade, speculative trade, under valuation in transactions involving immovable property, and tax dodging etc.
16. Managements, responsible for creating sickness through financial and managerial malpractices must be penalised by confiscating the assets of companies or enterprises belonging to the same group.
17. Protection and generation of employment should form the basis of our economic and industrial policy. Through land reforms and ceiling laws should strictly be implemented. Small scale labour intensive industries, and agro-based industries in the rural centres should be encouraged and supported. Self employment opportunities and employment guarantee schemes should be introduced throughout the country. In these schemes minimum wage should be guaranteed.
18. The guidelines issued by the industries ministry for wage negotiations in public sector should be withdrawn.
19. The unanimous recommendations of central trade unions regarding D.A. Slabs should be implemented.
20. The existing ceiling as regards eligibility as well as quantum of bonus must be immediately done away with.
21. Income ceiling for salaried people for the purpose of income tax be raised to Rs.50,000.

22. All social security benefits should be extended to the workers of unorganised sector.

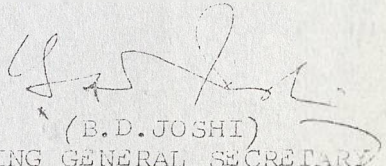
23. Indexed pension scheme should be introduced for all workers.

24. Adequate provision of funds for extensive as well as intensive programmes of housing, health care, education, slum clearance, literacy campaign, etc. should be made in the budget.

25. All trade unions are opposed to 'exit policy'. The Government should withdraw the so-called industrial relations bill and should enact a bill on the basis of the unanimous recommendations of the Ramanujam Committee.

Representatives of the AITUC would like to supplement the foregoing in the course of their oral discussions with finance minister.

M. S. KRISHNAN
PRESIDENT
AITUC


(B. D. JOSHI)
ACTING GENERAL SECRETARY
AITUC

APPENDIX-IV

Proposals of AIFUC as amended & accepted by HMS.

In order to bring about closer coordination of work and activities and in order to evolve common approach on several issues confronting the Trade Union movement and workers, so that it may help in greater unity and ultimate merger of the two organisations, namely the AIFUC and HMS, the following proposals are made:

1. A Coordination Committee of both the organisations to be constituted at the national level. In the beginning it could consist of the President, General Secretary, and not more than seven representatives of each organisation.
2. Similar Coordination Committees to be constituted at State level.
3. Coordination Committees at the level of National Industrial Federations and also State level industrial Federations to be constituted.
4. Efforts to be made to promote the coordination also at the unions level.
5. For the present, the formation of the Coordination Committees will not come in the way of affiliation of the organisations to international Trade Union Centres.
6. The national level Coordination Committee to meet at least once in three months to discuss national issues and policy matters, initiating or evolving campaigns on common issues. The available members of the Coordination Committee to meet as often as possible to work out the details and implement them. Efforts to be made in these meetings to have a common approach on all issues, in Committees which deal with the Govt. or other Central Trade Union organisations like the Sponsoring Committee of Trade Unions, CPSU, Platform of mass organisations etc. In case of differences on any issue which could not be resolved despite discussions, each central P.U. is permitted to express its own opinion. However this should not come in the way of making continued efforts to a common approach on the issues. If differences arise at State level, the national level leaders will assist to sort them out so that a united approach could be evolved.
7. In the light of experience, further steps to be taken for greater coordination and unity of the two organisations.

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STATISTICAL INFORMATION

GLOOMY EMPLOYMENT GENERATION PROSPECT

(A) Increasing number of
Job-seekers (In '000)

Year	No. of Applicants on Live Register	Vacancies Notified	Placements
1987	30,247	621	360
1988	30,050	544	330
1989	32,776	599	289
1990	34,632	490	266
1991	36,300	365	197
1992	37,171	316	180

Sept.

(B) Decreasing Employment in Public Sector Enterprises

Year	No. of Regular Employees (in lakhs)	%age increase/ decrease from previous year.
1978-79	17.03	-
1984-85	21.07	-
1985-86	21.54	2.23
1986-87	22.11	2.65
1987-88	22.14	0.01
1988-89	22.09	(-) 0.23
1989-90	22.36	1.22
1990-91	22.19	(-) 0.76
1991-92	21.84	(-) 1.60

(Public Enterprises
Survey - 1991-92)

contd.....2

(C)

EMPLOYMENT IN THE PRIVATE SECTOR
(Lakhs) :

1980	72.27	
1981	73.95	
1983	75.52	
1984	73.46	
1985	73.09	1990 - 75.90
1986	73.74	1991 - 78.54
1987	73.64	
1988	73.92	
1989	74.53	(As on 31 March)

Relates to non-agricultural establishments in the private sector employing 10 or more persons.

(Ministry of Labour)

(D) EDUCATED JOB-SEEKERS

As on 31 December 1991

Males -	15557.0
Females -	4549.9
Total:	<u>21106.9</u>

(in thousands)

matriculates and above but below graduate degree constituted 82.8 per cent of the educated job-seekers and the remaining 17.2 percent were graduate and above. About 21.6 per cent of educated job-seekers were females.

Sluggish Growth in employment

According to the latest data compiled by the National Sample Survey Organisation, the average national growth in employment in all broad sectors of the national economy since 1987 has been a mere 1.82 per cent on annual basis.

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Sectionally, construction industry showed 3.58 percent growth - the highest among all other sectors, followed by electricity, gas and water (2.73%) and transport, storage and communication (2.05%).

Other sectors in the growth in employment are Mining and quarrying - 1.94%, agriculture and allied fields 1.65%. Other services together achieved 1.82 percent growth.

The Survey says that the total employment is estimated at 314.14 million in 1992 as compared to 290.93 million in 1987-88. Agriculture and allied fields provided the maximum number of people - 199.33 million in 1992 as against 185.90 million in 1987-88. There were 13.38 million employed in the construction industry in 1992 compared to 11.52 million in 1988.

In the organised sector, over-all employment had increased to 26.8 million in March 1991 from 25.71 million in March 1988.

P.T.O.

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P.T.O.
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D.A. slabs

Joint T.U. Proposal

All the Five Major National Trade Union Centres have come to a unanimous decision on fixation of D.A. slabs for the Central Public Sector units. The decision has been conveyed to the Union Minister of Labour, Shri P. Sangma in a joint communication dated 20-11-1993.

The slabs worked out jointly are as follows:

1. Below Rs.1800	Rs.2 per point
2. Rs.1801-2200	Rs.2.50 "
3. Rs.2201-2600	Rs.3.00 "
4. Rs.2601-3000	Rs.3.50 "
5. Rs.3001-3400	Rs.4.00 "
6. Rs.3401-3800	Rs.4.50 "
7. Rs.3801-4200	Rs.5.00 "

ALL - INDIA AVERAGE CONSUMER PRICE
NUMBERS FOR INDUSTRIAL WORKERS

<u>1992</u>	<u>1980 Base</u>	<u>1960 Base</u>	<u>1993</u>	<u>1980 Base</u>	<u>1960 Base</u>
January -	228	1124		241	1188
February -	229	1129		242	1193
March -	229	1129		243	1197
April -	231	1139		245	1207
May -	234	1154		246	1212
June -	236	1164		250	1232
July -	242	1193		253	1247
August -	242	1193		256	1262
September -	243	1198		259	1276
October -	244	1203			
November -	244	1203			
December -	243	1198			

Increasing trend in Consumer Price Index Numbers

Between 1961 and 1992 the rise of consumer price index gave the following picture:

<u>Year</u>	<u>All-India Consumer Price Index: Annual Average for Calendar year: 1960 Base</u>	<u>Rise of points in Price Index: Ten year periods</u>
1961	- 104	-
1971	- 190	86
1981	- 441	251
1991	- 1045	604
1992	- 1169	124

(compared to previous year)

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Major hike in administered prices during 1992-93

- | | |
|---|----------------------------------|
| 1. All petroleum Products except
Kerosene for domestic use | September 1992
by 15% |
| 2. Procurement prices of
Pabi Crops | January 1993
by 12.5 to 23.8% |
| 3. Issue prices of wheat
and rice | In January 1993
by 16 % |
| 4. Levy Sugar | In February 1993
by 20.28% |
| 5. Coal price | In February 1993
by 12.42% |
| 6. Railway freight
and fare | In April 1993
by 10.12 % |



RESOLUTION

In a Joint Meeting of the representatives of AIFUC, BMS, CIPU, HMS and INFUC, Industrial Federations and Affiliated Unions thereof, in IISCO Units and IISCO Officers Association held on 8th December, 1993 in Deputy Speaker's Hall, Constitution Club, NEW DELHI.

This Joint Meeting alongwith a large number of members of Parliament discussed the issue of the Indian Iron and Steel Company (IISCO) Denationalisation Bill in the Parliament, and after long deliberations passed the following resolution:-

1. IISCO must remain a part of the Steel Authority of Indian Limited (SAIL).
2. Modernisation of IISCO should be done through SAIL.
3. Central Trade Union Organisations will seek interview and discussions with the Prime Minister, Finance Minister, and Steel Minister before the introduction of the Bill, to impress upon them the after-effect of denationalisation of IISCO.
4. In the event of introduction of the Bill in the Parliament, all the employees in all the Units of IISCO will embark upon the following programme: -
 - a) One-day hunger strike by all the employees on the day after the Bill is introduced in the Parliament.
 - b) One-day strike in all the Units on a date fixed up thereafter.
 - c) One-day strike in all the Steel plants.
 - d) National agitation including one-day national strike as a protest against the closure, privatisation and such other steps in the public sector undertakings.
 - e) There should be movements and agitations in all the Units of IISCO as also in the Steel Plants and at the national level.
 - f) There will be meetings at Burnpur and at Calcutta to explain to the employees and to motivate them to fight against any odds.
 - g) Central rallies be organised at Burnpur and at Calcutta over the issue.
 - h) Arrangement will be made for a National Debate on IISCO inviting technical persons including ex-steel Ministers, ex-steel Secretaries, Ex-Chairmen, SAIL etc to have an open-forum discussion.
 - i) Trade Union leaders will adopt non-cooperation attitude with regard to other issues on steel sector or other sectors.

- j) All benefits hitherto given to the employees of IISCO due to steel sector wage negotiations or Coal wage negotiations or collective bargaining, Pension and Interim Relief, etc. should also be given to the employees of IISCO as all along here-to-for. All service conditions, facilities, privileges and safeguards as given to the employees of SAIL and employees and officers of IISCO must be allowed to continue.
 - k) No reference of IISCO matter to BIFR.
 - l) Central Trade Union leaders will represent to the Labour Minister for a special meeting of the Tripartite Committee over the IISCO issue.
 - m) Central Trade Union leaders, their federations and the affiliate unions will have a concerted programme of mass movement to acquaint the employees with the real situation and also to face disinformation and misleading propaganda lashed out by interested elements including the bidders of IISCO.
 - n) As a last resort, if at all, the IISCO is handed over to the private interests, the employees may seek or have the option of availing the alternative scheme as per the Memorandum of Settlement held in July, 1989.
 - o) Steps should be taken against violation of the Memorandum of Agreement reached in July, 1989 over IISCO.
 - p) If IISCO is handed over to the management of employees, and officers, it should be made ready for modernisation having in-house technical and financial help from SAIL.
 - q) Dharna before the Prime Minister's House to press for the issue.
 - r) Lastly, we should prepare for legal steps to prevent nationalisation of IISCO.
- The Central Trade Union Organisations will take needful steps as mentioned above.
-