

I

Masses Advance, Imperialism Retreats From War to Detente and Peaceful Coexistence

THE REPORT ON ASIA which is being presented herewith is nothing but further illustrating the main conclusions given by the General Report and the Policy Document already placed before you. The Asia report only draws attention to some specific features in the development of the struggles of the working class and the democratic masses in the particular environment of that vast continent, with its diverse peoples, languages, civilizations and social systems.

The most decisive events of the recent period in the international arena with their world-wide ramifications are already clear to the general mass of the working people and to all people in general.

Imperialism's bid for world domination

For twentyseven years since the end of the Second World War, American imperialism, enriched and strengthened by the gains of the war and the defeat of Hitler achieved primarily by the immense sacrifices and heroism of the Soviet Union and the Red Army, tried to do, what Hitler had failed to, that is, establish world domination of the system of imperialism and capitalist exploitation.

It captured capitalist Europe's economy by the Marshal Plan, occupied it militarily by the Atlantic Charter, launched the cold war with the idea of strangling the reconstruction of the economies of the Soviet Union and the newly established socialist states of East and Central Europe and threatened them all by an encirclement of U.S. missile bases, round the Soviet Union.

In Asia, U.S. imperialism tried to defeat the antiimperialist democratic revolution of China and re-enslave the newly liberated

People's Democratic Republic of Korea, through the U.S. puppets' regime in South Korea. It launched the most barbarous war against the Socialist Democratic Republic of Vietnam, after its successes against the French at Dien Bien Phu and for its imperialist aims against the liberation movements in Asia, it inveigled many Asian regimes in military pacts like the CENTOs and SEATOs.

It armed the Israelis to fight the rising Arab nations, in which the British and French lent a hand by invading Egypt when it nationalised the Suez Canal. It armed the recists of Africa to suppress the people's liberation movement through the white mercenaries, beginning with the murder of Patrice Lumumba, the overthrow of Nkruma, and putting one African nation against another in pocketfuls of civil wars.

Latin America was literally at the heels of the U.S. imperialists. Their politically independent states were all under the neo-colonial grip of the U.S. monopolies and their political dictat. The Cuban revolution broke the chain. The U.S. imperialists sought to invade it but the Soviet intervention taught them some sense and socialist Cuba was saved. But vast areas of Latin America continue to be under the U.S. imperialist heel.

But the arrogant aggressive march of U.S. imperialism and its partners, the British and the French, was meeting with resistance and retreats, fiascos and defeats.

Imperialism changes its tactics

The imperialist system was forced to retreat. The colonial system collapsed and the newly liberated countries of Asia, Africa and Latin America began to rebuild their life in a new way. The imperialists then changed their line of attack. Utilising the needs of economic development of these developing countries, they began to enslave them economically and thus prevent the strengthening of their independence and democracy and building their own national economy.

In this also, due to the existence and assistance of the world socialist system, imperialism led by the USA is suffering defeat.

As has already been stated in the general report and other documents our Congress is meeting in an altogether new world situation, a situation in which all the attacks of imperialism noted above not only have been blunted and defeated — but the leading imperialist power of the world has after twentyseven years of aggression and armed counter-revolutionary wars, invasions, and interventions been forced to accept policies of detente, limitation of the most offensive armaments, allowing the friction points of the last world war being resolved by new peace treaties as between the FDR and the GDR, Poland and Czechoslovakia.

The US imperialists and their allies have agreed to hold conferences to discuss European Security, a concept, which was once flatly rejected by the U.S. and its allies. Along with European Security, suggestions for collective Security for the Asian countries have also come up because Asia also has been a powder keg of many ferocious wars, though they did not become starting points of world wars as in Europe. China is now a respectable member of the United Nations, though its spokesman in the economic committees there has stated that his country's economy should not be listed under the head of the socialist bloc.

Sirens of Peace

But all this is highlighted by the greatest of the historical events of this period and that is the victory of the Democratic Republic of Viet Nam and the defeat and retreat of the U.S. imperialist aggressors from Indo-China. The British Imperialists retreated from the East of Suez wishing good luck to their successor the Americans to fill the so-called vacuum. But there is no vacuum left. The forces of democratic revolutions, peace and progress are taking over. At the celebration of the Anniversary of the August revolution in the DRV, this year, their President said in Hanoi: "For the first time in hundred years, there is no foreign enemy on the soil of Viet Nam."

We can add that for the first time in hundred years, since the fall of the Paris Commune, the working-class of the world has come to possess power to lead the world revolution and work for peace, democracy and socialism, thanks to the leader-

ship of the world socialist system led by the mighty Soviet Union, the heroic struggles of the working-class in the capitalist countries and the anti-imperialist liberation forces of the developing nations of Asia, Africa and Latin America.

At our world congress in Leipzig in 1957 we heard the sirens of the first Soviet sputnik in the skies heralding the scientific and technological revolution in service of socialist man. At this Congress in Varna on the Black Sea where the Potemkin fought for the 1905 revolution, we hear the sirens of peace treaties, mutual security pacts and friendship, despite the hurried purchases of arms by some reactionaries, lest peace and friendship and people's power really overwhelm them all.

With that background let us look into the affairs of Asia, its working-class and people.

II

The Asia That Is

THE REPORT ON ASIA That Is, can lead to the temptation of being a long-winded one. The first reason is that it is the largest continent in territory, where the greater part of mankind lives. The second reason is that in Asia we find countries which are young from the point of view of their winning national independence, but they are ancient in history and culture. In some respects their ancientness itself, becomes an obstacle to progress. The third reason is that Asia is not just a continent consisting of countries, which are loosely described as "developing" countries. Asia contains the big highly advanced socialist Soviet Asia. Socialist Asia besides contains socialist China, socialist Korea, socialist Mongolia, socialist Viet Nam.

Next to mention would be the highly developed capitalist systems of Japan, Australia and New Zealand.

Then Asia has countries like India, Pakistan, Bangladesh, Afghanistan, Sri Lanka, Burma, Nepal, Thailand, Laos, Cambodia, Philippines, South Viet Nam, Indonesia, Malaysia, Singapore, Fiji, all falling in South and South East Asia and all of them at varying stages of capitalist development.

But some of them, like India, Bangladesh, Burma have shown strong leanings towards developing a public or state sector of economy with anti-monopoly measures. Their other feature is that they have progressive liberal democratic or bourgeois democratic state-systems.

Besides these, Asia has colonies like the famous ones of Hong Kong and Macao near China, and colonial island areas like New Guinea, Papua, New Caledonia and other Pacific Islands.

In some of the remote island areas there are also found people, who still live in the stone-age of cave-dwellings and tools and are treated as "funny objects" of research by supercilious

European explorers, much to the ruin of these poor but independent people.

The traditional geographical concept of Asia included the countries of the middle East that is Persia, Iraq, Turkey, Palestine, Syria, Lebanon, Saudi Arabia, Yemen, etc. All these countries with traditions of very ancient civilisations, have been, like the rest of Asia, victims of the machinations of the Western Imperialist countries. But with the decline of the power of imperialism and the backing of the socialist world, they have succeeded in strengthening their national independence. Particularly the oil-rich regions of Persia, Iraq, Saudi Arabia and others like Kuwait, Qatar, Abu Dhabi, etc. have achieved economic strength to such an extent as to be able to dictate their oil prices to the world monopolies of the imperialist countries. It is not a bad spectacle to see the old arrogant oil monopolies of the west being humbled and brought down on equal terms at the negotiating table with the once despised Arabs and Persians of the East. National Independence of the Asian States is now an established fact. But the question of economic independence and development is the key issue of the whole of the non-socialist part of the Asian Continent. Most of Socialist Asia has solved that question for itself.

Challenge of under-development

Hence the Policy Document rightly opens its chapter IV headed "A challenge of our Time — Under-development", with the statement :

While we are living in the era of a tremendous advance of science and technology, under-development is one of the greatest and most unfortunate anachronisms of our time.

Why does this anachronism arise ? As the policy document further says :

The under-developed countries are characterised by the existence of multiple economic structures ranging from various pre-capitalist forms such as tribal, natural and feudal to capitalist structures at widely different levels of development.

Their basic contradiction is the one between economic backwardness resulting from prolonged colonialist exploitation

and the urgent need for a rapid and many-sided socio-economic development.

The truth of the above proposition can find its wide illustration, as already stated, in the condition of the people in the under-developed countries of the non-socialist part of Asia.

As the draft charter of demands placed before you says :

Between 1946-1972 the USA exported \$ 75 billion in capital; in the same period \$ 115 billion flowed back into the USA.

Multinational companies

The tremendous gains of the scientific and technological revolution (STR) in the advanced countries of state-monopoly capitalism, while expanding their already achieved vast productive forces, have led to further concentration of capital and have given birth to that new form of organisation of monopoly capital, called the *multi-national companies*. The world trade Union Conference which met in Chile on 10 April 1973 has sufficiently exposed the counter-revolutionary role of these multinationals. The budget of a single multi-national nowadays is larger than the budgets of several developing countries. They have factories and investments in all countries of the world. They set up political regimes of their choice in the countries of their operation and finance counter-revolutions on a big scale, as was recently seen in the tragedy of Chile.

These multinationals are mostly U.S.-dominated though Britain, France, Germany and Japan have their own share also. U.S. imperialism, which so long had exploited the world through its dollar trade and aid and had drawn super-profits by imposing the dictatorship of its depreciated dollar on the world currencies, met its Waterloo in Viet Nam. The losses of that war, the defeat of U.S. imperialism and the collapse of its hold even on its puppets, coupled with the speculative operations of the world millionaires and the vast monetary manoeuvres of the multinationals, their Euro-dollars and speculative gold caused the greatest upheaval and break-down of the monetary system of the capitalist world. The mighty dollar was humbled and refused to meet its gold exchange value. The strongest currencies of the capitalist world lost their fixed values

and were floated on the world exchange market. Inflation and prices rose to unheard of heights and fastest computers, which were to measure the gains of the great technological advance in production and the good of mankind were set to work out global losses, price-rises, mounting unemployment, projections of population growth and fathom the depth of man's misery.

The WFTU document on the International crisis of the Capitalist Monetary System in your hands tells you more about it.

And during all this tragic upheaval in the capitalist world, the vast productive forces of the STR were being put to use to advance the welfare of the people and their defence might in the countries of the world socialist system and for schemes of positive aid for the advancement of such developing countries of Asia, as were politically capable of agreeing to receive and use it for solving their problems of reconstruction, left behind by their former colonial rulers.

Inflation not inevitable in developing countries

In many developing Asian countries with even progressive or democratic regimes, we find their ruling bourgeois leadership, in order to sidetrack the criticism of the suffering toiling masses, particularly the working-class, saying to the people that inflation, rising prices, shortages and mal-distribution and unemployment are inevitable in a developing country and are the price that they have to pay for their advance and development. This argument is false and has to be combated by the trade unions by just pointing out two most outstanding facts. One is that even developing socialist countries do not suffer from this malaise as developed capitalist countries do. Second is that even highly developed capitalist countries, with no shortages of productive capacity whatever, like USA, Britain etc. suffer from this malaise despite their vast resources and technology. The learned spokesman of the bourgeoisie the "*Economist*" dated 1 September 1973 reports that food prices are rising at the annual rate of 20 per cent in the USA and that in the Federal Republic of Germany inflation is running at nearly eight per cent a year (pp. 35 and 39).

Therefore the working class must be taught to realise that this malaise has its origins in present-day developments of capi-

talism and its monopoly forms, which arise even in a developing country or are exported to it from the world capitalist system.

In the countries of the socialist system, there are no problems of the breakdown of the monetary system, inflation, prices, unemployment or wages. Even the new plans of exchange of capital and technology between the countries of the socialist system and the capitalist system on the basis of peaceful coexistence and competition are not going to deviate the socialist system from its chartered path of socialism and the advance of the welfare of man.

III

Questions of Economic Development and Trade Union Policy in the Region

THE TREMENDOUS AND SINISTER POWER of this new phenomenon of giant multinationals is described in brief by the London "*Economist*" in the following way :

In 1971, each of the top ten had added value of over \$ 3 billion — which is more than the GNP of at least 80 countries. Production of all the foreign subsidiaries of multinationals came to \$ 300 billion or slightly more than the exports of the non-communist world. The multinationals' activities in the developing countries account for one-third of the world stock of direct foreign investment. As developing countries have only one-sixth of the world's GNP and one-fifth of its exports they feel the impact of the multinationals keenly. (*Economist*, 1 September, 1973.)

Hence among trade unions in Asia, of all affiliations or autonomous, there is considerable anxiety about the future of their country's independent economic development and their confrontation with the new international monopoly monster. As the Southeast Asian Trade Union Conference (Tokyo, March 1973) has stated, it is realised by the trade union centres that :

If the international trade and capital inroads for profits and especially behaviours of monstrous multinational enterprises should be left untouched in the present conditions in Asia, there will be a danger that it may hinder desirable development of national economy, workers' rights and accentuate exploitation of labour.

Questions of Industrialisation

Earlier, the 2nd Asian Trade Union Seminar, held under the auspices of the AITUC (New Delhi, April 1973) had come to the unanimous conclusions on questions of industrialisation.

These conclusions highlighted the following points, as given in the Report of the Seminar :

— Developments in this (Southeast Asia) region are influenced by the desires and efforts of the newly independent countries to overcome their backwardness and generate economic advance through rapid industrialisation.

— Most of the (newly-independent) countries of this region are developing along capitalist lines. In the given situation in this region, this has meant the demolition of the backward and outmoded forms of means of production in industry and to a growing extent in agriculture and the establishment of new industries and branches of production including large-scale production in some areas — a development which was impossible under the old colonial system. *It has also meant formation of a new, modern working class.*

— Unable to directly control the determination of these countries to build their own national economies on the basis of industrialisation, the monopolies of the metropolitan countries first tried to obstruct these efforts by utilising their former investment of capital and their economic influence to force these countries to keep to the same old framework of production and trade and remain as appendages of their erstwhile imperialist rulers. When this tactic failed, the monopolists of the metropolitan countries offered 'aid' and also 'joint ventures' with the local bourgeoisie.

— A review of the so-called 'aid' given to this region by the international agencies like the IMF, the World Bank, etc., shows that the metropolitan 'aid' and loans and capital investments have taken out more from these countries than what they gave them. Another feature of this 'aid' is that while it does make it possible for the recipient countries to set up some new industries of an infra-structure type, it does not help them to establish heavy industries which would enable them to achieve economic independence and rapid advancement.

In recent years, even this 'aid' has been sharply declining, as a result of the crisis in the imperialist countries. While the imperialist countries, notably the US, has continued to increase

its military aid to client states, there has been a steady decline in economic aid. The ECAFE Survey for 1972 noted that :

from 1965 to 1970, the total net flow to south and east Asia together fell significantly in both nominal terms and in real terms (p. 3).

Fall in the Rate of Growth

The ECAFE Survey has also noted that there has been a slow-down in the rate of growth of most developing ECAFE countries.

In 1969, the developing ECAFE countries reached a weighted annual growth rate of 6.8 per cent. The growth rate fell to about 5.6 per cent in 1971, and may even be below this level in 1972. The question is whether this represents a new trend for the region. It is apparent that two short-term factors have served to slow down the rate of growth. The recession in the United States, Europe and Japan in 1970 and 1971 had repercussions through world trade on all the developing countries; and a majority of the ECAFE region's developing countries suffered bad crops in 1971 and 1972 because of droughts and other adverse conditions.

Agricultural production had made some progress in 1968, 1969 and 1970. This is in the main attributed to favourable weather conditions and to the introduction of high-yielding varieties of rice and wheat. The ECAFE Survey notes however that the "green revolution" may be losing momentum. Inclement weather has once again depressed agricultural production in more recent years, as is seen particularly in the case of India in 1971 and 1972.

Phenomenal Rise in External Indebtedness

The ECAFE Survey has also drawn attention to the heavy burden of external public debt of developing countries :

The external indebtedness of developing countries is a matter of grave concern. During the 1960s, the total external public indebtedness of East Asia rose by 17 per cent annually to \$7,576 million by the end of 1969, and that of South Asia by, again, 17 per cent annually to \$13,154 million.

Particularly disturbing is the fact that, out of the gross aid disbursements, the net transfer declined from 78 per cent in 1965 to 60 per cent in 1970 for East Asia; in the case of

South Asia, the decline was even steeper, from 82 per cent in 1965 to 61 per cent in 1969.... By 1970, Afghanistan, India and Pakistan found the service payments on external public debt pre-empting one-fifth or so of their earnings from exports of goods and services; in Iran, they amounted to 10 per cent by 1969....

...The debt service ratio in Pakistan, which has been mounting for several years reached 30 per cent in 1971-72.

In the recent meeting of the IMF and the AID held at Nairobi at the end of September 1973, the club of the richest capitalist countries as usual dictated their own terms to the developing countries for rendering further aid and in the end postponed their promises by one year, until the USA recovered its balance of payments as their representative Schultz said.

“International Division of Labour”

Now, the new strategy of neo-colonialism is its own peculiar brand of “international division of labour”. The new forms of domination of neo-colonialism are elaborated under this new slogan.

Under this grand name of international division of labour, the developing countries are advised to confine themselves to the “labour intensive” industries, based on outmoded or worn out and secondhand factories from the metropolitan countries, exported at so-called “low” prices, while the most modern techniques requiring large investments are reserved for the metropolitan giants alone. India is one of the biggest buyers of these outmoded factories sold as new ones and their frequent failures are one of the causes of the frequent shortfalls in production, with their inevitable repercussions on the national economy.

This “division of labour” is supposed to solve the problem of the lack of capital accumulation in these countries and simultaneously to give employment to a large number of people. As a result of this division of labour, the metropolitan companies by exporting outdated secondhand machinery and outdated equipment to the newly independent countries, on the one hand, realise their old capital for renewal of their own equipment in the advanced countries and, on the other, they force a pattern on the developing countries which will keep them from using

the advances of the scientific and technological revolution. And in this new "division of labour", another factor is the installation of factories with incomplete production cycles thus locking them with the production system of the developed capitalist countries which enables the latter to take advantage of cheap labour.

The drain of resources of the developing countries through the mechanism of unequal trade is also well-known.

Another most heinous feature of this line is seen in the scant contempt with which monopoly capital treats the cheap labour power of the Asian masses. It is seen in the fact that those factories, whose working creates serious hazards for the health of the workers are transferred by these multinational owners to the poor developing countries. John Riddell of the ICFTU writing in their journal "*Free Labour World*" in February 1973, about his visit to Taiwan says that :

in Taiwan a number of workers died from poisoning due to the use, in U.S. and Japan-based electronic firms, of processes which are banned on health grounds in the USA and Japan.

He added

we must be on our guard to ensure that tighter regulations against pollution in the older industrialised countries do not simply lead to the multinational companies simply transferring their more noxious activities to the developing countries with consequent risks to the health and safety of their workers and population in general.

Development of Economic Relations with Socialist Countries

In the struggle against the neo-colonialist offensive of the imperialist monopolies and the multinational companies, the development of economic relations with the socialist countries is becoming an aspect of major policy by several developing countries in Asia.

In India, for instance, aid from the socialist countries, specially the USSR, which has helped it to establish new lines of heavy and basic industries in the public sector plays a big role in combating neo-colonialist pressures. The treaty of Friendship and Co-operation signed in 1971 between India and the USSR

can lead to still greater relationship in the spheres of economic co-operation and trade, thus helping India to forge greater links with the crisis-free socialist market on equitable terms of trade and to free itself progressively from dependence on the Western capitalist economy. Of course, the ultra-left and ultra rightists in India do not relish these developments.

The ECAFE Survey for 1972 notes as follows with regard to assistance from the socialist countries to developing countries :

The bulk of the USSR and East European countries' assistance to developing countries is extended in the form of government long-term development loans, usually at 2.5 per cent interest with maturity of 10 to 15 years. Grace periods vary according to the nature of the project financed.

Aid from the USSR and East Europe is strongly project-oriented, being concentrated on productive sectors in the developing economies, in particular on industrial sector. Thus, according to official sources, upto 1 January 1972, about 74 per cent of the volume of credits extended by the USSR to developing countries was earmarked for building up the industrial sector, in particular the basic industries, such as metallurgy, mechanical engineering and power; about 5 per cent for agriculture; 8 per cent for transport and communications; 8 per cent for geological surveys; and about 5 per cent for educational, public health, cultural and other projects. . . .

Repayments on government loans extended by the USSR and East European countries are mostly effected in both traditionally exported and newly manufactured goods or in local currency. Products of assisted projects are accepted in repayment of credits extended to developing countries.

State-Sector of Industry and TUs

Many developing countries in Asia are establishing a public sector, owning and managing large industries and financial resources, to develop the national economy faster and according to some plan.

Trade unions in the region (the AITUC in India) have taken the view that in the newly liberated countries, where accumulation of private capital is not so high and where private capital

refuses to take risks with large-scale and long-term investment, the build-up of the public sector can play the role of helping industrialisation and keeping the economy of the country from being mortgaged to foreign and native monopolies. Thereby, the public sector plays an anti-imperialist and anti-monopoly role and under certain conditions can help to strengthen independence. To do so, it must be brought under the control of a democratic state, guaranteeing full democratic and trade union rights to the working class and also guaranteeing its participation in management of the public sector at all levels of policymaking and execution.

In several developing countries, the trade unions have called for a policy of further extension of the public sector through nationalisation of vital sectors of the economy. In India, the government has, responding to the longstanding demand of the working class and the democratic opinion in the country, nationalised all the fourteen major Indian Banks, the foreign and Indian general insurance companies, as well as the entire coal-mining industry and major part of steel and heavy engineering. One hundred and three textile mills employing over one hundred thousand workers, which were closed down by the employers under the plea of losses were also taken over by the Government. In Sri Lanka, the Government has nationalised foreign-owned petroleum companies and has taken over certain tea plantations. In Bangladesh, all banks, insurance, and certain major lines of industry have been nationalised.

How unstable this policy can be if it is not backed by democratic public pressure can be seen from the example in *South Korea*, as reported by the "*Far Eastern Economic Review*" of 6 August 1973. The Ministry of Commerce and Industry alone has more than fifteen key state-owned industries under its direct control. Now the Government has indicated its intended policy on the subject. It will continue to invest in new state-owned projects. Once such industries are well established they will be sold to private ownership. To match its words with deeds the Ministry of Commerce and Industry has elaborated on its plans to sell Government-owned stock in six chemical concerns, most

of them joint ventures with foreign investors. Then follows a long report on other companies for sale.

Change in the Tactics of Monopoly Capitalism

The monopoly sections of the bourgeoisie, who initially openly opposed this policy of building state-capitalism, have now changed their line. They now use it for their own enrichment by securing control over its policies of production and pricing so as to secure the products for their own financial aggrandisement. This they manage to do by their influence over the Governmental machinery and services which are in a way aligned with them by their very class nature. The trade unions have to exercise their class-conscious vigilance against these policies of native and foreign capital.

In *Australia*, where recently a Labour Government has come into existence, another trend in the reconstruction and build-up of "national" capital is coming up. There most of the major industries being foreign-owned the new Labour Government is elaborating plans for "buying back Australia" from overseas ownership, though they will not totally eliminate foreign equity participation. Obviously this is an attempt on the part of the Labour Government to reconcile the nationalism of its own bourgeoisie with the dictates of international monopoly and also provide a conscience-saver to the reformism of the aristocracy of labour.

Rise of Indigenous Monopolies

Another feature of the situation in the Asian countries which have followed a capitalist path of development is the rise, within these countries, of indigenous Big Business groupings and monopolies. These monopoly houses, in search of higher profits do not hesitate to link up with the giant conglomerates of the imperialist countries. Thereby, they not only thwart the growth of the national economies, they also endanger the independence of these countries. Some of the Big Business groupings of India, Pakistan, Singapore, Hong Kong, Philippines, etc., have also gone in for investment in other countries, although not on a scale comparable to the giant multinationals of the West.

Small-looking but giant *Singapore* has now become the centre of Asian Dollar Market and Asian Currency Market and its Government openly wants the presence of American power in South East Asia.

The situation in the developed capitalist countries in Asia shows the further strengthening of the monopolies. Discussing the present situation in Japan, the SOHYO, in its White Paper of 1973, has stated that

The acceleration of monopoly concentration is taking place in a situation of the already well-entrenched positions of Big Business in Japan. Out of some 20,000 enterprises in Japan, the capital of 100 leading companies accounts for 53% of the total. Industrial production, particularly that of the key industries, is highly dependent upon big enterprises. For instance, the top-ranking 10 companies control 82·4% in banking, 99% in pig iron, 99% in automobile, 86·6% in refinery, 80·8% in ammonium sulphate, 80·3% in cement, 88% in camera and 98% in newsprint industries. And even among these, the topmost three companies virtually control the market.

The old Zaibatsu Empire of finance is back again in power.

The Japanese monopolies are exporting capital on a big scale. Japan's overseas investment aggregated \$ 4,480 million, 54·7% of which or a total of \$ 2,460 million was accumulated in the three-year period from 1969. According to an official estimate, the balance of Japan's overseas investment will reach \$ 11,500 million in fiscal 1975 and \$ 26,000 million in fiscal 1980. (The presentday investments of US monopolies total \$ 80,000 million; U.K. \$ 20,000 million; and West Germany \$ 6,000 million.)

In *Australia*, production in the main is controlled by foreign multinational combines and by indigenous monopoly houses, which, however, the new Labour Government is trying to buy back into partial state-ownership.

In *India*, assets owned by the top 75 monopoly houses control 53·8% of the total assets in the private sector. The topmost houses are still developing at a very fast rate, leading to concentration of capital, holding society to ransom.

Need for Firm Anti-Monopoly Steps

It is the domination of the monopolies, both in the advanced capitalist and developing countries, which lies at the root of the present crisis in the economy, the rampant inflation, the rising unemployment and other social problems.

The need to take firm anti-monopoly steps is therefore stressed by various trade union centres. Analysing the situation in India, the AITUC at its Congress early this year stated :

The choice before the country (India) is sharply demarcated and clear. One way is to allow the monopolists, their agents in the government and the bureaucracy to carry out their plan of free play to the monopoly houses, turning the public sector into a handmaid of monopoly capital, fusing of the State finances and private control on industry in the so-called "joint" venture, accumulation of super profits in the name of increasing resources for investment and production, freezing of wages and a curb on the working class movement.

The only way however to resolve the crisis is to go forward to the complete takeover of all the monopoly houses and the key areas of the economy. That is the way to resolve the crisis in favour of the masses, and of democracy, and to launch an upsurge in the economy.

And to strengthen their power to fulfil this national democratic task, the trade unions in the developing countries emphasise the need for the introduction and effective implementation of democratic land reforms and for an alliance with the peasantry. It is now recognised by all progressive forces that unless radical land reforms are brought about, there could be no improvement in agricultural development, no solution to the colossal problem of unemployment and no growth of the economy of the country. But as Gunnar Myrdal has observed the pronouncements of land reform fail to be implemented where genuine democracy is not in state power. Hence the trade union movement of the working-class goes hand in hand with the movement of the landless and poor peasantry, against monopoly of capital and monopoly of land.

IV

Changes in the Size and Composition of the Working Class, Unemployment and TU Policies

IN ALL COUNTRIES OF ASIA, with the onward development of industrialisation and modernisation of the economy, there has been a considerable increase in the size of the working class. In the *developing countries*, the situation varies considerably, but in some countries, the change in the size and composition of the working class is quite significant. This is associated with the establishment of new lines of industry with relatively higher technology. In these countries, there are, of course, large sections of skilled manpower which are not absorbed in work, due to insufficiency of the rate of economic development and there is thus mass unemployment.

An ECAFE review of employment trends in the region states :

Of the industrial labour force in the developing countries of the region, the majority (60 to 80 per cent) is employed in manufacturing, with 15 to 30 per cent in construction. Mining and utilities employ only small fractions of the industrial labour force, Malaysia being the major exception, with 14 per cent employed in mining. Where mining is dominated by oil, such as in Iran and Indonesia, it brings little employment...

It is a well-documented fact that, on balance, manufacturing industry has only been able to absorb a very minor part of the increasing labour supply in developing countries despite a rapid increase in manufacturing production. A recent, detailed ILO study ascribes this fact to a rapid fall in employment per unit of output in manufacturing, presumably as a result of an increase in capital intensity, which thus has prevented employment from increasing at the same rate as output. The fall in employment/output ratio has been particularly strong for the Asian region : from 1955 to 1966, this

ratio fell to about half for the Asian region, against two-thirds in the world as a whole.

The ECAFE says :

In itself the fall in the employment/output ratio in manufacturing is nothing to complain about; the inverse of this ratio is productivity per employee. *A doubling of labour productivity in a decade is certainly a remarkable achievement.* (Emphasis added).

But this is hardly an answer to the solution of the problem of mass unemployment.

New Features of the New Working Class

In the newer branches of industry in the developing countries, the composition of the working class is more marked by the presence of large sections of young workers, including women workers. At the same time, a generation of technical intelligentsia is also growing up. The engineers, technicians and supervisory cadres are increasingly identifying themselves with the working class and resorting to working-class forms of mass-actions.

In the rural sector, the growth of capitalist farming in the developing countries, has resulted in considerable augmentation in the ranks of landless farm-labour and the accelerated formation of a rural proletariat, along with rural artisans and handicraftsmen. Capitalist farming in these regions is mainly prevalent in large-scale plantations of tea, coffee, rubber, sugar, tobacco etc. In India alone there are over a million workers in this line.

The expansion of social services has resulted in increasing number of teachers, doctors and nurses and of the administrative staff. All these new forces are fighting for an equal status with the high-placed bureaucrats of the general state services, who continue to enjoy the big power and positions, in which the old colonial rulers had placed them.

In countries which are multinational, the new industrial centres have a working class drawn from several national or sub-national groups, developing a class consciousness overcoming chauvinism and developing solidarity. In the vast population of

India, there is also the special problem of caste-divisions and linguistic differences inherited from history, whose influences still cut across the consciousness of class-solidarity. They are further accentuated by the uneven development of capitalism which uses them to divide the exploited masses.

This factor is of special importance to trade unions in some countries in Asia, especially in the context of the fight against reactionary elements which seek to divide the workers on the basis of racial, national, linguistic, religious and caste differences.

The change in the composition of the working class, its developing class consciousness and homogeneity have a direct impact on the fast growth of trade union organisations. In the developing countries, influenced by the radicalisation of the political situation, and the gains in the domain of trade union rights secured after decades of struggle by the earlier generations of workers, trade union consciousness and organisation develop quickly. In some of these countries in the region, the organisational weakness of trade unions lies precisely in their inability to bridge the gap which exists in the matter of extending and consolidating the trade union organisation, fast enough to meet the needs of the objective situation.

In the largely agrarian countries, women workers have been traditionally engaged in agriculture, handicrafts and some retail trade. With the establishment of textile mills, tea plantations, etc., these industries provided substantial employment opportunities for women. Of late, the employment of women in these traditional sectors appears to have declined in some countries. But in new branches of industry such as light engineering, pharmaceuticals, public services, education and health services, etc., employment of young women shows a rising trend. But organisationally they are still a neglected sector of the TU movement, though in strike struggles women have proved to be the most militant and loyal vanguard.

Problem of Growth in Unemployment

In developing countries, the incidence of unemployment and underemployment is quite high. This is no doubt a big factor influencing the composition of the working class. The failure

to create enough employment opportunities to new entrants to the labour force which in turn is the failure to achieve a sufficient rate of growth in economic development, is the primary cause of such high levels of unemployment. At the same time, in several sectors, the impact of the capitalist rationalisation offensive also causes considerable unemployment among employed workers. This is true even of advanced capitalist countries like Japan.

As the SOHYO has pointed out, in *Japan*, in the economic recession starting at the end of 1970, "employment adjustment" involving suspension of recruitment of workers other than fresh school graduates and dismissal of part-time workers got under way. The announcement of the New Economic Policy by President Nixon in August 1971, and subsequent floatation of the yen deepened the recession. The recession spurred the change in the industrial structure. Enterprises first stopped employment of fresh school graduates, carried out job transfers and even dismissed large number of workers. Rationalisation including discharge of workers spread from the chemical, family electrical appliance, textile industries to paper, pulp and metal industries from the end of 1971 through 1972. It took such forms as "voluntary retirement", transfer of workers to subsidiary enterprises and compulsory dismissal. The aim was to slash labour input as a whole.

In India, when young students are assembled at university convocations to receive their degree-cards, they throw them away, demanding instead employment cards. The problem of unemployment has assumed the most acute form in India.

Since the installation of the Labour Government in *Australia*, this year, unemployment fell by almost 32,000 in February — the biggest decrease for any month in a quarter of a century, according to the report of the Amalgamated Metal Unions Monthly Journal of April 1973. This happened because of the action taken by Government, said the Prime Minister, Mr. Whitlam in parliament.

Yet, the T.U. movement cannot afford to forget the fact that according to ILO and FAO estimates, the total labour force in *Asian developing countries* increased from 635 million in 1960 to

763 million in 1970. It is expected to reach 926 million by 1980. The advice given by those organisations seems to be that this vast Asian mass should revert to agriculture for living and employment — which means that the Asians as before live in poverty and produce cheap raw materials for the giant multi-nationals of Europe and the U.S.A.

It is reported by the Far Eastern Economic Review that *Indonesia, Thailand, Malaysia* in their development programs have adopted this line (20 August 1973).

We do not think this to be the correct solution.

Hence, as the Charter of Rights says, the right to work is the most resounding demand of the millions in *Capitalist Asia*.

No Unemployment Problem in Socialist Asia

In contrast to this phenomenon, the reverse is the case in *Socialist Asia*. In the socialist countries in Asia, the problem of unemployment has been completely resolved. This is acknowledged by all trade union centres. The President of the ICFTU-ARO stated recently :

One may not like militant communism. But one cannot ignore the positive way how unemployment and poverty have been removed by communist and socialist countries under their state ownership schemes. (quoted in *Indian Worker, INTUC*, 30 April, 1973).

Certain lack of clarity on the precise role of trade unions on questions of economic development, in its broad sense, is also discernible in some quarters. Of late, there has been a tendency in some Asian trade unions in favour of emphasising direct trade union involvement in the setting up and management of enterprises for production as well as services like retail trade, banking, etc. In a resolution on unemployment adopted in February 1973 by the ICFTU-ARO, it was recommended that as a contribution to resolving problems of unemployment, the trade unions should undertake a variety of economic activities for the creation of employment opportunities and for that purpose raise capital from workers' contributions to share capital, either in partnership with private capital or independently as their own, to be managed by the concerned labour aristocracy.

Economic Trade Unionism

In some countries, the trade unions have taken steps to acquire ownership of some rubber plantations, establish banking firms, own large department stores, etc.

Various activities in the direction of building up co-operatives and such other self-help movements like housing societies, have been an aspect of trade union interest for long, in several countries, both in the advanced capitalist and developing countries. The class-conscious sections have never opposed such voluntary self-help movements but have sought to point out the extreme limitations of such activity in the context of a prevailing capitalist social system. However, there have been tendencies, as is well-known, in Western Europe and America, sponsored by sections which want full integration of the trade unions into the capitalist system, to spread illusions that trade unions can also acquire economic power by using their funds for investment in industry. Some big unions in W. Europe and USA do have large industrial and commercial investments.

In the developing countries of Asia, some sections have put forward an ideological or theoretical argument in favour of such activities which goes totally against the basic class-aims of the working-class. It is argued, for instance, that since the working class is rather weak, it is not today in a position to influence political developments and it is therefore prudent, even from the point of view of preserving the unity and homogeneity of the trade unions, not to engage in wider social and political activities. The only pragmatic course, they argue, is to safeguard workers' interests by working within the present social framework, and to obtain greater social and economic influence by engaging in commercial and industrial activities, in a way "shaming" the bourgeoisie in its own sphere and teach it to reform itself.

The utter inadequacy of "economic trade unionism" is however now increasingly recognised. A round table discussion by the ICFTU affiliate in Asia in September-October 1971 drew the conclusion that :

the Asian trade union movement cannot continue merely to follow the pattern of economic trade unionism associated with some countries of the west, but must broaden their

functions, rise to the defence of the political and social rights of the working masses and have points of contact with every facet of worker's life and develop appropriate organs to make this possible.

“Broadening” of TU Functions

However, even while rejecting “economic trade unionism”, some sections seem to interpret the “broadening” of trade union functions, as to include concepts of trade unions running business enterprises on a big scale, thus not only deserting the class-outlook, but in fact merging the TUs in the capitalist structure and placing them at its mercy.

It will mean the strengthening of class-collaborationist tendencies and disorienting the trade union movement from its fundamental class-aims, which to begin with define trade union as an organ of class-struggle.

At the other extreme, there also exist tendencies which tend to over-politicalise the trade union movement, neglect the common economic aspects of trade union demands and struggles and thus cause disruption, preventing unity of the working class, in carrying out its general democratic tasks, to promote economic and social advance. Some time back this aspect was very sharply discussed in the Sohyo and also in the Congress of various national T.U. centres in India.

The trade union movement in Asia does not exist in a vacuum. The big shifts taking place on the political plane at the national and international level have their impact on the workers and trade unions. The defeats inflicted on imperialism and neocolonialism, forcing the imperialists to revise their strategy on the international plane, and the crisis of the capitalist path of development at the national plane are factors which profoundly influence the trade union movement, leading to greater clarity on trade union tasks and greater sharpness in the class-battles on the political plane also.

Hence the Policy Document correctly states in Chapter IV :

It is beyond doubt that the domination of the monopolies and neo-colonialist exploitation can survive only until the moment when a people decides to take into its own hands the destiny of its country and comes out against the policy of the big bourgeoisie and anti-people governments.

V

The Situation Concerning Struggles For Wage Demand

DURING THE PERIOD since the 7th Congress in the advanced capitalist and developing countries of Asia, big united actions have taken place in the struggle over wage demands. In many cases, these struggles resulted in significant gains towards the establishment of new norms in wage fixation, lessening the irrational wage disparities and taking the trade union movement in these countries to a new higher stage.

Japan

The "Spring Struggles" of the *Japanese workers* on this question are well-known.

The WHITE PAPER ON WAGES FOR 1973 published by the SOHYO states :

The development of the spring struggle has contributed towards reducing socially unjustified wage disparities based on the size of enterprise and category of business with regard to the rated working hour wages. Thus, the age-based disparity, too, has been largely overcome. Even during the severe economic recession hitting Japan from the autumn of 1970 through the spring of 1972, our resistance succeeded in preventing capitalists from reducing the fixed portion of our wages and thus dealt a blow to the general policy of capital to suppress wage increase. (page 39).

New Stratum of Low Wage Workers

The SOHYO White Paper has also drawn attention to the mutual interaction of the wage struggles of various sectors, taking the movement to a higher level. Wage increase at major enterprises interacts with wage increase at smaller enterprises. Also, this has its effects not only on 10 million organised workers

but on 24 million unorganised workers. The entire process has the effect of accelerating the standardisation of wages and other working conditions for all layers and groups of workers.

When the wage structure is thus changing, a "new stratum of low wage workers", such as female part-time workers, old aged workers and workers at tiny subcontract enterprises, is being created. This stratum of workers has become bigger since 1970. Their wage level, under the impact of the spreading spring struggle, is on an upward curve together with the initial wage for unskilled workers in general. But their working conditions in the 1970-72 recession deteriorated in relative terms.

These observations hold good for India also.

Another aspect of the situation in Japan is that the wage bargaining in recent years has followed a specific pattern of mutual dependence between government employees' unions and private enterprise employees' unions. The pattern has been as follows: A new wage standard for the year is created by joint struggle of public corporation workers' unions and private enterprise workers' unions; efforts are made by government employees' unions to raise their wage level to that standard and if they should succeed, it serves to equalise on that level the wages of unorganised workers as well; the socially standardised wage for that year serves as the basis and point of departure for the spring struggle in the following year.

The great achievement of the 1973 Spring Struggle has been that for the first time, the government employees' unions actively participated in it right from the beginning. As the SOHYO described this new phenomenon of active participation of government employees' unions,

while they used to play the role of a medium in spreading the once attained wage standard to all sectors of society, from 1973 on, they are going to be part of the forces which create the initial social wage standard, right from the beginning.

Effect on the Level of Wages

The strategy of the spring struggle is specific to the Japanese situation. As the SOHYO has explained, "the formula of spring

struggle is rooted in the specially Japanese necessity and rationality." In Japan, enterprise-based unions hold a high degree of independence and the trade union movement has, therefore, weaknesses with regard to organisational unity of industrial unions. The vulnerability of the union movement increased as the powers of decision (on the budget, nomination of officers and collective bargaining) were concentrated on the enterprise-based or individual unions and not on industrial union centres. This system made it difficult for industrial union centres of the national centre to effectively assist advanced struggles of particular unions. It is in this background that the spring struggle, in which all unions simultaneously rose up in action for the fulfilment of unified wage demand, was contrived.

As a result of the spring struggles, the absolute level of wages of Japanese workers has now come abreast to that of Italian or French workers. But the rate of workers' share which clarifies relative level of wages against capital is much lower in Japan than that of advanced capitalist countries of Europe. Workers' share in Added Value has stood constant at 33.7 per cent in 1959 and eleven years after in 1970, despite the wage increases secured, as against 66.1% in U.K. (1959), 52.6% in Sweden (1969), 46.5% in USA (1969) and 38.5% in FRG. These figures show that the high economic growth of Japan and profits accumulated by capitalists are based on low rate of workers' share in added value.

New Stage of Struggle

Describing the new stage of the struggle, the SOHYO White Paper for 1973 has stated:

The spring struggle is aimed, in the first place, at wage increase and in the second place at the standardisation of wages. Capitalists having been forced in recent years to accept the formation of the social wage standard, have set out to press down that standard itself. This is how they have launched their organised attacks on the spring struggle. In this sense, we are on a new stage of our struggle — a stage at which we must strengthen all and every function of all our union organisations including the workshop units, unit unions, industrial unions, national federations and the central joint struggle committee.

The system of seasonal allowances (lumpsum bonus payments made during summer and at year-end) has been widely prevalent in Japan as well as in some other Asian countries as for example in India. The trade unions in Japan demand that the big disparities in payment of these bonuses or allowances be ended, and that the arbitrariness of the management on deciding the quantum of payment of these amounts should be eliminated. Such bonuses or allowances are now considered an integral part of the regular wages the workers are entitled to and hence there is need for the establishment of a social standard for these payments.

Many features of the Japanese situation are applicable to other advanced capitalist and developing countries in the region.

Struggles in Developing Countries

In the case of *developing countries*, in various sectors of organised industry, the trade union struggle has been directed, with varying degrees of success, to demolish the old norms of the *colonial wage system* and replace it by new norms of a need-based minimum wage, rising further according to properly defined skill differentials.

Analysing this situation, the 2nd Asian Trade Union Seminar (New Delhi, April 1972) held under the auspices of the AITUC drew the following conclusions:

— The first basic reason of low wages in the countries of this region is that at the very moment of introduction of the wages system in this area, the imperialist conquerors and their capitalists imposed a starvation wage or below-subsistence wage system on the colonial workers by sheer force of conquest and political-economic subjugation.

— The bitter struggles of the workers both in the political and economic fields carried out some improvement in the wage level but it continued to be a “colonial wage”. The achievement of independence of these countries helped the workers to fight for a higher wage and shorter hours of work. But the basic grounding of the wage system in the colonial standards did not change rapidly.

Cost of Living Allowance

The 29th Congress of the AITUC (Jan.-Feb. 1973) has noted that *in India*,

in recent years, through industrial and national settlements or awards, or wage board recommendations, in some industries, uniformity of wages has been achieved on an industrial level either for the entire country or in regions and states. But even today after all these long years of dogged struggles, full of countless sacrifices, workers receive wages which vary vastly from industry to industry and area to area without any rationale. On the one hand, there are workers in such industries like pharmaceuticals, some engineering concerns, electronics, banking and insurance who have achieved a need-based wage or even beyond; and on the other, there are vast sections in unorganised industry who hardly get a subsistence wage.

In India in the year 1973, which the AITUC session at Calcutta described as "the Year of Decision," nation-wide and industry-wise struggles for higher wages have taken place and achieved significant successes.

A system of "Dearness Allowance" (D.A.) or "cost-of-living allowance" as a separate component and in addition to a "basic wage" is prevalent in some countries in the region. This was secured after a hard struggle, to provide some compensation against rising prices and inflation. But there is considerable disparity in the determination and calculation of such allowances. While some systems provide 100 per cent neutralisation at the lowest level of wages, some other systems provide only a fixed quantum, or stipulate a lower rate of neutralisation of rise in the consumer price index.

The payment of year-end bonuses is regulated by a special statute in India. Following the united struggles for revision of the statute, the minimum bonus was raised recently from 4 per cent to $8\frac{1}{3}$ per cent of the annual wages earned.

In the developing countries of the region, it is often argued against the industrial workers that their wage demands are unjustified since they have income much above the wage of agri-

cultural workers. It is even sometimes argued that the employed workers are better off than the unemployed!

This demagogy has to be countered first by pointing out the big volume of value that the workers produce compared to what they get in return as their share and the surplus they contribute to the social fund which is appropriated by the parasitic classes. Secondly, it has to be combated by worker-peasant alliance for realisation of common demands.

In most countries of the region, officially compiled statistical material on wage movements and trends on a reliable basis is hard to obtain. Whatever is available is mostly outdated or too restrictive in coverage.

Wage Movements

The ECAFE Survey of 1972 has some limited information on wage movements in recent years in some countries of the region. Some of these are quoted below.

In *Fiji*, the upward movement of wages was particularly sharp in 1971 when the index of daily mean wages rose by over 10 per cent compared with increase of 6.5 per cent and 5.5 per cent in 1970 and 1969, respectively. Several large wage settlements were negotiated in 1971 varying between 15 and 31 per cent and further settlements were negotiated in 1972 including an increase of 23 per cent in the basic wage of sugar workers and an increase of 7 per cent in civil service salaries.

In *Hong Kong*, average money wages increased by 18 per cent between March 1970 and March 1971 and by a further 10 per cent by March 1972, representing a rise of about 9 per cent and 7 per cent respectively in real terms. In the eight years since 1964, average money wages have more than doubled and real wages increased by just over 50 per cent. The average wage is now about US \$100 per month.

In *New Zealand*, the nominal weekly wage rates rose by about 13 per cent in 1970, compared with 5.9 per cent in 1969. In 1971, the increase was nearly 22 per cent and for the year ended June 1972, it was 13 per cent. The first stage of implementation of equal pay for women began in 1973.

In *Papua-New Guinea*, wage rates have increased. The Port Moresby minimum adult male wage rate for unskilled labour rose from A\$6.50 per week in 1969 to A\$7.00 in 1970 and to A\$8.0 in 1971. Following an inquiry by the Minimum Wages Board, a sharp increase to A\$11.50 per week came into force in September 1972, to be further raised to A\$13.80 from 19 September 1973.

In *Philippines*, wages have not kept pace with the rise in price index. The index of daily money wage rates for skilled workers for the first half of 1972 was 144.5 (1965=100), as against 139.0 for the first half of 1971; for unskilled workers, the indices were 164.2 for 1972 and 155.4 for 1971. When deflated by the consumer price index, the real wage index for skilled labourers in the first half of 1971 was 94.5; for 1972 it was 87.5, a fall of 7.4 per cent. The fall in real wages for unskilled workers was 5.8 per cent.

In *Singapore*, after the officially-imposed wage restraint which was in force for a long period, a National Wages Council was formed early in 1972. In April 1972, the Council recommended the conversion of existing bonuses into an annual thirteenth month wage supplement, to be followed by either a negotiable bonus or a negotiable annual wage increase. For a start, an 8 per cent wage increase was recommended for 1972. At the same time, the total compulsory contribution of employers to the Central Provident Fund was raised from 20 per cent to 24 per cent of wages. For the public sector, wage levels were raised through the payment of an annual thirteenth month wage supplement.

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In examining the various aspects of trade union struggle on the demand for higher wages and better working conditions, it is necessary to stress the fact that in several countries, the trade unions have made significant advances in breaking through the institutional or legal barriers imposed by the employers or by the Governments, in terms of their "industrial relations" procedures on questions of union recognition and strikes.

“Third Party” Intervention

A feature of wage fixation or wage revision in several developing countries in the region, e.g., *India, Pakistan, Malaysia, Sri Lanka*, etc., has been the imposition by the State of third party intervention in the form of wage boards or adjudication boards, thus limiting direct bipartite collective bargaining rights. Workers' demands for wage rises are “adjudicated” by a whole system of Tribunals, Arbitration Commissions, Wage Boards and similar bodies. The “awards” of these bodies are again often subject to litigation in higher courts. These procedures last several months, or even years. The paltry wage increases awarded are soon enough eaten away by inflation.

In recent years in *India* and some other countries also, as for example in *Australia* and *New Zealand*, a breakthrough has been made by the trade unions in asserting their collective bargaining rights and rejecting State or third party intervention and the endless delays and inadequate results which sprang from it. Several industrywide collective agreements providing for higher wages and better working conditions have been reached in direct negotiations with the employees. These collective agreements have created the basis for ending some of the irrational disparities in wages and working conditions. A movement for fixing wage-levels in a whole industry as in steel or coal on an all-national level has attained some significant successes in India. The movement was mainly initiated by the AITUC and other Central organisations also made a common platform with it. In India ten million Government employees are about to secure new wage and salary settlement in direct bargaining between Government and their employees' unions.

Gap between Wage Rate and Living Wage

While we note these positive factors which have arisen as a result of trade union action, we cannot overlook the tremendous gap which still exists between the present wage rates and what should be a need-based wage or a living wage.

Especially in a situation of continuous inflation, which has now become a built-in mechanism in all capitalist economies, the purchasing power of the wage packet is continuously eroded.

In such a situation, the struggles for wage demands, particularly on the question of continuing addition to wages to neutralise rise in cost of living, continue to have the highest priority for trade union united action.

There is massive propaganda in these countries against the trade unions and it is alleged that price rises are due to wage rises secured through trade union action, though even some official studies on this subject refute this allegation. For instance, in *India*, the Report of the National Commission on Labour stated:

Increases in money wages of industrial workers since independence (i.e., since 1947) have not been associated with a rise in real wages nor have real wage increases been commensurate with any improvement in productivity. Simultaneously, wage costs as a proportion of total costs of manufacture have registered a decline and the same is true about workers' share in value added by manufacture.

The trade unions in *Australia* consider that the workers should get a minimum rise of A\$11·5 a week, in order to compensate for the rise in prices and higher productivity since 1953. A minimum weekly wage of A\$65 has been demanded. In order to protect the purchasing power of a wage packet, it has been demanded that there should be quarterly cost-of-living adjustments to the minimum wage.

Some success has been achieved in the struggle against unequal wages for women workers but the problem continues to be serious in the capitalist and developing countries of the region.

On all these, the WFTU draft Charter of Trade Union Rights therefore demands:

1. The right to a guaranteed increase which will allow the worker and his family a decent standard of living;
2. Guaranteed national minimum wage;
3. Guaranteed annual minimum income for workers and their families, irrespective of sickness, accidents at work, occupational illness, age or unforeseen economic contingencies;
4. Guaranteed constant progress in the purchasing power of all forms of workers' income;
5. The reduction of working hours without loss of pay.

VI

Situation Concerning Trade Union Rights

IN THE CAPITALIST and developing countries in Asia, the struggle for trade union rights is growing in its intensity. The situation differs from country to country. There are certain countries even today, like Thailand, where trade unions are totally disallowed. In Indonesia, the SOBSI, the country's largest trade union centre and affiliate of the WFTU, has been under ban since 1965. Thousands of trade union leaders have been imprisoned without trial and many sentenced to death or to long terms of imprisonment in uninhabitable remote islands of Indonesia.

Anti-trade union repression and attacks on trade union rights are the main features of the situation in those countries where military dictatorships or authoritarian regimes propped up by imperialism hold sway.

Even in those countries, both advanced capitalist and developing, where parliamentary democracy prevails, the ruling circles impose anti-trade union legislation to restrict trade union rights.

Some of these countries have not yet ratified ILO Conventions 87 and 98 on freedom of association and collective bargaining rights. Some countries which have ratified these conventions grossly violate them in actual practice.

The struggle of Japanese public corporation workers who are by law denied the right to strike is well-known. Big "illegal" strikes took place on this issue in Japan in the recent period. The denial of collective bargaining rights to these workers and the mass victimisation have been condemned by the entire international trade union movement. The ILO Committee on Freedom of Association had discussed this question. In November 1972, the ILO officially adopted a recommendation, advising the Japanese government (1) to elimi-

nate the unjustified labour practice called the "Productivity Movement"; (2) to eliminate politically-motivated disciplinary action against workers; and (3) to restore to these workers a maximum of their right to strike and to guarantee the workers' right to express their opinions. However, the Japanese government, when the recommendation was presented to the ILO Session, opposed it and abstained from voting. But this year's Spring struggles defied the ban and public corporation workers joined the strikes. This has enhanced the morale of the Japanese working-class.

In *Australia*, the massive united actions of the trade unions forced the former right-wing government to stop collection of fines imposed on trade unions, for defying the compulsory arbitration laws and the ban on strikes. The new Labour Government has frozen the "Penal Laws," called the "Commonwealth Conciliation and Arbitration Act", and the unions are asking for drastic changes in the whole system of industrial relations law. The same is happening in *New Zealand* also.

Recognition of Unions

A key question of trade union rights especially in those countries where there is division in trade union ranks, is the workers' right to be consulted in determining the union to which collective bargaining rights are to be accorded. Under certain authoritarian laws, the question of recognition of unions backed by a majority of workers is circumvented by arbitrary procedures which enable the ruling oligarchies to impose a minority union as the "recognised" union. In such situations, it has been proposed by many trade union centres that the issue of recognition of unions should be decided by the concerned workers themselves through a secret ballot. This is particularly a strong demand in India. Many national TU centres resent the present practice of granting recognition after Government verification of the membership registers and accounts of the unions.

Even in a situation where there is only one trade union or national centre, there are many cases of non-recognition of trade unions by employers. Workers have had to go on strikes to establish their collective bargaining rights.

The position has worsened with the advance of the multinational companies.

For instance, a SOHYO report on activities of multinational companies in Japan states :

The core of labour-management policy of purely foreign enterprises is, in a word, enmity towards labour unions. They hamper the formation of unions, turn them into company unions when unions are formed in the face of interference, and come down to split and disrupt them when their control is not successful. Typical examples of this were the destruction of an organisation of more than 1,000 workers at Oiso Plant of National Cash Register Co. (NCR), and the undermining of workers' organisation in IBM where only 50 out of 1,500 members or 3 per cent of the total, remain as union members.

About 200,000 workers and employees are working in foreign-capital enterprises in Japan, but their organisation status is poor due to hostile policy of the management. Organisation rate in Japan is a little under 35 per cent, while the rate of organisation in foreign enterprises is lower than 10 per cent, although the figure is not an exact one.

Under their policy of hostility towards unions, rights of workers and unions are denied, and union activities are targets of their concentrated attacks: they are made objects of discharge, transfer and other unfair labour practices.

If such is the situation in Japan which has a powerful trade union movement, the ruthlessness of the multinational companies in countries with a weak trade union movement can well be imagined!

Interference by Government

In some countries, there is open interference by government in the internal affairs of trade unions. Arbitrary restrictions are imposed on trade unions and trade union activities.

In *Malaysia*, elected trade union functionaries have been barred by law to hold office in political parties. According to an MTUC report made at the South East Asian Trade Union Conference in Tokyo (March 1973), several amendments to labour laws were made detrimental to trade union activities.

Under the provisions of these amendments, the MTUC was split into three sectors namely — government sector, quasi-

government sector and private sector. Strikes were practically impossible to be organised and dismissals, retrenchment, redundancy, promotion, transfers, reorganisation, are no longer negotiable in the contract of employment. Full-time officials cannot be employed by the unions unless exemption is granted by the Minister of Labour. Executive staff, confidential staff and security staff were placed outside the scope of union representation. Working hours were extended from 39 hours per week to 42 hours per week.

Some of the more obvious provisions of these laws have lately been withdrawn, under pressure of the trade union movement.

We also find that the trade unions are sought to be diverted from their immediate tasks of defence of the worker from capitalist attacks into wrong ideological channels as a solution to their problems, which are no solutions at all in the capitalist system.

“Population” Problem

The ILO and various other UN agencies and several governments in the developing countries have laid great stress on the “population” problem in recent years. The old Malthusian dogma is being dug up again and resurrected, as an excuse for the inability of the ruling circles to undertake radical social transformations, in order to resolve the acute crisis conditions.

There has been a debate within the trade union movement on this question. At the tripartite ILO seminars on this question, the WFTU affiliates have demarcated themselves and have rejected the view that high population is the cause of unemployment and low wages and that a check on population growth would solve or mitigate the problem of unemployment, low wages and poverty. They did not agree with the view that the trade unions should therefore preoccupy themselves with the population question, as one of the central problems of their activity.

It was pointed out that the problem of population is mainly a product of capitalist exploitation, coupled with the refusal of the dominant ruling classes to rapidly develop industrialisation

and carry out land reforms. In this retardation, the imperialist influences play an obstructive role.

A healthy family-planning policy can be discussed and made successful only when the capitalist relations of production are abolished and socialist relations of production are established, where a standing army of the unemployed, the so-called "over-population", will not be necessary for the private profits of the employer, who alone requires and benefits from the existence of unemployment.

The trade unions have opposed proposals made by employers and some governments in developing countries, to impose economic disabilities on workers with big families, on the ground of alleged "disincentives" to promote family planning.

This does not mean that family planning should not be undertaken at all. It should be. But it must not be linked up with those arguments and ideology with which it is linked up at present in all capitalist countries. Therefore, while not disapproving of family planning with the voluntary consent of the people concerned and without any economic pressures or ideological arguments of that kind, we cannot agree to make this as one of the central points of trade union activity. We may contribute to a policy of forging a general reorientation of the outlook of the whole of our society and not only the working people, while pointing out that overthrow of capitalist exploitation is a pre-condition for a truly scientific policy of population control and family planning, where necessary.

VII

Problems of United Action, Organisation and Training

THE PRECEDING ANALYSIS OF certain important aspects of the trade union and social situation in Asia fully substantiates the correctness of the general orientation and trade union tasks outlined in the two basic documents before the Congress and the Report of the General Secretary.

The "Draft Charter of Trade Union Rights and Workers' Economic and Social Demands in the Present Period" has dealt with the general and specific trade union demands and hence it is needless to report on these broad demands in the specific context of the Asian situation.

To conclude, therefore, we shall only deal with certain problems of united action and trade union unity which have become ever more important in today's context and in the present stage of our trade union movement in Asia and the world.

The period since our 7th Congress has witnessed a significant increase in the sweep of united action in several capitalist and developing countries in the region.

In *India*, the number of mandays lost in strikes, etc. rose to 20.56 million in 1970. In 1971, it was 16.55 million and in 1972 — 18 million.

The number of workers participating in strikes and mandays lost in *Japan* since 1968 were as follows: 1969 — 1.4 million and 3.6 million; 1970 — 1.7 million and 3.9 million; 1971 — 1.9 million and 6.0 million. The estimate for 1972 is about 1.7 million workers on strike and 3.9 million mandays lost.

In *Pakistan*, the working days lost in strikes rose from 0.4 million in 1968 to 1.8 million in 1969 and 3.1 million in 1970.

In *Philippines*, the working days lost in strikes rose from 584,498 in 1968 to 980,863 in 1969 and 994,689 in 1970.

In *Australia*, the number of workers on strike rose from 1.3 million in 1969 to 1.38 million in 1970 and 1.33 million in 1971. The working days lost in these three years were 1.96 million; 2.4 million and 3.07 million.

Growing Unity in Action

Of special significance has been the growing unity in action in those countries where the trade union movement is divided as in *Japan*, *India*, *Pakistan*, etc. Unions of all affiliations or autonomous have joined together in many cases in support of workers' demands.

These united struggles have taken forward the struggle for unity and a dialogue for unity has been initiated, as between trade unions of various international affiliations and autonomous organisations.

In *India*, a "National Council of Trade Unions" was established on 21 May 1972 by the AITUC (WFTU), INTUC (ICFTU) and HMS (ICFTU). The purpose of forming the National Council was defined as "of promoting understanding, cooperation and coordination in the activities of the Central Trade Unions, to defend the interests of the working class and the trade union movement, to advance the interests of the working people and help forward the development of the national economy on a democratic self-reliant and non-monopoly basis and to overcome trade union rivalry and bring about trade union unity for common objectives and action."

Other trade union centres have also formed similar joint consultative councils.

In *Japan*, a dialogue is going on between the national trade union centres on the question of united action and trade union unity. The Spring Struggle in 1973 initiated by the SOHYO and Churitsuroren found over eight million Japanese workers united in struggle, the government employees also participating for the first time.

At this regional level, bilateral and multilateral contacts between trade unions of all affiliations, or of no affiliation, have grown significantly. These were most notably seen in the 2nd

Asian Trade Union Seminar (April 1972, New Delhi) and the South East Asia Trade Union Conference (Tokyo, March 1973).

Solidarity Actions

Unity in action of workers and trade unions in Asia in solidarity with the struggle of the Vietnamese people and against US aggression and the bombing of the DRV, was profoundly manifested during this period. In these solidarity actions, not only WFTU affiliates but leading ICFTU affiliated organisations and autonomous centres like the SOHYO also participated. The boycott organised by unions in Australia and other countries against US ships to protest against US bombing of the DRV, along with other solidarity actions, mass demonstrations, collection of solidarity funds, etc., in the various countries of the region are of special significance in this regard.

Such actions of solidarity have also been manifested in support of the struggle of the Arab peoples against Israeli aggression, in support of the Korean people for the peaceful reunification of their country without outside interference; against Apartheid in South Africa and the racist regime in Rhodesia, and the struggle against Portuguese colonialism in Africa, whose barbarous deeds of massacre of the people of Guinea-Bissau and Mozambique have aroused indignant protests throughout the world.

The solidarity actions by workers in several countries of the region at the time of the liberation struggle in Bangladesh also signify an important development during this period.

Many unions in this region have protested against French Nuclear Tests held recently in the Pacific area.

There have been mass demonstrations in many countries of Asia against the counter-revolutionary coup against the democratic Government of President Allende of Chile and his cold-blooded murder.

Setbacks and Splits

While we note these positive achievements in the field of united action and growing unity, we do not underestimate the

setbacks which have taken place in certain countries and the splits which have occurred.

In some cases, such splits or organisational difficulties have arisen from certain specific features of the trade union situation in the given country. This concerns mainly the inter-relationships between trade union centres and political parties. In certain countries, division inside political parties has often led to a trade union split. Especially in countries where mass radicalisation is growing fast and political alignments and realignments are under way, the present state of deep inter-relationship between political parties and trade union centres cannot but cause considerable complications. The situation becomes all the more serious when extremes of the right and left foment disruption of trade unions as a deliberate policy.

However, recent developments and the dialogue which is taking place indicate that the trade unions are getting increasingly conscious of these dangers and are striving to take positive steps to restore the organisational unity and cohesion of the trade union movement. The growing contacts and relations between trade unions, of various affiliations or of no affiliation, in recent years at the international and continental level can play a positive role in hastening this process.

In this, the World Federation of Trade Unions, the AUCCTU of the Soviet Union and national T.U. centres of other socialist countries like Bulgaria, Hungary, the GDR, Czechoslovakia, Poland, Mongolia have rendered great help to trade unions in Asia as to others. And Asian trade unions are thankful to them.

This urge for better understanding and united action of trade union centres in Asia is reflected in the *proposal made for a wide "Asian Trade Union Conference", open to all trade unions and in all countries, to discuss problems of common interest.* It is our hope that all trade union centres in Asia will make their best efforts to ensure that such a Conference is prepared for in the spirit of unity and mutual cooperation. There are no problems within the trade union movement which cannot be solved in a spirit of unity and solidarity.

Organisational Tasks : Some Aspects

Before we conclude, we would only mention in brief some aspects of the organisational tasks facing the trade unions in Asia. In the developing countries, the growth and expansion of the trade union movement is gradually overcoming the extreme unevenness in organisation. However, in certain countries and in specific regions within countries, a tremendous organisational gap still exists, despite the heroic strike battles that the workers fight in the factories and on the streets, and the help of international solidarity that they get from the WFTU and many others.

This is so especially in respect of organisation of agricultural labour. The trade unions of industrial workers should increasingly express their active solidarity with the agricultural labour and the poor peasantry and help in the building up of their organisations.

As the WFTU has repeatedly emphasised, worker-peasant solidarity is crucial in strengthening the struggle for the fulfilment of general democratic tasks and in the struggle against imperialism, neocolonialism and indigenous vested interests.

The trade unions in the developing countries in the region have a difficult situation in the training and education of activists, to enable them to accomplish a fast enough expansion of the organisation, and to enable them to effectively intervene in defence of the interests of the workers.

This task of training and education can be accomplished only by the trade unions. A good deal of effort is being made by non-trade union agencies to penetrate this field and their motives are not purely philanthropic. A conscious effort is made by them to disorient the trade union movement and put it on class-collaborationist lines. Vast sums of money have been poured in for this purpose. Extreme vigilance is therefore required to safeguard the workers against alien influences inimical to their basic class interests.

International Trade Union Cooperation

Trade union cooperation at the international and regional levels can make useful contribution in helping the trade unions

to successfully undertake their training and education programmes.

There is, of course, considerable unevenness as regards the situation in the various countries but we could identify the broad trends as follows.

In the last four years, at the continental level, trade unions of various Asian countries have had contacts and discussions at bilateral and multilateral levels. Regional seminars and conferences were held under the auspices of the ILO, the Asian Regional Organisation of the ICFTU, the AITUC (WFTU) of India and the SOHYO (autonomous) of Japan, among others. At the 2nd Asian Trade Union Seminar held at the initiative of the AITUC (WFTU) in New Delhi in April 1972, 43 delegates from Australia, Bangladesh, Sri Lanka, Japan, Malaysia, Philippines, Nepal and India, representing 23 organisations — national centres and industrial federations or groupings of unions — affiliated to WFTU, ICFTU, WCL and those without any international affiliations, participated. Messages wishing success to the Seminar were received from trade union centres of New Zealand and Singapore.

At the Southeast Asian Trade Union Conference held in Tokyo, at the initiative of the SOHYO, from 15 to 17 March 1973, 8 organisations from the region participated. Among them were the SOHYO (autonomous) of Japan, AITUC (WFTU), HMS (ICFTU) and INTUC (ICFTU) from India; MPBI of Indonesia, MTUC (ICFTU) of Malaysia, FOL (ICFTU) of New Zealand and NTUC (ICFTU) of Singapore. Besides these organisations, ACTU of Australia and three national trade union centres of the Philippines were invited, but they were unable to participate due to certain situations within their countries or organisations.

Exchange of views at these regional trade union seminars and conferences covered a wide range of issues of common interest.

The Second Asian Trade Union Seminar held in New Delhi in April 1972, for example, discussed: (1) Industrialisation and growth of monopoly; (2) Problems of Wages, Prices, Inflation

and Employment; (3) Working class struggles and the role of Trade Unions. Unanimous conclusions were reached on all the subjects discussed.

At the South East Asian Trade Union Conference in Tokyo, in March 1973 the participants exchanged information on trade union situations of the countries concerned and discussed three specific items : (1) problems concerning the trade between Japan and Southeast Asian countries and attitudes of trade unions to these problems; (2) questions stemming from the inroads of Japanese capital into Southeast Asian countries and labour's attitude to these questions; and (3) present situation of activities of multinational enterprises and counter-policy to be taken by trade unions.

In order to establish mutual contacts for exchange of ideas and information and to promote unity, it is necessary to continue and widen this field of activity, in the form of seminars, long-term trade union schools embracing all of Asia and issuing information journals, pamphlets and books.

It is proper to close this report, which, we feel, is not deep and detailed enough compared to the vastness that Asia is, with what the Charter says :

*The possibilities for the workers to live at the highest level of their epoch — to benefit from the wealth, which **they alone** create; to have the time and money for leisure for themselves and their families; the right to dignified retirement after a life-time's work; such are the aspirations we find at the core of present struggles. Faced with the domination and greed of the capitalist monopolies and the economic and social policies of the Governments at their service, as well as with the inequitable economic and social relations based on the exploitation of the workers both on a national and international scales, the workers and trade unions are realising the need to develop **very broad united action** at work and in society, both nationally and internationally, if economic, social and cultural rights are to be recognised in the near future, and **social wealth is to go to those who create it.***