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GOVERNMENT LABOUR POLICY AND THE BANK CASE

by

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Statement of the AITUC

"The All-India Trade Union Congress congratulates Mr. Giri for resigning from the Cabinet in protest against the reactionary labour policy of the Government of India. Having been faced with the opposition of the entire working class to its attack on the bank employees, the Government of India has now come forward with a suggestion of appointing still another tribunal.

"Though this offer on the face of it seems to be a retreat on the part of the Government, in reality it is only a manoeuvre to give a judicial sanction to what the Government has already done by its bureaucratic modification of the award which had gone in favour of the workers. The AITUC hopes the workers will not be deceived by this manoeuvre and will reject this new tribunal and demand the full satisfaction of the bank employees' demands, which for seven years have been travelling the round of several tribunals. The AITUC hopes workers in India of all trades and opinions will give their full support to any action that the bank employees will take in defence of their demands."

9th September 1954

S. A. Dange
General Secretary

September 16, 1954

TWO ANNAS

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[This is a gist of a speech given by Com. Dange to a group of trade union functionaries on September 8, 1954.]

I

SHIFT TO REACTION IN LABOUR POLICY

Certain important events have taken place on the trade-union front whose import has to be properly understood in order to better guide our work in the trade unions.

The most outstanding event is the setting aside of the gains of the Bank Award by the Government of India and the consequent storm it has raised in the whole country, culminating in the resignation of Giri, the Labour Minister.

Giri's resignation is an event of first-rate importance. The resignation of a Cabinet Minister brought the question of the Labour Policy of the Government of India before the whole country and made it a *political issue* affecting the entire country and the working class. The Bank Award no longer remained merely an industrial question of one particular trade. It raised the question — which class does the Government of India represent and in favour of which class does its labour policy work?

The resignation came in the background of Premier Nehru threatening to resign if the Congress Labour MPs insisted on cancelling the Government's modification of the Award. Nehru backed the Finance Minister, C.D. Deshmukh, in his attack on the bank employees.

The Congress MPs and the INTUC had to retreat in face of Nehru's support to the Government's decision in defence of the bankers' demands.

The whole country, except the bourgeoisie, reacted in favour of the bankmen and against the Government of India. But Nehru's intervention threatened to kill the issue and allow the bank workers to be, hanged quietly.

Giri's resignation exploded this quiet conspiracy. It sharply exposed the Ministry as having no support even in its own ranks in its scheme of anti-labour attacks. For seven years the case of the bank workers had been most constitutionally fought in the Tribunals. The bank employees' struggle had captured the imagination of all the middle-class toilers including the vast number of Government employees. Giri's resignation *versus* Nehru's threat exposed the true nature of the Cabinet—that its labour policy was not for labour but for the monopolists. The Government of India's labour approach was nothing but that of the big bourgeoisie.

Giri's resignation also signified something more: It signified the end of a period in the approach of the bourgeoisie to the working class and the beginning of a new one. What was maturing slowly has burst up. *It is the beginning of the attack on the working class by the most reactionary sections of the bourgeoisie, who now think that it is time to throw overboard the liberalism that was forced on it by the workers in action.* The gains of the workers must be slashed and a die-hard policy of suppression of the workers brought into full force. The show of 'welfare' no longer paid the big bourgeoisie.

In view of this, the Liberal Giri had nothing else to do but to resign or line up behind the new policy.

The right reactionary wing of Nehru's Cabinet had not expected this. The rift in the Cabinet has been there

for a long time. But it came to a head because the bourgeoisie demanded a final decision.

Will the Government finance them for rationalisation, will the Government allow the employers to cry a halt to making any further 'concessions' to workers and will the Government openly support these demands of the big magnates as against the workers. The Cabinet voted with the monopolists. The rift came in the open. The Liberal Giri resigned.

The resignation has made the whole working class and the country debate the question. From the Press, it appears that the Government opened the attack in a wrong manner and in the wrong sector—because the attack has led to its isolation and exposure in the middle-class masses, its main support. The tactics of the big monopolists had the effect which most probably they had not expected.

The lessons of this crisis have a deep import for our working class, which is now threatened with serious and determined onslaughts by the monopolists and their agents inside the Cabinet.

What does the open interference of the Government of India against the increase in wages given by the Appellate Tribunal to the bank employees mean? As stated by the Finance Minister, the Government intervened in the interests of the financial structure of the country—which means that the Government henceforth has decided to oppose wage increases in the name of protecting industry and finance. It means that the Government of India will lend all its State forces to guard the profits of the monopolists and suppress the struggles of the workers. It means that all the Labour Tribunals in the country are openly told not to sanction wage increases and not to yield to the demands of the workers. And if the Tribunals do so, the Government of India and the

State Governments will throw overboard the decisions of the Tribunals.

Is this now the general line of the labour policy of the Government of India or is it merely an isolated case only affecting the Bank Tribunal? No. It is not an isolated case. It is now a declared policy.

The Government of India has filed an affidavit against the award of the Tribunal in the Madras tramway workers' case, where the workers were awarded compensation for closure to be paid from the reserve funds of the Company. The Company is a British concern and has been wound up. As such the Tribunal wanted part of the reserves to be allocated for compensation to unemployed workers.

The Government of India has appealed against this decision because many Companies and Chambers of Commerce wrote to them that such an award meant that workers in all industries could lay a claim on the reserves which so long were treated as the exclusive property of the owners.

The Government of India in its appeal has upheld the view of the monopoly magnates that the workers have no claim on reserves and that the award would disturb the capital structure of the country and that it is 'against the basic conception and the law of the land'.

Thus not only no wage increases are to be tolerated but even where reserves abstracted from profit by these giant companies are concerned, and even where the companies go into liquidation, they shall be treated as their exclusive loot. Reserves are the most sore spot of High Finance. Because it is by recourse to transferring huge sums to reserve that the monopoly giants cheat their own share-holders, cheat the State and cheat the public about the true extent of their profits.

Thus here again the Finance Ministry came to the rescue of the monopolists as against the workers.

There is another case. In the Tribunal appointed to go into the demands of the coal miners, the Government of India has intervened and told the Tribunal in a confidential despatch that it is opposed to giving increase in wages and other demands of the workers. The Government of India wanted to be party to the dispute also on behalf of 'public interest' to put forward its policy of opposing the miners' demands.

It is now said that the Government will amend the law in such a way as to allow Governments to be party to all industrial disputes in the name of 'guarding public interests'.

The Tribunal appointed in 1951 to deal with the manganese industry, sixty-five per cent of whose production is in the hands of a British Company, never functioned when the mines had boom profits. And now in 1954, when the boom has receded, a new Tribunal is appointed, but the big British Company (The Central Provinces Manganese Ore Co., Ltd.) is not made party to it, but only the smaller mines and those that have closed down.

Thus a deliberate policy of protecting the monopolists and the big bourgeoisie and slashing the gains of the workers will henceforth be ruthlessly followed by this Government of the big bourgeoisie.

Another big attack which is already in the offing and of which note has already been taken of by the trade unions is the proposal to sanction some 150 crores of rupees for the big industrialists to carry out rationalisation measures, which directly attack the workers.

All these instances coupled with the crisis in the Cabinet revealed by Giri's resignation show that the Government of India has revised the liberal labour policy, which it had hitherto allowed the Tribunals to put into effect. It will now be a uniform die-hard attack on the working class. Hence the working class and the TU

movement must take serious note of it and be prepared to meet it.

The working class must also note from the crisis that the idea that Prime Minister Nehru's labour policy is anything different from that of the big bourgeoisie or other Ministers in the Cabinet is an illusion which now has been exposed by Nehru himself backing his die-hard bourgeois advisers and throwing out the Liberal Giri, who dared to offer even a mild criticism in the interests of labour.

II

BIG BOURGEOIS TACTICS MEET FIASCO

What other lesson does the crisis teach us? *It shows that the tactic of the big bourgeoisie in enmeshing the working class and the trade-union movement in the bourgeois machinery of tribunals and adjudications and thereby blunting its class consciousness, its class organisations and class struggles is meeting with a fiasco.*

Since the time the big bourgeoisie grew in our country and especially since the mass trade-union movement led by us began in the 1920s, the Indian big bourgeoisie had set before itself two objectives in relation to the working class. *One*, to shatter the class consciousness of the working class where it existed and not allow that class to feel, think and behave as a class. Its separate identity as an opponent of the bourgeoisie was not to be allowed to grow in its ideology and consciousness. *Secondly*, to shatter such of its organisations in the trade-union field, as built the class for itself. The trade unions were not to be class organisations of workers fighting with their opponent class and defending and improving on that basis the life of the working class. The TUs were to be orga-

organisations lining up with the bourgeoisie and the State, lining up with the economy of the bourgeoisie and its growth. Even where it had to struggle with the bourgeoisie, the struggle had to be resolved through the State machinery, through Tribunals and awards of this machinery, through trade unions and leaderships sanctioned and approved by the bourgeoisie. Such were the two basic political objectives set by the bourgeoisie in its struggle with the working class and its trade-union movement. The big bourgeoisie co-operated with the British Government in attaining these objectives, with which they also agreed.

As soon as they got governmental power, they made the Gandhian theory of trusteeship and class collaboration as the theoretical platform of their State policy in relation to labour. Later on, they were hypocritical enough to make 'classless' society also as their aim. But 'classlessness' was to be achieved through class collaboration and not through abolition of the exploiting class by the exploited. Hence any ideology that refused to sanction and guarantee the existence of the exploiters and their power and to collaborate with it was denounced as inimical to the 'true interests of the country'. The theoretical platform of the economics of the Five-Year Plan was based on the sacrifices of the working class and the peasantry in favour of the big bourgeoisie in industries and in favour of landlords in agriculture who were to be 'bourgeois-fied'.

In this process, the disputes of the workers where they arose were to be solved through Tribunals and arbitration, an elaborate machinery for which was built by the new State. With this theory and its paraphernalia, the State was declared a 'Welfare State' and Nehru as the fittest 'non-class' Premier to head it.

In the organisational field, the INTUC was set up as the recognised and patronised TU body to attack the

AITUC and other militant class organisations of the workers.

In order to make this policy acceptable it was necessary, however, to convey some gains to the workers, who were hitting back through strikes at the profiteering big bourgeoisie in order to improve their conditions of existence.

The war and post-war profits and the loot that the newly-born State was allowing them to carry out enabled the bourgeoisie to give concessions through tribunals. They hoped thereby to blunt the class feeling in the worker and behead the militant trade union as his weapon.

The policy worked with a zigzag. Many a time, the intelligentsia on the tribunal boards had its own ideas about 'judicial impartiality', and about its own independence to give judgments, which sometimes flew in the face of the employers and yielded gains to the workers. Once the judges got on to the tribunals many a time they failed to pay attention only to the immediate interests of the given employer in the dispute and went on to enunciate new norms to fit into the scheme of a 'Welfare State', much to the anger of the bourgeoisie. The workers' struggles and resistance were also able many a time to pull down the walls of accepted bourgeois principles on rights of the employer and his property and forced the tribunals to accept modifications of the old norms and enunciation of new. Out of this were born many awards on bonus, living wage, minimum wage, social insurance, etc., which went in favour of the workers.

The tribunals themselves being made up of Indian judges, some of them carried the healthy side of the patriotic national bourgeois in them.

And so some of them would react very strongly against the European concerns in their dispute against

the workers and give awards which normally they would not have for an Indian concern, viz., the awards in the Standard Vacuum Oil Co. (Madras) May Day Strike, the fifty per cent share in the reserves of the Madras Tramways, Bonus Quantum in Harveys, etc.

In the absence of recognition of trade unions and collective bargaining which were deliberately kept away from the workers by the new Welfare State, the workers took to these tribunals, some after struggles and some without. *The combination of struggles and tribunals* was particularly distasteful to the Government and the employers. It meant the workers used the tribunals as a bargaining counter, to which they dragged the employer, since he refused to talk directly. Workers went on strike to get a tribunal and also against a tribunal when it hit their interests. This was a totally unexpected development. The tribunals, instead of becoming the *substitute* for struggles (except for some backward sections) began to be converted into mediums of collective bargaining by struggling workers.

The result was that the employers and the Government both began to complain that the workers had become 'litigant-minded', that where tribunals did not satisfy them, the workers refused to accept their judicial verdict as impartial and went on strikes, though such strikes were declared 'illegal'. The working class refused to collaborate with the bourgeoisie in building the tribunal as the *sole* medium to defend themselves and to accept this machinery of the Welfare State as a 'classless' impartial machinery. More and more, the workers struggled first and then went to the tribunal. They refused to give up their right of independent action as a class.

It was time, therefore, to scrap this machinery, which was on trial and had failed to serve completely the big bourgeoisie in its basic aims. It was time to

change it and interfere with it in such a way that the interests of the bourgeoisie were safeguarded and the stubbornness of the fighting workers broken. The first experiment in this line was tried on the Bank issue. The Award was set aside. But much to the surprise of the bourgeoisie, an all-India storm burst on it.

The storm signified the fiasco of a whole tactic of the big bourgeoisie, the tactic of injecting in our working class the ideology and mechanism of class collaboration and lining up with the bourgeois State, through the tribunal machinery in industrial disputes.

No doubt a very small strata here and there may have been corrupted but on the whole the working class refused to be taken in by the deceptive talk of the Welfare State to serve both the bourgeoisie and the working class at the same time impartially.

To whom does the credit of defending the working class from the disastrous results of this bourgeois tactic go? The credit goes to the All-India Trade Union Congress, the credit goes to those non-AITUC organisations who remained faithful to the interests of the working class. Had the AITUC not been alert, had we not forged unity from below in the day-to-day struggles, the fiasco of the big bourgeoisie would not have come about.

We had warned the working class long ago. We led their struggles and also took them to the tribunals. So much so that the State Governments in Bombay, UP, etc., refused to appoint Tribunals in disputes where the AITUC unions were in the leadership.

But what more additional proof is required of the correctness of our line of *unity and struggle, of struggles combined with tribunals* than the glorious fact that the bankruptcy of the line of the big bourgeoisie, of the Government of India and the INTUC was declared to the world through the Bank Employees' Federation—which is not an AITUC organisation but a united trade-union

federation containing the adherents of all ideologies, including the Congress INTUC?

The resignation of a Cabinet Minister, the opposition of MPs from the trade-union wing of the Congress to the governmental attack on the workers in defence of the bankers shows how right we were in our line of combining struggles with tribunals as against the line of only struggles or only tribunals.

III

THE LESSON FOR TRADE UNIONS

The political and tactical lessons of these happenings have to be carried to all the workers in all industries. If correct lessons are not drawn and informed to the workers, the bourgeoisie and its powerful machine of propaganda will ram down its own lessons. The assumptions and implications of the arguments of the Finance Minister and the Prime Minister, who in his speech before the Rajya Sabha time and again confessed his ignorance of the matter and yet backed the Cabinet's reactionary decisions, have to be exposed.

Even in some ranks of trade unionists such as of the INTUC and the HMS, the ground of their opposition is stated to be that they do not want a *judicial verdict* of a tribunal to be interfered with by the Government. *We do not accept this position.* We do not accept tribunal verdicts as impartial judicial verdicts. We resent the setting aside of the Bank Award or any award which favours the workers. At the same time we want the Government, if it is to defend the masses, to set aside such awards as harm the interests of the workers and only benefit the exploiters. This is the position of the AITUC and of the working class. But the INTUC, the

HMS and the UTUC do not take this position frankly. They feel embarrassed in being frank champions of the working class as a class and the opponents of the bourgeoisie as a class. They also want to appear as judicial, fair-minded people above class feelings. However, whatever their ideological position, their siding with the bank employees and against the monopolists and the Government on this issue is a valuable help they have given to the workers.

In carrying the lessons to the workers we have to stress how skilfully the bank employees used the forum of the Tribunal to unify and organise themselves. At the same time we have to stress that this would not have been possible had their organisations in different centres not struggled by strikes and demonstrations against victimisation and other attacks even while the Tribunals were on.

In many industries some of our comrades neglect Tribunal work. In fact, the fiasco of the Bank Tribunal is held forth to show how futile it is to go to tribunals. While no doubt, it is futile to expect that tribunals alone would solve the problems of the working class, *it is wrong to think that in the given conditions, tribunals combined with struggles do not play a positive role.* The very fact that a first rate political crisis arose in the country on the issue of a tribunal award and made all classes sit up and think, shows that while conducting struggles in defence of the workers' interests, work before tribunals also has to be taken seriously.

In this respect serious shortcomings are visible in the work of the AITUC unions. For example, the Coal Miners' Tribunal, the Manganese Tribunal, the serious issues arising from the Madras Tram Case, and awards in many other cases remain unattended, and the issues therein are not made the common knowledge of all ranks of the workers.

It is more urgent now to be alert on this, because after this crisis, all the tribunals will be warned against yielding to workers' demands. Already warned by the Bank Case, the Government of India has refused to give the Insurance workers an all-India tribunal.

While we do adhere to the principle that we want recognition of all unions big or small to whom workers owe allegiance, and that we want direct collective bargaining through the unions with the employers, without the intervention of welfare officers, conciliators, tribunals and all that machinery, which the bourgeoisie wants to purposely interpose between itself and the trade unions, we must utilise the existing machinery, in the absence of recognition and collective bargaining, to defend the worker. The conscious use of a tribunal by an organised working class, tested in struggles, does not lead to the blunting of its class consciousness. Hence, we must learn how to combine the struggles and the tribunal, where a tribunal is an unavoidable accompaniment of the industrial law and defend the interests of the working class.

The work of the Banks unions before the tribunal has been of a model character. To take tribunals seriously and to defend the workers' case is not an easy task. It demands knowledge of the industry and the economics of the bourgeoisie. It demands skilful collection and presentation of evidence and material. It demands skilled lawyers, who know not only the law but also the worker, his conditions, his mind, his life, his struggles and his strength and weakness. It demands leadership which can meet the tribunal judges on their own grounds, and not be browbeaten by theory or threats of the bourgeois opposition. Tribunal work requires both a fighting leadership and an intelligent legal leadership. All these requirements were satisfied to a great extent in the Bank Case and hence its successes. All trade unions must learn this side of the lessons also.

VICTORY FOR LINE OF UNITY

One more outstanding feature of the Bank Struggle is the *unity in the ranks of the Bank workers and their organisations*. The All-India Bank Employees' Association (AIBEA) is a federation which is not affiliated to any of the Central TU organisations. Among its office bearers no discrimination based on political views and parties is made. Its office bearers are drawn from adherents of all political ideologies, and its meetings have drawn on a united platform Communists, Socialists and Congressmen. The AITUC, INTUC and HMS all have contributed to this united struggle of the bank employees.

Unity in struggle and unity in organisation has helped to keep the bank workers immune from disruptive elements, who would like to break the organisation on ideological and political grounds. It has secured them support from very wide sections of the people also and enabled them to build a good organisation in the major centres of trade.

The AITUC is a staunch adherent of the unity line. Since 1950 when the AITUC adopted this line, unity in the working class and their organisations have been growing and inflicting serious defeats on the big bourgeoisie and its agents inside the working class. In many industries and trades united organisations have come into existence and attained solidarity and strength. The victory of the AIBEA is a success to the line of unity, which is being increasingly adopted by all sections of the working class. The support that the Bank workers got even from the Congress ranks despite the fact that this new attack was carried out by the Congress Government and was going to give rise to a new struggle against the Government's policies

itself shows how wide and deep can be the effects of a line: trade-union unity despite ideological or political differences. Trade-union unity has not remained merely a slogan. It has become effective in action. The bankmen have shown it.

The bankmen were fortunate in that the attack on them came when the Parliament was in session. The attack of the Government and the resignation of Giri would not have roused the people so much had the Parliament also not been in session to take up the matter and argue it before the country. The MPs of the Party of the Government even had to demand freedom to differ from the Government and speak on the issue in opposition to the Government. The credit of making the issue stand before the whole country and mobilise the toiling people against this attack of the monopolists and their ministry goes to those in the Parliament, who immediately responded to the call of the bank workers and moved in the matter. The Parliament too has thus played a great role in this struggle of the working class.

V

WAGE FREEZE POLICY IN OFFING

From what has been stated above, it may be asked if it is true that a *major shift in the Government's labour policy* is in the making and if it is so what are its reasons?

There is no doubt about the fact that our working class has been able to secure some improvements in its conditions of wages and work from the struggles it fought since the end of the war in 1945. When the Congress had not attained governmental power, it even showed sympathy with them in order to use them as a pressure against the British, as was seen in the Postal Strike in 1946.

On coming to power, they tried to halt the struggles and promised improvements through the State machinery. The war and post-war profits enabled the bourgeoisie to don the liberal welfare mask, though with great reluctance. They yielded where the workers were strong as in the textiles; they held back where they were weak as in the plantations, etc.

With the end of the Korean boom and prospects of lesser profits, the big bourgeoisie demanded of the Government to halt the demands of the workers for improvements of their living conditions, and asked the Government to back the employers in imposing rationalisation in the large-scale industries. The entire bourgeois press is full of these demands of the big bourgeoisie for the last one year or so.

The Five-Year Plan had openly stated that in order to build the plan the workers would have to suffer wage freeze 'in the interests of the country'.

But in those conditions of scarcity and high food prices (1952), the Government dared not practise a wage freeze. The explosion of the workers' temper would have been too great.

With the easing of the international tension, with the war-mongering speculation curbed to some extent, and some better food position, the Government and the employers are emboldened to put forward proposals of wage freeze in the polite words that the 'industry cannot bear a greater wage burden', and in order to counter-act the effect of wage freeze in the minds of the workers, they have begun to talk of higher wages through higher productivity.

Unwilling to give up their maximum profits, the monopolists, confronted with the loss of war profits, are now out to attack wages and increase the workers' exploitation by rationalisation. In order to keep their foreign markets, the monopolists would rather attack the worker

than reduce the profits for themselves or the prices for the home consumers. Hence they have chosen this moment to put into full force the new line of wage freeze and rationalisation.

And the attack has to begin now, because are we not going in for a Second Five-Year Plan, which is said to concentrate on *industry* rather than agriculture? And what industry is it going to be? Monopoly large-scale industry. If large-scale monopoly is to prosper, it demands, first and foremost, *protection of bankers, a wage freeze for workers and rationalisation for higher industrial profits.*

The Shastri Tribunal in the Bank dispute was the first to quote in Five-Year Plan and on its authority refuse wage increases to the bank workers. But this theoretical platform of the Shastri Tribunal was not very much noted in those days.

Both the Central and State Governments in those days allowed the tribunals some freedom of judgment. But now on the insistence of the magnates of industry and finance this has to go. And Minister Deshmukh and Premier Nehru heralded it by the ruthless cancellation of the Bank Award.

Hence it would not be wrong to say that the wage-freeze policy of the Plan will now be put into force rigorously. Hence, it is incumbent on us to warn the worker and ask the trade unions of all shades, interested in defending the workers, to unite and unitedly resist the attack.

VI

TASKS BEFORE AITUC

Besides the usual weapons of repression and gangster attacks, what other powerful weapon are the employers and the Government going to use to attain their

ends? That weapon is working class disunity and trade-union disruption. They will now redouble their efforts to neutralise the AITUC unions and victimise its cadres, to buttress and build the INTUC and even the HMS as against the AITUC and perpetuate disunity in the working class.

But this game also can meet with a fiasco. The defeat that the UP Government has suffered in Kanpur and the unity of all the textile unions that has taken place there carries rich lessons and confirms the line of the WFTU and the AITUC. There the masses in action moved first and leaders next. Unity in action was followed by unity in organisation, strengthening action still further. Reports of unity are coming from all centres, where the unions are alive and active. Given proper approach and understanding the game of disruption can be defeated.

In order to do it, however, it is necessary that the AITUC unions and its cadres are activated and observe the line in spirit and form. In order to do it, it is necessary first to activate all inactive functionaries of unions or elect new ones in their place, immediately if they fail to improve. This must be done in the case of all—cadres and leaders both. Secondly, all TU centres must be activated in day-to-day work. Thirdly, within six months at least five thousand worker cadres and functionaries must be put through a course of schools giving them elementary knowledge of trade unionism, literacy and working-class ideology.

Fourthly all trade unions must work fearlessly and consistently to discharge the tasks laid down by the Calcutta Session. If this is done, the threat to the workers and the trade-union movement will be met and unity will grow.

Such are the conclusions that arise from recent events in the trade-union field.