

INDIAN LABOUR MOVEMENT

G. RAMANUJAM



Indian Labour Movement

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FOREWORD

The Trade Union Movement in India grew along with the Freedom Movement. Many of our great freedom fighters were associated with the trade union movement. Gandhiji himself led the Champaran Movement in Bihar against the Indigo Planters. His leadership of the workers of the Ahmedabad textile mills is part of history. The trade union movement has thus been an essential and important element of our liberation movement. There have been many chronicles of the trade union movement in India. The present treatise by Mr. G. Ramanujam is not just another such chronicle. It is an insider's authentic recording of the history of the working class movement in the country. It is also a socio-political analysis which has dealt with the trend of developments over a century. Mr. Ramanujam has the best credentials to write on the subject as he has spent his lifetime in the trade union movement, before and after Independence.

The role of the Trade Union Movement in India's progress towards prosperity is of considerable significance. It has helped in improving the lot of workers in the post Independence era. However, its role in raising the level of productivity and promoting the growth of the economy is less clearly understood. Is there a relation between unionisation in industry and productivity? A view has been expressed that, compared with their non-unionised counterparts, unionised workers have more of a 'voice' at the work-place and because of this, they enjoy better conditions, have a higher morale and are better motivated. This in turn leads to higher productivity in unionised industries. However, a contrary view has also been expressed by other analysts of the role of Trade Unions.

I do not know whether a similar study has been carried out in India to assess the role of the Trade Union Movement in

increasing productivity. But Mr. Ramanujam is clear on this: "From the beginning, the INTUC was in favour of supporting the productivity movement not only in the interest of workers but also in the interest of industry and the nation". He is equally clear on the pay-productivity link: "although in every case it is not possible to link productivity with wages, as certain jobs are not amenable to productivity linkage, yet, wherever possible, such a linkage is desirable", and suggests that, as a first step, the wage structure itself be rationalised.

The multiplicity of unions is a characteristic feature of the Indian Trade Union Movement. The number of registered trade unions has grown from about 15,000 in 1966 to over 36,000 in 1981. "It is unfortunate", Mr. Ramanujam writes, "that in our country, we have multiple trade unions operating in most plants. Trade Unions are a symbol of unity, but that symbol itself is utilised to disunite them. Workers must, therefore, first learn their elementary lesson of unity". In the context of the multiplicity of trade unions, recognition of unions and the selection of bargaining agents have defied a satisfactory and acceptable solution. This is clearly an issue which the labour movement needs to look at in the larger context of the need for a structure which is conducive to smooth and peaceful industrial relations. Mr. Ramanujam writes, "Every one wants one union, one industry. But that is not enough. What is really needed is one *good* union for one industry. Everybody might claim that his union is that good union. It should not be difficult to lay down objective standards to determine the hallmark of a good union. Trade unions should be a positive force for progress and not be negative and obstructive. There is need for trade unions to adopt an altogether new culture".

Why do strikes take place? Sociologists, behavioural scientists, politicians, managers, and trade unions have analysed the phenomenon and have their own theories. Labour unrest is commonly regarded as a cause for social concern. A social problem is a perceived discrepancy between what is, and what people think ought to be, between actual conditions and social values and norms, which is regarded as remediable. Perceived in this context, the management, the unions, the workers at large and the Government are concerned about strikes and have

a positive role to play in mitigating their causes. However, Mr. Ramanujam has a simpler explanation of why strikes take place; strikes "were largely due to attitude of the employers in both public and private sectors. It was, therefore, for the employers to change their attitude and deal fairly with labour, avoiding the necessity of the latter going on strike".

The rational approach to the whole issue of conflict in industry lies in involvement and participation of the workforce in the management of industry. This in turn calls for an intelligent understanding and the willing cooperation of labour. Workers' education assumes crucial importance in this context, in preparing them to participate in the affairs of the industry, to understand their obligations (and not merely their rights). "This is possible if workers are not merely literate but are also enabled to understand the intricacies of the economics of industry, the utility of the trade union movement, the rights and obligations of a citizen in a democracy as well as the workers role and responsibility in the industry and society as a whole", Mr. Ramanujam writes. He has expressed himself very clearly on this question in another publication entitled "New Directions of Workers' Education". "The new direction", he writes, "should now be to make labour realise its obligations to the country first. They should be taught broadly about the economy of the country. That about 52 per cent of population is living below the poverty line and that this too has equal rights on the resources of the country should be brought home to them. Education should, therefore, inform them as to how labour and their trade unions should conduct themselves... The new direction would, therefore, lie in making workers give up their sectional approach and adopt a total approach".

Mr. Ramanujam's thoughts on the responsibility of workers and trade unions are expressed most effectively in his eminently readable book: "The Honey Bee". He tells us that just as the housewife feeds the family first and herself sits for the meal after all the others have eaten, so should workers serve the larger interests of the enterprise and society before thinking of their share of the cake. This is a concept worthy of adoption not only by the workers but by every other section of society, be it

the employers, the entrepreneurs, the farmers or the administrators.

I will be failing in my duty if I do not point out other eminent features of this book. The knowledge shown in these pages is profound. The book deals with a wide range of subjects, not just a chronicle of the trade union movement. It deals with issues like Wage fixation, agriculture and white collared labour, employee benefits, Five-Year Plans, Dearness Allowance, Pay Commissions, people of Indian origin in Sri Lanka, Apartheid, nationalisation, wage-price-and income policy etc., and ends with the latest developments in the field. The book will be welcomed by students of industrial relations as much as by general readers who want to understand our country better.

(K.C. Pant)

January 30, 1986

Union Minister of Steel & Mines

PREFACE

The History of Indian Trade Union Movement will be incomplete if it fails to recognise the new school of thought propounded by Gandhiji and its concrete manifestations in the field. It is only logical therefore that there are frequent references to the Gandhian trade union movement and how it reacted to the various developments as history unfolded itself. For the earlier part of history, this book has drawn largely from my earlier work "From the Babul Tree". But even that part has been liberally re-edited and revised.

The book begins with the Dawn of the Industrial Revolution and briefly covers the early stages of labour movement, littered with ad hoc bodies and strike-committees. The regular history of the organised labour movement in India started with the struggle of the Ahmedabad Textile workers, under the leadership of Mahatma Gandhi, through the initiative of Smt. Anusuyaben Sarabhai. More or less around the same time, a labour union was started in Madras by Mr. B.P. Wadia called the Madras Labour Union under the inspiration of Dr. Mrs. Annie Besant.

The twenty-five days strike of the Ahmedabad Textile workers under the leadership of Mahatma Gandhi was an epic struggle of the working class there, to achieve their just demands through methods peculiar to the Indian tradition and genius. The struggle ended in a success to both! For the first time, the efficacy of the new technique propounded by Gandhiji to govern labour-management relations was proved beyond doubt.

Gandhiji's concept of trade unions catering to all aspects of the life of the workers is different from both the 'western' trade unions, which concern themselves more with the conditions of employment, as well as from the 'eastern' trade unions, whose activities are regimented by the state.

Human considerations always prevailed with Gandhiji rather than the economic. He has bequeathed to us a precious heritage of sound trade union principles, means and methods, which, if followed, would help considerably in building up a genuine labour movement in the country and elsewhere, to the benefit of the worker, people and the society.

Gandhiji held the view that labour and capital were both mute employers and employees. While capital employed labour, labour employed capital and the community employed both labour and capital. The community is, therefore, the real master and ultimate employer. Labour and capital are co-servants of the community—rather mutually trustees required to look after the well being of each other, and co-trustees in whose joint hands the welfare of the community is entrusted.

Gandhiji thus propounded the Philosophy of Trusteeship which is based on respect for mutual rights and obligations and working together for the common well-being of the community. Arising out of this principle is labour's right to participate in the management of industries. Gandian trade union movement has a new and a positive message not only to the Indian working class and employers but to the entire world, to whatever bloc they may belong.

We are generally tempted to judge the hold of a trade union organisation by the volume of noise it is able to make and the number of strikes and bandhs it is able to bring about. But if we look at it a little closer, we will find that it requires far more strength and a firmer hold on labour to keep it away from avoidable strikes, make less noise and produce better results. But in the hurry of this work-a-day world, few take the pains to look that close at the movement, with the result that organisations playing a constructive role seldom receive the publicity, much less the appreciation they deserve.

It would appear that multiplicity of trade unions has come to stay in our country. Most of them are political unions, working in the garb of trade unions, so much so, whenever a political party splits, the trade union controlled by it also splits. A trade union is a symbol of unity, but it is often being

used to divide and disunite the workers. But the workers are yet to realise this basic truth.

The thinking of most trade unions are sectional. They take advantage of their organised strength to promote their sectional interests often at the cost of society. They do not realise that no part can be happy when the whole is miserable. There is therefore need for an integrated approach by trade unions.

There is no place for violence in industrial relations but instances of no place for violence are not infrequent. All kinds of agitations in the name of 'direct action' are resorted to. All these have contributed to slowing down the progress of our economy, in the process hurting the workers also and the society. In this respect history is repeating itself too often.

Indian workers are in no way inferior to their compeers anywhere in the world. Only they have to be properly educated and guided. Their attitude will have to be moulded along positive lines. The responsibility for all these rests squarely on the trade union movement. 'Back to Gandhi' should be a fitting call to trade unions.

We must learn from history the problems and pitfalls we had to face in the past and avoid them in the future. History will repeat itself only if we fail to learn from the past. History will be useless if it is merely to let us know what happened in the past. We must also learn our lessons from the past and avoid the pit-falls encountered earlier. At the same time we should continue the desirable aspects into the future. That alone will ensure a better future.

It is not enough if labour learns about its own problems past and present. It must also know the main events in the history as well as important developments, social, economic and political, both within the country and outside. This book tries to meet this need in a small way.

An engine pulls the pay load (men and material) to their destination. So also a trade union. It should hitch itself to the entire society and carry it to its goal. It should not ignore society's interests; never go contrary to the community's interest, while in pursuit of its own sectional interests. Labour

movement is dynamic. It could never be static or stagnant. It must always move forward, never in the reverse. Its dynamism should be constructive, never destructive. Labour should therefore be perpetually on the march. ONWARD FOR EVER, but in tune with and along with the whole.

I shall feel highly rewarded if this book on the history of the march of the Indian Trade Union Movement will contribute to a better future for the workers and the country, taking them to newer heights of all round glory.

26th January, 1986

G. RAMANUJAM

CONTENTS

<i>Preface</i>	v
Dawn of the Industrial Revolution	3
The First Factory	4
The Beginning of Industrialisation in India	5
The First Factories Act (1831)	8
The First Official Strike	9
The First Organisation of Railwaymen	9
Early Leadership : Philanthropic and Humanitarian	11
Indentured Labour	11
The Champaran Struggle	12
The First Unions	13
The ILO	14
Birth of AITUC	15
Congress and AITUC	16
The Gaya Session of the Congress	17
The Role of the Communist International	18
The Role of Communist Party of Great Britain	20
Birth of the CPI	22
Communist's Split AITUC	25
From the Babul Tree	26
Gandhiji's First Fast	29
The Principle of Arbitration	30
AITUC on TLA	33
Gandhiji on TLA	34
The Eastern Experiment	35
Gandhiji's Intervention	38
Rajendra Prasad Mediates	39
Early Labour Legislations	40
The Trades Disputes Act	42
Royal Commission on Labour	42
The Early Thirties	43
Further Split—Formation of The Red Trade Union Congress	43
Formation of NTUF	44
Ahmedabad Again Shows The Way	44

Unity Moves Again	46
NTUF Merges with AITUC	46
Congress Socialist Party	47
CPI Infiltrates into Congress	48
Provincial Autonomy	50
Bombay Industrial Disputes Act	51
Industrial Training Institute	52
Payment of Wages Act (1936)	53
Hindustan Mazdoor Sevak Sangh	54
World War II	56
Role of AITUC	58
Defence of India Rules	60
First Indian Labour Conference	61
Formation of WFTU	62
HMSS Resumes Activities	63
Popular Ministries Again	65
Bombay Industrial Relations Act	65
The Industrial Disputes Act	66
The Communist Opposition	66
Birth of INTUC	67
Objectives of the INTUC	74
Harihar Nath Shastri Becomes President	77
The First Pay Commission	77
India Attains Independence	78
Martyrdom of Mahatma Gandhi	79
Industrial TRUCE Resolution	80
Minimum Wages Act (1948)	81
Bombay Session of INTUC	83
Industrial Federation	84
Committee on Profit-Sharing	84
Fair Wages Committee	86
INTUC at the ILO	87
Formation of HMS and UTUC	87
ICFTU Founded	89
The Princely States	91
National Planning Commission	92
The Two Bills	93
India Becomes a Republic	94
The False Prophets	97
1949 Railway Strike	99
AITUC'S Bombay Session	99
1950 Bombay Textile Strike	100
Trade Union Membership 1949-53	102
Agricultural Labour	103
White-Collared Employees	105
Industrial Disputes Appellate Tribunal Act, 1950	106

Health Insurance	107
Employees State Insurance	108
Employees Provident Fund	109
The First Five Year Plan	112
Joint Consultative Board	114
Plantation Labour Act, 1951	115
Mines Act, 1952	115
First General Elections	116
The Ahmedabad Agreement	117
Labour Periodicals	119
Industries Development and Regulation Act, 1951	119
Lay-Off and Retrenchment Compensation	120
The Jalgaon Session of INTUC	121
Giri's Resignation	122
INTUC Delegation To China	123
Labour Men on Company Boards	124
Experiments in Trade Union Unity	124
Nehru on Labour's Role	126
Implementation of Labour Policies of the First Five Year Plan	128
Working Journalists	129
INTUC'S Suggestions for the Second Five Year Plan	130
A Breeze	133
LAT Abolished	134
States Reorganisation	135
Suggestions for Trade Union Unity	137
INTUC on Second General Elections	138
Wages Boards	139
Wage Boards no More in Demand	140
Workers Education	141
Need Based-Wage	144
Code of Discipline in Industry	146
Recognition of Unions	148
Code of Conduct	150
Rights of Recognised Unions	151
Rationalisation	153
Gandhiji's Philosophy of Trusteeship	155
Labour's Participation in Management	157
Prohibition	159
Merger of D.A.	160
State Government Employees	161
Plantation Enquiry Committee	161
Colliery Award	162
Second Pay Commission	163
Government's Decision on Pay Commission Report	164
Joint Council of Action Decides on Strike	165
INTUC's Stand	166

Nehru's Appeal	167
The Strike Fails	168
Communist Government in Kerala	169
Chinese Aggression	171
Productivity Movement	174
Pay-Productivity Link	175
Jamshedpur Strike	176
ICFTU Delegation	177
May Day	178
Krishna Menon's Logic	180
INTUC on Third Plan	181
Third General Elections	182
Code of Welfare and Efficiency	183
Faulty Indices	184
Faulty Consumer Price Indices	185
Linking with 1960 Series	186
Profit-Sharing Bonus	187
The Labour Appellate Tribunal Bonus Formula	190
Appointment of Bonus Commission	192
Government Modifies the Recommendations	194
Government's Assurance To Workers	194
The Payment of Bonus Act	196
Supreme Court Decision	200
Special Session of Standing Labour Committee on Bonus	201
Khadilkar Formula	202
Bonus Review Committee	204
Retrograde Amendment to Bonus Act	205
Pondicherry and Goa	208
Chinese Invasion	209
Industrial Truce Resolution	210
Fair Price Shops	212
People of Indian Origin in Sri Lanka	213
Assassination of John F. Kennedy	215
Apartheid	215
Mahalanobis Committee	215
Abolition of Managing Agency System	217
The Kamaraj Plan	218
Nehru's Last Message to Labour	219
Split in the Socialist Party	221
Pak Aggression	221
Split in the CPI	226
Indonesia Disillusioned	227
The Public Sector	228
Banking Industry	234
Nationalization of Banking Industry	235
Cooperative Sector	236

Security of Employment	236
Presidents Conference on Industrial Safety	238
Lal Bahadur on INTUC's Responsibility	238
India Productivity Year	239
Joint Consultative Council	241
The Bangalore Seminar	243
Devaluation	244
Suggestion for Wage Freeze	246
Dearness Allowance Commission	247
Unemployment Insurance	249
Division of Punjab	250
National Labour Commission	250
President's Warning	253
The Fourth General Elections	254
The Post-Fourth General Election Scene	258
Democracy of Trial	259
Gheraos	259
West Bengal Ministry Falls	264
Left Communist and DMK	266
Stay-in-Strikes	267
Fall in Standards	267
Split in AITUC	268
Joint Fronts	269
INTUC—HMS Talks	270
Rise of Regional Party to Power	272
State Assembly Elections	273
INTUC and the Congress Party	274
INTUC and the Congress Split	274
Multiplicity of National Centres	275
INTUC Urges Global Approval	276
Coalition Governments : Presidents Rule	277
The Naxalites	278
National Textile Corporation	278
Regional Pressures	280
The Younger Generation	281
State Lotteries—Gambling Nationalized	282
INTUC And Strikes	282
Industrial Security Force	283
Strike-Ban Law	284
Outsiders in Trade Unions	285
Selective Automation	285
Gandhi Centenary	287
Self-Reliance the Answer	288
Dissensions in I.C.F.T.U. and W.F.T.U.	289
The Beginning of the 70s	290
Abolition and Regulation of Employment of Contract Labour	291

The High Tide	291
The Birth of Bangladesh	293
Indo-USSR Treaty	294
Problem States	295
Third Pay Commission	296
Consultations Among Trade Union National Centres	296
Joint Intuc-Hms Consultative Committee	297
AITUC Splits Birth of CITU	298
Fourth Plan	298
The HMS	299
Women Workers	300
Equal Pay for Equal Work	300
Misconceived Agitations	301
Ahmedabad Goes Out of INTUC	301
Outmoded Industrial Relations System	304
Why Strikes ?	304
Craft and Category-Wise Unions	305
National Council of Trade Unions	306
Limited Accord	307
Verification of Membership	307
Energy Demands	309
Nationalisation of Coking Coal and Coal Mines	309
India Enters Nuclear Age	310
Prime Minister Addresses INTUC May Day Rally	310
National APEX Body	311
Payment of Gratuity	311
Organisation of Rural Workers	313
Compulsory Deposits Ordinance, 1974	314
The First 20-Point Programme	315
Measures Against Smugglers, Black Marketeers	317
Closures	317
International Relations	317
Relevance of, Gandhi in Public Life	319
Prior Permission for Lay-Off	320
The 1977 Elections	320
Wages, Prices and Incomes Policy	321
Bhoothalingam Committee	322
Wage Freeze ?	324
National Minimum Wage	324
Railwaymen and Bonus	325
Income Disparities	326
Pro-Capitalist Tilt	326
Prices	327
Comprehensive Industrial Relation Law	327
Labour as Equity Shareholders	329
Participative Management	331

Sickness in Industries	332
Identifying Collective Bargaining Agency	333
“Industry”—Expanded Definition	333
Unemployment	334
Worker’s Delegation to ILO	335
International Children’s Year	338
Politics of Negativism	338
Economic Scene, 1979-80	339
Man-Days Lost	344
The Full Circle	345
Great Expectations	346
Youth to the Fore	347
Four Major Problems	347
Education	348
Child Labour	349
New World Economic Order	350
INTUC’S TO ICFTU	351
HMS Split and Merger	353
Labour Cell in Planning Commission	353
Space Satellite Slv-3	354
Indian in Space	354
Centre-State Relations	354
Political Bandhs by Trade Unions	355
The New 20-Point Programme	356
Agreements in Public Sector	358
National Labour Conference	359
Banks, LIC and GIC	368
Assam/Punjab Agitations	370
Assassination of Indira Gandhi	372
Rajiv Gandhi Becomes New Prime Minister	373
Bhopal Tragedy	374
Administrative Tribunals	376
Anti-Defection Law	376
Espionage	378
Peace and Disarmament	378
New Thinking by Communist China	380
Congress Commitment to Socialism	383
The Congress Centenary	384
Prime Minister’s Awards for Workers	385
D.A. Increase for Public Sector Employees	386
Five-Day Week	387
Onward for Ever	388
Our Culture is Socialist	390

APPENDIX I (Declaration of Philadelphia)	391
APPENDIX II (Average Daily Employment in Factories, Coal Mines and Shops and Commercial Establishments)	395
APPENDIX III (Average Employment in Plantations)	397
APPENDIX IV (Employment in Railways and Posts and Telegraphs)	398
APPENDIX V (Trade Unions)	399
APPENDIX VI (Claimed and Verified Membership of Central Trade Union Organisations)	400
<i>Index</i>	405

**DAWN OF THE
INDUSTRIAL REVOLUTION**

DAWN OF THE INDUSTRIAL REVOLUTION

The trade union movement is a ^{by}by-product of the industrial revolution. Britain was the first country to open the door to it. In 1764 Hargreaves invented the weaving machine. The next year James Watt invented the steam engine. In another four years Arkwright came up with his spinning machine, followed by Crompton's mule. In 1785 a furnace was built to melt iron and produce steel.

It was Arkwright who changed the whole system of production. He changed the conditions of labour. He changed the relationship between labour and capital in England, and his system was copied all over the continent of Europe and then in America. Arkwright was not so much an inventor himself as one who first fitted together the inventions of others and then, having made certain additions and improvements of his own, put them to work.

He first earned his living as a hairdresser, and earned enough money, but only just enough to study the "mechanical arts" in his free time. When there was no hair to be cut, he studied new ways of spinning to replace the slow treadles which, after hundreds of years, were still in use throughout the world.

In 1764 an inventor named James Hargreaves thought of a completely new kind of machine which replaced the treadle wheel and became the basis of all spinning machinery henceforth. Hargreaves happened to hit on his idea by chance. One day, while, he was watching his wife spin, the wheel fell on its side. It continued to go round and round. The wheel was lying on its side on the floor and the spindle was now in a vertical and not in a horizontal position. This gave Hargreaves the idea that if a large number of vertical spindles were placed side by side they could all be turned by the same wheel, and in this way many threads could be spun at the same time. He named his machine the Jenny, after his wife.

Arkwright, by adding rollers to the Jenny, was able to strengthen the thread and make it of the same thickness throughout ; when this was done it could go on the loom as warp.

Arkwright called his invention a 'water frame' because it could be moved by a water wheel, while the Jennies were operated by hand. It was also Arkwright who gave looms much greater speed by experimenting with and improving them on a device known as the 'flying shuttle'.

Unfortunately for Arkwright, he was one of those most hurt by the angry violence of workers who had either been displaced by his machines or who thought that they might be displaced in the future. They destroyed his machines.

THE FIRST FACTORY

With all his machines smashed, and with no more money to pay for labour or materials, Arkwright became so poor, it is said that he was ashamed to be seen in public. His clothes were very old, dirty and torn. However, he was one of those whom nothing could stop. Leaving the town where the angry crowds had destroyed all he had, he went to Nottingham. There he called on a wealthy stocking manufacturer named Jedediah Strutt. Arkwright explained to Jedediah Strutt the plans he had been developing in his mind for a new "factory system".

Industry at that time in England was what was known as "domestic". Arkwright planned to put an end to this domestic system. He wanted to put up his machines in one big building, all of them placed in proper order and connected with one prime mover, such as a water-wheel, or, later, a steam engine. He believed that all workers should work together in this building, starting at a certain hour and staying at work until a certain hour. They would have to follow a set of rules as in any army.

Arkwright made Strutt see that the time had come when the old domestic system was no longer good enough. For one thing, machines in the future were going to be too large to be put in small houses. Secondly, having the whole process under one great roof would make production much more

effective and therefore faster and cheaper. Strutt agreed to start a company, in partnership with Arkwright, and to invest enough money in the undertaking for three such building and for the machines to be installed in them.

One of the factories, it was decided, should be built in Belper, a town in Derbyshire. The place he found for it was just right for Arkwright's purpose. Running through it, was a river with a current strong enough to turn the largest of his wheels and the first factory thus came into being.*

The two decades from 1764 really marked the beginning of the industrial revolution. These inventions helped mass production of goods. But they had an immediate unsettling effect on labour, who opposed, sometimes violently, introduction of the machines which created a sense of insecurity among them. Cases of machine-breaking were also reported.

Other countries in the West entered the machine age soon after ; and the 19th century witnessed varying degrees of industrialisation in several European countries and America. This was followed quickly by unionisation of the labour employed therein.

THE BEGINNING OF INDUSTRIALISATION IN INDIA

In India the beginning of industrialisation was naturally due to the British initiative. The first textile mill in the country was set up in Howrah by a British entrepreneur in 1817. However, the textile industry celebrated its centenary only in 1956, after about 102 years, perhaps taking the first textile mill set up in 1854 in Bombay as the real beginning of this industry.

In 1839 a British company known as the Assam Tea Company was formed to set up tea gardens in Assam. Coffee plantations in Mysore, Coorg, the Nilgiris and Malabar in South India were started by 1840. This was industry in agriculture.

In 1853 the Great Indian Peninsular Railway opened its first stretch from Bombay to Thana. This followed was by the Eastern Indian Railway linking Calcutta with Raniganj to bring coal to Calcutta. The expansion of railways thereafter was rapid.

**Men and Machines* : Roger Burlingame

Production of coal had started as far back as 1775, but in insignificant quantities. It was only in the beginning of the second half of the 19th century that production of coal rose to any significant tonnage. By the end of the 19th century it had risen to nearly 3 million tonnes.

In 1854 an English man put up the first jute mill in India near Calcutta.

By the end of the 19th century industrial activity in India was built around tea and coffee plantations, coal, cotton and jute industries. There were towards the close of the 19th century 144 cotton mills and cotton twines of over 77 million lbs were exported. The number of jute mills was nearly 30, out of which 26 were in and around Calcutta. The coal mines employed about 43,000 workers who produced nearly 3 million tonnes of coal. The Tea plantation industry witnessed tremendous expansion and prosperity and at the end of the previous century had over 4½ lakhs of acres under tea. Early in this century (1907), iron and steel industry was established in Jamshedpur by the Tatas.

With the import of techniques and methods of mass production from the West, a new class of industrial labour gradually emerged, although they were drawn from the villages and still had their moorings in them.

With cottage industry as the unit of production, there was hardly either the employer or the employees, as we know them today. They were practically members of the same family or of a sort of extended family. The employer either himself worked or took the assistance of a few others; and those who were employed for such assistance were personally known to him, and their relationship was based on complete mutual understanding and respect for mutual obligations. The relationship was most humane and stood on a footing higher than any monetary relationship. The employer knew the worker and his family members, too, and the worker often got his needs met even unasked. The worker too took pride in his work and left an impress of his individuality and excellence on the work turned out by him.

But with the introduction of large-scale production, a single employer had to employ a large number of workmen, most of

whom he might not be personally knowing. Nor had he the time and energy to listen and understand their individual problems. Therefore, there was no link in the relations between the employer and his employees; and the answer to that missing link was the collective medium provided by the trade unions.

When there was no effective channel of communication between the employer and his employees, it led to the genuine grievances of the latter remaining unredressed; mounting discontent occasionally exploded in violent forms of direct action. However, the introduction of mass production methods in industries did not result in the formation of trade unions either immediately or automatically. There were many instances of organised protests as a reaction to repressive measures adopted by the employers or to their unjust attitude or to the inhuman working conditions that prevailed. In the initial stages, there were no permanent organisations which provided continuity to those protest actions. Between 1862 and 1880 there were a number of sporadic strikes among textile workers, Government press workers and railway workers but no organisation emerged from these actions.

For the first time public attention was drawn to the almost inhuman working conditions prevailing in the Bombay cotton textile mills in 1873. *The Administration Report of the Bombay Government for 1872-73, dwelt particularly on the length of the working hours and the conditions of labour of women workers and child labour. With low wages and long hours, naturally, the Indian millowners were able to produce cloth at very cheap prices and compete successfully with the Lancashire millowners. The Lancashire millowners, therefore, started agitating for the introduction of factory legislation in India. This move, obviously, was not out of love for the Indian worker, but out of their own sheer self-interest. However, the agitation of the Lancashire millowners had the sympathy and support of social workers in England as well as in India. They sought to help labour more out of pity and sympathy than out of a desire to let them have the justice due to them.

*Ahmed Mukhtar, *Trade Unions and Labour Disputes in India*.

THE FIRST FACTORIES ACT

As a result of these agitations, the Government of India introduced a Bill in the Central Legislature in 1879. The Bill became an Act in 1881. This was the first Factories Act and was made applicable to all manufacturing premises using mechanical power and employing more than 100 workers and labour working for more than four months in a year. The Act also provided for limiting the working hours of child labour, prohibiting employment of women in night shifts and appointment of factory inspectors.

But this legislation did not come up to the expectations of labour. Between 1882 and 1890 there were several strikes in various parts of the country. The workers of Great Britain also extended their moral support to the Indian workers. The textile workers of Lancashire organised a demonstration before the Secretary of State for India and demanded introduction of proper factory legislation in India.

N.M. Lokhande, himself a millhand in one of the Bombay mills, took up the leadership of workers and agitated for improvement of their working conditions in the city. As far back as 1890 even women had emerged as leaders of the working class and addressed meetings of textile workers. Lokhande was elected President of the Bombay Millhands Association. The Association also published a paper of its own, *Deenabandhu*. Another paper, *Indian Workers*, espousing the cause of workers, was published independently from Calcutta.

The Government appointed a commission in September 1890 to consider the workers' demand for improvement in working conditions. On the basis of the commission's Report, the Factories Act of 1881 was amended, and a new Act was passed in March 1891, which came into force the next year. It is interesting to know that the Bombay Millhands Association, which had been mainly responsible for the agitations which led to the amendment of the Act through the commission, had no funds, no rules and no constitution.*

The new legislation was made applicable to all factories

*Report of the Working of the Act of Bombay—1892.

employing 50 or more persons, and the Provincial Governments were empowered to extend it to even factories employing 20 or more persons. The Act provided for a weekly holiday for the first time. Working hours for women were reduced to 11 hours a day; and employment of children below the age of 11 was prohibited. But in spite of these gains, conditions of employment continued to be deplorable; and the number of strikes increased between 1890 and 1905.

THE FIRST OFFICIAL STRIKE

Ahmedabad weavers declared a strike in 1895 when the Millowners' Association decided to substitute a fortnightly wage system by a weekly one. The strike however ended in failure. This was the first official strike.

There were also strikes in the jute industry in Calcutta in 1896. In 1897, the mill workers of Bombay struck work demanding payment of daily wages instead of monthly payments! Judged from the present-day thinking of labour this demand would appear strange.

Workers of the Madras Government Press went on strike in 1903 demanding extra wages for overtime work. The strike lasted several months and the Government employed convicts in place of the striking workers.

The same year, workers of the Indian Government Press in Calcutta went on strike demanding paid public holidays and weekly holidays and extra wages for overtime work, etc. Workers of the Eastern Railway Workshop at Samastipur went on strike in December 1907. They went back to work after six days, when they were granted an extra allowance to meet the famine conditions prevailing at that time in the region. The Bombay Postal Union was started in 1907 and the Indian Telegraph Association came into being in 1908. The same year it called a strike.

THE FIRST ORGANISATION OF RAILWAYMEN

The first organisation for railwaymen came into being towards the close of the last century. Railway employees of India and Burma were organised into a single organisation, Amalgamated Society of Railway Servants of India and Burma.

This Society was registered under the Indian Companies Act of 1882! Membership of the union was limited to Anglo-Indian and European employees of the railways. The Society was more in the nature of a friendly society than a trade union. It required its members to avoid strikes. The Society existed till 1928 when it changed its name to the National Union of Railwaymen.

In 1895 a general union named Indian Labour Union was organised in Bengal; in 1905 a Printers' Union was also organised in the same province.

Workers in those days organised protests not merely to voice their economic demands but also to lend support to the national movement. In the year 1908 Bal Gangadhar Tilak, one of the principal leaders of the nationalist movement, was convicted and sentenced by the British Government to a long prison term. Workers of Bombay voluntarily held a huge protest demonstration, and went on strike on hearing the news. They organised another strike in 1910 demanding reduction in working hours. The Government of India set up a commission to consider the desirability of reducing the working hours, and in 1911 these were reduced to 11 a day following the recommendations of the commission. The workers of Bombay set up two organisations in 1910—the Kamgar Hitavardhak Sangh and the Social Service League.

Meanwhile, political situation in the country was fast moving towards achievement of Swaraj or self-government.

The Indian National Congress was formed in 1885. The 1906 Congress Session held in Calcutta proclaimed for the first time that the aim of the Congress was Swaraj. It also decided to support the Swadeshi movement and boycott all foreign goods. Efforts of the British rulers to suppress the mass movement led by the Indian National Congress could not succeed. On the other hand, these resulted in the Congress emerging stronger with every act of repression. The partition of Bengal, the unjust sentence passed on Bal Gangadhar Tilak and the Swadeshi movement also gave an impetus to the labour movement in the country.

World War I broke out in 1914. The British who ruled India had to face several serious difficulties. This led to some

change in the policy towards India which became somewhat softened. The opportunities provided by war-time economics were reluctantly allowed to be harnessed for the growth of industrialisation in the country by letting in the Indian capitalist, too, within the hitherto exclusive circle.

At the same time, the conditions created by the war resulted in the prices of essential commodities going up. Towards the closing year of the war, conditions of labour became almost intolerable and there were genuine fears of retrenchment and unemployment following the end of the war.

EARLY LEADERSHIP: PHILANTHROPIC AND HUMANITARIAN

Up to the close of World War I, progress of the labour movement in India was slow and tardy. The main reason was that there was no such stable class as industrial labour. Labour in India was still essentially agricultural and village based. They came to the cities for employment in industries, and when they found that the conditions were not to their satisfaction, they thought of returning to their native villages rather than staying on in the towns, organise themselves and put up a fight to improve their working conditions. Labour leadership in that period mostly consisted of well intentioned social workers, who were mainly guided by humanitarian considerations. They were deeply distressed at the miserable conditions in which the workers had to live and work. They were therefore prompted by a feeling of kindness and sympathy rather than of rendering justice to labour as partners in production. Such an approach did not help in the building up of a vigorous, militant trade union movement. Since the early period was dominated by this philanthropic type of leadership and since there was no settled labour force as such, it was left to the second stage of trade union development commencing from the end of World War I to lay the foundations for a strong trade union movement in the country.

INDENTURED LABOUR

With the gradual decay of the handicapped industries and growing population, there was poverty, misery and unemployment in the rural areas. The villagers offered to work as

labourers wherever employment could be found. There was demand for labour in many countries owing to the abolition of slavery. This resulted in the indentured labour system. Workers under this system went to several countries such as South and East Africa, Malaya, Burma, Ceylon, Fiji Islands and even to the West Indies. The terms and conditions under which they had to work were not very much different from those of slavery. This system began in 1880. Abolition of the 'indenture system' became one of the demands of the national movement. The Indian National Congress was in the forefront of those demanding its abolition. The Government of India had to submit to the popular pressure and end this system in 1922. Almost akin to the indentured labour was labour employed in tea, coffee, indigo and other plantations in India. Two pieces of legislation were enacted to help planters who exercised complete control over indentured labourers. One was the Workmen's Breach of Contract Act of 1859 and the other was the Assam Plantation Act of 1863. Under these Acts the employer had the power to arrest and impose corporal punishment on the workers who might want to leave the plantations before the expiry of their contract period.

THE CHAMPARAN STRUGGLE

Gandhiji returned to India from South Africa in 1915. While there, he had begun his work in the labour field among the indentured workers.

Most of the arable land in the Champaran district of Bihar was divided into large estates, which were owned by Englishmen and worked by Indian tenants. The chief commercial crop was indigo. The landlords compelled the tenants to plant 15 per cent of their holdings with indigo and surrender the entire indigo harvest for rent. This was done on the basis of a long term contract.

Germany in the meantime had developed synthetic indigo which affected the demand for Indian indigo. The English planters therefore wanted a new agreement under which the share-croppers were to pay them compensation for being released from the 15 per cent arrangement. A few agreed to it but many refused to do so. Later, even those who had

agreed and paid the compensation to the British planters, wanted their money back as they were convinced that such money was taken from them against a false claim.

Gandhiji was approached by the share-croppers to help them against the exploitation by the indigo planters, who had unfairly taken the money from the ignorant peasants. Gandhiji came to Champaran, stayed there for months and helped the poor peasants to campaign against this act of inequity. Ultimately, as a result of his intervention a Commission of Enquiry was appointed to go into the indigo share-croppers' problem. Gandhiji was the sole representative of the peasants on the Commission, which vindicated his stand. The repayment of the money was, however, settled under a compromise formula acceptable to Gandhiji.

While Gandhiji was thus busy in Champaran, historic developments were in the offing in Ahmedabad.

THE FIRST UNIONS

Anusuyaben Sarabhai was the daughter of a mill agent in Ahmedabad. She had visited England and seen for herself the functioning of trade unions there. On her return to India in 1914, she began working among the textile workers and the poorer sections of the society in Ahmedabad. She established schools and welfare centres and worked for the betterment of the workers and poor people. The workers soon learnt to trust her as friend, philosopher and guide; and whenever they were in difficulty, they looked to her for assistance.

In the year 1917, workers of Ahmedabad mills resorted to a strike to secure an increase in wages. Anusuyaben provided the leadership for the strike. December 4, 1917, is an unforgettable day in the annals of the trade union movement of India, more particularly Ahmedabad. That was the day when the workers organised themselves on a trade union basis on their own initiative. That day is celebrated as Labour Day (Majoor Din) every year by the Ahmedabad textile workers. It is interesting to note that the leadership for the first real trade union organised in the country was provided by a woman. The strike too was a success and the workers got a wage increase.

The first regular union was formed in Ahmedabad in 1920 for the Throstle Department workers. This was soon followed by the formation of other craft unions, such as the Weavers' Union, Workers' Union, Card-room and Frame Department Workers' Union and Drivers', Oilmen's, Fishermen's and Clerks' Union, etc. These unions were federated into a single union soon after in the name of Majoor Mahajan—the Textile Labour Association, Ahmedabad.

About this time a trade union was formed in Madras called the Madras Labour Union. It was formed by B.P. Wadia under the leadership and guidance of Dr. (Mrs). Annie Besant. The Madras Labour Union was started as a general union which, along with the workers of Buckingham and Carnatic Mills, tramwaymen, rickshaw-pullers and workers from several other trades joined as members. The B & C Mills workers complained that the mid-day recess was too short for taking their meals and wanted an extension of it. The union was able to secure an extension of ten minutes. Complaints of misbehaviour by the European officers of the mills towards the workmen were frequent and the union had to take up such cases with the management. Also there were economic demands for a raise in wages, but the main grievance related to the ill-treatment of labour by the European supervisors. In 1918, seven new unions were formed in the country. Out of these, four were started in Madras, two in Bombay and one in Calcutta.

THE ILO

The year 1919 witnessed another significant development at the end of World War I: the formation of the International Labour Organisation, which was the labour wing of the League of Nations. India was one of the founder-members of the International Labour Organisation, chiefly because of the great influence wielded by Great Britain in international affairs following its victory in the war. The International Labour Organisation is a tripartite body and Indian labour had to be represented on it. It was primarily to make such representation possible that the creation of an all India organisation of trade unions was thought necessary. The All India Trade Union Congress was the result.

BIRTH OF AITUC

The All India Trade Union Congress was formed in 1920 in which year it claimed 64 affiliated unions with a membership of 1,40,854. Out of this membership, 91,427 represented railways alone, and another 19,800 were from the shipping industry. All the other industries throughout the country could account for less than a membership of 30,000. Statewise, Punjab accounted for a membership of 70,000, while Bombay of 47,000 and U.P. of 15,000. All the other provinces including Bengal and Madras, could account for a membership of only 8,000.

The Textile Labour Association of Ahmedabad has remained outside the AITUC from the beginning.

The inaugural meeting of the AITUC was attended, among others, by such eminent national leaders as Pandit Motilal Nehru, Mrs. Annie Besant and M.A. Jinnah. Lala Lajpat Rai, who presided over the Special Session of the Indian National Congress at Calcutta in the previous month, also presided over the Inaugural Conference of the AITUC. Col. J. C. Wedgwood of the British Trade Union Congress was present as a fraternal delegate.

Lala Lajpat Rai was elected the first President of the AITUC and among the Vice Presidents elected were C.F. Andrews, and Mrs. Besant. Diwan Chamanlal was elected the General Secretary. Lala Lajpat Rai was also elected by the Conference as the Indian workers' delegate to the ILO. B.P. Wadia, Diwan Chamanlal and N.M. Joshi were elected advisers.

There was a feeling that the formation of the AITUC was rather premature and that it was set up mainly for the purpose of representation in the ILO. This is no doubt true as would be seen from the functioning of the AITUC in the next few years. For many years the AITUC functioned only at the time of the annual conferences. It met once in a year when the delegates made speeches, passed resolutions and distributed among the leadership such opportunities as were available, including representation in the Legislative Councils and in the International Labour Organisation. The influence of Congress leaders over the AITUC was indeed so great that it was felt to be Congress-oriented for several years.

CONGRESS AND AITUC

It is not by accident that the President of the Indian National Congress also became the first President of AITUC. The Indian National Congress had already been evincing great interest, both in organising the workers and in ameliorating their lot. The attention of the Congress in the early period was particularly drawn to the plight of the Indian indentured labour abroad, as well as within the country, such as those in the plantation industry.

At its 35th Session held in Amritsar in 1919, the Congress adopted the following resolution :

“This Congress urges its provincial Committees and other affiliated associations to promote Labour unions throughout the country with a view to improving social, economic and political conditions of the labouring classes and securing for them a fair standard of living and a proper place in the body politic of India.”

Next year at Nagpur, the Congress adopted an even more pointed resolution saying :

“This Congress expresses its fullest sympathy with the workers of India and their struggle for securing their legitimate rights through organisations of trade unions, and places on record its condemnation of the brutal policy of treating the lives of the workers as of no account under the false pretext of preserving the law and order.

“The Congress is of the opinion that Indian Labour should be organised with a view to improve and promote their well-being and secure to them their just rights and also to prevent the exploitation of

- a. Indian Labour and
- b. Indian resources ;

by foreign agencies, and that the All India Congress Committee should appoint a committee to take effective steps in that behalf.”

A committee was accordingly appointed consisting of Lala Lajpat Rai, C.R. Das, Anusuyaben Sarabhai and others.

At the 1922 Gaya Session of the Indian National Congress, C.R. Das, who presided over it, observed :

“I am further of the opinion that the Congress should take up the work of labour and the peasant organisation . . . My experience has convinced me that labour and peasantry of India today are, if anything, more eager to attain ‘Swaraj’, than the so-called middle and educated classes . . . labour has got a separate interest and they are often oppressed by foreign capitalists and the peasantry of India is often oppressed by a class of men, who are the standard bearers of the bureaucracy. Is the service of the special interest in any way antagonistic to the service of nationalism ? To find bread for the poor, to secure justice for the class of people who are engaged in a particular trade or vocation ; how is that work different from the work of attaining Swaraj ? Anything which supports the masses of India is surely as much a matter of Swaraj as any other item of work which the Congress has in hand. My advice is that the Congress should lose no time in appointing a committee, a strong workable committee to organise labour and the peasantry of India. We have delayed the matter already too long.”

It would appear that the committee appointed by the Indian National Congress at the Nagpur Session did not do much work and therefore the emphasis by C.R. Das on the setting up of ‘a strong and workable committee’.

THE GAYA SESSION OF THE CONGRESS

The Gaya Session of the Congress then passed the following resolution :

“Whereas this Congress is of opinion that Indian labour should be organised with a view to improve and promote their well-being and secure to them their just rights and also prevent exploitation of labour and Indian resources, it is resolved that this Congress, while welcoming the move of the AITUC and its various Kisan Sabhas in organising the workers of India, hereby appoints the following Committee with power to co-opt, to assist the Executive Council of the AITUC, for the

organisation of Indian Labour, both agricultural and industrial :

1. C.F. Andrews,
2. J.M. Sengupta,
3. S.N. Halder,
4. Swamy Deenanath,
5. Dr. D.D. Sathaye, and
6. M. Singapore Chettiar.

These resolutions of the Indian National Congress not only showed that the Congress was deeply interested in the organisation of welfare of the working class, but they also enabled such Congressmen as were desirous of working in the trade union movement to do so with the sympathy, sanction and support of the Congress. The resolutions secured popular support and sympathy for the labour movement, besides adding prestige to it. The interest and influence of the Congress in the AITUC was, therefore, naturally substantial. However, M.N. Roy did not appear to like this position. He said the AITUC was an adjunct to the Indian National Congress until 1929, the year in which the split took place. But he ignored the fact that the communists had started infiltrating into the AITUC right from 1925 and even captured its executive in 1927.

THE ROLE OF THE COMMUNIST INTERNATIONAL

The Communist Revolution broke out in Russia in October 1917, and the First World Congress of the Communist International was held in Moscow in April 1919. In that Conference vulnerable areas in the world came in for close attention by the communists. India was one of them. The Conference actually laid down a programme of action for the Communist International in India.

The first Communist International observed as follows :¹

“Tendencies like Gandhism in India thoroughly imbued with religious concepts, idealise the most backward and economically most reactionary forms of social life. They see the solution of the social problems

not in proletarian socialism, but in a reversion to these backward forms. They preach a passivity and repudiate class struggle. In the process of the development of the revolution, they become transformed into an openly reactionary force. Gandhism is more and more becoming an ideology directed against mass revolution. It must be strongly combated by communism."

It is interesting to note that even the First Communist International had sensed the danger to it from Gandhiji at an early stage when there was yet nothing like Gandhism in the country. The communists from the very beginning were instructed to brand Gandhism as reactionary and fight it mercilessly.

Gandhiji was unquestionably the greatest revolutionary of all times. Apart from the revolution he brought about in securing independence to India, the means he had adopted to achieve it were unique and unparalleled in the history of the world. He was head and shoulders above Marx, whose theory the Indian Communists wanted to sell to India in preference to Gandhism and naturally, they failed.

Marxism, whatever its appeal to the people of other countries, was wholly opposed to the tradition and culture of the Indian people, and therefore failed to appeal to them. It sought to preach a philosophy of atheistic materialism to the Indian people whose culture lay embedded deeply in spiritualism and even renunciation. It was therefore highly doubtful whether the communist movement could gain any real and lasting foothold in India at any time. Indeed, it could not have got even a temporary foothold in the country and started working on any scale but for the continuous and massive assistance from Soviet Russia even in those early days.

The world communist movement found a fertile recruiting ground for its agents among the terrorists in Bengal, such as Nalin Gupta and Abhani Mukherjee. A line of communication of sorts was set up via Afghanistan and Iran. But, for a vast country like India, almost a continent, with its teeming millions and numerous languages, Moscow soon

found that it was wholly inadequate to have merely a tortuous channel of communication and a few agents to work out its policies and programme in India. It realised that what it required was a full-fledged communist party in India as part of the world communist movement. It also realised that for such a party to be effective, it must find an intelligent Indian to provide the leadership. For this too, it naturally looked to Bengal, which temporarily supplied this demand. Moscow found in Manabendra Nath Roy an answer to its need.

M.N. Roy was an intellectual of no mean order. But before he could organise the communist party in India on a firm footing, he fell out with his colleagues, like Shripad Amrit Dange and Virendranath Chattopadhyaya. There seem to have been incessant quarrels among them, even at that early stage. Added to that, the field in India was not readily receptive to Marxian appeal as the Indian people were opposed to atheistic materialism. The high priests of the Communist International at Moscow were soon disillusioned by the lack of progress in India.

THE ROLE OF COMMUNIST PARTY OF GREAT BRITAIN

The Communist International withdrew its recognition from M.N. Roy and entrusted the control and guidance of the communist movement in India to the Communist Party of Great Britain (CPGB). Thus, not only the British Imperialists ruled over India, but also the British communists ruled over the Indian communists. M.N. Roy was quick to point out this irony much to the discomfort of the communists in India and abroad. However, the communist bosses in Moscow went on with their own programme of operating in India through the British Communist Party, and the result was that Rajani Palme Dutt of the British Communist Party became the guiding spirit of the communist movement in India. Some time later Roy's influence also declined, and from then on in spite of his attacks on the new move by Moscow, the British

Communist Party practically took over the communist movement in India. Moscow utilised the Communist Party of Great Britain not only for controlling and guiding the communist movement in India, but also for raising the finances necessary to maintain it in India.

Moscow chose the British communists for this role in the hope that they would be better equipped to fight the British Raj. But the British Raj had its own steel-frame administration in India which was essentially concerned with the law and order problem. There was, therefore, need for a great deal of caution on the part of the British communists and the progress was extremely slow. They worked in the early days through the Workers and Peasants Party founded in Bombay, Bengal and the United Provinces. This party was not officially recognised by Moscow as an instrument that could be depended upon to further the communist aims. Nor did it have any mass following.

According to a former Comintern emissary, who was one of the accused in the Meerut trial :

“Communist activity in India dates from 1922, when, doubtless stimulated by M.N. Roy’s propaganda, Dange began an English weekly *Socialist* in Bombay, and Muzaffar Ahmed a Bengali weekly *Langal* in Calcutta. They formed no party. They corresponded among themselves and with Roy and received money from him.”

The International Communist movement also gave these Indian communists the necessary ideological and monetary help.

The 5th Congress of the Communist International held in 1924 gave Indian communists the following direction :

“The Indian communists must bring the trade union movement under their influence. They must reorganise it on a class basis and purge it of all alien elements.”

With these instructions, there was little wonder that the 4th Session of the AITUC in Calcutta in 1924 witnessed

disorderly scenes. The Conference met under the shadow of the Kanpur trial and many of the delegates raised communist slogans in it. C.R. Das, President of the session, gave a warning to the organisers of labour in India not to be misled by European ideals and catch-words and explained to them that their problem was different from that of the West and that the same solution did not apply to the conditions in India.

The year 1924 witnessed a large number of strikes. There were strikes by textile workers in Bombay followed by a strike in Kanpur. In both the places there broke out riots and firing had to be resorted to by the troops. The Government instituted what is known as the Kanpur Conspiracy Case, at that time known as the Bolshevik Conspiracy Trial, in which four labour leaders were convicted for conspiring to wage war against the King and to spread Bolshevism in India.

The years 1926 and 1927 were comparatively peaceful on the labour front, although towards the close of 1927 there were again serious disturbances in Bombay and on the East Indian Railway.

BIRTH OF THE CPI

The Communist Party of India proper was founded in the year 1925. It was weak for some time, and was not taken seriously by the people. At one time even the leaders of the party felt so doubtful of its future that they started operating through the Workers and Peasants Party, so much so that the Workers and Peasants Party, weak and withered as it was, was considered likely to swallow the Communist Party itself.

The field in India did not prove fertile enough as a recruiting ground for the Communist Party. The Comintern authority soon discovered that the Indian students studying in universities in Great Britain and other Western countries provided a more fertile source for recruitment. These young men were to be later on moulded to sell the requirements of the Party to its intellectuals and, if possible, to actually

shoulder its leadership too. Such young students studying abroad had a background wholly different from the one that would meet the requirements of the textbook communist worker. Their social background would never have justified their conversion to Marxism. They came from well-to-do families who could afford them education abroad. With the western type of education, these Indian students developed an outlook different from that of the traditional Indians. Atheism appealed to them, and the old religious thinking of India appeared to them rather superstitious.

Failing in their effort to recruit Indian intellectual living in India, the Comintern bosses turned their attention to young Indians studying abroad whose thinking had not yet become clear and crystallised on any serious subject. Most of them suffered from an inferiority complex because of the bad treatment accorded to them at Oxford and Cambridge by the superior, class-conscious British Imperialists. The silent suffering of these young students was capitalised by the Comintern. They were made use of to bolster the communist movement in India on their return. But for this development, the Communist Party in India would have died a long time ago for want of intelligent leadership.

The communists succeeded in getting S.V Ghate elected as one of the Secretaries of the AITUC in 1927. That year they gained control of the Kanpur Session of the AITUC with the cooperation of the radical elements in the Congress Party. Once the executive was under their control, the communists tried to consolidate their hold over the entire organisation. It was at this stage that several foreign communist emissaries came to India. The most important among them was Shapurji Saklatvala, an Indian who became a British Communist M.P. The object of his visit was to develop a left wing inside the Trade Union Congress. For the first time, May 1 was celebrated as 'Labour Day' in Bombay in 1927.

The stagnation of the communist movement in India naturally worried its masters in Moscow. The Communist International, meeting in 1928, again considered the basic

problems confronting the communist movement in Asia, more particularly in India. It came to the conclusion that the communists would become the trusted leaders of the masses only by their articulating the demands of the inarticulate masses. It even decided that the Workers and Peasants Party should be one of the recognised instruments and mouthpieces of the Communist Party of India, when the party might have to go underground or might be declared illegal. The Moscow meet permitted the Communist Party of India to have alliances with other leftist parties with a view to converting them into disguised fronts for the party's activities and programmes. The Moscow meeting believed that once the communists were trained in their own techniques of organisation and revolution, they would soon begin their assault on urban industrial labour in India.

When the communists started their political offensive in accordance with the direction of the 1928 World Communist Congress, they first saw that they had to work their way into key positions in several workers' organisations. The result was that waves of strikes and outbursts of violence followed one another in quick succession in several industrial areas, including Bombay textiles in 1928-29. The Bombay Textile strike alone covered 1.5 lakhs of workers and lasted six months. But these strikes and outbursts of violence in 1928-29 took labour nowhere, and labour became discontented with the leadership of their organisations and the results produced by them. The stock of the Indian Communists began to slump.

Evidently the communists were testing their strength and found it wanting. The Government replied to the communist offensive with vigorous and decisive acts of repression and arrested all important communist leaders, which led to the Meerut Conspiracy Case. In the Meerut Trial 31 trade union leaders—communists, congressmen and members of the Youth League—were arrested simultaneously in different states. All the accused were charged with conspiring to deprive the King Emperor of his sovereignty of British India. Although the case was directed against the communists, the result was far from damning them. The trial disclosed that a fantastic

communist network had already spread over vast areas in India with assistance from abroad. The nature of the communist conspiracy was clear even at that time.

It was the time when the struggle against the British Raj was all supreme and even the nationalist Indians who were fighting hard the British Imperialists showed a sense of sympathy to the communist leaders sent to prison. In fact, many of the Congress leaders including Jawaharlal Nehru, acted as defence lawyers on behalf of the communist leaders. Even then the communist movement in India could not grow in strength for its defect was basic.

COMMUNISTS SPLIT AITUC

The Indian communists, following, as usual, instructions from Moscow, began their campaign to disrupt the trade union movement. They attended the Tenth Session of the AITUC held at Nagpur in December 1929 in full force and secured a majority of a marginal character by manipulating the membership claims of their unions. They utilised the bare majority so secured for getting the session to adopt a number of their resolutions which directed the AITUC to boycott the Royal Commission on Labour, to dissociate itself from the ILO and to affiliate itself with the League against Imperialism, the Pan-Pacific Trade Union Secretariat and some other international communist organisations. The AITUC till then was affiliated to the Asiatic Labour Conference which was denounced at this session under communist inspiration. The consequence of the decision to affiliate the AITUC to communist international organisation forced a section to walk out of the AITUC and form a new central organisation, the Indian Trade Union Federation. Thus the communists were able to oust the "reformist" trade union leaders from the AITUC. Jawaharlal Nehru, who presided over this session, writing about it in his autobiography, stated; "In this matter as in many others, my sympathies were with the left." The result was the nationalists played into the communists' hands. The dissidents met after the session, formed the Indian Federation of Trade Union and elected Subhas Bose as its President.

In the political field also, the communists were so enthusiastic to prove their loyalty to the foreign masters, by directly opposing the struggle for national independence that in Bombay they went to the extent of creating disturbances at the huge public meeting held on Chowpathy sand on January 26, 1930. People had gathered there in lakhs to take the pledge to sacrifice everything for the achievement of independence. It was for the first time after the famous Lahore Congress Resolution demanding complete independence that the entire country was stirred to pledge itself to oust the British from India.

To demonstrate their opposition, the communists came in a procession. Though the procession was very small, they wanted, with the aid of a few volunteers in red shirts, to pull down the Congress flag and hoist the red flag in its place. However, realising the temper of the people, they quietly removed their red shirts and managed to disappear silently into the crowd. Gandhiji's emphasis on non-violence came to their rescue. They thus saved themselves physically but had alienated the sympathy of the Indian masses.

The communists had a very uphill task even otherwise. The basis of their philosophy was atheistic materialism which was looked upon with contempt by the Indian people as the product of immature thinking. The communists' approach ignored the fact that the Indian people had been brought up in an atmosphere of religion and spiritualism for thousands of years.

Since its beginning, the CPI was avowedly a part of the Comintern (Communist International) being its creation. The "Programme of the Party", published in 1930, openly declared; "The CPI declares with pride that it considers itself a section of the Communist International." The Statutes of the Party published in 1934 also stated, "Decisions of the Comintern are unquestionably obligatory for all members of the party." This statement was significant inasmuch as it was an unambiguous admission of the party's loyalty to Moscow.

FROM THE BABUL TREE

Early in 1918 some 10,000 weavers of the Ahmedabad

textile industry approached Anusuyaben Sarabhai, and sought her assistance in securing wage increases. Considering the large number of workers involved in the struggle, she thought it advisable to obtain the advice and assistance of Gandhiji, who was then at Champaran. She wired to him and apprised him of the situation. The Collector of Ahmedabad, Chatfield, and Ambalal Sarabhai, on behalf of the Mill Owners' Association, also wrote to him about it. Gandhiji felt to be his duty to render whatever assistance he could and came to Ahmedabad and took up the matter. Shankerlal Banker was at that time in Ahmedabad in connection with the Kheda farmers' struggle. He was asked by Gandhiji to help Anusuyaben in tackling the problem of the textile workers of Ahmedabad. Shankerlal Banker agreed and took up the work in all earnestness.

In 1921 another young man, Gulzarilal Nanda, came to Ahmedabad for doing some research work in the labour field for his doctorate. He met Gandhi and Shankerlal Banker who successfully persuaded him to take up labour work. Gulzarilal Nanda gave up his research work and joined the Textile Labour Association as its Secretary. Another young man to join the Association soon after was Khandubhai K Desai, a brilliant student of the Wilson College, Bombay. He sacrificed his college career and took up labour work along with Anusuyaben, Sankerlal Banker and Gulzarilal Nanda. Thus the Ahmedabad union was able to secure the services of ardent, selfless and capable workers for carrying on its activities almost from the very beginning.

In 1917 Ahmedabad suffered from a plague epidemic. The textile workers started leaving the city, and the mills were facing labour shortages. The millowners therefore came forward to grant a plague allowance of 70 per cent of the wages in an attempt to provide an incentive to labour to stay on and work. The next year, after the plague had subsided, the millowners proposed to abolish this allowance altogether. They, however, offered to grant in its place a 20 per cent increase in wages. As there had been an abnormal increase in prices due to conditions created by the war, the workers demanded a 50 per cent rise in wages as against the 20 per cent offered by the

millowners. Since there was no meeting ground a strike appeared inevitable.

At this stage, the workers, the millowners and even the Collector of the District sought the help and guidance of Gandhiji to solve the deadlock. On the suggestion of Gandhiji it was agreed to refer the dispute to a Board of Arbitration consisting of three representatives of the millowners and three of the workers. The three representatives of the workers were Gandhiji, Sardar Vallabhbhai Patel and Sankerlal Banker. But before the Board could actually begin its work, workers in some of the mills went on strike based on a misunderstanding of the millowners' stand, which was utilised by the mills concerned to declare a lock-out and even to back out of the agreement to refer the dispute for arbitration. The millowners further threatened to dismiss all workers who refused to accept their terms.

Gandhiji was pained at this attitude of the employers. He felt that in view of the refusal by other millowners to agree to arbitration, the workers had no other alternative except to go on strike. But before Gandhiji gave his approval to the strike, he examined the workers' case carefully. He came to the conclusion that instead of a demand for 50 per cent wage increase made by the workers, it would be proper to scale it down to 35 per cent. He accordingly advised the workers to lower their demand to a 35 per cent increase. The workers agreed.

Even then, before calling the strike, Gandhiji asked the workers to take a solemn pledge not to go back to work without getting the 35 per cent increase in their wages. He explained that the object of the strike was not to coerce the employers but to bring about a change of heart through voluntary suffering and that the workers should go through their suffering in that spirit, with faith in God.

He also advised them not to entertain any feeling of ill-will against the millowners or resort to abusive language or cause damage to the millowners' property or resort to violence. He also advised them not to quarrel or rob or plunder, but to behave peacefully in a disciplined manner.

The strike commenced on February 22, 1918. Every day Gandhiji used to address the workers under the shadow of a Babul tree on the bank of the Sabarmati river in Ahmedabad, to remind them of their pledge and to continue the struggle peacefully till the 35 per cent increase in wages was secured. It was from the Babul tree that the story of the struggle of Indian labour really began.

The wages of labour were low and some of them experienced serious difficulty in maintaining themselves. Some friends of Gandhiji had offered funds for the relief of such workers as might be in distress; but Gandhiji felt that the workers, though poor, were self-respecting citizens and should not depend on public charity but strive to carry on their struggle on their own strength. He therefore made arrangements to provide work for such strikers as were in need of it at the Ashram. But those who came for it found it irksome and gave it up after a day or two and began to talk of going back to the mills. This caused great pain to Gandhiji. Gandhiji exhorted them to remain firm. But he found that mere wordy exhortation would not be adequate. He thereupon undertook a fast to enable the workers to realise the sanctity of the solemn pledge they had given him before launching upon the strike and made them honour it. This was the first fast by Gandhiji for a public cause in India.

GANDHIJI'S FIRST FAST*

Gandhiji told a morning meeting of the workers on the day he decided to fast that he would not touch any food till they got their demands conceded. Some of the workers also volunteered to fast with him. But Gandhiji dissuaded them from doing so, and told them all that they had to do was to be faithful to their pledge and remain firm on continuing the strike.

On the first day of the fast Anusuyaben Sarabhai and several other leaders fasted too. But Gandhiji persuaded them to desist from the fast and asked them to look after the striking workmen.

* *A Righteous Struggle* : by Mahadev Desai

Gandhiji's decision to go on fast was spontaneous and not the result of prior planning. He clarified later on that the object of the fast was not to coerce the employers. It was a fast against the workers who failed to honour the pledge solemnly undertaken by them on the eve of the strike. In a way, the fast was against himself, for Gandhiji felt that he had wrongly assessed the value to be attached to the pledge given by the workers. According to him the leadership must be able to correctly assess the workers' capacity, notwithstanding the pledge they took.

Gandhiji's fast electrified the atmosphere. Those workers who stealthily returned to work found their conscience biting them. It did not permit them any longer to go to work, and the strike became complete immediately the news of the fast spread. The workers came in large numbers to the Ashram for work. Even those who were not in need of work came, worked and donated their earnings for the relief of the needy. The new spirit thus generated increased their strength and helped the settlement that was to follow. Three days after the fast commenced, the millowners agreed to accept arbitration; and the strike which had lasted 25 days was immediately called off.

THE PRINCIPLE OF ARBITRATION

The principle of arbitration is the main plank of Gandhian philosophy. Once arbitration is offered, there is no need for a strike. Arbitration eliminates violence and the compulsion which may be present even in peaceful struggles. Arbitration teaches people tolerance and conciliation. Gandhiji's fast ultimately was not directed against or for anybody. It was for the acceptance of a new way of settling industrial disputes. Both labour and management had love for him; and Gandhiji's fast was to reform the loved ones on both sides. The erring labour which would ignore its solemn undertaking, the mighty millowners who would refuse to accept arbitration both had to be corrected; and Gandhiji's fast served this double purpose admirably.

The Arbitration Board finally decided to refer the dispute to the sole arbitration of an umpire, Acharya Anand Shankar

Dhruv. Acharya Dhruv after hearing both parties gave his award which conceded the full demand of the workers. The workers thus got their 35 per cent increase. Thus ended the Epic Struggle which was to leave a very deep impression on the working class in Ahmedabad, and was to play an important role in the pattern and technique of running the labour movement in the entire country. This epic struggle gave the Indian trade union movement a new technique, viz, arbitration. This led to the foundation of a mighty union—the Textile Labour Association which came into existence early in 1920.

Gandhiji not only led the 1918 strike, but he also guided the affairs of the Textile Labour Association for a number of years. He was a member of its Advisory Committee till his death. He was also a member of the Board of Arbitrators on behalf of the Association. The Textile Labour Association was privileged to have his constant advice and guidance in spite of his pre-occupation with the national movement.

Gandhiji was a permanent member of the Arbitration Board consisting of one representative each of the union and the mill-owners, to which all disputes which arose from time to time were referred. In case of disagreement between the two members of the Board of Arbitration, the matter was referred to an umpire whose decision was final and binding on both parties.

By its acceptance of the principle of arbitration and by resorting to that machinery, the Textile Labour Association was able to secure numerous benefits for the workers in the matter of wages, fixed hours of work, leave and better working conditions inside the factories. The two arbitrators generally found it possible to give agreed awards and those awards were implemented by all the mills. The Association also made good use of the 'Grievance Machinery' that had been established earlier; and a large number of important grievances were redressed satisfactorily.

From the foregoing, however, it is not to be understood that the arbitration machinery was foolproof. It came in for a severe shock in 1921. The union asked for a bonus of one and a half months wages out of the profits for the year 1920. Gandhiji felt the demand was just and supported it. But the

other arbitrator held that bonus was an ex-gratia payment and that the workers could not demand it as a matter of right. Since the employers' representative on the Arbitration Board took the stand that bonus could not be an industrial claim, he did not agree to leave the matter to the decision of the umpire. In the result, there was a deadlock.

Since reference to the umpire was refused, Gandhiji had no hesitation in advising the workers to go on strike. But before the strike could begin Pandit Madan Mohan Malaviya, who was then in Ahmedabad, intervened and succeeded in persuading the millowners to agree to place the dispute before an umpire. Not only did the millowners agree to this suggestion, but they also made Malaviya himself the umpire. The strike was averted. The umpire heard the parties and granted the workers' demand partially.

It was not always that the workers made demands and the employers resisted, and matters were settled through arbitration. In 1923, the millowners wanted to impose a wage cut of 15½ per cent on the ground that the industry was passing through a grave crisis. The workers resisted the wage cut by going on strike. The strike lasted three months, and was peaceful and disciplined. It, however, did not succeed and the Association had to ask the workers to accept the wage cut and go back to work. This naturally weakened the Association. The adverse effect of the strike was however temporary. Before long, the Association recovered its position through its unceasing efforts to serve the workers truly and well in their numerous day-to-day problems that cropped up.

The cut affected in the wages of workers in 1923 was partially restored by Diwan Bahadur Zaveri to whom the matter was referred by both the parties as an umpire for consideration. Even after the settlement was arrived at, the millowners again raised the question of reducing the wages and as members of the Arbitration Board could not come to an agreement, it was referred to Justice Madagaonkar as an umpire, who declared in his award that there was no case for reduction of wages. These cases show how helpful the arrangement of arbitration had proved for settlement of disputes in a peaceful manner.

AITUC ON TLA

The several benefits the Association was conferring on its members within five years of its existence can be better appreciated from the observations made by the AITUC in 1925 :

“This Federation is one of the most highly organised and ably conducted unions in India. It has been doing almost everything for its members that can be done in a trade union movement and has been for all practical purposes recognised by the Millowners’ Association of Ahmedabad. It has conducted many a local strike and has come out successful on more occasions than one. It pays to its members a number of benefits including the strike benefit and has introduced from June 1, 1925, the system of victimisation benefit from half to full pay. It has successfully introduced the system of collecting subscriptions by localities. It has also initiated a scheme for opening savings bank account for members. The bank is going to pay interest at the rate of 6 per cent. The Union has recently hired a chawl with 55 tenements and has arranged to let these to its members at Rs. 3.50 per tenement instead of Rs. 4.50 which they would have required to pay to the contractor. It has been conducting 20 schools, maintaining a hospital, and lending money to members at a cheap rate of interest.”

The following account of the Association from the March issue of the *Labour Gazette* of the same year will give an even better inside view of this unique organisation :

“The union is undoubtedly one of the most remarkable outgrowths of the trade union movement to be found in India. Its organisation differs from the organisation of trade unions as understood in other countries. In fact, it might almost be said to be modelled on the organisation of a District of British India. The special features on which the above comparison is based is the system of personal complaints. The office maintains a series of complaint books in foil and counter-foil and so numerous are the complaints that a special clerk is engaged almost wholly on

recording them. Every conceivable type of complaint appears on the counterfoils from an allegation against a jobber or mukadam of having smacked the complainant's head, to a complaint that the other workmen hamper the complainant in drawing water from a tap or well. Each complaint receives personal attention and the Mills appear to afford a surprisingly large degree of power to the Secretary, who enters the premises, records statements, and passes orders, such as a District Officer might do. The system is therefore essentially a development of indigenous customs. The personal complaint (often of a trivial nature) being an essential and characteristic feature of oriental administrative methods. It is not, of course, to be understood that the complaint book is the sole activity of the labour union. On the contrary its office in the Ahmedabad bazaar is divided into numerous sections each of which presents a considerable body of files and records. Amongst other things, the Secretary, who is an ex-economics student, is conducting the rental enquiries and contemplates collection of family budgets. The union conducts a Gujarathi weekly periodical called the "Majoor Sandesh."

GANDHIJI ON TLA

"I am responsible for the organisation of Ahmedabad labour. I am of opinion that it is a model for all India to copy. Its basis is non-violence, pure and simple. It has never had a setback in its career. The organisation has never taken part in party politics of the Congress. It influenced the municipal policy of the city. It has to its credit very successful strikes, which were wholly non-violent. Millowners and labour have governed their relations largely through voluntary arbitration."*

The AITUC approached Gandhiji with a request to affiliate his Textile Labour Association of Ahmedabad with the AITUC. He replied that he was making a unique experiment in trade union movement and that Ahmedabad was his laboratory for

**Constructive Programme* - 1941 Edition, Chapter III.

the purpose. He wanted the trade unions throughout the country to be fashioned after his Ahmedabad model, and would therefore wait till such a situation arose. Gandhiji said :

“If I had my way, I would regulate all the labour organisations of India after the Ahmedabad model. It has never sought to intrude itself upon the AITUC and has been uninfluenced by that Congress. A time, I hope, will come when it will be possible for the All India Trade Union Congress to accept the Ahmedabad methods and have the Ahmedabad organisation as part of the All India Union. I am in no hurry. It will come in its own time.”

The AITUC could not succeed in making the trade unions of this country follow the Gandhian objectives, means and methods, and therefore the Textile Labour Association remained outside the AITUC all along, until, on the eve of independence, the INTUC was formed with the blessings of Gandhiji to fulfil his dream of covering the country with a network of trade unions on his Ahmedabad pattern.

THE EASTERN EXPERIMENT

Jamshedpur was one of the early industrial towns of India. By November 1911, the Tata Iron and Steel Company had started its operations. But there was no trade union for the employees for a long time. The foreign experts who ran the plant had no knowledge of Indian workers' ways of life and sentiments. There was no job security. The wages were very poor and the treatment provocative. Some covenanted officers were reported to have indulged in physical violence too. All these circumstances tended to create unrest among the workers. Moreover, there was countrywide political unrest due to the Jallianwala Bagh massacre. There had been a strike in the neighbouring Kharagpur Railway Workshop and the atmosphere in Jamshedpur called for a strike.

The workers of the Tata Iron and Steel Factory decided to go on strike on February 24, 1920. There was no union to organise the strike. There were no leaders to lead it ; and the strike started without proper planning and leadership. A few

days after the strike Byomkesh Chakravarty, S. Halder and B. Sen came from Calcutta to guide the workers on their invitation. Their first move was to form a labour union in the name of Labour Association, Jamshedpur. Halder became its President and Jogesh Ghosh, an employee of the steel company, its Secretary, and V.J. Sathaye of the Drawing Office, its Treasurer. With the formation of the Association, there was now an organisation to take charge of the strike and lead it. The management tried to recruit new men. The workers naturally protested and there was police firing near Mohulbera in the eastern part of the town. Some people were reported to have died as a result of the shooting. When the newly recruited workers were being taken to the work-shop in railway wagons the strikers obstructed them. Again, firing took place and five persons died and 24 were injured, out of whom some were disabled for life.

Dorab Tata, along with some other Directors, came to Jamshedpur and met Halder and even attended one of the meetings of the strikers, held within the compound of the police station. Tata agreed to meet their demands liberally and asked the workers to return to work. Accordingly, work was resumed on the morning of March 20, 1920, and Dorab Tata agreed to (a) accord recognition to the Labour Association, (b) frame service rules, (c) introduce provident fund, and (d) grant general increments of wages ranging from 20 per cent to 45 per cent to be paid in two instalments. Workers were happy with the achievements of that strike. They raised a relief Fund for the families of workmen who died in the strike. Dorab Tata also contributed liberally to that fund.

Two years after, on September 20, 1922, another strike was called. This time the union leaders themselves were not unanimous. The strike was, therefore, only partial. To make the strike complete, Sathaye and Moni Ghosh went on fast and this had the desired effect. Diwan Chamanlal, President of the AITUC, came down to Jamshedpur. A Joint Committee comprising an equal number of representatives of the Association and the management was agreed to be set up and there was a further agreement that the decision of the Joint

Committee would be binding on both the parties. Following this agreement, the strike was called off. A hitch arose as to how to select the Association's representatives for the Joint Committee as the management insisted on choosing the ten workers' representatives. Sathaye, a prominent worker of the Association, was discharged and victimised. He contacted Deenabandhu C.F. Andrews and sought his help.

In the meantime, Deshbandhu C.R. Das and Pandit Motilal Nehru had formed the Swaraj Party and entered the Provincial and Central Legislatures in pursuance of a policy to adopt obstruction tactics as a political weapon against the British regime. The Jamshedpur Labour Association got in touch with C.R. Das for help, as he had conducted the railwaymen's strike earlier at Kharagpur and brought it to a successful conclusion.

The company itself was now in difficulties. After World War I, Belgium steel was flooding the Indian market and was being sold at a very low price. The Tatas could not compete with it and they wanted tariff protection. The recommendation of the Tariff Board in this behalf was to come up for consideration before the Central Assembly ; and C.R. Das and Motilal Nehru used it as a lever with the Company that unless they settled matters with labour, they would oppose the tariff protection proposals. The Directors of Company hastened to Simla and met Motilal Nehru. They proposed that a Board with C.R. Das as Chairman be formed and agreed to be bound by whatever the Board decided, in regard to recognition of their Association and other matters. On this condition the Swaraj Party agreed to remain neutral or to absent themselves at the time of the debate on the tariff issue in the Central Legislature. Then a Board was formed with Deshbandhu Chittaranjan Das as Chairman, N.M. Joshi, C.F. Andrews, T.C. Goswamy, Secretary, D.C. Gupta as Company's representative and Rurh Singh, Association representative, and others. C.R. Das gave the following unanimous decision on behalf of the Board :

1. The Union must be recognised at once ;

2. The Association must hold a fresh election when 5,000 members are enrolled ;
3. Sathaye must be reinstated in the company's service.

The company's directors requested C.R. Das to hold another meeting of the Conciliation Board in which they wanted to take part. During the discussion in the Board, Manu Subedar for the company sarcastically commented :

“Next they (the Labour) will demand the General Manager's post.”

The members shouted at it 'No, No'. Deshbandhu C.R. Das looked hard at the members, his eyes emitting fire. He shouted back 'Why No, say Yes'. There was silence. No-body dared to utter a single word and everyone hung down his head in shame.

The company appeared to be obstructing the decision of the Joint Board as by then the Tariff Bill had been passed by the Legislative Council.

GANDHIJI'S INTERVENTION

Mahatma Gandhi came to Jamshedpur in 1925. C.R. Das was dead by then. C.F. Andrews maintained his connection with the Jamshedpur workers. Soon after Gandhiji's arrival the situation grew better. The management agreed to implement the agreement. They recognised the Association, reinstated Sathaye, who continued to function as General Secretary of the Association.

Gandhiji's intervention had a far greater effect than even the expectations of the Association. One of the terms of the Gandhi-Tata agreement was that the Steel Company would deduct the monthly subscriptions of the workers from their pay and hand them over to the Association. Gandhiji wanted the Jamshedpur Labour Association to be built on the Ahmedabad model. Sathaye was sent to Ahmedabad to study and have a first-hand knowledge of the trade union activities there. Then C.F. Andrews became the President of the Association. Sathaye and Moni Ghosh were elected as Joint Secretaries. There were again troubles after a year or two and S.C. Bose came to

lead the workers and negotiated with the management. Subhash Bose had by then become President of the Association.

There was a strike on April 9, 1929 in the Tinplate Company, in Jamshedpur. The workers there had formed unions with Daud as President and Michael John as Secretary. Later Subhash Babu was chosen as President for the Tinplate Union also and John continued as Secretary. Subhash Babu himself stood at the gates to conduct the strike, went from house to house to induce men for not going to work, and picketed at the gates. This strike became so famous that leaders like Rajendra Prasad, Jawaharlal Nehru and V.V. Giri had to come to Jamshedpur several times. Professor Abdul Bari was sent to Jamshedpur by Rajendra Prasad to help Subhash Babu in conducting the strike.

In 1930, Gandhiji's call came for mass Civil Disobedience in the country. The Jamshedpur workers also responded. The main supporters of the old committee were imprisoned. Again, the national struggle started in 1932. Subash Babu with other leaders was imprisoned. With Subash Babu in jail, the management was determined to stamp out the Association. The management decided to start a new organisation in the name of workers' union. The management accorded them all privileges. But the union could not gather mass.

RAJENDRA PRASAD MEDIATES

The conditions of labour in Jamshedpur were far from satisfactory. It was at this stage that on a request from Subhash Babu, a motion was brought in the Central Assembly by Nil Kanta Das and G.B. Pant on conditions of labour in Jamshedpur. Rajendra Prasad was requested by the Association to mediate. Although the management was at first unwilling, they finally agreed and Rajen Babu effected a settlement. Since Subhash Bose could not devote his time to the Association due to his illness, the Association requested Rajen Babu to send Professor Abdul Bari. Rajen Babu sent Prof. Bari after some time to Jamshedpur. His entry into the movement had an electrifying effect and he rallied around all the workers in several undertakings in Jamshedpur. Bari

gave the Association a new name—Tata Workers' Union—in keeping with the suggestions of Subhash Babu from Vienna. Abdul Bari became President and M. John Secretary of the Tata Workers' Union, and 16,000 workers were enrolled as members of this Union even in the first few days.

During the 1942 struggle there was a strike to support the 'Quit India' movement in Jamshedpur and after that there was a long and unbroken period of peace till 1958 when the communists called out a political strike pressing no economic demands.

"If the whole trade union movement of Jamshedpur, particularly of the Tata Steel Industry, is analysed, it may be divided into the following four phases:

The first period of getting recognition (1920-1929);

The second of self-preservation from employers' acts (1929-1936);

The third a period of struggle for privileges for the workers (1936-1946); and

The fourth, more or less the post-independence period of mutual understanding and co-operation—so we may call it a period of "responsive co-operation."*

Professor Bari passed away in a tragic shooting accident before India attained independence. M. John succeeded him in all unions as President. The formation of the INTUC early in 1947 was enthusiastically supported by John and the unions in Jamshedpur, and they became one of the founder members of the New National Centre.

EARLY LABOUR LEGISLATIONS

Although the trade union organisations had their beginning in 1918-19, the condition of industrial labour continued to be very unsatisfactory. Under the Government of India Act of 1918 labour was given limited representation in the Provincial Legislatures through nomination. The total number of seats

**Our Struggle*, by Moni Ghosh.

was 9, distributed over Bombay-3, Bengal-2, Assam-1, Bihar-1 and Orissa-1.*

Prior to 1919 there was, however, no representation for labour. Compared to the representation of employers in the legislatures, labour was certainly under-represented. The Royal Commission on Labour commenting on this observed:

“There are several directions in which adequate representation of labour would benefit both, itself and the community.”

The recommendations of the Royal Commission resulted in increasing the representation given to labour in the then Provincial Assemblies as well as in the Central Legislature. But the Provincial Legislatures had very limited powers to do anything in the field of labour legislation. In actual practice labour legislation had been confined to the Central Legislature.

After the introduction of the Montagu-Chelmsford Reforms, the Central Legislature passed a number of legislations.

Firstly, there was a complete revision of the Factories Act in 1922. An Act was also passed to repeal the Workers' Breach of Contract Act, and provisions of a similar kind in the Penal Code. The Mines Act was also revised in 1923. The same year, the Workmen's Compensations Act was enacted. Most important of all, the Trade Unions Act was passed in 1926. Before the Trade Unions Act was passed, labour could be charged with conspiracy for any concerted action against the employer. The Act incorporated most of the provisions of the British Labour Code. A political clause was also introduced in the Act with a view to enable Workers to secure the candidature of their respective representatives on the political bodies. The Trade Unions Act gave great encouragement to the formation of new trade unions and there was a spirit of trade union activity in all industrial centres in the country as a result of this legislation.

*There was also one nominated member to the Central Legislative Assembly.

THE TRADES DISPUTES ACT

Another important legislation that was put on the Statute Book was the Trade Disputes Act of 1929. This Act provided machinery for settlement of industrial disputes for the first time. So far the Government had been treating industrial disputes mostly as a law and order problem. It did not intervene to solve the disputes themselves, with a result that labour suffered all the time; and often in the name of preserving law and order, the Government was forced to side with the employers. The Government felt that the increasing industrial disputes required to be solved on merits, and some statutory agency had to be provided for them. The result was the Trade Disputes Act which provided for Courts of Inquiry and Conciliation Boards for settlement of industrial disputes. The Act also penalised strikes and lockouts, without due notice in public utility concerns, as well as general strikes. Neither the penal provisions of the law, nor invoking the machinery of Courts of Inquiry and Conciliation Boards were frequently resorted to. In fact they were put to very little use.

In the years 1930 and 1931, there were fewer industrial disputes. The years that followed were years of depression in which labour demands were not many. Therefore this law was not of real assistance to labour or industry at that time.

ROYAL COMMISSION ON LABOUR

In July 1929 a Royal Commission on Labour was appointed with J.H. Whitley as Chairman. The terms of reference of the Commission briefly were:

“To enquire into and report on the existing conditions of labour in industrial undertakings and plantations in British India, on the health, efficiency and standard of living of the workers, and on the relations between employers and employed and to make recommendations.”

N.M. Joshi and Dewan Chamanlal were members representing labour on this Commission. Their membership did to some extent raise the prestige of the trade union movement.

The Commission visited various centres and took evidence and finally submitted its recommendations in March 1931. The AITUC working under communists influence, as stated earlier, decided to boycott the Commission. The Report of the Royal Commission is a monumental work. It was published in 1931, which was the beginning of a period of world-wide trade depression. In India too, employers were clamouring for rationalisation and retrenchment. Although the recommendations of the Royal Commission were generally progressive, nothing immediate could be done to give effect to them in view of the circumstances prevailing at that time. Therefore, for a number of years the Royal Commission's Report remained only as literature to be relied on and cited by labour in committees and conferences.

THE EARLY THIRTIES

Although the communists had succeeded in splitting the AITUC they could not split the movement for national independence. The nation had launched on a mass civil disobedience movement under the leadership of Gandhiji, and there was a great upsurge of patriotism and nationalism. Therefore, any attempt by the communists to make the Indian people or the working class to toe the Comintern line was a cry in the wilderness. The civil disobedience movement started by Gandhiji resulted in the British Government agreeing to convene a Round Table Conference in 1931. Gandhiji attended the Conference assisted by senior leaders of the nationalist movement. But the communists were not happy at the initiative thus being wrested away from them.

FURTHER SPLIT--FORMATION OF THE RED TRADE UNION CONGRESS

The 11th session of the AITUC held in Calcutta in 1931 began with the shouting of slogans:

“Down with the Congress leaders.”

“Down with the Round Table Conference.”

In that Conference a message of Saklatvala from the UK,

who was guiding the Indian communists, was read out. In it he attacked Gandhiji and his role as treacherous. This led to a cleavage between the extreme communists and the main group of nationalists. The extreme communist group was led by B.T. Ranadive and S.V. Deshpande. They left the AITUC and formed the All India Red Trade Union Congress. The labour movement was thus being fragmented at a time when labour needed all its unity and strength to fight the depression and the threat of retrenchment and wage cuts. It also showed that the communists would not hesitate to destroy labour unity for their political interests.

FORMATION OF NTUF

The Indian Trade Union Federation which had left the AITUC in 1929 as the dissident group, and the Railway Trade Unions which were not part of the AITUC, met in Calcutta in April 1933 and formed the National Trade Union Federation. It had 47 unions affiliated to it at that time with a membership of 145,000.

The worldwide trade depression in the early 30's also affected India. In 1933 more than 50,000 workers in Bombay City alone were thrown out of employment. In 1934 almost every mill in Bombay and elsewhere introduced wage cuts. The workers were powerless to resist these onslaughts by the employers. Wherever they resisted, such as the jute workers strike in Bengal, the Tata colliery workers' strike in Bihar, and the textile workers' strike in Bombay, their efforts ended in failure. Again, the communists launched a general strike in the textile industry in Bombay, Nagpur and Sholapur in 1934. The Government banned the Communist Party and declared the trade unions controlled by them illegal. The strike leaders were detained and prosecuted under the Trade Disputes Act.

AHMEDABAD AGAIN SHOWS THE WAY

While attempts at rationalisation were being resisted by such abortive strikes under the leadership of the communists throughout the country, in Ahmedabad a peaceful and

disciplined struggle to meet the same threat resulting in unemployment and retrenchment was going on under the leadership of the TLA. In the words of Shankerlal Banker, the veteran trade union leader of Ahmedabad, "rationalisation is, to a certain extent a necessary evil. . . . As it is an effective way to attain the living wage, to the extent rationalisation can help in enabling the worker to attain the living wage, it becomes necessary to resort to it." There was thus a constructive touch given by the TLA of Ahmedabad to the moves of rationalisation by the millowners in an effort to tide over the great depression that had set in the early thirties. The union negotiated with the management and ultimately, through the good offices of Gandhiji, an agreement became possible.

The first attempt in our country to introduce rationalisation by agreement and providing for a certain amount of controls and safeguards to protect the workers' interests became successful in the Ahmedabad textile industry in January 1935. This agreement is a landmark in the history of the rationalisation movement in our country. Important among the safeguards agreed to in that agreement were :

1. That rationalisation should not imperil the health of the workers;
2. That any unemployment incidental to rationalisation will be confined to:
 - a. Married women whose husbands are benefited by the rationalisation process;
 - b. Persons whose connection with the industry is less than of a year's duration; and
 - c. That any person so thrown out of employment should be given preference while filling new vacancies.
3. That the gains of rationalisation shall be shared in a certain manner between the workers and the industry;
4. That a Joint Committee will supervise and regulate the working of the Rationalisation Scheme;
5. That all disputes regarding rationalisation shall be referred to this Joint Committee for decision, and if it

fails to decide unanimously, the matter shall have to be settled by an arbitrator whose decision shall be final and binding.

UNITY MOVES AGAIN

In 1935 the All India Red Trade Union Congress led by the extreme communists merged with the AITUC, obviously as a tactical move and in accordance with directions from Moscow.

In the same year, a ginger group within the Congress Party called the Congress Socialist Party also joined the AITUC. An agreement was signed between the Congress Socialist Party and the AITUC; and in terms of that agreement, the Congress Socialist Party agreed to affiliate its unions with the AITUC in exchange for the AITUC's support to that party as the political party of the working class. The main urge for the socialists in coming within the AITUC was their strong desire for unity in the labour movement. The urge for the communists in AITUC to accept the Congress Socialist Party on its terms was the opportunity afforded thereby to infiltrate into the Congress Party.

NTUF MERGES WITH AITUC

In the session of the AITUC held in Bombay in 1936 the climate was generally in favour of unity in the ranks of labour with a view to strengthening the anti-imperialist forces. Efforts were therefore set afoot to unify the trade union movement in the country by bringing back the National Trade Union Federation also, which had gone out of the AITUC at the 1929 Nagpur session and formed the Indian Trade Union Federation. It was again in Nagpur, in 1938 that a Unity Conference took place and the AITUC accepted the merger terms suggested by the National Trade Union Federation. One of the terms that facilitated merger was that no political decision should be taken, unless it commanded a two-thirds majority. Unity was finally achieved in 1940 with N.M. Joshi becoming General Secretary of the AITUC.

CONGRESS SOCIALIST PARTY

At this stage it would be appropriate to refer in some detail to the role of the Congress Socialist Party. In 1934, a few Congressmen founded the Congress Socialist Party. Jayaprakash Narayan was the moving spirit behind it. It was not an independent party as such. It was more or less a ginger group within the Congress.

The Congress Socialists actually did not have much of a clear-cut idea as to what aim they really stood for and how they proposed to achieve it. There was considerable loose thinking by them. They were unable even to understand the difference between the socialism held out as the goal by the British Labour Party, which was trying to achieve it through parliamentary democracy, and the Marxist form of communism, loosely equated with socialism, though sought to be achieved through totalitarian methods. Such confusion in thinking naturally weakened the Congress Socialist movement from its very inception. But whatever the differences among the Congress Socialists, unlike the communists, they were all essentially rooted in Indian soil, culture and tradition, and it was difficult for them to resist the tide of Gandhism which had by then enveloped the entire country and guided its political thinking.

At the 1935 Seventh World Congress, the Communist International considered these developments in India. It realised that it had not correctly assessed the various factors and their impact on the Indian scene. It did not hesitate to reverse its earlier instruction, given in 1928, to the Indian communists. In spite of the great worldwide trade depression in the early '30's when normally the communist parties all over the world should have made some progress, thriving on the discontent of the workers, the communist parties all over the world had really suffered a setback. Fascism, Nazism and Japanese Militarism had in fact progressed through that great economic crisis. Even the security of Soviet Russia itself appeared to be threatened by these developments, and a feeling of security had to be assured to it. To give effect to

the new instructions of the Comintern, the Communist Party in India had again to be put in proper shape, and for this once more the active intervention of the British Communists was sought.

CPI INFILTRATES INTO CONGRESS

It was apparent that Soviet Russia wanted to exercise pressure on the British Government to make it fall in line with its policy. The Indian Communist Party was also utilised for that purpose. The CPGB asked the Indian communists to project themselves into all popular fronts and to fight the imperialist forces. Outwardly, the Communist Party in India attacked the British imperialist power and appeared to reflect its nationalist sentiments, but, really the Communist Party was only carrying out the dictates of Moscow to bring to bear pressure upon the British Government to make it change its foreign policy into one of support to Soviet Russia against German Nazism.

The Indian communists were, therefore, instructed to infiltrate into the Congress, gain confidence of the Congress leaders and if possible capture the Congress Party's leadership, and, failing that, to endeavour to influence its policy. Even though systematic attempts were made in this direction by them, the Congress Party was too big and strong for them. The clear thinking, popularity and influence of Gandhiji were strong enough to neutralise the mischief by any communist infiltration. They were, therefore, unable to influence the policies of the Congress Party effectively to subserve their ends.

However, some Congressmen began to scent the mischief and they discouraged any association with the communists and, at times, they openly condemned their acts. But, then, the communists adopted an extremely flexible policy. They did not retaliate against the Congressmen for being thus treated and held in contempt. They sought to establish contacts with all splinter groups and sympathising individuals, changing their stand according to local conditions. They did not frown on temporary alliances even with the Royists and

Socialists. They sought to disrupt the Congress by misguiding and setting one Congressman against another by means of subtle propaganda. Such moves were not confined just to the lower ranks in the Congress. While on the one hand, even important individual leaders like Sardar Vallabhbhai Patel were subtly attacked as being the leaders of the reactionary right wing, on the other, they praised Jawaharlal Nehru and tried to keep Gandhiji out of controversy.

The result of these persistent efforts of the communists was that they could draw within their orbit Jayaprakash Narayan who was then General Secretary of the Socialist Party. Jayaprakash had a great record of service and sacrifice to his credit and surely he was not a communist. However, it was through Jayaprakash Narayan that the communists were able to reach a united front agreement with the socialists in 1936. Since the socialists were within the Congress, the communists used the United Front Agreement with the socialists as a door thrown open to them to get into the Congress. This resulted in a large scale infiltration of the communists within the Socialist Party, and, to a certain extent, into the main body of the Congress itself. Many of the communists manipulated even to attain some key positions inside the various groups and also in the Congress Party.

Very soon Congressmen saw through the plot of the communists, and complaints began coming in pointing out the danger of the possible infiltration by the communists in important positions in the Congress. Many of the communists had infiltrated and attained key positions in some of the Congress Committees, denying their membership of the Communist Party; but that meant just nothing to them, for it was part of the instructions given to them that they might do anything, even denounce the Communist Party, provided it furthered the aims of the Party. In 1937 the socialists also became greatly alarmed at the extent of the communist infiltration. But they did nothing to counter-act it with the result that the communists were able to break up the All India Students' Federation, and the All India Kisan Sabha, taking away big chunks of these two organisations with them.

The All India Trade Union Congress was gradually being converted as the Party's tool to bring labour under its grip. The Socialist Party in the South was more or less dominated by the communists and it was this earlier advantage to the Communist Party that still accounts for the Communist Party's strength in South India.

It was only in 1940, obviously late by several years, that the Congress Socialist Party Executive decided to expel the communists from that party. But, already sufficient damage had been done and the Socialist Party lay crippled and weak as a result.

PROVINCIAL AUTONOMY

The Government of India Act, 1935, brought increased representation to labour in the legislative assemblies. It also gave provincial autonomy to some extent. Thirty-eight seats were allotted to labour in the Provincial Assemblies and ten in the Federal Assembly. However, as against this, employers belonging to commercial, industrial, mining, plantation and landlord groups were allotted ninety-three seats in the Provincial Assembly and eighteen seats in the Federal Assembly. Therefore, any increase in the representation of workers in the Provincial and Federal Assemblies under the new Act had no commensurate effect as there was a preponderance of the capitalist classes.

The Indian National Congress decided to contest the elections in 1937. It published an elaborate election manifesto in 1936. In that manifesto its labour policy was stated as under :

“To secure to industrial workers a decent standard of living, hours of work and conditions of labour, in conformity, as far as the new economic conditions in the country permitted, with their International Standards ;

“To provide suitable machinery for settlement of disputes between employers and workmen ;

“To give protection against the economic consequences of old age, sickness and unemployment ; and,

“To ensure the rights of workers to strive for the protection of their interests.”

The Congress came out with a thumping majority in the elections and Congress ministries were formed in seven out of the nine provinces. The assumption of office by the Congress Party in the provinces coincided with the beginning of recovery of the economy not only in India, but throughout the world. The expectations of the workers therefore were great. In the first year of acceptance of office by the Congress Party, there was a sudden increase in the number of industrial disputes. The number of strikes was the highest in 1937 and 1938. The workmen who had been subjected to wage cuts were naturally expecting not merely restoration of the cuts, but even an increase over their formal wages.

The workers received considerable sympathy from the Congress ministers and enjoyed an hitherto unknown freedom. The Congress ministers supported the workmen in all their legitimate fights. For instance, in the Madurai Mills in Madras Province, the management wanted to reopen the mills (which was under a lockout following a strike) without reaching a settlement with labour. Rajaji, who was then Premier of Madras, prohibited such reopening of the mill under Section 144 of the Cr. P.C., in an effort to compel the employers to first settle the dispute with labour and then reopen the mills.

The Congress ministries were in office in the provinces for a very brief period only; and they resigned from office towards the close of 1939 as a protest against the manner in which India was dragged into World War II by the British Government.

BOMBAY INDUSTRIAL DISPUTES ACT

In the meanwhile, the Bombay Government was able to put on the Statute Book two enactments. One was the Bombay Industrial Disputes Act of 1938. This Act, for the first time, introduced the principle of compulsory adjudication of industrial disputes and prohibited strikes and lock-outs under certain circumstances. This law was mainly based on

the experience gained in the Ahmedabad experiment. The other enactment was the Shops and Establishments Act of 1939. This Act was intended to give protection to workers in shops and commercial establishments and to regulate their conditions of employment.

Gulzarilal Nanda, who was one of the secretaries of the Textile Labour Association, had by then become Parliamentary Secretary to the Chief Minister, Government of Bombay. The Bombay Industrial Disputes Act was enacted mainly because of the initiative and interest taken by Nanda. A section of the trade union workers led by the communists, however, opposed this legislation and there was a one-day protest strike in November 1938, sponsored by the communists.

INDUSTRIAL TRAINING INSTITUTE

At the time of the Ahmedabad strike itself Gandhiji felt that the workers should take up some other employment. He realised that it required training to make them take up alternative employment in times of need. Writing in *Harijan* in 1937 Gandhiji said :

“I felt that a working knowledge of a variety of occupations is to the working class what metal is to the capitalists. Labour’s skill is its capital.

“The millhands’ life is ever full of vicissitudes. Thrift and economy no doubt provide a sort of remedy and it would be criminal to neglect them. But the savings thus made cannot carry one far strong, when the vast bulk of mill-labourers of our country are struggling on the margin of bare subsistence. Moreover, it would never do for a working man during strike or lock-out to rest idle at home. There is nothing more injurious to his morale and self-respect than enforced idleness. The working class will never feel secure or develop a sense of assurance and strength unless its members are armed with an unfailing subsidiary means of subsistence to serve as a second string to their bow in a crisis.”

The Bombay Government keeping this in mind set up an

Industrial Training Institute where millhands after their working hours can undergo training in some alternative trades.

Another achievement of the Congress ministries in the provinces during the brief period they were in office was the appointment of a number of Enquiry Committees to go into the working and living conditions of workers in the provinces. One such important committee was the Bombay Textile Enquiry Committee, which also granted interim relief to the textile workers of Bombay. The Report of the Bombay Textile Enquiry Committee, popularly known as the "Divatia Committee", was very comprehensive and useful for trade union workers as an authoritative document.

The period from 1936 to 1939 witnessed a phenomenal increase in the number of registered trade unions and their membership.

In 1936-37 there were 272 unions with a membership of 2,61,047; in 1937-38 there were 420 unions with 3,90,112 members and in 1938-39 there were 562 unions with 3,99,159 members.

PAYMENT OF WAGES ACT

Not only the wages were poor and inadequate, but the payment of such wages was also very irregular at that time. Deductions of all kinds were allowed to be made from the wages, including disproportionately heavy fines. The Royal Commission on Labour had also recommended the introduction of legislation regarding payment of wages. To ensure prompt payment, it recommended fixed wage periods, regulation of all deductions from wages, etc.

The first step in this direction was the Payment of Wages Act, 1936. The Act came into force from February 28, 1937. It applied to all factories and railways. The Act underwent several amendments from time to time with a view to improving its provisions to safeguard the interests of the workers.

HINDUSTAN MAZDOOR SEVAK SANGH

There was a Sangh called the Gandhi Seva Sangh of which some of the top leaders of the country were members. They had a firm faith in Gandhian philosophy. The Gandhi Seva Sangh used to meet once a year in a sort of seminar and discuss various aspects of constructive programmes in the context of the national situation then obtaining. At these meetings there used to be discussions on 'Gandhism'. Gandhiji himself attended some of these annual meetings, and when he heard 'Gandhism' being labelled, interpreted and discussed about, he was not happy about it, and he himself raised the slogan 'Down' with 'Gandhism!' He said he was not there to create any 'ism' and promptly dissolved the Gandhi Seva Sangh.

The Gandhi Seva Sangh had a Labour Sub-Committee under the chairmanship of Sardar Vallabhbhai Patel. At a meeting of the Sangh in Brindavan in 1938, it was felt that in view of the growing importance of labour work, a mere Sub-Committee of the Sangh would not be able to meet the increasing responsibilities cast on it. It was therefore decided that a separate, independent specialised agency should be created to train labour workers, to assist them to find a suitable field for work and maintain them, if necessary, for a time, till they became self-supporting. The new organisation that was formed pursuant to this decision was the Hindustan Mazdoor Sevak Sangh.

Sardar Vallabhbhai Patel, who was chairman of the Labour Sub-Committee of the Gandhi Seva Sangh, became chairman of the Hindustan Mazdoor Sevak Sangh, and Jairamdas Daulatram and G.L Nanda became secretaries of the new Sangh.

Arrangements for training labour workers were made in Ahmedabad and a rapid course of instruction was provided to quickly meet the demand for trained workers in the several organisations. The organisation built up by the Ahmedabad Textile Labour Association provided ample ground for practical training; and within a period of two years the

Sangh trained 34 workers and put them to work in different parts of the country. Among the first batch of trainees were G.D. Ambekar, G.L. Mapara and S.G. Athavale who, after training, organised the textile industry in Bombay and Maharashtra; Dravid and Ram Singh Bhai Varma after similar training worked in Madhya Bharat, also among textile workers. Among the 1945 batch of trainees were G. Ramanujam and B.K. Nair who were deputed to organise Tamilnad and Kerala. S.R. Vasavada, one of the Secretaries of the Textile Labour Association, Ahmedabad, and who was later on to play a key role in the national trade union movement of the country, was in charge of the training.

In the Constitution of the Hindustan Mazdoor Sevak Sangh, the objects for which the Sangh was set up is laid down as under :

“Whereas there is urgent need of making vigorous and continuous efforts to organise the workers in all Industrial centres in the country on right lines for the purpose of :

- a. establishing just industrial relations ;
- b. eradicating exploitation in any form ;
- c. securing speedy improvement of their conditions of work and life and their status in industry and society ;
- d. and further it being of the highest importance in the interest of labour as well as of the peaceful progress of the country that the Principles of Truth and Non-violence taught by Mahatma Gandhi are stressed and applied to the utmost extent in the activities of day-to-day work of organisation of labour and in the handling of trade disputes.

The functions of the Sangh on the operational plane were :

- a. To assist in the formation of the trade unions and in securing their recognition by the employer ;
- b. To train workers for the work of organisation and administration of trade unions ;

- c. To guide the members of the Sangh with regard to their work in the labour movement ;
- d. To establish welfare activities for the uplift of the working class and the development of its internal strength ;
- e. To make efforts to get suitable enactments for ameliorating the working and living conditions of labour ; and
- f. To propagare the principles of Truth and Non-violence in relation to the labour movement and to spread enlightenment regarding their value and efficacy."

It is important to note that the Sangh was not an affiliating body of trade unions ; it was merely a society of labour workers.

The good work of the Hindustan Mazdoor Sevak Sangh had to be suddenly suspended following the arrest of most of its leaders in August 1942 for participating in the 'Quit India Movement' under the leadership of Gandhiji, but it was resumed in 1945.

WORLD WAR II

World War II started in Europe in September 1939; and with that, Soviet Russia's foreign policy became unsteady. The Communist Party of India, spineless as it had always been, was ever willing to change its policies frequently according to the dictates of the Comintern.

With Hitler's non-aggression pact with Soviet Russia early during the war, it suited Soviet Russia to ask Indian communists to condemn the war as an 'Imperialist War'. The USSR took advantage of the situation and extended its territory by taking possession of big chunks of territories in nearby countries which by no means belonged to it.

The Indian communists took up the cue from Moscow and condemned the war as an Imperialist War ; and in India they were anti-British on this account. That coincided with the view of the Indian National Congress and other nationalist

opposition groups in India which refused to participate in the war efforts on the side of Great Britain. So long as this stand lasted, the Indian communists appeared to be "patriotic", but in fact they were not. They were taking that stand not inspired by any sense of patriotism but because of the needs of Soviet Russia.

Subsequently, in the middle of 1941, Hitler and Stalin fell out. Soviet Russia now stood in need of British and American friendship and assistance. This necessitated a complete reversal of Soviet foreign policy: and with that, communist parties all over the world had also to change their policies overnight. Moscow instructed them, including the CPI, to call the war a "People's War" from then on, and to assist the war efforts of Britain and their allies. When the character of the war and particularly the attitude of Great Britain remained the same so far as India was concerned, the Indian communists were ordered to change their slogan overnight from 'Imperialist War' to 'Peoples War' because of Moscow's involvement. Orders also came from their immediate masters in London, the CPGB, to the same effect. Harry Pollitt, Secretary of the British Communist Party, addressed a strong letter to the CPI and practically ordered it to make an 'about-turn', and shout the Soviet slogan of 'People's War', whatever the consequences. This letter from the Secretary of the British Communist Party was said to have been delivered to the Indian Communist Party through the Home Secretary of the Government of India. This put the Communists in India in the same camp as the British Imperialists whom they had till then been condemning. Consequently, the communists who were sent to jail along with Congressmen, secured their release after giving an assurance to the British Government that they would support war efforts.

In July 1942, the British Government in India declared its intention to recognise the Communist Party legally, in return, for its endeavours to support to British war efforts. This was a time when the Indian National Congress, under the leadership of Mahatma Gandhi, was about to engage in the final struggle for the liberation of India through the 'Quit India'

movement with its slogan 'Do or Die'. The Indian communists faithful to their masters in Moscow, did everything in their power to sabotage the activities of the Congress nationalists. They supported the idea of a separate state of Pakistan too. Following the "Quit India" call by the Congress on August 9, 1942, the British Government put behind bars all important leaders. This was followed by mass arrests and cruel repression all over the country. The communists took advantage of the imprisonment of the Congressmen and increased the tempo of their antinational political activities. They had the support of the British Government. They had the support of the Comintern. But they did not have the support of the Indian people. Thus towards the end of World War II, the Communist Party presented a dismal picture. It had stood against the Indian Freedom Movement and had lost its support among the peasants and the urban proletariat.

ROLE OF AITUC

The AITUC which was a united central organisation at the beginning of the war found that there was difference of opinion among its leadership in its attitude towards the war. When the war broke out, one group within the AITUC was represented by the Royists. There were also some leaders like Jamnadas Mehta, who had no clear cut stand. Then there were the communists. There was also the section of labour which depended upon the Indian National Congress for its guidance. The Royists had already supported the war effort as they thought it was a war against fascism.

The communists in the AITUC began to act as the agents of the British and the employers and advised the workers to moderate their demands and work harder to enable successful prosecution of the war.

The Indian National Congress had by then decided to oppose the war and non-cooperate with the war efforts. The communists for some time tried to be in the good books of the Congress also. But the double role which they wanted to play, viz., to support the British Government in India and their war efforts, and also to satisfy the Indian National Congress as

opposing the war efforts, could not work, and the Communists in the AITUC stood thoroughly exposed

In the final struggle for national freedom, through the 'Quit India' movement in August 1942, Gandhiji wanted everyone to join it and even constructive workers who were exempted in the past were not given any exemption this time. Workers in trade union movement therefore also joined the 'Quit India' movement. The Government replied with wholesale arrests of national leaders and imprisoned them. There were spontaneous strikes by labour in sympathy with the movement all over the country; and in the two major industrial centres—Ahmedabad and Jamshedpur—the strikes continued, in Ahmedabad alone for a hundred and five days.

All Congressmen who were working in the trade union movement had participated in the 'Quit India' movement and were imprisoned. With the nationalist trade union leaders in jail, the communists took over charge of the unions wherever possible and improved their position in the trade union movement with the backing of the Government and thus established a stranglehold over the AITUC.

In 1941 some people in the Indian National Congress left that body and started a new party, The Radical Democratic Party, under the leadership of M.N. Roy. That party advocated unconditional co-operation with the British war effort. In the initial stages, when the AITUC was neutral in its attitude towards the war and when the Royists' section in the AITUC failed in its efforts to carry the AITUC with it to support the war effort, they decided to break away from the AITUC in July 1941. Those who supported this breakaway move to form a new organisation included M.N. Roy, Jamnadas Mehta, S. Gurusamy, Maniben Kara, J.N. Mitra, etc. A conference was convened by these leaders in Lahore in November 1941, in which they decided to set up a new central organisation called the Indian Federation of Labour.*

Jamnadas Mehta was elected President of this Federation

* *Planning for Labour* (A. Symposium)—An article by V. B. Karnik, p. 161.

and M.N. Roy as General Secretary. This Federation was able to get some support from Punjab, Sind and Bengal and from a section of railwaymen and seamen. One of the important activities of the Federation was to carry on propaganda for the war effort. To enable it to do so, the Government of India gave the Federation a monthly grant and the Federation came in for severe criticism for acceptance of the grant. The acceptance of the grant for supporting British Imperialism was fatal to the growth of this Federation. The limping Federation lingered on discredited till 1948 when it merged with the Hind Mazdoor Panchayat in December 1948 and became the Hind Mazdoor Sabha (HMS).

During the war years, although N. M. Joshi continued to be General Secretary of the AITUC, the real power had already gone into the hands of the communists. The communists tried, in February 1942, to put through a resolution to support the war effort. The resolution did not get the required three-fourths majority.

At the General Council of the AITUC held in September 1942, the communists defeated a nationalist resolution to organise strikes to support the 'Quit India' movement. In the 1943 Nagpur Session of the AITUC, the communists were able to get their nominee, S.A. Dange, elected as President. But, again, they failed to get through their resolution committing the AITUC to support their war efforts and advising workers not to resort to strikes. Similarly, a move advocating support to the nationalist view was also defeated by the communists. In 1945 when the AITUC met in Madras, it claimed a membership of about five lakhs distributed over 400 unions; the communists claimed the support of over 70 per cent of this membership. But since the war was coming to a close by then, the communists again decided to revert to their old role of militant trade unionism in an effort to regain their lost popularity.

DEFENCE OF INDIA RULES

During the war the Government had adopted a number of emergency measures placing severe restrictions on trade and industry as also on the rights and liberties of citizens through

the Defence of India Rules. Under Rule 81-A of the Defence of India Rules, all strikes were banned and machinery for adjudication was provided for settlement of disputes. The Government had appointed R.S. Nimbkar, one of the prominent leaders of the AITUC and an accused in the Meerut conspiracy case, as a Labour Welfare Adviser. Actually when the appointment order came, Nimbkar was in jail. To balance the concession given to the AITUC, Jatin Mitra, a leader of the Indian Federation of Labour, was appointed Deputy Labour Adviser. These appointments were made with a view to pleasing the labour leadership and as a reward for 'their co-operation with the British Government, and naturally they came to an end as soon as the war came to an end.

FIRST INDIAN LABOUR CONFERENCE

In the year 1942 the Government decided to set up a tripartite machinery as a national counterpart of the International Labour Organisation for discussion of labour matters. In the beginning, separate conferences were held with representatives of organisations of employers and employees. Later, it was decided to have a Joint Conference of representatives of the employers, employees and Government. The First Indian Labour Conference was held in New Delhi in August 1942. It consisted of 22 representatives of Central and Provincial Government and 11 representatives each of employers' and workers' organisations. It was decided that the Conference should meet once every year and a Standing Labour Committee was also set up consisting of ten representatives of the Government, five representatives each of workers' and employers. Equal representation was given on these bodies to both the AITUC and the Indian Federation of Labour and one seat was given to a representative of independent unions. The setting up of the Indian Labour Conference in August 1942 is not without significance. The ILO was formed in 1919, and if a national counterpart was also to be set up in this country, the Government of India need not have waited all these 23 years. It was apparently designed as a reward for the AITUC and the Indian Federation of Labour for their co-operation in prosecuting the war effort.

The Indian Labour Conference and the Standing Labour Committee were not intended to actually solve problems. But they provided a forum to focus the attention of the Government and the employers on the problems facing labour and to lay down broad policies to guide the Government. It also enhanced the prestige of labour and gave it a status. Since independence, these tripartite bodies have been improved and made more useful.

The Government appointed an important committee in 1944 called the Labour Investigation Committee with D.V. Rege, I.C.S., as Chairman, which was a fact finding committee on conditions of labour in several industries. The Committee's main report, published in 1946, proved a valuable reference document.

The office of the Chief Labour Commissioner attached to the Labour Ministry of the Government of India was created first in 1945 and this continued since then.

FORMATION OF WFTU

During the war, the United States, Soviet Russia, England and France had come together and were cooperating with each other for winning the war. Such wartime cooperation was sought to be extended by collaboration between the trade union movements of these countries. There was already some form of Joint Committee of the British and French; and the United States was also participating in it. Out of this Joint Committee arose the idea of a common international trade union federation. There was however an International Federation of Trade Unions already. But it was practically defunct. Besides, the Soviet trade unions were not in that federation. It was therefore decided to establish an altogether new federation. The Congress of Industrial Organisations (CIO), one of the two American National Centres, also approved the idea. The other section which was the bigger one, viz., the American Federation of Labour (AFL), however, did not approve of the proposal as it was opposed to any co-operation with Russian trade unions. According to the AFL, Russian trade unions

were not genuine workers' organisations. Therefore the AFL decided to keep away from this move.

The British Trades Union Congress went ahead and offered to convene a World Conference of representatives of Central trade union organisations involved in the war on the side of the democracies. This naturally included the Russian trade unions. In India, the AITUC and the Indian Federation of Labour both received invitations to the conference. But the conference had to be postponed due to large-scale air attacks on London. The World Conference was ultimately held in Paris in October 1945, when the World Federation of Trade Unions (WFTU) was established. It was attended by representative of the AITUC and the IFL and both agreed to be affiliated to this Federation. It is worth recalling here that in 1929 the split arose out of the decision by the communists to affiliate the AITUC with communist international organisations. But the two now agreed over common affiliation to the WFTU.

Another important landmark in the labour and trade union movement was the International Labour Organisation Session held in Philadelphia in 1944, when it adopted a declaration of 'Human Rights' commonly known as the Philadelphia Charter.* One of the basic statements of this charter is "Poverty anywhere is a danger to prosperity everywhere".

HMSS RESUMES ACTIVITIES

Gandhiji was released on May 6, 1944. Many Congressmen were then free to take stock of the situation and examine the various avenues of useful service to the country open to them in the prevailing circumstances. Their minds turned to constructive work and a number of them evinced keen appreciation of the vital role of the labour movement. It was felt that, while Congressmen had made some contribution towards the service of the working class in the past, a great deal still remained to be done, and that they should now devote

*See Appendix I.

much more time and attention to this aspect of the Constructive Programme. From all parts of the country Congressmen approached Gandhiji for advice in this connection. In the course of an interview, Gandhiji approved of the following line of action :

The Hindustan Mazdoor Sevak Sangh will guide the activities of all Congressmen, who engage themselves in labour work. The Sangh will provide for the training of Congressmen desirous of taking up trade union work. The Sangh will have its Provincial and Local Branches to guide the work of Congressmen occupied in the labour movement in particular areas. The Sangh will exercise influence on the labour movement through its members, working in the various unions. It will not directly handle trade union work. The Sangh will introduce a membership pledge to ensure quality of its membership.*

The objective clause of the Sangh ran as follows :

"It keeps before itself the objective of an order of Society which is free from hindrances in the way of an all-round development of its individual members, which encourages the growth of human personality in all its aspect and goes, as far as possible, in progressively eliminating social, political and economic exploitation and inequality, the profit motive in the economic activity and organisation of the country, and the anti-social concentration of power in any form."

The Sangh again started to provide facilities for equipping workers desirous of serving labour with the requisite theoretical background and practical training. To add to the effectiveness of their work, in this field, the Sangh assumed the function of coordinating their activities. The questions and difficulties faced by the workers must vary in different areas ; but in view of the agreed fundamental basis of the work, a uniform approach to these problems was arranged and it became a source of confidence and strength. Experience gained in the branches was to be pooled and transmitted for the benefit of the entire membership.

*See Appendix II

Welfare work too found a conspicuous place in the list of the Sangh's functions. The object was to secure through it the well-being of the working class and progressive development of its internal strength. Each branch was expected to undertake welfare activities to the extent funds and conditions permitted. P.K. Sawant was looking after the work of the Sangh at its headquarters in Bombay as Secretary.

World War II ended on a tragic note of unprecedented dimensions. Atom bombs were dropped on Hiroshima and Nagasaki in Japan, which made the Japanese surrender immediately as there was no answer to a bomb of such terrible devastating power. Although the war ended in Europe in May 1945 and in Asia five months later, victory for the Allies was in sight even in early 1944.

POPULAR MINISTRIES AGAIN

By 1945 most of the leaders of the Congress Party had been released, and in 1946 general elections were held. Once again Congress candidates were elected by huge majorities, and Congress ministries were formed in all the States, except Punjab, Bengal and Sind. At the Centre, there was an Interim Coalition Government of the Congress and the Muslim League. Both Nanda and Khandubhai Dasai, secretaries of the Textile Labour Association, Ahmedabad, were elected to the Bombay Assembly, and Nanda became Minister for Labour in the Bombay Province. Jagjivan Ram became Labour Minister at the Centre.

BOMBAY INDUSTRIAL RELATIONS ACT

Nanda, as Labour Minister of the Bombay Province, amended the Bombay Industrial Disputes Act 1938 in the light of the experience gained in the working of the Act. The result was the Bombay Industrial Relations Act of 1946. This Act provided for recognition of trade unions as the collective bargaining agent for an industry for a local area, and conferred several rights on such recognised unions. For the first time, there was compulsion under this legislation on employers to recognise trade unions.

At the same time, legislation by the Centre was put on the Statute Book for certification of Standing Orders to regulate the day-to-day working of industrial establishments through the Industrial Employment Standing Orders Act of 1946. Although the Act was passed in 1946, it was implemented in industrial establishments only several years later.

THE INDUSTRIAL DISPUTES ACT

In March, 1947 an important legislation was enacted at the Centre—the Industrial Disputes Act, 1947—to provide for investigation and settlement of industrial disputes. This Act took in many of the features of the Defence of India Rules—Rule 81 A, and also the provisions of Trade Disputes Act of 1929. In addition it introduced two new features, viz., the Works Committee and Industrial Tribunals. This Act came into force in April 1947 and remains even now the instrument governing industrial relations.

THE COMMUNIST OPPOSITION

The communists who supported the Defence of India Rules during the British regime opposed both the Industrial Disputes Act and the Bombay Industrial Relations Act brought in by the popular Government. In the opinion of the communists now, these enactments were a device to perpetuate the capitalist exploitation of labour. The Act prohibited strikes and lock-outs during the pendency of conciliation and adjudication proceedings. Once a dispute was referred to a Tribunal for adjudication, any strike or lock-out would be illegal. It did not suit the Communist Party's new programme to create problems in the way of progress of young free India. According to them, a trade union is an instrument for revolution. It was a school for communism. The communists never believed a trade union being an instrument for raising the standard of living of the workers within the legal framework. They wanted trade unions to function on an extra-legal plane. Hence their opposition to the Central Industrial Disputes Act and the Bombay Industrial Relations Act. However, in later years the

communists did not hesitate to take advantage of the adjudication machinery for fear of losing labour's support. They even shouted complaints that adjudication was not being made available to them as frequently as they wanted or as frequently as it was being given to other organisations.

BIRTH OF INTUC

On April 18, 1947, the Secretary of the Hindustan Mazdoor Sevak Sangh wrote to all nationalist-minded trade union leaders in the country, pointing out the anti-labour and anti-national role the AITUC had been playing; and in consequence the pressure brought on the Sangh to initiate action for the formation of a new body which could voice the genuine demands of the working class for realising their aspirations, at the same time keeping the national interest foremost in view. The letter also proposed to hold a meeting on May 3 and 4, 1947, at New Delhi, for a frank appraisal of the existing situation and for taking necessary steps to protect and promote the interests of both the workers and the country, which was on the threshold of achieving political freedom. The response to the invitation by the Sangh was immediate, enthusiastic and overwhelming. The Delhi branch of the Hindustan Mazdoor Sevak Sangh acted as the Reception Committee.

The Conference had a two-day session. The opening session was held at the Constitution Club at New Delhi at 3.00 p.m. on Saturday, May 3, 1947. Sardar Vallabhbhai Patel, President of the Central Board of the Hindustan Mazdoor Sevak Sangh, presided. Acharya J.B. Kripalani, who was then President of the Indian National Congress, inaugurated the Conference. Among the distinguished leaders who attended the opening session were Jawaharlal Nehru, Shankar Rao Deo, Jagjivan Ram, B.G. Kher, O.P. Ramasami Reddiar, Ravi Shankar Shukla, Harekrushna Mahatab, S.K. Patil, Kamaladevi Chattopadhyaya, Aruna Asaf Ali, Ram Manohar Lohia, Ashok Mehta, Dr. Hardikar, R.R. Diwakar and Bhimsen Sachar. Prominent among the trade unionists who were present in the Conference were G.L. Nanda, Khandubhai Desai, Suresh Chandra Banerji, Abid Ali Jaffarbhoy, Michael John, Deven

Sen, Harihar Nath Shastri, S.R. Vasavada, V.V. Dravid, S.P. Dave, R.A. Kedgikar, Shibnath Bannerji, G.L. Mapara, G.D. Ambekar and G. Ramanujam. The number of unions represented in the inaugural meet were around 200 with a total membership of over 575,000.

Referring to the proposal for the formation of a new central organisation for Indian Labour in his inaugural address, Acharya Kripalani, said :

“A few people still held the view that it would be more advisable to go into the All India Trade Union Congress and try to mould its policy from within. In view of the attitude of those who are in control of the AITUC at present, any such attempt is bound to be futile. In fact, there is an unbridgeable gulf between the sponsors of the new move and the AITUC. The new organisation will not hesitate to employ the weapon of strike, if it were essential to promote the true interests of labour. But that weapon is to be employed only after due consideration and with the utmost caution. Its application would be justified if the aim was to achieve any legitimate, economic and social objective. But it would however not only be a misuse of this weapon but doing actual harm to labour’s own interests if it were to be employed for the attainment of sectional political ends. If labour were to submit its organised strength to such exploitation it would become a mere tool in the hands of unscrupulous party politicians....

“It is a happy augury for the Indian working class that trained and trusted leaders of the labour movement are starting the new central organisation on healthy lines.”

On behalf of the Hindustan Mazdoor Sevak Sangh, Gulzarilal Nanda, Secretary, observed :

“The policies pursued by the AITUC under the communist leadership which functions in its name, stand in sharp and total conflict with our aims. Their ways threaten the security and the welfare of the community and are inimical to the best interests of the workers themselves. The bulk of the working class is opposed to the political philosophy of the communists. This is amply borne out by

the results of the elections to the Legislative Assemblies in the country from the various labour constituencies. The workers have had enough of the loss and suffering which are inseparable from methods adopted by the communists in dealing with difficulties of the working class. But the presence of Congressmen and others in the TUC in subordinate association with the communists creates the wrong impression that the present policies and the leadership of the TUC reflect the mind of the entire working class. The urgent need of the moment is, therefore, to provide machinery for coordinating the scattered forces of those who are in fundamental opposition to the communists in their approach to labour matters."

Commenting on the suggestion of reforming the AITUC instead of starting a new organisation, Nanda said :

"A section of the labour movement, which draws its inspiration from Gandhiji's ideas and bases its outlook and activity on his conception of truth and non-violence in relation to labour, has all along kept away from the AITUC and other central organisations of labour, which have existed at different times. Its reason for keeping out of the AITUC is that the way in which it is constituted and run militates against the growth of healthy and strong trade unionism. The usual answer on the other side has been that it is open to these unions to join the AITUC and exert strength and influence to secure the desired reform. This aspect has received close and careful consideration. It has been found that the composition and voting strength of the various bodies in the AITUC are managed in such a manner that the democratic procedure of achieving a change by the influence of ideas and the relative superiority of real membership strength has no scope at all. The AITUC admits paper organisations and accepts fictitious and grossly exaggerated returns of membership. This false display of numbers has continued from year to year.

"The members of the Sangh who had been taking a leading part in the AITUC for years reported that in the

existing set up of the Trade Union Congress it was vain to expect fair play and that, since it was not possible for us to join the race for multiplying bogus unions and submitting bloated returns of membership, we would have to wait very long before we could secure a chance of effecting the reforms on which the Sangh had set its heart.

“This is a critical period in the history of the country. To dislocate the productive organisation of the nation in these times is really to strike a direct blow on the life of the nation and its political integrity. It will not be easy to undo the economic damage or the political harm which the communist activity is passing from day to day if the mischief is not counter-acted at once.”

Concluding, Nanda said :

“While there is no common ground between those inspired by communist philosophy and those who have faith in democracy, the proposed organisation can provide a broad platform and ensure the largest measure of unity as among the latter, in pursuit of the aims of the labour movement.”

In his Presidential address, Sardar Vallabhbhai Patel dwelt at length of the debt the trade union movement and the AITUC in particular, owed to Congressmen, and explained how a situation had arisen when the establishment of a new organisation on proper lines could no longer be delayed. He said :

“The debt that the AITUC owes to the Congress is immense. Many eminent Congress leaders were associated with the AITUC for several years from the beginning. Much of the prestige that it now enjoys arose from its association with such Congress leaders as Lala Lajpat Rai, C.R. Das, Pandit Jawaharlal Nehru, Netaji Subash Chandra Bose and others, who have been its Presidents on various occasions.

“The idea of starting a separate trade union central organisation has to be judged in its proper setting. The Congress had placed no bar on its workers affiliating their

unions to the AITUC and such unions have for many years been associated with the AITUC. The Central Board of Hindustan Mazdoor Sevak Sangh at its conference held at Delhi in November last adopted a resolution urging the Sangh workers to affiliate the unions, with which they were connected, to the AITUC. This direction was immediately followed by some of them.

“Nevertheless, there is no denying the fact that a large number of unions controlled and guided by Congressmen have kept aloof from the AITUC. They could find no common ground between themselves and the AITUC leadership. The communists who are in the dominant position in the AITUC have little scruples as regards the means to be adopted so long as they are helpful to them in discrediting the Congress and defeating its programmes.

“In their blind opposition to the Government, the communist labour leaders have thrown all regard for national welfare to the winds. We are passing through one of the worst crises that faces a nation at any time. With the prospect of independence and freedom, several new problems are arising and the old ones are gathering intensity. Forces of national disintegration, the princes and the industrialists are all suddenly awakened to the new situation and are getting busy hatching their own plans to gain domination and privilege.

“Added to this, is the economic crisis. Even under normal circumstances we would have taken a good few years to recover from the effects of the last war. Food, clothing and other essential articles are in short supply. The railways are badly worn out and are in urgent need of repairs and renewals. The Government are doing their utmost to effect the recovery as speedily as possible. At a time like this, when every ounce of energy should be utilised in building up the national economy and raising the standard of living of the masses, we are indulging in an orgy of destruction. The losses of grain, cloth and other articles, for all of which there is a thriving need everywhere, through arson and loot in recent months are incalculable.

As though this by itself were not enough, certain political parties and trade union leaders seem to be bent on weakening the supply position still further, by stopping or cutting down production by encouraging strikes and go-slow tactics. The irresponsibility and recklessness of these people pass all understanding. Strikes are launched on all conceivable pretexts and in utter disregard of the workmen's own interest and well-being. Nothing is achieved through these strikes except chaos and misery all round. No progress is possible unless there is the requisite atmosphere of peace and security. The strike-mongers, there are reasons to believe, are now turning their attention to railways and coal mines. Perhaps it would be well for them to bear in mind that their success in these new fields would be nothing less than a calamity for the whole nation.

“The workers of India are only a section of the people and not a class apart. Their culture and their tradition form part of the common heritage of the people of India. In organising them and seeking redressal of their grievances ways and means have to be evolved in consonance with our own conditions. No mere grafting or transplantation of a foreign ideology and method, howsoever suited to the conditions elsewhere, is likely to yield healthy results here. What is required is an indigenous movement having its roots in the Indian soil. Such a movement has for long been in existence and has attained a remarkable degree of success through a number of unions in several centres. But generally speaking, these unions have held themselves aloof from the AITUC. Today they are coming together to form a new national organisation. It is to be hoped that the new organisation would give the correct lead to the working class and strive to establish social justice, peace and security and that its constitution and working would be essentially democratic giving every one of its constituent units ample scope for free expression of views and action.”

Dr. Suresh Chandra Bannerjee (Bengal), who was thrice

President of the AITUC, then moved the main resolution which read as follows :

“Whereas the course which the labour movement in the country is taking under the leadership of those who are opposed to peaceful change and democratic methods has proved extremely detrimental to the growth of strong and healthy trade unionism and is doing incalculable harm to the true interests of the masses of the country and whereas it has become now a sacred and imperative obligation of those who are for the well-being of the working class to take concerted action to safeguard and promote its interests, it is resolved that to give effect to this purpose, an organisation called the INDIAN NATIONAL TRADE UNION CONGRESS be formed.”

Dr. Bannerjee added that from his own experience he had come to the conclusion that there was no alternative before honest trade unionists and believers in democratic methods to forming a separate central organisation. The Communist Party, which occupied the dominant position in the AITUC, was making use of that platform for attaining its political ends. Their ignominious role during 1942 and the years that followed and betrayal of the national struggle for freedom had made them rightly unpopular. The numerous strikes that they had been fomenting in different parts of the country in recent months formed part of a programme aimed at regaining their lost prestige and position.

Dr. Bannerjee also referred to the predominance of the bogus element in the AITUC which made it impossible for genuine labour workers to cooperate with it. He urged the conference to lend full support to the resolution.

The resolution was seconded by Michael John (Jamshedpur, Bihar) and was supported by many leading trade union workers.

Opposing the resolution, R.A. Khedgikar pointed out that before launching the move for a separate organisation an earnest attempt should have been made to change the policy of the All India Trade Union Congress by joining it and

working from within. Shibanath Banerjee also opposed the resolution.

After a full and detailed discussion the resolution was passed by an overwhelming majority, only an insignificant five voting against it.

A Provisional Executive Committee consisting of the following was then elected, with powers to coopt additional members :

President	: Suresh Chandra Bannerjee
General Secretary	: Khandubhai K. Desai
Members	: V.V. Giri
	G.L. Nanda
	S.R. Vasavada (Ahmedabad)
	V.V. Dravid (Indore)
	Michael John (Jamshedpur)
	Deven Sen (Calcutta)
	Suraj Prasad Avasthi (Kanpur)
	P.Y. Deshpande (Nagpur)
	Purenendu Kishore Sen Gupta (Sylhet)
	G.D. Ambekar (Bombay)
	S.K. Patil (Bombay)
	Shantilal Shah (Bombay)
	Chimanlal Shah (Ahmedabad)
	Shri Krishna Dutt Paliwal (Agra)
	S.G. Athavale (Sholapur)
	Prof. Ghanshyam Jethanand (Karachi)
	Abid Ali Jaffarbhoy (Bombay)
	Shrimati Bina Das (Calcutta) and
	R.R. Diwakar (Hubli)

The Constitution of the INTUC was adopted at the second day's proceedings. It was read clause-by-clause and adopted unanimously after minor modifications.

OBJECTIVES OF THE INTUC

The objects of the INTUC, as embodied in its Constitution, are the same as the socialist objectives.

The INTUC was, however, careful not to get lost in ready-

made phrases or coined economic jargon, but spelt out the character of society which it sought to establish. The objects clauses of the Constitution read as under :

- I (i) to establish an order of society which is free from hindrances in the way of an all-round development of its individual members, which encourages the growth of human personality in all its aspects, and goes to the utmost limit in progressively eliminating social, political and economic exploitation and inequality, the profit motive in the economic activity and organisation of society, and the anti-social concentration of power in any form ;
- (ii) to place industry under national ownership and controls in suitable form in order to realise the aforesaid objective in the quickest possible time ;
- (iii) To organise society in such a manner as to ensure full employment and the best utilisation of its manpower and other resources ;
- (iv) to secure increasing association of the workers in the administration of industry and their full participation in its control ;
- (v) to promote generally the civic and political interests of the working class ;
- II (i) to secure an effective and complete organisation of all categories of workers, including agricultural labour ;
- (ii) To guide and coordinate the activities of the affiliated organisation ;
- (iii) to assist in the formation of trade unions ;
- (iv) to promote the organisation of workers of each industry on a nationwide basis ;
- (v) to assist in the formation of Regional or Provincial branches of the Indian National Trade Union Congress,
- III (i) to secure speedy improvement of conditions of work and life and of the status of the workers in industry and society ;
- (ii) to obtain for the workers various measures of social

security including adequate provision in respect of accidents, maternity, sickness, old age and unemployment ;

- (iii) to secure a living wage for every worker in normal employment and to bring about a progressive improvement in the workers' standard of life ;
- (iv) to regulate hours and other conditions of work in keeping with the requirements of the workers in the matter of health, recreation and cultural development ;
- (v) to secure suitable legislative enactments for ameliorating the conditions of the workers and to ensure the proper enforcement of legislation for the protection and uplift of labour ;

IV (i) To establish just industrial relations ;

- (ii) to secure redress of grievances, without stoppages of work, by means of negotiations and conciliation and failing that by arbitration or adjudication ;
- (iii) where adjudication is not applied and settlement of disputes by arbitration is not available for the redress of grievances, to facilitate recourse, on the part of the workers, to other legitimate methods including strikes or any available form of satyagraha ;
- (iv) to make necessary arrangements for the efficient conduct and satisfactory and speedy conclusions of authorised strikes or satyagraha ;

V (i) to foster the spirit of solidarity, service, brotherhood, cooperation and mutual help among the workers ;

- (ii) to develop in the workers a sense of responsibility towards industry and the community ;
- (iii) to raise the workers' standard of efficiency and discipline.

The main factor, which distinguished the INTUC from other trade union organisations is embodied in the means clause of the Constitution.

Clause 3(b) of the Constitution lays down that "the means

to be adopted for the furtherance of the objectives shall be peaceful, and consistent with truth". This is the impress of the Gandhian stamp on the new trade union movement.

HARIHAR NATH SHASTRI BECOMES PRESIDENT

Dr. Suresh Chandra Bannerjee, the first President of the INTUC, was invited to join the West Bengal Ministry headed by Dr. P.C. Ghosh as Labour Minister. He accepted the invitation and joined the West Bengal Cabinet. He therefore resigned his office as President of the INTUC in October 1947. In his place, Harihar Nath Shastri was elected President. Harihar Nath Shastri was in the Socialist Party and he resigned from it on July 21, 1947, and joined the INTUC. He was a founder-member of that Party and a member of its National Executive. He was a former President of the AITUC. In his letter of resignation he countered the Socialists' arguments and asserted that the INTUC was not a body engineered or sponsored by any outside agency. He said that when the INTUC rose as a strong and effective mouthpiece of the working class, it was bound to influence the policy of the State, not only in tackling labour problems but also in determining the social and economic structure of our country. Shastri also emphasised in the letter his differences with the Socialists who were opposing compulsory arbitration as an alternative to strikes.

THE FIRST PAY COMMISSION

Government employees and their Associations began to make representations for increases in their pay and dearness allowance owing to rise in prices during and after World War II. The Ahmedabad textile workers had already secured a dearness allowance consequent on the increase in prices brought about by the war. The Government of India decided to appoint a Pay Commission to enquire into the conditions of services of Government employees and to make recommendations regarding their scales of pay, allowances, leave, retirement benefits, as well as machinery for settlement of disputes. The Pay Commission was accordingly appointed on May 10,

1946, with Justice S. Varadachariar, a Judge of the Federal Court of India, as Chairman ; and within a year, i.e., on May 5, 1947, the Commission submitted its recommendations to the Government. The recommendations were to come into effect from January 1, 1947. The Government accepted the recommendations relating to pay scales and allowances and gave effect to them from July 1, 1947. It, however, did not implement the Commission's recommendations for enhancing the dearness allowance in accordance with the rise in prices. Besides, there arose a number of anomalies too. All these continued to make the Government employees discontented. The INTUC played a significant role in removing most of the anomalies arising out of the implementation of the Commission's recommendations particularly in Railways, Defence, P & T, etc.

The setting up of the Pay Commission gave a fillip to the trade union movement among the Government employees and a number of new unions and associations were formed and dormant organisations also became active on this account.

The recommendations of the First Pay Commission were in force for ten years till 1957, when the Second Pay Commission was appointed.

INDIA ATTAINS INDEPENDENCE

On August 15, 1947, India attained her independence from British rule. Freedom was secured through the non-violent struggle waged under the leadership of Mahatma Gandhi against the might of the greatest empire on earth—the British Empire. The saga of sacrifice and service in the cause of national freedom fulfilled itself in the achievement of political freedom. This achievement was unique and unparalleled in the history of any nation in the world. The joy of freedom brought along with it the pain of partition of India. There was considerable bloodshed as a result of communal violence and mass exodus of the people from Pakistan to India and vice versa. National leaders like Jawaharlal Nehru, Sardar Vallabhbhai Patel and a host of others tried to reduce the

severity of the communal carnage. Gandhiji himself undertook yet another fast for the sake of communal amity.

Having won political freedom, India from August 15, 1947 took up the challenge of securing economic and social freedom. The march was long and tortuous.

When India attained independence there were about 500 small princely states, each claiming to be sovereign and independent. Sardhar Vallabhbhai Patel, who was then Home Minister of the Government of India, integrated all these states through persuasion (except in the case of Hyderabad where police action was necessary). He became the architect of a united India.

MARTYRDOM OF MAHATMA GANDHI

The partition of India and the creation of Pakistan brought in its wake a mass exodus of Hindus and Muslims. The Hindus residing in Pakistan were afraid of their safety and moved to India. Some Muslims who wanted to go to Pakistan from India also left the country. These movements were not peaceful, and a large number of people, particularly Hindus, were reported to have been killed in the process. Thousands of families lost their lands, homes and other belongings. At the same time, there were also shining examples of people of both the communities rising above religious fanaticism and trying to help and protect people of the other community.

Some misguided Hindus thought that their sufferings were brought about by Mahatma Gandhi's soft line towards Muslims. They took him to be pro-Muslim. But Gandhiji was above all narrow considerations of religion, caste and community. He stood for religious tolerance and wanted all communities to live in an atmosphere of brotherhood. Some Hindu youths hatched a plot to kill Mahatma Gandhi. Thirtieth of January, 1948, was the blackest day for India, indeed, the whole world. That evening as Gandhiji was proceeding to his usual evening prayer meeting from Birla House in Delhi, he was shot dead by one Nathuram Godse. Godse, had mingled among the crowd present there. He went

up to Gandhiji, saluted him and shot him dead at point blank range. Gandhiji fell down and died instantly with the words "Hey Ram" on his lips.

This brought to an end the life of the Mahatma who fought the world's biggest imperialism and won for India her Independence through means unique and unparalleled. The Father of the young Indian Nation died a martyr soon after independence and, in the words of Jawaharlal Nehru. "The light was out". An era had ended. The entire country was stunned. But it had to go on. It did go on, but not exactly on the lines Gandhiji would have wanted it to go.

INDUSTRIAL TRUCE RESOLUTION

In December 1947 the Government of India convened a tripartite conference consisting of representatives of Central and Provincial Governments and of 'employers' and workers' organisations. The conference reviewed impediments to production as well as ways and means for maximising production. The representatives of the INTUC and others blamed the managements' attitude for any fall in production. After considerable discussion it was felt that there was need for a 'truce period' to enable industries to stabilise and improve production. It was agreed on all hands that increase in industrial production was vital to the economy of the country. It was also agreed that increase in production could not be achieved without full cooperation between labour and management and without ensuring a healthy respect for mutual rights and a sincere realisation of mutual obligations. The resolution passed at the conference also contemplated payment of fair wages, and a fair share of the profits to labour after making provision for a fair return on capital and reserves for the maintenance and expansion of industrial undertakings as well as provision of suitable labour housing. It said :

"This Conference considers that the increase in industrial production, which is so vital to the economy of the country, cannot be achieved without the fullest cooperation between labour and management and stable and friendly

relations between them. The employer must recognise the proper role of labour in industry and the need to secure for labour fair wages and working conditions ; labour for its part must give equal recognition to its duty in contributing to the increase of the national income without which a permanent rise in the general standard of living cannot be achieved. Mutual discussion of all problems common to both and the determination to settle all disputes without recourse to interruption in, or slowing down of, production would be the common aim of the employers and labour. The system of remuneration of capital as well as labour must be so devised that while in the interests of the consumers and the primary producers excessive profits should be prevented by suitable measures of taxation and otherwise, both will share the product of their common effort after making provision for payment of fair wages to labour, a fair return on capital employed in the industry, and reasonable reserves for the maintenance and expansion of the undertaking."

MINIMUM WAGES ACT, 1948

Although there had been improvement in industrialisation in the country, both during and in between the two World Wars, the process of unionisation of the labour employed therein had not been uniformly satisfactory. In fact, in certain industries, labour was not at all organised, with the result that it became easy for employers to have their own way ; and a category of unorganised and sweated labour came into being. Even where labour was organised, its bargaining power was weak in some industries

It was therefore felt that the State should step in and protect the interests of sweated labour by ensuring a certain minimum wage in all such industries by legislation. Thus a Minimum Wages Act was passed in 1948. It applied to employment in industries listed in the Schedule to that Act. The Schedule included woollen, carpet making, shawl weaving, rice, flour and dhal mills, tobacco (including beedi) manufacturers, plantations, oil mills, local authorities, road

constructions, building operations, stone breaking or stone crushing, lac manufacturers, mica workers, public motor transport, tanneries and leather manufacturers and agriculture. It was however open to the Government to add to the list of employments and bring them within the scope of the Minimum wages Act.

The Act also empowered the appropriate Governments to fix :

- (a) minimum rate of wages ;
- (b) a minimum piece-rate;
- (c) a guaranteed time-rate; and
- (d) an overtime rate.

The number of hours of work constituting a normal day could also be fixed under the Act as also a weekly holiday in all scheduled employments. The appropriate Government was required to review the minimum rates of wages at intervals not exceeding five years and revise them wherever necessary. In fixing the wages, the appropriate Government could take the help of advisory committees of a tripartite nature. The 1948 Act required the fixation of minimum wages within three years after the Act came into force. But the Governments were unable to fix the minimum wages within the stipulated time. In 1950, an Ordinance was issued extending the period by a further year. But even that was not sufficient. The Act was subsequently amended, in 1951, 1954 and 1956, to extend the period. The main difficulty was with regard to the fixation of minimum wages for agricultural labour.

Although minimum wages were fixed under the Act, it did not preclude labour from agitating for a fair wage and get its demands referred for adjudication under the Industrial Disputes Act, 1947; for, otherwise there was the danger of the minimum wage becoming the maximum wage. Such adjudication of wage disputes in industries covered by the Minimum Wages Act was not unusual as was evidenced by adjudication in the plantation, motor transport industries, etc. The Act however prohibited 'contracting-out' of the minimum wages fixed under the Act.

BOMBAY SESSION OF INTUC

The First Annual Conference of the INTUC was held in Bombay on May 16 and 17, 1948. By that time the INTUC had already become the premier national central trade union organisation having a membership far larger than that of AITUC. This was established after scrutiny of membership claims of various central organisations by an impartial agency. Harihar Nath Shastri presided over the session. Babu Rajendra Prasad, who was then President of the Indian National Congress, specially flew to Bombay to inaugurate the session.

The first session was attended by over 1,000 delegates representing 603 trade unions with a paid membership of over eight lakhs. The open session met in Nare Park in the heart of Bombay's labour area.

Rajen Babu inaugurating the session congratulated the INTUC on the spectacular progress achieved by it in the first twelve months by which time its membership had gone above 8 lakhs, and he was happy that the 8 lakhs membership was tested, found paying and sound. Rajen Babu exhorted the INTUC to take a comprehensive view of the effect of its activities on the community as a whole, covering all centres and all industries. He warned against its taking a partial, one-sided view pursuing the demands of one section of labour engaged in one particular sector of society, ignoring at the same time the effect of that section in that sector on other sectors of society, in which too labour played as equally important part and formed an equally important section.

In his presidential address, Harihar Nath Shastri urged the Government to remodel the Industrial Disputes Act (Central) on the pattern of the Bombay Industrial Relations Act, 1946. Referring to the Industrial Truce Resolution adopted a few months back, Shastri regretted that industrialists who were parties to it were not implementing their part of the resolution and it was consequently creating a crisis in the country. Nevertheless, he exhorted the working class to stick to their part of the resolution in the interests of the

country, because as long as production did not increase their standard of living would not improve in spite of their higher money wages.

It could be seen that there was a refreshing changeover to a constructive approach for the first time in a trade Union conference; for so far in the AITUC sessions, this approach was lacking.

The Conference adopted a condolence resolution on the death of Mahatma Gandhi and gave expression to the debt of gratitude the trade union movement owed to the great leader. The best memorial to Gandhiji was by Ahmedabad textile workers who contributed three days' wages which came to over Rs. 12 lakhs, for developing the trade union movement in the country on Gandhian lines.

The Conference demanded the appointment of committee of experts for:

1. fixing wages on a fair and equitable basis;
2. laying down the basis for a fair return on capital and provision of adequate reserves; and
3. evolving a scheme whereby labour will be assured of a just share in the profits of the Industry.

INDUSTRIAL FEDERATION

A number of industrial federations, such as for textiles, mines, Railways, sugar, jute, plantations and ordinance employees, was formed in 1948 at the time of the First Annual Session. These National Federations consisted of unions which were already affiliated to the INTUC and were therefore specialised agencies of the INTUC for the industries concerned.

COMMITTEE ON PROFIT-SHARING

In response to the demand of the INTUC at the conference, the Government of India appointed a tripartite committee on Profit-sharing on May 25, 1948. Khandubhai K. Desai, General, Secretary of the INTUC, was one of the members representing labour on the Committee which was asked to pay particular attention to :

1. How should 'capital employed in the industry' be determined?
2. How should depreciation and taxation be treated for the purpose of arriving at the gross profit to be allocated between capital, labour and reserves?
3. What are the purposes for which provision should be made by way of reserves and what be the extent of such reserves?
4. What should be a fair return on capital employed in the industry? Should it be at a uniform rate for all industries or should the rate vary from industry to industry and, if so, on what principles? If the fair return is not reached in some years, should provision be made for making it up later, and, if so, how?

[Note : The fair return should be such as not to discourage adequate investment.]

5. Should the fair return on capital employed in an industry should vary with the level of taxation, if the industry is:
 - (a) a joint stock company, or
 - (b) a private company.
6. How should labour's share of the surplus profits (after making provision for fair return on capital and reasonable reserves) be determined on a sliding scale normally varying with production?
7. Should surplus profits be shared every year or should a part be held in reserve for equalisation or any other purpose such as provision against past or future losses?
8. How should labour's share of distributable profits, as determined under (6) and (7) above, be distributed, that is, whether by each undertaking or by each industry as a whole in each region or for all industrial undertakings in the country or by a combination of these methods?

9. How should Government undertakings be treated for 1 to 8 above?
10. What should be the nature of the machinery for the determination of fair return, etc., on the principles finally accepted by the Government?
11. If, in the light of the considerations mentioned above, profit-sharing appears impracticable, what, if any, are the alternatives available to give effect to the principles underlying the Government's declared policy?

The Committee submitted its report on September 1, 1948. The recommendations were however not unanimous. There were 'notes of dissent' by Khandubhai Desai, S.P. Jain, R.K. Mukherji, Asoka Mehta and V.B. Karnik.

FAIR WAGES COMMITTEE

The Government of India appointed a Tripartite Fair Wages Committee pursuant to the Industrial Truce Resolution of 1947 and the decision of the Central Advisory Council. Khandubhai Desai was a member of this Committee also on behalf of labour. The Fair Wages Committee submitted its report in June 1949. The report was practically unanimous.

The main features of the recommendations of the Committee were:

1. that the fair wage must be sufficient to meet the requirements of a standard family consisting of three consumption units—husband, wife and two children ;
2. that the earnings of dependents should be ignored;
3. that the food requirements should be calculated on the basis of three consumption units at 2,600 calories net intake per unit;
4. that the workers on the minimum wage must be given 100 per cent neutralisation of the rise in the cost of living by means of dearness allowance.

The Committee also observed that while the lower level of the fair wage must obviously be the minimum wage, the higher limit is set by the living wage. Between this minimum

wage and the living wage, the fair wage should be fixed depending upon the capacity of the industry to pay.

The committee also recommended that there should be no difference in the wages of men and women workers doing demonstrably the same type of work.

On the basis of the report of this Committee, the Central Government introduced a Fair Wages Bill in 1950 in Parliament, but it could not be passed into law owing to the dissolution of Parliament. In the new Parliament, the Bill was not re-introduced. The Fair Wages Committee's report, however, is a distinct landmark in the history of labour's agitation for fair wages. Later on, when tripartite Wage Boards were appointed by the Government they were required to fix fair wages on the basis of the recommendations of the Fair Wages Committee.

INTUC AT THE ILO

For the first time the INTUC was recognised as the most representative body of the working class in India in 1948 and its representatives constituted the labour delegation to the ILO conference.

The AITUC challenged the INTUC's credentials before the Credentials Committee of the ILO, even though it was convinced it had no case. The Credentials Committee of the ILO considered the appeal and rejected the challenge unanimously and approved the choice of the INTUC. For some more years the AITUC kept on challenging, and every time the challenge was found baseless by the ILO and at last the AITUC gave up that futile exercise.

FORMATION OF HMS AND UTUC

The Congress Socialist Party continued to be a ginger group within the Congress till 1948, when it decided to quit the Congress.

An incident which took place in the Meerut Session of the Indian National Congress perhaps provided the last straw. Sardar Vallabhbhai Patel while addressing the session told a

story which made the Congress Socialists uncomfortable. He said: "A villager took his produce to market in the nearest town in a bullock-cart. It was a hot day and a dog was walking under the cart in the shade provided by it. But the dog was looking left and right and was barking all the way at one thing or the other, as if it was important in moving the cart and managing the march." Sardar Patel compared the Congress to the cart, and the Congress Socialists to the dog which travelled in the shade provided by it. The Congress Socialists felt insulted by this illustration and failed to see the humour in it. Promptly, on their return they formed the 'Socialist Party of India' in March 1948.

The Socialists soon found that the party could not make any headway unless they had a labour wing. They therefore decided to start a trade union federation of their own. They directed such of those party members who were associated with the trade union movement and whose unions were affiliated with the AITUC to come out of the AITUC first, although there were not many such unions who thus came out of the AITUC. The Socialist Party then sponsored the Hind Mazdoor Panchayat in December 1948. With the exit of some unions from the AITUC at the call of the Socialists, the AITUC became even more a communist organisation than ever before. Following the exit of the Socialists from the AITUC, Mrinal Kanti Bose also came out of that organisation with his unions and formed the United Trade Union Congress (UTUC) in April 1949.

Thus by 1948-49 there were four central trade union organisations in the country in addition to the Indian Federation of Labour, which was practically defunct. The Hind Mazdoor Panchayat could not gather any momentum and appeared to be more or less a still-born affair. With the hope of making it live, the HMP and the IFL merged to become the Hind Mazdoor Sabha. On the political plane too, the Socialist Party merged with the new party started by disgruntled Congressmen under the leadership of Acharya Kripalani—the Kisan Mazdoor Praja Party—and became the Praja Socialist Party.

The UTUC was not very much different from the AITUC

nor were there any great differences between the parties that controlled them. The Revolutionary Congress Party in Bengal and the Revolutionary Socialist Party in Kerala were not very much different from the Communist Party of India. The UTUC functioned in two pockets, far apart from each other, in Bengal and in Kerala. In the rest of the country they had no following whatever. Even in these two states they were not of any consequence.

ICFTU FOUNDED

Meanwhile, in the international field, the WFTU was fast becoming an instrument of international communism through the manouevering of the communists in the international trade union movement.

Long before the formation of the WFTU, there existed International Trade Secretariats (ITs) which are international federation industrywise. The communist unions wanted the ITs to be dissolved and made to function as the trade departments of the WFTU. The non-communists, particularly the British TUC, opposed this idea and wanted the Trade Secretariats to continue to remain autonomous in their special trades.

In October 1947, Soviet Russia introduced the Cominform in the place of the old Comintern. Although the Cominform was supposed to be merely a forum for exchange of information among the communist countries, it was used by Soviet Russia as an instrument for carrying on a tirade against free, democratic trade union organisations and the non-communist bloc became strained very soon. In January 1949, in a meeting of the Executive Committee of the WFTU at Paris, the non-communist members asked their Executive Committee to recommend temporary suspension of the activities of the WFTU in the affiliated national centres. This was not acceptable to the communists. The British TUC, the American CIO and the Netherlands Federation of Free Trade Unions (NVV), recorded their votes in favour of suspending the activities of the WFTU in the national centres affiliated to it and staged a walk-out. Later, these organisations withdrew from the WFTU on January 19, 1949.

The INTUC also joined those organisations which had walked out of the WFTU. It joined the free trade unions in exploring the possibilities of building up a new trade union international. The British TUC convened a preparatory conference at Geneva on June 25 and 26, 1949. From India both the INTUC and the HMS were invited to attend the preparatory conference. In that conference, a decision was taken to set up an International Confederation of Free Trade Unions and form a Preparatory Committee of 16 members to draft its Constitution. The INTUC was represented on this Preparatory Committee too.

The INTUC at its General Council held in Lucknow in 1949 gave strong support to the proposed new International Confederation of Free Trade Unions.

On November 28, 1949, about 250 delegates from 57 national centres attended the Inaugural Conference in London. In that conference a new international confederation called International Confederation of Free Trade Unions was formally set up. It will be interesting to note that what happened in India in 1947 leading to the break away from the AITUC and the formation of a new national centre representing a free and democratic trade union movement in the country, i.e., the INTUC, was repeated two years later in the international trade union field by the Free Trade Unions breaking away from the communist dominated WFTU and forming the ICFTU. The INTUC, though young at that time, was privileged to be one of the founder members of the ICFTU. The Hind Mazdoor Sabha, which represented a tiny section of the Indian labour movement, tried to challenge deliberately the credentials of India's most representative democratic trade unions organisation, the INTUC—in the Inaugural Conference of the ICFTU. The challenge was rejected by the Credentials Committee of the Conference as 'frivolous and baseless'.

It will be interesting to note that it was Deven Sen, who was one of the representatives of the INTUC, who proved that the HMS charge against INTUC was frivolous and baseless. Years later he joined the HMS on account of political compulsion.

On December 7, 1949, the Preparatory Conference was dissolved and the International Confederation of Free Trade Union came into being. It elected M. Pual Finet (Belgium) as President and J.H. Oldenbroek (Netherlands) as General Secretary of the Confederation. It had an executive Board consisting of 19 members distributed over :

European Continent	5
North America	4
Asia and Middle East	3
Britain	2
Latin America	2
Africa	1
Australia and New Zealand	1
West Indies	1

The INTUC representative was elected as a member of the Executive Board.

THE PRINCELY STATES

Employers in the princely states were given many advantages which their counterparts in British India were not getting. Employers in British India complained that industries were shifting to the princely states. Also in regard to wages and working conditions of labour, employers in British India had been alleging that unless similar treatment was given to labour in the princely states, it would be difficult for employers in British India to compete.

However, it must be said to the credit of some of the industrially advanced states that they had more or less the same labour enactments as in British India. But, at the same time the vast majority of the princely states had no labour legislation at all. And even where legislation was on the Statute Book, its implementation in the states was not satisfactory.

All the workers of the Hindustan Mazdoor Sevak Sangh did not concentrate only on organising labour in British India. A few of them were also organising labour in some of the princely states with the result that labour in Indore, Baroda, Saurashtra, Mysore, Hyderabad and Travancore had been organised to some extent. The INTUC wanted to take the

earliest opportunity to strengthen the trade union movement in the princely states, all of which were in the process of merging with the Indian Union. The Second Conference of the INTUC, therefore, was held in Indore in May 1949. Sardar Patel, who was then Home Minister of the Government of India and who was at that time engaged in integrating the 500 and odd princely states with the Indian Union, inaugurated the conference. It was the Sardar's tactful and firm handling of the states' problems that led to a strong, united Indian Union, put an end to the autocratic rule of Maharajas in these states, and paved the way for popular regimes there. Such integration helped to bring labour in these states on a par with labour in the rest of the country.

One of the resolutions adopted at the Indore Session related to the problem on involuntary unemployment. There was then a threat of partial or total closure of establishments for various reasons such as accumulation of stocks or finished goods, non-availability of raw materials, electric power, fuel, some items of stores or parts of machinery, etc. The INTUC pointed out to the Government that it should not permit this unsatisfactory state of affairs to persist and that a scheme of unemployment insurance should be immediately instituted. As an interim measure, the INTUC demanded that workers should be fully compensated for loss of earnings owing to such involuntary unemployment. It was after three years of this resolution that the Government of India legislated for lay-off compensation.

NATIONAL PLANNING COMMISSION

G.L. Nanda, a founder members of the INTUC, became Vice-Chairman of the Planning Commission at its inception. Prime Minister Jawaharlal Nehru was Chairman. The leadership of the nationalist trade union movement thus extended its activities beyond those of a mere bread-and-butter trade union. The Government of India constituted three working parties in 1948-49, viz., cotton textiles, coal and heavy engineering, and on all these three bodies the INTUC played an important role.

This was the period when the first devaluation of the rupee was made in terms of the dollar. Pakistan did not follow suit. This resulted in sudden increases in the prices of industrial raw materials such as jute and cotton, leading to closure or partial working of units in those industries. This was also the period when the Korean war broke out.

The cost of living index number which was at 270 in 1947 rose up to 390 by May 1949 (1939 base)*. Such a rise was also due to the policy of decontrol of food stuffs and cloth enforced by the Government of India in November 1947 against the specific advice of the country's trade union movement. The policy of decontrol was abandoned in the latter half of 1948.

THE TWO BILLS

The Government brought before Parliament two labour bills during this period: The Labour Relations Bill and the Trade Union Bill. The Labour Relations Bill met with strong opposition from both employers and a section of labour. The employers opposed it on the ground that the proposed legislation deprived them of some of their longstanding rights, including the right to hire and fire labour as they wished. The section of employees represented by the communists and socialists attacked the bill as a 'black bill' on the ground that it took away the fundamental rights of the working class to strike. They were against compulsory arbitration.

The INTUC supported the bill in principle but took exception to certain provisions of it. The main object of the INTUC's support to the bill was that it laid down the principle of settlement of disputes through collective bargaining, and failing that, by arbitration, instead of by strikes. It appreciated the need for uninterrupted increase in production as the only way of raising the standard of living of the people, including the workers. The INTUC felt that it was not the time for a free-for-all fight between the two parties; for, in the ultimate analysis, it was not labour and management alone that were

*Currently it is about 2500.

affected by these fights the community at large suffered too. The bill was discussed at the 12th session of the Indian Labour Conference held in Naini Tal in October 1952. V.V. Giri, who was then Labour Minister, presided.

Summing up the proceedings of the conference, Giri observed :

“Opinion, however, is not unanimous as to the measures necessary to give the impetus which we all so sincerely desire. While some delegates share my view that this cannot be effectively done so long as compulsory adjudication is yet on the statute book, the majority are of the view that greater emphasis on mutual settlement is itself likely to produce quite satisfactory results and that it would be too risky for Government to divest themselves of authority to step in with compulsory adjudication after other methods of settlements have failed. The consensus of opinion, however, is that reference of a dispute for compulsory adjudication should be the very last resort and that it should be made only in exceptional circumstances.”

It was therefore decided not to proceed further with the bill.

INDIA BECOMES A REPUBLIC

India became a Republic on January 26, 1950, and the new Constitution became effective from that date. The importance of the Constitution lies in the declaration of the following fundamental rights that are guaranteed to every citizen.

Article 14 :

Equality before law : The State shall not deny any person equality before the law or the equal protection of the laws within the territory of India

Article 16 :

Equality of opportunity in matters of public employment :

1. There shall be equality of opportunity for all citizens in matters relating to employment or appointment to any office under that State.

2. No citizen shall, on grounds of only religion, race, caste, sex, descent, place of birth, residence or any of them, be ineligible for or discriminated against in respect of, any employment or office under the State,

Article 19 :

Protection of certain rights regarding freedom of speech etc:-

1. All citizens shall have the right :
- (a) to freedom of speech and expression;
 - (b) to assemble peaceably and without arms ;
 - (c) to form associations or unions ;
 - (d) to move freely throughout the territory of India ;
 - (e) to reside and settle in any part of the territory of India ;
 - (f) to acquire, hold and dispose of property ; and
 - (g) to practice any profession, or to carry on any occupation, trade or business.

Article 23 (1) :

Traffic in human beings and beggary and other similar forms of forced labour are prohibited and any contravention of this provision shall be an offence punishable in accordance with law.

Article 24 ;

No child below the age of 14 years shall be employed to work in any factory or mine or engaged in any other hazardous employment.

In addition, the Constitution also lays down certain Directive Principles of State Policy. Although these principles are not to be enforced by any court, they are nevertheless fundamental in the governance of the country. It is the duty of the State to apply these principles in making laws.

The Directive Principles that are of importance to labour are :

Article 38 :

The State shall strive to promote the welfare of the people

by securing and protecting, as effectively as it may, a social order in which justice, social, economic and political, shall inform all the institutions of the national life.

Article 39 :

The State shall in particular direct its policy towards securing :

- (a) That the citizens, men and women equally have the right to an adequate means of livelihood ;
- (b) that the ownership and control of the material resources of the community are so distributed at best to subserve the common good ;
- (c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment ;
- (d) that there is equal pay for equal work for both men and women ;
- (e) that the health and strength of workers, men and women, and the tender age of children are not abused and that citizens are not forced by economic necessity to enter a vocation unsuited to their age or strength ;
- (f) that childhood and youth are protected against exploitation and against moral and material abandonment ;

Article 41 :

The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want.

Article 43 :

The State shall endeavour to secure, by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities and, in particular, the State shall endeavour to promote cottage industries on an individual or cooperative basis in rural areas.

Article 47 :

The State shall regard the raising of the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties and, in particular, the State shall endeavour to bring about prohibition of the consumption, except for medicinal purposes, of intoxicating drinks and of drugs which are injurious to health.

THE FALSE PROPHETS

The communists had all along taken the stand that independence could never be secured through Gandhian methods. According to them, only Marxian methods could bring freedom. But, even they had to admit later that Gandhian methods did bring freedom. For a number of years after India attained independence, the Communist Party would not celebrate August 15 as Independence Day. Sardar Vallabhbhai Patel whom they were condemning as a 'right-wing reactionary' within the Congress, had been one of the major architects of Free India. He was the one man responsible for bringing into the Indian Union over 500 and odd princely states by liquidating the Rajas and Maharajahs who ruled them. And in their condemnation of Sardar Patel too, the communists were proved wrong.

Bewildered by these developments, but still eager to exist as a Party, if possible by not hesitating to turn the disadvantage of the nation to the advantage of the Party, the Communists got themselves divided. One group was led by P.C. Joshi who advocated a peaceful policy of infiltration and restraint, and another group was led by B.T. Ranadive which was all for violence and a militant policy of open insurrection and guerilla warfare before the new Government of young independent India could be firmly established.*

After a great deal of confusion, the Second Congress of the CPI (Communist Party of India), held, in Calcutta in February

**Indian Communists Exposed*, by Abid Ali.

1948, adopted what was known as the 'Zadnov Line'. According to this line, the communists were to propagate that the nationalist movements in India and South East Asia had betrayed the revolution and that they should be fought by all means. Accordingly, insurrectionary activities were organised in Burma, Malaya and other South East Asian countries. This was the time when a cold war was commencing throughout the world : and this development instilled a hope in the minds of the Indian communists of the possibility of seizing power by violent means. The adoption of this line by the Calcutta Congress of the CPI was a triumph for the Ranadive group. The CPI was accordingly purged of all lukewarm elements, and a new Central Committee took over control of the Party.

Even in carrying out the Ranadive's Tough Line of violence, there was a difference of opinion between Andhra communists and Ranadive. It was Ranadive's conviction that the revolution to be successful should be spearheaded by the urban proletariat. But the Andhra communists believed otherwise and went their own way and started the violent revolution from among the rural areas. The Andhra communists probably were inspired by Mao Tse-tung's methods. Ranadive for his part even believed that the time had come to strike against the Congress Government in New Delhi and that guerilla warfare was to be the means. In the Telengana area, the communists started some sort of a civil war, inspired by Mao-Tse-tung's earlier campaign in China. Arson and massacre on a large scale were witnessed around Nalgonda and Warangal districts during this period when the communists tried to set up a parallel government. Violent disturbances broke out in other areas of Andhra too—Malabar; West Bengal, Ahmednagar district in Bombay, parts of Punjab, Uttar Pradesh, Gauhati and Manipur. All these acts of terrorism and violence appeared as scattered incidents, but were really manifestations of one central plan and were scheduled to culminate in a general strike by paralysing the railways, to begin with. But the strike never came off, because the working class had already been organised well by the INTUC and all the dreams of Ranadive failed to materialize. The Socialists who were to cooperate with the

proposed strike came in handy as a scapegoat for the failure of the strike even before it began on March 9, 1949.

1949 RAILWAY STRIKE

In 1949 the communists through the AIRF attempted a strike in the Railways in pursuance of their policy of creating chaos in the country. They were not alone in this. The socialists became an unwitting pawn in the communists' game. They also joined the proposed strike move only to be condemned by the communists in the end as betrayers.

In the beginning the communists exploited the socialists and instigated the working classes by slogans of strikes. The unions affiliated to the INTUC through the Indian National Railway Workers Federation alone gave the railwaymen a correct lead. What was proper and feasible was eventually secured by negotiations, but the strike fever spread by the pseudo-leftists created a very difficult situation in the country. Had not the Government taken timely action in the matter, the communists would have succeeded in dislocating the transport system of the country at least for some time by bringing about a strike by coercive methods.

AITUC'S BOMBAY SESSION

The AITUC's 23rd Session was held in Bombay in May 1949, and the resolutions passed there reflect the insurrectionary ultra-left line the Communist Party was intending to take. It condemned the Nehru Government as trying to transform India into an American war-base in South-East Asia against the land of socialism, the Soviet Russia.

The AITUC observed :

“Capitalism is nearing its doom in several countries. It is already overthrown in several others. It is on the way to its doom. It is at this time that the Indian working class must rise to a man, defeat capitalism and march forward towards their goal. A confident and determined war on capitalists will certainly end in workers' victory.”*

*23rd Session AITUC Report (1949).

The CPI published at that time a course for the "Cadres of the Shock Brigade". It exhorted the party cadres to carry on guerilla warfare, raid police stations, ambush police parties and seize their ammunition, cut telephone and telegraph wires, etc. The circular, issued by the Bengal Provincial Committee of the Party, even appealed to Indian Army personnel to 'turn their guns and bayonets and fire upon the Congress fascists and destroy the murderous Congress Government'.

The Government under the able guidance of Sardar Vallabhbhai Patel suppressed all disturbances with ruthless energy. It was at this time that Acharya Vinoba Bhave started his Bhoodan movement in the most disturbed area of Telengana. Following its failure, the group within the CPI which advocated the tough line, began to lose favour with the rank and file of the Party.

Thus in early 1950 the Communist Party in India was at its lowest ebb. It was almost dying out, and there was little chance of the communists again wagging their tail with the Preventive Detention Bill becoming law in 1951. The CPI membership which was 90,000 came down to a mere 20,000. The AITUC membership during the same period came down from 7,00,000 to about 1,00,000. Such was the failure of Ranadive's line that P.C. Joshi, a former Secretary of the Communist Party, openly accused Ranadive of bringing about this sorry states of affairs. Rajeshwara Rao, head of the Andhra branch of the Communist Party, took over from Ranadive, and it was in June 1951 that the Politbureau of the Communist Party issued a half-hearted statement that, after all, the Indian Communist Party could not help being specifically 'Indian' in its psychological reaction if it were to survive! This was reported to have been done on the basis of a directive received through R. Palme Dutt.

1950 BOMBAY TEXTILE STRIKE

The Bombay textile labour was in the grip of the communists for a long time, with the result that neither labour's standard of living went up nor the industry could prosper. There were frequent incidents of violence and strikes and the

advantage to the workers arising out of all these struggles was not much. It was at that stage that the Hindustan Mazdoor Sevak Sangh asked G.D. Ambekar, one of its workers trained, to organise textile labour. Ambekar set up the Rastriya Mill Mazdoor Sangh, which later became an affiliate of the INTUC. The Sangh after more than a decade of dedicated constructive work built up its reputation among the textile labour and commanded a membership of over 45,000 by 1950. The Sangh was having for its model the Majoor Mahajan of Ahmedabad. The union affiliated to the HMS had hardly 15,000 membership and the communist-led Girni Kamgar Union had even less than 8,000 members in March 1950.

The RMMS therefore was declared the representative union under the Bombay Industrial Relations Act. The 1949 bonus demand of the Bombay textile workers was taken up by the RMMS before the Industrial Court. The Industrial Court after hearing the parties awarded two months basic wages as bonus. By then the Industrial Disputes Appellate Tribunal Act, 1950, had been passed and an Appellate Tribunal established under the Act. The millowners felt that the Industrial Court had given a higher bonus than was due and preferred an appeal to the Tribunal. The INTUC union and the RMMS on the other hand, felt that the bonus awarded was too low and it also preferred an appeal.

The HMS union had all along, been feeling aggrieved by the recognition granted to the INTUC under the law. It therefore began to incite the workers on the bonus issue and called for a strike. The communists who were always waiting for an opportunity of this kind supported the socialists' union. It is always easy to incite workers by holding out false promises and lead them on to a strike and equally easy for any union which took a responsible stand to be branded as reactionary.

When there was machinery made available to look into the fairness of the demand for a higher bonus, a strike on that issue was entirely uncalled for. But the socialists, backed by the communists launched a strike in the name of the bonus demand, but really to protest against the recognition granted to

the INTUC union. The motive of the strike was therefore political. But it was fought under the cloak of an economic demand for higher bonus to mislead the workers.

Although the HMS and the INTUC were both affiliates of the ICFTU, and the strike by the HMS was really an attack on the INTUC with the help of the communists, the ICFTU was reported to have helped the HMS strike financially. The communists and socialists outbade each other in their demands for higher bonus, one asking for doubling the existing bonus and the other asking for trebling it, while all the time they knew that the profits were so low that they would not permit any such bonus.

On the first day of the strike, only 15 per cent of the workers joined the strike. The HMS union resorted to intimidation and molestation of workers, assisted by the communists who thought that this was an opportunity to stage a come back into the Bombay textile field. It was because of violence and intimidation that the strike could last. According to an official estimate, the strike took a toll of 12 lives and about 200 persons were injured. The strike lasted 63 days but failed in the end.

The bonus dispute taken up by both the RMMS and the Bombay Millowners Association was the first case before the Labour Appellate Tribunal in which it laid down the well known Full Bench formula for bonus. It confirmed the Tribunal's award of two months' basic wages as bonus and dismissed both the appeals.

TRADE UNION MEMBERSHIP 1948-53

As already stated, the HMS was formed in December 1948 by an unholy merger. Asoka Mehta was the first General Secretary of this organisation. The HMS at the beginning claimed 419 unions with a membership of 679,287. In 1950 it claimed a membership of 698,720 and 804,337 in 1951. It is important to remember that these figures represented the claim of the organisation and not the verified membership. In the next year, i.e., 1952, there was a steep fall in the membership of the HMS to less than half. Its claim was then limited

to 398,499 members, distributed over 267 unions. What happened to more than 300 unions that were affiliated to the HMS in the previous year could not be satisfactorily explained.

It will be interesting to find that not only the HMS membership hurtled down, but the AITUC, which was claiming a higher membership than the HMS in 1951-52, had also a steep fall in its membership claim, which came down to 210,914, i.e., even lower than that of the HMS. At the same time, the INTUC's verified membership stood at over 930,000.

The HMS membership in the next year was even less. For all its fervour for democratic trade union movement the HMS was often found making joint fronts with the AITUC in order to fight the INTUC and thus lost its individuality and grip.

Those who formed the UTUC were mostly belonging to the AITUC. But some of them left the AITUC in 1947 and others in 1948. A few of those who later sponsored the UTUC were present in the conference held to set up the HMS. But they did not agree with the views of the sponsors of the HMS, and they decided to form their own organisation, the UTUC. It claimed a membership of 331,991 in 1949, which went up to 384,962 in 1951, it came down steeply and was around 100,000 only in later years.

Thus 1952-53 saw a steep fall in the membership of the AITUC, the HMS and, the UTUC from which the HMS and UTUC never recovered. The AITUC however showed some increase in membership. On the other hand, the INTUC's membership registered a steady rise and left the others trailing far behind.

AGRICULTURAL LABOUR

It has been pointed out that the Minimum Wages Act could not be effectively enforced. Even the time-limit to fix the minimum wages had to be extended from time to time mainly because of the difficulty in the fixation of minimum wages for agricultural labour. Even more difficult was the problem of implementation of any wages that might be fixed

for this category. There was no organisation among agricultural labour in the country. It is even now a stupendous task to organise them, for it would require huge resources.

Gandhiji had given a slogan that the land must belong to the tiller. At the time India attained independence there were a number of Zamindaris; and agricultural labour and peasants were subjected to a double dose of exploitation. The Government brought about legislation for the abolition of Zamindaris; but that by itself had not helped very much to improve the lot of agricultural labour.

The Indian National Congress at one time thought that cooperative farming was the best means of raising the standard of living both of peasants and agricultural labour, as well as of agricultural production. But that too did not make any headway. The Kisan Sabhas organised in the country were utilised more as political instruments by the opposition rather than for constructive purposes. Land reforms in the country were rather slow and tardy. There was a move to fix a ceiling on agricultural holdings. But the ceiling was fixed after so much of trumpeting about it that when the ceiling came, the land holders were actually more than ready for it. A large number of benami holdings came into existence.

Production of food and agriculture-based industrial raw materials was short of requirements, and the country was compelled to depend upon imports in spite of the fact that the Indian economy was and still is essentially agricultural.

There was a desire on the part of the trade union movement in the country to organise agricultural labour. But the progress achieved has been very limited.

The final solution of the problem of raising the standard of living of agricultural labour would be the abolition of absentee-landlordism, making the tiller the owner of the land, howsoever small it may be, and giving him all assistance, such as cheap credit, quality seeds, adequate fertiliser, irrigation and marketing facilities. The surplus labour in agricultural must also be diverted to other gainful occupations by creating more employment opportunities. Also, during slack seasons,

agricultural labour would have to be provided with alternative employment through self-employment opportunities to supplement their income. Considerable state assistance, if not initiative, is therefore needed. All this could not be achieved by the trade union movement, weak and divided as it was.

WHITE-COLLARED EMPLOYEES

After independence trade union consciousness among the salaried employees became more and more pronounced. With the enactment of the Industrial Disputes Act in 1947, a number of disputes affecting salaried employees were referred to adjudication. This gave the employees considerable benefits and they were convinced of the utility of the trade union movement. There was thus a further fillip to the process of consolidation and expansion of the trade union movement among the white-collared labour.

It was at this time the bank employees pressed their demands for better scales of pay, provident fund, gratuity, bonus, leave facilities etc. Some State Governments referred these disputes for adjudication to their own tribunals. But most of the banks operated in more than one State, and therefore there was a possibility of conflicting awards adding to the confusion and discontent.

The same was the case with the insurance employees too.

The Government of India therefore thought it desirable to constitute an All-India Tribunal to adjudicate on the demands of the bank employees. To facilitate this, an ordinance was issued on April 30, 1949, which provided for the appointment of an Industrial Tribunal on an all-India basis. The ordinance was known as the Industrial Disputes (Banking and Insurance Companies) Ordinance, 1949. It was later on regularised into an Act. All disputes between the employees and the managements of banking companies in India were referred to a Tribunal appointed under this Act. K.C. Sen was Chairman of the Tribunal. The Sen Award was set aside by the Supreme Court on technical grounds and a fresh Tribunal was therefore appointed. This reference to adjudication of the bank employees' claims had a chequered career and ultimately

resulted in the resignation of Giri as Union Labour Minister in 1954. The appointment of a Tribunal for bank employees gave a further impetus to the process of unionisation of bank employees. An all-India Industrial Tribunal for Banks naturally called for all-India representation of the employees and the All-India Bank Employees' Association came into existence in consequence.

INDUSTRIAL DISPUTES APPELLATE TRIBUNAL ACT, 1950

With the coming into force of the Industrial Disputes, Act 1947, a number of Industrial Tribunals were appointed by the State Governments. These Tribunals were generally one-man Tribunals. The Industrial Disputes Act itself did not lay down any guidelines to govern the awards of Tribunals on any matter connected with terms of employment or non-employment. The tribunals were therefore given a free hand. They could reopen contracts and make contracts for the parties. Social justice was the consideration that weighed with the tribunals, and since the concept of social justice is always subjective, awards of different tribunals on questions like wages, bonus, dearness allowance, etc., were vastly differing from one another.

These differing awards became themselves the source of further disputes. The Government of India thought it was desirable to introduce some uniformity in the decisions of tribunals, at least on important matters. The Government therefore legislated the Industrial disputes Appellate Tribunals Act, 1950, and the right of appeal on major aspects of terms of employment was thereby conferred on the parties. The very first case decided by the LAT was the Bombay Textile Bonus Case for the year 1949 in which it laid down what is popularly known as the 'Full Bench Bonus Formula'.

With an appellate forum made available, practically every award of the Industrial Tribunals that went against the employers started going before the LAT and there was considerable delay in the final settlement of disputes. There were

also appeals by labour, but the number of appeals by employers was larger. Trade union national centres were therefore not happy with the legislation providing for an Appellate Tribunal. The INTUC was the first organisation to demand its abolition.

The Working Committee of the INTUC at its meeting held in New Delhi on April 15 and 16, 1951, observed :

“From the experience gained in various parts of the country in regard to the working of the LAT, the Working Committee is confirmed in its view that any further prolongation of this machinery is not only detrimental to the interests of the workers but at the same time it is bound to hamper peaceful industrial relations in the country... The Working Committee therefore urges upon the Government to abolish the Appellate Tribunal and to amend the Constitution so as to ban reference of industrial disputes to High Courts and Supreme Courts”.*

Nevertheless the LAT continued to exist till 1956, when it was abolished and a new three-tier system was introduced through the Industrial Disputes Amendment Act.

HEALTH INSURANCE

In regard to maternity benefits, the main object was to give the female employee adequate rest both immediately before and after delivery, ensure her income security, proper medical care, and also avoiding dismissal during the periods preceding and following her confinement. The first Maternity Benefit Act was passed in Bombay in 1929. Thereafter almost all the states followed, i.e., Central Province in 1930, Madras in 1934, U.P. in 1938, Bengal in 1939, Punjab in 1943, Assam in 1944, Bihar in 1945, Kerala in 1952 and Orissa and Rajasthan in 1953.

With the enforcement of the ESI Scheme, maternity benefits in the industries under the ESI Act have been taken over by that scheme.

*INTUC Annual Report 1950-51, p. 22.

During the war period the Government had under its consideration a compulsory Health Insurance Scheme, for which funds were to be collected from both employers and employees, the Government taking the responsibility for the solvency of the funds and their administration.

In 1943 Prof. B.P. Adarkar was appointed by the Government to prepare a scheme for compulsory health insurance for industrial workers. He submitted his report in 1944.

The recommendations of Prof. Adarkar were based on compulsory contributory principles, contributions by the workers depending upon their earnings in slabs. In 1945 the Government of India appointed two ILO experts to give their expert opinion on Adarkar's scheme. The experts generally supported Adarkar's scheme and recommended its application to all perennial factories. Finally, the Employees' State Insurance Act was passed in 1948.

It was felt that the scheme could not be introduced at one stage throughout the country and that it should be started only in selected areas and industries, to begin with. A phased programme was therefore chalked out and the scheme was put into operation on February 24, 1952, in Kanpur and Delhi, to begin with. Since then it has been extended to practically all manufacturing industries in all important centres throughout the country.

EMPLOYEES STATE INSURANCE

The working of the ESI Scheme was a source of all round dissatisfaction. The insured persons were not satisfied with the kind of medical treatment given to them. Employers were not satisfied with the increased absenteeism and they complained of lax certification. Doctors were not satisfied in view of the working conditions and often complained of intimidation from the insured persons. The Government too was not satisfied as they were aware that the cash benefit from the ESI Scheme was used by the striking workers as a sort of strike relief. There were two review committees set up by the Government of India and in spite of their recommendations the scheme still does not appear to have improved.

According to the latest notification, employees getting a daily wage of Rs. 6 and below need not contribute to the scheme and they will get free medical care. But whenever the minimum wage under the Act is fixed around Rs. 10 per day this concession will have no impact at all. Originally, the scheme applied to those drawing a monthly salary/wage of Rs. 1,000 per months. In view of the steep rise in the cost of living and the erosion in the value of the rupee many workers crossed the thousand rupee limit. The Government has raised the ceiling and employees drawing up to Rs. 1,600 are covered by the scheme from January 27, 1985. These employees are now complaining louder since the recovery is now larger ; and the benefit is not commensurate with the recovery. Many employers are also asking for exemption from the provisions of the Act but the Government is determined not to grant exemption on the ground that the administrative expenses will go up. Perhaps if the scheme was made optional more workers may opt out of the scheme. Therefore, there cannot be a better index to show the need for all-round improvement in the working of the scheme.

EMPLOYEES PROVIDENT FUND

At the 12th Session of the Standing Labour Committee held in November 1950, labour representatives raised the issue of a statutory Provident fund scheme to be made applicable to all industries. At that time there was only one statutory scheme, viz., the Coal Mines PF Scheme. The subject came up again for discussion at the 11th Session of the Indian Labour Conference held in August 1951, when the Labour Minister announced that the question of introducing a scheme of compulsory PF for major industries was under the active consideration of the Government. The INTUC was foremost in urging upon the Government to enact legislation for PF without delay. An Ordinance was promulgated on August 15, 1951. It was regularised by the Employees Provident Fund Act of 1952. The Act was to apply to six industries, to begin with, employing 50 or more persons. The industrial units

must have completed three years of existence to come under the scheme.

The six industries listed in the Act were : Cement, cigarettes, electrical machines and engineering groups, iron and steel paper and textiles.

The rate of contribution was $6\frac{1}{4}$ per cent of both basic pay and D.A., with employers contributing a like amount. The Act was gradually extended to cover other industries and the rate was later raised from $6\frac{1}{4}$ per cent to 8 per cent.

The Standing Labour Committee at its session in 1968 considered the growing arrears of employers' contributions to the Employees' Provident Fund and suggested stringent measures against the defaulting employers. The workers wanted the provident fund money to be invested in a more remunerative manner and at the same time with minimum risk. The present practice of investing in Government securities yielded too poor a return and judging by the rate of depreciation of currency the rate of return was not considered adequate to offset the depreciation.

Out of the provident fund contribution a portion was set apart for a family pension scheme and a deposit-linked insurance scheme. But the workers have been complaining that both the schemes have been working unsatisfactorily and the benefits under the schemes are meagre.

Complaints were pouring in about the huge defaults by employers in remitting their PF contributions. Sometimes the money recovered from the workers' wages was also not deposited by the employers with the PF authority. The huge arrears in this regard were in both the exempted and unexempted categories. The workers wanted all defaulting employers to be prosecuted and, if found guilty, to be awarded jail sentences.

The Government appointed a high-powered review committee under the chairmanship of G. Ramanujam to go into the problem of defaults and arrears, and make recommendations for their recovery and for a more effective

working of the scheme. The review committee found that the working of the organisation was unsatisfactory and that there were arrears of several lakhs of entries to be made besides several crores of rupees as arrears. It wanted every contributor to the PF scheme to be given a pass-book. It suggested decentralisation of the accounting system so that employers employing more than 300 employees would be required to maintain the accounts, issue pass-books, etc. It also recommended extension of the scheme to units employing ten or more persons. Considering the serious and continued erosion in the value of the rupee, the committee recommended higher interest rates and also non-refundable advances up to 90 per cent of that total contribution both by workers and employers for purposes of house-building. Most of the recommendations of the committee, including the last one, were accepted by the Government. However, the recommendation regarding decentralisation is still to be implemented.

At the 11th Session of the Indian Labour Conference, which met in August 1951, the question of creation of a Welfare Trust Fund was discussed. While the workers' representatives and an overwhelming majority of the State Governments were in favour of the scheme for the creation of a Welfare Trust Fund, the employers desired that there should be no compulsion in the matter and that it should be left entirely to voluntary efforts by the employers. The conference also discussed the need for making suitable arrangements for training retrenched workers with a view to fixing them in alternative employment and agreed that suitable arrangements should be made for such training. But nothing concrete was done in pursuance of this agreement.

Provident Fund subscribers can now withdraw money from their accounts for purchase of flats in the name of their spouse also. Hitherto the rule was that purchase of a house/flat should be in the name of the subscriber for him to claim a loan from his PF account. This was made possible by liberalising PF rules on withdrawals for house-building from October 1984.

The ban on advancing funds for the purchase of old houses/flats has also been lifted. The maximum limit for getting funds from PF accounts for effecting alterations or additions to existing houses has been increased to 12 months' pay (basic plus D.A) from the present six months' salary.* The benefits under the family pension scheme were also amended in 1985 to be increased substantially.

THE FIRST FIVE YEAR PLAN

Long-term planning, such as Five Year Plans, was commonly found only in totalitarian countries. Therefore when a National Planning Commission for India was set up with a view to preparing a plan for five years in a democratic set-up, it was a novel experiment.

A Planning Commission was set up in March 1950 by a resolution of the Government of India. It defined the scope of the Commission's work in the following terms :

“The Constitution of India has guaranteed certain Fundamental Rights to the citizens of India and enunciated certain Directive Principles of State Policy in particular, that the State shall strive to promote the welfare of the people by securing and protecting, as effectively as it may, a social order in which justice, social, economic and political, shall inform all the institutions of the national life, and shall direct its policy towards securing, among other things :

- (a) that the citizens, men and women equally, have the right to an adequate means of livelihood ;
- (b) that the ownership and control of the material resources of the community are so distributed as best to subserve the common good ; and
- (c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment....”

*News Today, October 19, 1984.

The first Five Year Plan period commenced from April 1951. Briefly, the labour policy outlined in the Plan proceeded on the footing :

- (a) that a new relationship should be created between the employer and his employees ;
- (b) that the workers must be treated with consideration by the employer ;
- (c) that the workers must be free to organise and take lawful action in furtherance of their rights ;
- (d) that industrial disputes should be settled with due consideration to principles of natural and social justice with minimum expenditure of time and money ;
- (e) that legal technicalities and formalities in the procedure should be reduced to the minimum ;
- (f) that conciliation proceedings should be carried on in an informal atmosphere and should be completed within a fixed time-limit ;
- (g) that there should be no appeal from the decisions of tribunals barring in very exceptional cases where the decision may be found to be either perverse or against the principles of natural justice ;
- (h) that in the matter of implementation of awards and decisions of tribunals, if taking over the direction and control of an establishment becomes necessary, such taking over may be exercised under special legislation ;
- (i) that agreements of tripartite bodies should be issued either as directives binding on Courts and Tribunals or be suitably embodied in legislation ;
- (j) that to the workers in the public sector undertakings, the benefits of all labour laws that are applicable to similar undertakings in the private sector should be available ;
- (k) that adequate provision has to be made for the basic needs of the workers ;

- (l) that they should have their due share in the social and economic progress of the country and in the national income ;
- (m) that the claim of labour should be dealt with liberally in proportion to the distance which the wages of different categories of workers have to cover before attaining the living wage standard ;
- (n) that permanent Wage Boards of a tripartite nature should be set up in each State and at the Centre to deal comprehensively with all aspects of the question of wages.

The plan also mentioned the Employees State Insurance Scheme and the Provident Fund Act by way of social security measures besides a scheme for training workers within industries for increasing productivity.

The Plan also provided for regulating rationalisation in industries and for adequate safeguards against illconceived and hasty rationalisation moves.

JOINT CONSULTATIVE BOARD

In December 1950, the Government of India set up a Development Committee. Originally, there were two such committees, one for industries and another for labour. But later on, these two committees began to function jointly. The INTUC had four seats on this committee, and the HMS two. There was none on behalf of the AITUC.

The main function of the committee was to devise ways and means to bring about rationalisation in industry with a view to step up production, without causing retrenchment or hardship to labour. The Development Committee decided to set up a Sub-Committee to deal with these questions in detail. The Sub-Committee was known as the Continuation Committee. The Development Committee was, in May 1951, converted into a Joint Consultative Body of Industry and Labour, under the name of Joint Consultative Board. The Joint Consultative Board was to deal with not only problems relating to rationalisation but also other problems concerning labour. The

Committee was composed of three representatives of labour and three of employers. Of the three from labour, two were represented by the INTUC and one by the HMS.

The Joint Consultative Board functioned as an informal body and largely helped to promote a better understanding between labour and industry.

The Board is now defunct and no efforts have been made to revive it.

PLANTATION LABOUR ACT, 1951

In 1951 Parliament enacted the Plantation Labour Act, regulating for the first time the conditions of employment of plantation workers in India. This was a great boon to a most backward section of labour, numbering nearly two million. The Act applied to all tea, coffee, rubber and cinchona plantations employing more than 30 persons.

The Act required the planters to provide clean drinking water and other sanitary arrangements, as well as medical facilities. Wherever more than 50 women workers were employed, it required creches to be maintained. It also required employers to provide housing accommodation for the resident workers and their families. It fixed the hours of work at 54 a week. It prohibited employment of children under 12 years of age. It provided for holidays with pay, at the rate of one day for every 20 days of work. The rules under this Act made it possible for the first time for outsiders to enter the plantations to meet workers in their lines for trade union work, paving the way for unionisation of plantation labour.

MINES ACT, 1952

The old Indian Mines Act, 1923, was repealed by the new Mines Act of 1952. It was passed by Parliament on February 15, 1952. The salient features of the new Act were its wider coverage and provision of inspecting staff. Certifying surgeons were included in the inspecting staff. Examination and certification of adolescents under the Act, specific standards in respect of supply of drinking and sanitary installations,

a 48-hour-week for both surface and underground workers, maximum daily working hours of nine for surface workers and eight for underground workers, payment for overtime, and weekly holidays as well as holidays with pay were provided for in the Act.

FIRST GENERAL ELECTIONS

The first general elections under the new Constitution were held early in 1952. Unlike in the past, there were no reserved seats for labour. For the first time, the nation was to go to the polls on the basis of universal adult suffrage. The problem was of a gigantic nature as India was undoubtedly the world's largest democracy with a population of nearly 380 million. Whether they liked it or not, the trade unions had to take a decision when approached by their members for advice as to how best to exercise their franchise. For the AITUC there was no such problem, because it had become just another name for the CPI. For the HMS, it was not a factor to have any impact. For the INTUC the problem was real. As already stated, the INTUC was neither an affiliate of any political party, nor a subordinate body of any political party, including the Indian National Congress.

In November 1950, Dr. S.C. Bannerjee, the first President of the INTUC, became President of the Krishak Mazdoor Praja Party in West Bengal. This Bengal party was later on converted into an all-India party. Deven Sen, who was one of the active INTUC leaders and who was General Secretary of the provincial branch of the INTUC in Bengal, also left the Congress and joined the KMP Party. Since a large number of Congressmen were working in the unions affiliated to the INTUC an impression had gained ground that the INTUC was a purely Congress organisation. It was this erroneous impression that raised doubts whether the resignation of Dr. S.C. Bannerjee and Deven Sen from the Congress Party and their joining the KMP Party would affect their association with the INTUC. The INTUC immediately made its stand clear. It reiterated its independent character and the fact that it had no organisational link with the Indian National Congress. It

laid down that the only criterion that could determine the relationship of any person with the INTUC would be his faith in, and observance of, its constitution, objectives and methods. Therefore S.C. Bannerjee and Deven Sen continued to hold their office in the INTUC and their position in the KMP Party.

The INTUC and its affiliates had necessarily to advise their members as to how best to exercise their franchise at the time of the general elections. If the INTUC were part of a political party it would then lend automatic support to the party of which it was a part and this question would never have arisen. On the other hand, the question arose because the INTUC was independent.

The General Council of the INTUC was convened on July 28 and 29, 1951, at Bareilly, and a Political Resolution relating to the 1952 general election was discussed. The General Council surveyed the entire field, considered all aspects of the issue, studied the election manifesto of the Congress Party among others, and decided to recommend to the working class to support the Indian National Congress. It is necessary to point out here that the resolution was not mandatory. It was only recommendatory. There were a number of instances where prominent INTUC men opposed the Congress either as Independents or as belonging to other parties. The INTUC did not take any disciplinary action against them, as the Bareilly Resolution was merely recommendatory. This again established the independent character of the INTUC.

In the 1952 elections, the Congress secured an over-whelming majority in Parliament and in the State Assemblies and was able to form Governments in all the states.

V.V. Giri became Labour Minister at the Centre and Abid Ali, former President of the INTUC, Bombay branch, became Deputy Labour Minister.

THE AHMEDABAD AGREEMENT

Another landmark in industrial relation in the country was

the collective agreement concluded in July 1952 between the Textile Labour Association of Ahmedabad and the Ahmedabad Millowners' Association. The agreement in essence seeks to concretise the Gandhian approach as embodied in the policies of the Indian National Trade Union Congress for settlement of industrial disputes through negotiation, conciliation, and voluntary arbitration. The keynote of the agreement is the realisation of the value of peaceful methods with emphasis on collective bargaining, reinforced by voluntary arbitration. It obviated the need for compulsory adjudication by Courts and Tribunals.

The agreement was in two parts. The first part dealt with general procedure in regard to conciliation and voluntary arbitration. The second part related to rationalisation and the conditions under which it might be effected.*

The Ahmedabad agreement has been followed up by agreements on similar lines between the Rashtriya Mill Mazdoor Sangh (affiliated to the INTUC) and the Bombay Millowners' Association, and between the Millowners and the Textile Federation of Saurashtra.

In 1953-54, the Textile Labour Association, Ahmedabad, suggested various steps to be taken to rationalise the management of industry with a view to making it serve the community better.

In contrast, in Kanpur the textile workers went on strike on May 22, 1955, against the rationalisation moves by the Millowners. Practically all the textile labour unions of Kanpur participated in the struggle against rationalisation for almost three monthss. The INTUC union also participated in the strike, because it felt there was no way out in the context of growing unemployment of textile workers in Kanpur. There was a similar strike in the Nagpur textile industry against the rationalisation move. Another strike for 80 days took place in the Meenakshi Mills in 1950 which however ended in success for the workers. A feature of this struggle was that the workers got full wages for the entire period of the strike. As

*For text of agreement, see INTUC Secretary's Report for 1952. p. 54.

a result of ill-conceived rationalisation moves being enforced by the employers and creating thereby blanket opposition to all rationalisation moves by labour, the subject of rationalisation came up for detailed discussion in the Indian Labour Conference in 1957 which resulted in an agreement on rationalisation to which all national centres of employers and employees were parties.

LABOUR PERIODICALS

Michael John of the Tata Workers' Union, Jamshedpur, was elected President in the Modinagar Session of the INTUC held on December 27 and 28, 1952. Harihar Nath Shastri continued to be General Secretary.

The INTUC started the *Indian Labour Journal*, a monthly, to publicise the activities of the INTUC movement in the country. It began publication on independence Day, August 15, 1947, from Bombay where the Central Office of the INTUC was then located. The journal did not last long on account of financial difficulties and was taken over by a HMSS publication, *The Worker*, also, published from Bombay. *The Worker* too closed down after two years, again for financial reasons.

The head quarters of the INTUC, which was in Bombay for the first two years, was shifted to New Delhi in 1949. For some-time the INTUC published cyclostyled English and Hindi bulletins from Delhi.

It was from October 2, 1952, that the INTUC started publishing *The Indian Worker*, an English weekly, which continues to be published even today. The INTUC also published a Hindi version of it, *Bharatiya Shramik*, which, however, had to be closed down soon due to financial difficulties.

The AITUC was publishing the *Trade Union Recorder* and HMS the *Hind Mazdoor*, but the circulation of these labour periodicals was extremely poor considering the strength of literate labour in the country.

INDUSTRIES DEVELOPMENT AND REGULATION ACT, 1951

An important legislation enacted in the year 1951 was the

Industries Development and Regulation Act. This Act was mainly intended to promote efficiency in production and ensure cooperation among all those concerned in production, distribution and consumption. Under the Act each major industry, such as heavy chemicals, fertilizers, internal combustion pumps, bicycles, sugar, pharmaceutical supplies and drugs, woollen textiles, artificial silk, electrical industries, etc., was to have its own development council. In most of these councils at least one representative of labour was generally included.

The Act also provided for the appointment of an enquiry committee wherever a unit was threatened with closure, either on account of inefficient management or mismanagement; and if the report of the enquiry body favoured taking over control of the administration of the unit, a controller would be appointed who would take over the administration and control of the unit and run it in the interest of continuity of employment and production. But the Act in actual working had been found defective in many respects. Further, the Government was not very enthusiastic in applying the provisions for taking over mismanaged concerns in the early period.

LAY-OFF AND RETRENCHMENT COMPENSATION

In 1952 there was power shortage in the South and coal shortage elsewhere, resulting in lay-off and retrenchment of a considerable number of workers. In Madras, a Special Industrial Tribunal was set up by the Government to consider the workers' claim for compensation for such involuntary unemployment. Although there was no law at that time governing payment of compensation, the Special Industrial Tribunal awarded 50 per cent of wages as compensation for the period of lay-off on account of the power shortage. The workers were naturally anxious to regularise the payment of compensation on account of retrenchment, closures and lay-off, without having to raise an industrial dispute every time there was such a vicissitude. The INTUC had therefore been repeatedly urging the Government to initiate legislation for the purpose.

At the 13th Session of the Standing Labour Committee held in New Delhi on July 27-28, 1953, agreement was reached regarding payment of compensation for involuntary unemployment. This was followed by an ordinance by the Government of India in October 1953. The ordinance provided for payment of compensation to workers laid-off on account of involuntary unemployment at 50 per cent. of their basic wages and dearness allowance. The ordinance was also logical culmination of the Government's policy in regard to rationalisation and retrenchment as well as lay-off. The ordinance was regularised in 1953 by the Industrial Disputes Amendment Act of 1953. This provision for lay-off and retrenchment compensation applied to all workers in factories and mines covered by the respective Acts.

As a result of the decision of the meeting of the Industrial Committee on Plantations held in Calcutta in January 1954, the lay-off and retrenchment compensation provisions of the Industrial Disputes Act were extended to the plantations with effect from January 1, 1954, by a further amendment of the Act. Compensation for lay-off was however limited to 45 days in a year in all cases. Any lay-off beyond 45 days, unless it was for a continuous period of seven days, would not entitle the workers to compensation. Since this provision was found to have been abused by employers, the 45-day limit was later on removed by a further amendment of the Act in 1966. The Act also provided for retrenchment compensation at 15 days' average pay for every year of service, and gave statutory sanction to the principle of 'last come first go' to govern retrenchment.

THE JALGAON SESSION OF INTUC

Towards the close of 1953 the Indian Labour Movement, more particularly in the INTUC, suffered a terrible blow in the tragic air crash at Nagpur on the mid-night of December 12-13, 1953. Harihar Nath Shastri, General Secretary of the INTUC, travelled by that ill-fated night airmail service from Delhi to Madras on his way to Kerala to inaugurate the Kerala Branch Convention of the INTUC. The plane crashed

at Nagpur immediately after take-off and there were no survivors.

An important policy resolution regarding international affairs was adopted at the Jalgaon Session.* The resolution condemned the grant of military aid by America to Pakistan as it was bound to upset the peace in Asia. The resolution said :

“The INTUC views with deep concern and anxiety the recent developments leading to the extension of military aid by America to Pakistan and the possibilities of a military pact between the two countries...”

The INTUC saw in this move a potential threat to the freedom of the people in the East and peaceful progress of the masses in underdeveloped countries of the world. The INTUC appealed for support of the workers and peasants in all parts of the world to do all that was in their power to counteract such retrograde and dangerous moves.

GIRI'S RESIGNATION

In June 1949, the Central Government had constituted an All India Industrial Tribunal (Bank Disputes) under the chairmanship of K.C. Sen. The Tribunal's award was published in August 1950. The award was taken to the Supreme Court by the employers on appeal. The Supreme Court declared the award void in toto on some technical ground. In July 1951, another Tribunal was appointed. But the members and the Chairman of that Tribunal resigned soon after. A third Tribunal was therefore set up in January 1952, under the chairmanship of Justice S. Panchapakesa Sastri. The award of this Tribunal was published in April 1953. Both the employers and the employees appealed against Sastri's award to the LAT which gave its decision in April 1954.

The banks approached the Central Government to set aside the award of the LAT alleging that it imposed a crippling burden on them. The Central Government directed the Reserve Bank of India to go into the allegations of the banks

*This session was inaugurated by Prime Minister Jawaharlal Nehru.

and the possible effect on the banks if the decision of the LAT were implemented. On the report of the Reserve Bank, the Government of India modified the Appellate Tribunal's decision by its order dated August 24, 1954. Labour organisations, including INTUC, opposed the Government's decision to modify the LAT's award.

Following V.V. Giri's resignation as Labour Minister at the Centre in protest against the Government decision to modify the LAT's award Khandubhai Desai, a former President of the INTUC and General Secretary of the Textile Labour Association, Ahmedabad, and a Member of Parliament, was invited by Jawaharlal Nehru to step in as Union Labour Minister. Khandubhai Desai reluctantly accepted the invitation as a call of duty. He himself was not happy with the Government modifying the award.

The decision of the Government was discussed in Parliament and a fact-finding committee (Bank Award Commission) was constituted in September 1954 to make suitable recommendations on further modifications of the LAT's decision. The final report of the Commission was tabled in Parliament in July 1955 and was accepted by the Government.

INTUC DELEGATION TO CHINA

The Chinese Prime Minister, Chou-En-lai, visited India in 1954 and as a result of his discussions with Prime Minister Jawaharlal Nehru, to the trumpeting of "Hindi Chini Bhai-Bhai", Panch-sheel was ushered into the world on the principal basis of co-existence and non-interference. It was in this atmosphere that the INTUC accepted an invitation from the All China Federation of Trade Unions to visit China in 1954. The INTUC sent its first official delegation headed by its General Secretary, K.P. Tripathi.

At the time when the INTUC delegation was in Peking in October 1954, Jawaharlal Nehru also visited Peking. It was a return visit by India's Prime Minister. Unlike the publicity the Indian press gave to Chou-En-lai's visit to India, Nehru's visit to China attracted little notice. Even the crowd of

workers and school children who were marched to the Peking airport to receive Nehru, apparently did not know why they were being taken there. The three-line slogan which they were required to shout on his landing at Peking airport had actually to be read from bits of paper distributed to them only a few minutes earlier.

LABOUR MEN ON COMPANY BOARDS

The public sector in the country had started growing. The labour policy enunciated in the Plan laid down that it would be desirable to associate labour with the Boards of Directors of these companies so that they would have expert guidance in shaping their labour policies. In pursuance of this policy, S.R. Vasavada was appointed one of the directors of the newly formed Hindustan Steel Corporation and the Sindri Fertilizer Factory. Michael John was similarly appointed director of the nationalised Indian Airlines Corporation and Air-India International. This was the first time in the history of the labour movement in India that representatives of labour were taken on the Boards of Directors of companies.

In 1954 the Government of India drew up a Realignment Scheme for employees of the P & T Department with a view to streamlining the numerous existing unions into a single federation. All the unions agreed to the scheme and in due course a P & T Federation came into being. It was hoped that it would become an independent Federation keeping out political influences both overt and covert. But the Federation soon became an instrument in the hands of the communists operating through a process of remote control through men planted in strategic positions. The result was to shut off individual nationalist unions from bargaining, and forcing them to depend upon a federation which was utilised for political purposes by the communists.

EXPERIMENTS IN TRADE UNION UNITY

Soon after the Modinagar Session of the INTUC held in December 1952 an attempt was made for unity between the

two rival Federations of Railwaymen in the country. Jaya Prakash Narayan was then the President of the All India Railwaymen's Federation and Harihar Nath Shastri President of the Indian National Railway Workers' Federation of the INTUC. The talks between the two leaders culminated in merging the two railway Federations which resulted in the formation of a new body named the National Federation of Indian Railwaymen (NFIR).

Similar steps were taken and mergers worked out between workers of the defence organisations in the country as well as seamen's unions.

These mergers and unity moves were made mainly at the initiative of the top leadership. There was therefore considerable difficulty in this unity consciousness percolating down to the lowest level. Even the second line of leadership presented great difficulties in carrying out the mergers. The top leaders acted with the best of intentions and belief that unity was the only basis for growth of a healthy trade union movement. Harihar Nath Shastri, who became the first President of the merged National Federation of Indian Railwaymen, made it clear at the very first meeting of the newly formed executive, that the new body would be fully independent in formulating its policies and that it would be free from all external influences. The new federation was not to be affiliated to any central organisation. He also indicated that it would function strictly in a peaceful and democratic framework, and that there would be no place in it for violence, disruption and anti-democratic methods. But the merger moves did not succeed and they did not last.

In spite of the top-level, sincere and continued efforts to complete the merger in the Railways, there has been considerable trouble at the lower levels, holding up completion of merger in three Railways out of six.

Similarly, difficulties, though in a milder form, have been noticed in the case of seamen and ordinance factories. It seems adjustment of leadership at various levels in cases of merger becomes a difficult issue.

With the death of Harihar Nath Shastri, S.R Vasavada, who was Vice-President of the NFIR, became its President.

But it was soon found that while merger moves were working half-heartedly among the ordinance and seamen's unions, in the Railways an actual process of de-merger had set in. Guided by the interests of the working class, S.R. Vasavada tried to stick to the position of merger with patience and forbearance, while other interests tried to hasten the process of demerger. If the interests of railwaymen had been the main consideration, merger would have become an unshakable reality. But since the vested interests of certain personalities were involved and since it appeared to them that the process of de-merger would help re-establish their leadership they opposed the consolidation of merger. In 1956 the dissident group left the NFIR and started functioning under the old name of AIRF again.

A similar fate soon overtook the merged federations of defence workers and seamen.

NEHRU ON LABOUR'S ROLE

Prime Minister Jawaharlal Nehru, in his rather long message to the Nagpur Session of the INTUC, said :

“A heavy responsibility rests on all trade union organisations in India. The INTUC, being the largest such organisation in India, must necessarily shoulder the largest responsibility.

“In the existing conditions, it is essential for properly organised and disciplined trade unions to be formed in order to protect the interests of the workers. But such trade union organisations cannot think of workers' interests in isolation. They have to consider them from the larger point of view of the entire community. That is necessary even from the workers' point of view. Ultimately progress can only be made in India if it is broad-based and raises the general level. So long as one group tries to progress at the expense of another, no marked advance is likely.

"It is perfectly true that our workers and peasants have to raise their level of earnings, and it should be Government's policy to do this. But it is equally necessary for the workers to be organised and disciplined. Our trade union movement in India has now passed the initial stage and is mature. Maturity means a sense of responsibility.

"We have great problems in India, but the greatest of them is the economic problem which affects the entire population. We have to view every question from this point of view. I have stated on many occasions that our objective must be a socialist society. Indeed there can be no other. Even our communal and provincial and like problems can only be solved ultimately by the development of a socialist society. That is the objective. How are we to attain it? We have said that we shall do so by peaceful and democratic processes and I am convinced that is the right path. That does not necessarily mean very slow progress. We should try to speed the pace of progress, but we should always remember that these great changes cannot be brought about by some magic wand. They take time. It is easy to make superficial changes by law or otherwise, but, if a social structure is to change from the foundations upwards, then those foundations have to be truly laid.

"We have also always to consider the price we have to pay for any step. Thus, though a step may seem in the right direction, it may really have a retrograde effect. Therefore, our immediate objectives should be greater production and more employment. We aim at full employment and till we have that, we cannot talk about a welfare State. But unless we have greater production, we shall neither have fuller employment nor any higher standard for our people. Thus, if by any step our production is checked or lessened, that step is retrograde, however constructive it might seem.

"We are on the eve of drawing up a Second Five Year

Plan. It is important that this should result in a big step forward, more especially in creating employment and greater production, chiefly in industry. This can only happen by joint efforts of all concerned and not by our losing ourselves in petty disputes.

"I earnestly trust that the workers of India will take this larger view and give their full cooperation in this great adventure of building up India and raising the standard of living of the millions of our people."

IMPLEMENTATION OF LABOUR POLICIES OF THE FIRST FIVE YEAR PLAN

Many of the policy statements enunciated in the first plan were really of such a permanent nature that they have held good for all future plans as well. It was therefore not possible to expect complete fulfilment of those policies within a short period of five years. For instance, the first Plan laid down that a new relationship should be created between the employers and the employees. A new relationship has been in the process of being built up all these years, but with occasional back-sliding. These are long-term goals. But even with regard to minor items, which were expected to be fulfilled during the first Five Year Plan period itself, many could not be fully implemented. The first plan policy laid down that industrial disputes should be settled with due consideration to principles of natural and social justice, with minimum expenditure of time and money. But industrial disputes continued to be riddled with appeals to the LAT and writs in the High Courts, and further appeals to the Supreme Court. Legal technicalities and formalities were still thriving in the field of industrial relations. The LAT was abolished ; but then the Supreme Court has become a court of appeal, mostly against all the awards that went against the employers.

Action under the provisions of the Industries Development and Regulations Act had been both unsatisfactory and inadequate. Unanimous decisions of tripartite bodies were not made binding on Industrial Tribunals.

Public sector and cooperative undertakings, which were to be given no exemptions or preferential treatment, continued to be treated as hot-house plants, and labour laws in many cases were not properly implemented or applied.

That the workers should have their due share in the social and economic progress of the country and the increased national income was one of the first plan policies. But in actual practice, workers did not have their due share either in the economic progress of the country or of the increased national income.

WORKING JOURNALISTS

The Working Journalists' lot had never been happy. There was very little organisation among them. Although the Press barons were earning enormous profits, the working journalists were yet to get justice. The other categories of employees in the newspaper industry were also not properly organised and there was lack of coordination and cooperation among them. The recent trend of unionisation among the white-collared labour in the country had its impact also on the employees in the newspaper industry. The idea of unionisation caught up with them and began to gather momentum in the early fifties.

The National Convention of Working Journalists was convened in November 1950 when the Indian Federation of Working Journalists was formed. This body has since grown in strength and its activities now cover almost all the states. The Federation is not affiliated to any national centre and is organised somewhat on a craft basis. The employers never liked journalists wanting to be recognised as workmen under the Industrial Disputes Act. They were regarded as intellectual workers or supervisory persons and were therefore treated as being outside the Industrial Disputes Act.

The journalists started building up an agitation to get the Industrial Disputes Act amended so as to enable them to enjoy the benefits of the Act. The setting up of the Press Commission by the Government of India is one of the significant

achievements of the Federation. The Working Journalists' Act of 1955 was passed on the recommendations of this Commission. Subsequently, the first Wage Board for working journalists was appointed. The recommendations of the Wage Board were set aside by the Supreme Court, and the Government had to pass special legislation called the Working Journalists Fixation of Rates of Wages Act in 1958. Two decades later there emerged another federation of the journalists under the name National Union of Journalists in 1972. The working journalists had two more wage boards before the appointment of the fourth board in 1985 with a separate wage board for non-working journalists.

INTUC'S SUGGESTIONS FOR THE SECOND FIVE YEAR PLAN

The INTUC welcomed the declaration of Socialism as the Congress objective as it was really in harmony with the objectives of the working class. The same session also adopted a resolution laying down certain guidelines for labour policy for the Second Five Year Plan for consideration of the Planning Commission. Among the suggestions made were :

1. Equitable distribution of wealth, removal of disparities in income and progressive elimination of the systems which result in concentration of wealth in the hands of a few by fixing a minimum and maximum of earnings for those connected with industry in both the private and public sectors.
2. Suitable land reforms, including legalisation of donations under the Bhoodan Movement.
3. Promotion and protection of village and small-scale industries.
4. Rationalisation in the administration of industries and provision for participation of workers in management as an incentive to higher and better production.
5. Stabilisation of agricultural prices to safeguard the interests of the peasantry.
6. Nationalisation of natural resources.
7. Effective machinery for maintaining industrial peace.
8. Proper regulation of import and export policies with a view to promotion of industry and employment.

9. Overhauling the present education system by introducing a system of basic education.

The INTUC also adopted a resolution on the need for abolishing the managing agency system by amending Company Law and regretted the delay in the matter.

The second Five Year Plan period commenced from April 1, 1956. The INTUC submitted an elaborate Memorandum to the Planning Commission on labour policies and programmes for adoption in the Second Five Year Plan. The Plan claimed that it had been framed in the light of the requirements of a socialistic pattern of society that had been accepted as the nation's goal. The Second Plan had a considerable carry forward of unimplemented policies and programmes of the first Five Year Plan. In addition the second Plan laid down :

“That there should be provision made for certification of employers' associations throughout the country as representatives of employers within their area to facilitate collective bargaining on an industry-wise basis in that area;

that to facilitate settlement of disputes by voluntary arbitration, where negotiations failed, Central and State Governments should make out a list of persons in whom employers and workers have confidence and who could act as arbitrators;

that in the matter of implementing awards and decisions an enforcing tribunal should be constituted with the right of direct approach to the parties;

that standing joint consultative committees should be set up in all States and at the Centre as well as in individual units;

that there should be increasing association of labour with management;

that Councils of Management consisting of representatives of managements, technicians and workers should be set up for that purpose;

that in regard to public sector any attempt on the part

of the public sector employer to avoid the responsibility as an employer on the ground that it is not working for profit should be discouraged;

that in regard to wage policy the workers' right to fair wages should be considered;

that it should be the financial position of the average unit in a centre that should be the basis for wage fixation in such a centre;

that data should be collected regarding the functioning of marginal units which will have to be dealt with suitably depending upon the light thrown by such data;

that tripartite wage boards will be a more acceptable machinery for settling wage claims as that would give the parties themselves a more responsible role in reaching decisions;

that though improvement in wages can result mainly from increased productivity that increase in productivity would not necessarily involve either installation of new machinery or greater exertion on the part of labour;

that attention of industrial tribunals should be drawn to the need to give due weight to agreed arrangement regarding rationalisation in framing their awards;

that in the context of growing unemployment, rationalisation has an adverse psychological effect on workers;

that rationalisation should be attempted when it does not lead to unemployment, is introduced in consultation with the workers and is effected after improving the working conditions and guaranteeing substantial share in the gains to the workers;

that in regard to social security measures enhancement of the rate of contribution to Provident Fund from $6\frac{1}{4}$ per cent to $8\frac{1}{2}$ per cent should be further studied;

that the provision of medical benefits to all workers' families under the ESI Scheme should also be considered;

that the possibility of combining the different social

security schemes currently in force into an overall social security scheme should be explored;

that decentralisation of the administration of social security schemes would prove advantageous to the beneficiaries;

that wherever feasible, workers disabled by industrial accidents should be provided with alternative employment;

that legislation should be undertaken to regulate working conditions in construction industry and transport services; and

that contract labour should be progressively abolished.

The implementation of the second Plan policies, particularly in regard to labour, was not satisfactory and added to the backlog of unimplemented policies and programmes of the first Plan.

A BREEZE

A meeting of the Executive Board of the ICFTU was held in New York in December 1955. That was the historical occasion of the merger of the American Federation of Labour (AFL) and the Congress of Industrial Organisations (CIO), the two giant national trade union centres of the United States of America. The AFL was then ten million strong and the CIO five million strong. The members of the ICFTU Executive Board were invited to a luncheon at which George Meany, President of the former AFL and President of the merged AFL-CIO, in the course of his address made an unfortunate remark. He said that "Mr. Nehru and Marshal Tito are not neutrals. They are aids and allies of communism." It was certainly not a correct assessment of Prime Minister Nehru and his policies. It was certainly not a proper theme for an address over a luncheon.

K.P. Tripathi, the INTUC's General Secretary, who was a member of the Executive Board, raised this matter for discussion in the meeting of the Board of the ICFTU, which met immediately after the luncheon. But the Chairman ruled out any discussion on the ground that it was a personal opinion

expressed by Meany over a lunch and therefore was not part of the ICFTU proceedings. The General Secretary of the INTUC thereafter wrote to Meany pointing out that his observations about Nehru were incorrect and unfair. This particular statement of Meany caused resentment not only in India, but even among important American and other leaders of the free trade union movement. The ICFTU for its part made it clear that the statement made by Meany was absolutely his personal opinion and that the ICFTU had nothing to do with it.

At the invitation of the INTUC, Walter Reuther, former President of the CIO and a senior Vice President of the AFL-CIO*, visited India in April 1956. He stayed in India for twelve days and met many prominent trade union officials and national leaders and visited many trade union centres. His visit went a long way to smoothen the relations between the Indian working class and American labour.

LAT ABOLISHED

In 1956 the Industrial Disputes Act underwent major changes resulting in the repeal of the Industrial Disputes Appellate Tribunal Act 1950, and the consequent abolition of the Labour Appellate Tribunal. It introduced a three-tier system of National Tribunals, industrial Tribunals and Labour Courts, each having the right to decide finally in respect of matters coming under its jurisdiction. The amending Act also enlarged the definition of the term 'workman' to include supervisory and technical personnel whose emoluments did not exceed Rs. 500 per month. It prescribed the jurisdiction of Labour Courts, Industrial Tribunals and National Tribunals. It introduced a new provision requiring the employer to give 21 days notice for any change in the conditions of service proposed by him. The Act also added to the list public utility services. For the first time it introduced a provision for arbitration.

*Reuther resigned from the post of Vice-Presidency of the AFL-CIO in early 1967.

STATES REORGANISATION

The Indian National Congress during the days of the freedom struggle had pledged for the formation of linguistic states. Indeed, the All-India Congress Committee had its provincial branches based on linguistic areas.

After India attained Independence and the Congress Party came to power there was a natural demand by Congressmen themselves for reorganising the existing states on a linguistic basis. Potti Sriramulu of Andhra went on hunger-strike demanding such a reorganisation of Andhra. He died a martyr to that cause. After his death, a States Reorganisation Commission was appointed by the Government of India on December 29, 1953. The Commission's recommendations were published on September 30, 1955. The Government accepted the recommendations with certain modifications. This resulted in readjustment of territories and creation of new states. While most of the states were unilingual, Bombay State continued to be a bilingual state of Gujarati and Marathi*. The reorganised states came into being from April 1, 1957.

It is obvious that the division of the country on a linguistic basis could not contribute to national integration. It would, on the other hand, tend towards fragmentation and keep alive narrow ideals of linguism and provincialism.

The Government of India had committed a blunder by setting up the States Reorganisation Commission which resulted in cutting up the country into linguistic bits. Bilingualism and multilingualism would have made a miniature India of every state and contributed to national integration effectively.

However, the Government had gone far ahead in dividing the country on the basis of language, but when it came to Bombay state it stuck to bilingualism. This led to violent agitations in both Maharashtra and Gujarat to press the people's demand for unilingual states. But the Government, out of prestige, would not yield to the demand for separate states, of Maharashtra and Gujarat. The same thing happened later

*This was also reorganised into separate Gujarat and Maharashtra states after a further agitation.

on in Punjab, where the Punjabi-speaking people wanted a separate state.

In 1957 elections in Bombay state were fought principally on the issue of separate states for Maharashtra and Gujarat based on Marathi-speaking and Gujarati-speaking areas; and Congress sticking to bilingualism could not convince the electorate of its stand. The main victims of this un-understandable Congress policy were Khandubhai Desai, who got defeated in Ahmedabad in 1957, and S.R. Vasavada who lost the election to the Lok Sabha in 1962.

In the South, certain areas of Travancore were transferred to Madras, which was traditionally pro-Congress; and the Malabar part of Madras, which was dominated by the Muslim League and the Communist Party, was handed over to the newly formed Kerala state, as linguistic consideration demanded such an adjustment. The result was that in 1957 in Kerala state the communists came to power through the ballot-box.

Inaugurating the Surat Session of the INTUC in May 1956, Lal Bahadur Shastri, who was then Railway Minister, said :

“When a machinery for peaceful solution of disputes is available to the workers, any resort to a strike without availing of that machinery will not benefit the workers. Labour organisations’ first duty is the welfare and security of their fellowmen and the organisations of workers should view their problems in the context of the Indian nation as a whole.

“The extremists in the country were creating troubles. But the sober section of the trade union movement must enlighten labour so that they may not be misled by the extremist section.”

Shastri also referred to the acceptance of the principle of labour participation in the management of industry and said that this showed the direction in which the Government was moving.

In 1956, the Government of India nationalised life

Insurance business in the country and set up a Life Insurance Corporation that took over all the life insurance companies in the country. Trade unions welcomed the nationalisation and appealed to the Government to ensure security of employment of all the people employed in the various life insurance companies prior to the takeover.

The Central Advisory Council of Industries decided to set up a Productivity Council for the country with a view to improving productivity and raising the standard of living of workers following the report of the Indian Productivity Delegation to Japan in October 1956.

SUGGESTIONS FOR TRADE UNION UNITY

G.D. Ambekar, presiding over the Surat Session of the INTUC, said no real unity could be achieved unless there was unity of heart and homogeneity of approach and methods. Ambekar said that looking to the past record of the communists in India there could be no unity with them. But he added:

“There was much in common between the INTUC and the HMS, as both were wedded to peaceful, democratic methods in the trade union field. I therefore suggest that the two organisations should evolve a Code of Behaviour on the following lines:

- a. Where the INTUC unions are strong and running on proper trade union lines, the HMS should not create rival unions and should withdraw where they are weak or not running on proper trade union lines;
- b. Where the HMS unions are strong and running on proper trade union lines, the INTUC should not start rival unions and should withdraw from those industries where they are not strong and well organised;
- c. There should be discussions on common issues in the beginning at the top level;
- d. Where there is no agreement of approach on any particular issue, each organisation should be allowed to follow its own course; and one should not criticise

the other organisation and start rivalry and competition of proving who is right as the ultimate results are bound to show who is right.

“If we observe these rules”, Ambekar observed, “I am sure this working arrangement will go a long way in developing solidarity amongst the working class and in strengthening the free trade union movement. In this manner, we may be able to fight our battles much better and improve the lot of the working class, which is our real desire.”

A resolution was passed in the session urging the Government to set up a Second Pay Commission for Central Government employees and Wage Boards for the others, so that the workers could get their due share of the increase in the national income as a result of the First Five Year Plan. Another reason advanced for a substantial increase in wages was the steep increase in the cost of living. A third reason was that labour had worked hard to increase productivity and had not yet secured an adequate share of the gains arising from the increase in productivity.

INTUC ON SECOND GENERAL ELECTIONS

The second general elections were due to take place early in 1957; and once again the problem came up before the INTUC as to what should be its advice to labour vis-a-vis the general elections. The General Council of the INTUC was specially called to consider this question. The Council met at Hyderabad on December 16, 1956.

The General Council recalled its earlier decision taken at Bareilly in 1951, on the eve of the first general elections and expressed its gratification at the soundness of its decision to support the Congress in that election. Since then the Indian National Congress had adopted the socialist pattern of society as its objective and this had brought the INTUC close to the Congress than ever before. The ideological affinity that already existed between the two organisations had thus received a further re-inforcement. The INTUC felt that it had an important role to play in hastening the early realisation of the

socialist objectives of the nation; and it felt that this objective could be best achieved, looking to all circumstances, by again recommending to the working class in the country to wholeheartedly support the Indian National Congress in the 1957 general elections. A resolution to this effect was unanimously adopted by the General Council.

The HMS unions in certain pockets made an electoral adjustment with the AITUC and the PSP with the communists to fight the elections in certain industrial centres. The HMS emerged weaker from such electoral alliances.

WAGE BOARDS

Following the Second Plan Labour Policy that tripartite Wage Boards would be a more appropriate machinery for settlement of wage claims, since it gave the parties themselves a chance to shape the decision regarding wages, the Government started appointing Wage Boards. The first Wage Board to be appointed under the Plan policy was for the cotton textile industry in March 1957, with Jeejeebhoy, a former Chairman of the LAT, as Chairman. Asoka Mehta and Prof. Mathur were its Independent members. The two labour representatives on the Board were both from the INTUC—S.R. Vasavada and G. Ramanujam. The employers' representatives were Lala Bharat Ram and Arvind Mafatlal. This Wage Board was soon followed by the appointment of Wage Boards for cement and sugar, iron and steel, jute, tea, coffee and rubber plantations, engineering, electricity, motor transport and so on. Although the recommendations of the Wage Boards were to be based on the recommendations of the Fair Wages Committee and the unanimous recommendations of the 15th Indian Labour Conference, the increases recommended by them were generally on an *ad hoc* basis as they were more guided by the need for being unanimous in their recommendations rather than scientific.

In the engineering Wage Board there were three representatives of labour, one each of the INTUC, the AITUC and the HMS, in the Jute Wage Board, the two labour seats were distributed between the INTUC and the AITUC, and so was

the case in the Rubber Wage Board. In the Tea Wage Board both labour representatives were from the INTUC. But in the Coffee Wage Board, both were from the AITUC. The Government gave representation of Wage Boards to labour based on the verified membership of the central organisations in their respective trades and industry. The same principle applied to representation of labour on other Wage Boards such as those for sugar, cement, ports and docks; coal mines, iron and steel, iron ore, lime stone and dolomites, motor transport, chemicals, electricity, leather and tannery, etc.

Although the Wage Boards were useful in the early period, they began to consume considerable time before concluding their work. This delay caused discontent among the workers. The Standing Labour Committee meeting in September 1967 considered the discontent among the workers as a result of the unsatisfactory working of the Wage Boards. A general complaint against the Wage Boards was that they took too long a time and that the recommendations were not tending to be unanimous. Added to that, there was further difficulty in getting their recommendations implemented. The Standing Labour Committee appointed a Bipartite Committee to go into the reasons for the unsatisfactory working of the Wage Boards and suggest remedies.

The General Council of the INTUC meeting in Birmiritapur (Orissa) in February, 1968 reviewed the working of the Wage Boards and suggested that most of the time-consuming formalities could be done away with. It wanted the Wage Boards to complete their assignments within six months and the Government to provide legislative compulsion to get the recommendations implemented. But this did not happen and the Wage Boards gradually faded out.

WAGE BOARDS NO MORE IN DEMAND

Wage Boards continued to take unduly long in completing their work; they failed to give satisfaction to the parties even at the end of their years of labour. The record of implementation of their recommendations was slow and tardy as well as unsatisfactory. On the initiative of the Miners Federation, the Government agreed not to entertain tenders for supply of coal

from collieries that had not implemented the Wage Board's recommendations. Implementation of the recommendations of the Second Wage Board for the cement industry was also not satisfactory. It was expected that the Government would accept the majority recommendations of the Second Wage Board for the cotton textile industry. The recommendations were rather nominal as the industry could not stand any higher burden. However, the Second Textile Wage Board introduced two new salutary principles, viz. (i) narrowing down disparities in dearness allowance among the various regions and (ii) providing for the first time annual increments for production workers in the industry.

The Engineering Wage Board had the unique record of making four sets of recommendations which made its labours a total waste. A tripartite conference convened by the Union Labour Ministry to consider the subsequent steps taken on the Wage Board's recommendations ended without achieving any results. The recommendations of the Chemical Wage Board were accepted by the Government but with modifications which were considered minor. All this made the workers disenchanted with the machinery of the Tripartite Wage Board and they called for its abolition.

WORKERS' EDUCATION

With the acceptance of a socialist society as the nation's objective, a scheme for 'Workers' Participation in Management of Industries' was drawn up. Such participation by workers in management, in order to be real, has to be based on an intelligent understanding and willing co-operation by labour. This is possible if workers are not merely literate but are also enabled to understand the intricacies of the economics of industry, the utility of the trade union movement, the rights and obligations of a citizen in a democracy as well as the workers' role in and responsibility to industry and society in a democracy. For this a sound Workers' Education Scheme was an essential prerequisite.

Normally, workers' education should fall within the legitimate functions of trade unions. But in India, with its multiplicity of trade unions, most of which are politically oriented

with different ideologies, it was not found possible to give proper education to the workers through trade unions alone. The education a worker needs is many-sided. The first requisite is literacy, which of course is the state's responsibility. The next would be to make the worker understand the nature of his job, the intricacies of the machine he was operating to enable him to function as an efficient worker. This part of the education can be better given by management by providing training within industry. Then there is the training required to make the worker a loyal member of the trade union and a disciplined worker in the plant. There is also the education of the worker about his responsibilities and rights in a democracy. These parts of the education could be better imparted by the trade unions themselves. Since trade unions in India were generally weak and did not have the necessary finances to organise and run a proper Workers' Education Programme, the State undertook the responsibility of finding funds for such a programme and making it run under tripartite auspices.

Early in 1957 Khandubhai Desai, who was then Labour Minister, initiated the move for such a programme, and in cooperation with Ford Foundation constituted a Committee of Experts on Workers' Education Programme. The report of the study team was placed before the 15th Session of the ILC in July 1957. The recommendations of the study team were endorsed by the Conference after some discussion. The Conference decided to set up a Central Board for Workers' Education having semi-autonomous powers and comprising representatives from trade unions, employers, Government (including the Ministries of Labour and Education) and educational institutions. The primary function of the Board were to :

- a. lay down policies;
- b. administer the programme; allot funds, inspect, co-operate and audit accounts, etc.;
- c. arrange for the provision of educational materials;
- d. establish standards for teachers and programmes;
- e. encourage the establishment of active educational departments within the Unions and Federations;

- f. otherwise stimulate and promote the development of workers' education.

The Workers' Education Programme was to be financed by :

- a. Central and State Government grants;
- b. Contributions from unions;
- c. Assistance in kind from educational institutions such as class-rooms, libraries, teaching staff, etc.

Employers were expected to support the programme through payment of release-time wages for the training period as also grant of funds from unpaid wages, fines, canteen profits, etc.

The Central Board for Workers' Education has since made great progress and there are now a number of regional and sub-regional centres working in the country. Even so, the efforts of the Board must ultimately be directed towards handing over the responsibility of Workers' Education to the trade union movement when it is ready to accept it.

The Government of India appointed a committee to review the working of the Central Board for Workers' Education and make recommendations for its future working under the chairmanship of G. Ramanujam. The committee's recommendations were unanimous. It re-defined the Board's objectives and recommended restructuring of the Board and the Governing Body so as to give labour larger representation. It suggested that the Board should extend its activities to rural and unorganised labour as well. The committee also recommended that the chairman of the Board should be a trade unionist.

The Government accepted all the recommendations of the committee, appointed G. Ramanujam as chairman and amended its constitution to provide greater representation for labour both on the Board and on the Governing Body. The entire syllabus was revised on the recommendations of a committee appointed for that purpose. The Board's activities now cover workers in the unorganised and rural sector as well as working women, young workers, child labour, etc. It has

also sponsored joint educational programmes for labour and management personnel to create the right climate for participative management.

NEED-BASED WAGE

The 15th Indian Labour Conference (July 1957) provided an unforgettable landmark in the progress of the Indian working class movement. It was at this Conference that the norms to compute the need-based minimum of the fair wage were settled by agreement. The Conference set up a sub-committee to consider this issue and the recommendations of the sub-committee were placed again before the plenary, which adopted it unanimously after making minor modifications. The recommendations of the sub-committee as adopted by the plenary were :

1. Two important aspects of wage policy, as stated in the Second Five Year Plan, are (i) the laying down of principles to bring wages in conformity with the aspirations of the working class, and (ii) the appropriate machinery for application of these principles to cases referred to it. The committee considered the four notes placed before it and felt that they would be useful as background material for wage fixation. The committee took note of the difficulties in assessing quantitatively the individual importance of various factors affecting wage fixation, such as productivity, cost of living, the relation of wages to national income and so on, and proceeded to discuss the wage policy with specific reference to minimum wages and fair wages.

2. With regard to the minimum wage fixation, it was agreed that the minimum wage was 'need-based' and should ensure the minimum human needs of the industrial worker, irrespective of any other consideration. To calculate the minimum wage, the Committee accepted the following norms and recommended that they should guide all wage-fixing authorities, including minimum wage committees, wage boards, adjudicators, etc:

- i. In calculating the minimum wage, the standard working class family should be taken to consist of three

- consumption units for one earner; the earnings of women, children and adolescents should be disregarded;
- ii. Minimum food requirements should be calculated on the basis of a net intake of 2,700 calories, as recommended by Dr Akroyd, for an average Indian adult of moderate activity;
 - iii. Clothing requirements should be estimated at a per capita consumption of 18 yards per annum which would give for the average worker's family of four a total of 72 yards;
 - iv. In respect of housing the norms should be the minimum rent charged by the Government in any area for houses provided under the Subsidised Industrial Housing Scheme for low-income groups; and
 - v. Fuel, lighting and other 'miscellaneous' items of expenditure should constitute $\frac{1}{2}$ 20 per cent of the total minimum wage.

3. While agreeing to these guidelines for fixation of the minimum wage for industrial workers throughout the country, the Committee recognised the existence of instances where difficulties might be experienced in implementing these recommendations. Wherever the minimum wage fixed went below the recommendations, it would be incumbent on the authorities concerned to justify the circumstances which prevented them from adhering to the norms laid down.

After the above norms were accepted unanimously, the employers' representatives tried to wriggle out of the agreement by saying that at that time they did not realise the full implications of what they had agreed to and that therefore they would like to reconsider the whole question. Labour naturally was opposed to any re-opening of agreed conclusions, as in that case there would be no finality to any agreement and it would reduce the utility of the Indian Labour Conference and undermine the sanctity of tripartite agreements.

The guidelines accepted at the 15th Tripartite Conference for the fixation of minimum wages for workers throughout the

country were to guide all wage-fixing authorities as stated in the agreement itself.

The conference also agreed that Wage Boards should go into the details while fixing wages in respect of each industry on the basis of the recommendations of the report of the Committee on Fair Wages. These recommendations of the Fair Wages Committee should also be made applicable to employees in the public sector.

The workers' representatives urged that the Government should also set up Wage Boards for the following sectors of employment :

- a. Jute,
- b. Plantations,
- c. Mines (other than coal),
- d. Engineering,
- e. Iron and steel,
- f. Chemicals,
- g. Sugar,
- h. Cement,
- i. Railways,
- j. Posts and telegraphs,
- k. Civilian employees in Defence Establishments covered by the Industrial Disputes Act 1947, and
- l. Ports and docks.

The employers' representatives, however, were of the view that this might be left to the discretion of the Government. The Textile Wage Board, as already stated, had been set up earlier in March 1957.

CODE OF DISCIPLINE IN INDUSTRY

The 15th Session of the Indian Labour Conference was also important in that it evolved a Code of Discipline in Industry. The Conference had appointed a sub-committee for considering a code of discipline in industry. The sub-committee's report came up before the Plenary Session and was adopted by the Conference. It said :

1. The representatives of Government and employers and workers' organisations at the meeting of the Sub-

Committee discussed the question of maintaining proper discipline in industrial undertakings and cordial human relations so as to ensure maximum production in the wider national interest. It was accepted that the dignity and status of the worker should be recognised to ensure harmonious relations and better production.

2. The Sub-Committee unanimously agreed to the need for adherence to the following principles by employers and workers :

- i. there should be no strike or lockout without notice;
- ii. no unilateral action should be taken in connection with any industrial matter;
- iii. there should be no recourse to 'go-slow' tactics;
- iv. no deliberate damage should be caused to plant property;
- v. acts of violence, intimidation, coercion or instigation should not be resorted to;
- vi. the existing machinery for settlement of disputes should be utilised;
- vii. awards and agreements should be speedily implemented; and
- viii. any action which disturbs cordial industrial relations should be avoided.

3. Having agreed to the foregoing general principles, the Sub-Committee recommended that the following matters might be further studied :

- i. uniformity in wages, service conditions and other benefits in the same industry in an area;
- ii. need for long-term settlements, avoidance of dilatoriness, speedy settlement of industrial disputes;
- iii. sanctions against employers or unions violating any of the principles mentioned in the preceding paragraph;
- iv. proper definition of 'unfair labour practices' such as interference in trade union activities, etc.; and
- v. question whether curtailment of production consequent on closure would amount to an act of indiscipline.

4. The Sub-Committee considered that the Works Committee at the unit level would be a useful agency to deal with matters relating to discipline and recommended the setting up of such committees wherever they did not exist and the appointment of similar committees at the local, regional and central levels.

It was agreed that a standing tripartite committee should be set up and that it should meet in a fortnight's time to consider the matters mentioned in this Report, as well as other suggestions made in respect of this subject.

5. Sufficient publicity should be given to the contents of the agreement on discipline in industry by bringing them to the notice of the employers and workers. The employers' and workers' organisations should adopt resolutions endorsing the principles, and ways should be devised for disseminating this information widely.

6. The observance of the principles agreed to would be ensured by the tripartite top-level committee mentioned above and a number of committees at lower levels coming down to the works committees.*

All the four central organisations of labour, the INTUC, the AITUC, the HMS and the UTUC are parties to the above agreement. The code of discipline was further considered by the Standing Labour Committee at its meeting in October 1957 and given final shape.**

RECOGNITION OF UNIONS

Following the adoption of the Code of Discipline in its final form, the question of recognition of unions assumed importance. This led to a set of criteria for recognition*** of unions by agreement. This was attached as an annexure to the Code itself. Since recognition of unions was based on membership, a procedure for verification of membership had

**Tripartite Conclusions—1942-1962*, published by Government of India, Ministry of Labour and Employment, p. 50-51.

**See Appendix II.

****Tripartite Conclusion—1942-62*, Published by Government, of India, Ministry of Labour & Employment, p. 50-51.

also to be evolved. This procedure too was the result of the tripartite agreement.

There was a suggestion by the AITUC and the HMS, that membership of the unions concerned should not be the basis for their recognition; and that recognition should be decided by secret ballot. This proposal raised considerable difficulties as to whether the ballot should be limited to the members of the various unions in a plant, or whether it should be extended to cover all the employees in the plant, including non-members. If, for instance, in a factory there were two unions, one with 15 per cent membership and the other with 10 per cent, should the choice of recognition be left to the membership of the two unions, viz., 25 per cent of the total labour force employed in the factory ? Or should it be decided by the entire labour force? In the latter case, the 75 per cent who are not interested in any trade union would be given the choice to decide which union should be recognised; and this would not be fair. If the ballot were to be limited to 25 per cent of the labour force to decide which union should be recognised, it would again not be fair, because the 75 per cent who form the majority have had no say in the matter. Further, such elections may not represent the considered views of labour, since a tempo can always be whipped up on some momentary issue or other to sway the feelings of labour who might start regretting the moment they had voted. Unions will begin making extravagant demands and tall promises in order to win more votes and responsible trade unions will be at a disadvantage.

Further, insistence on the membership basis of recognition would help strengthen the trade union movement and create a built-in incentive for increasing the membership of trade unions and for more active and sustained participation of labour in the affairs of the unions, in which the ballot-box cannot help.

The INTUC therefore took the stand that payment of subscription to the union is the best vote. It is also a consistent vote. Therefore a tripartite agreement was reached that recognition should be based on the actual paying membership of unions. An elaborate procedure of verification of membership of unions for purposes of recognition under the Code of

Discipline in Industry was also agreed to.*

The problem of recognition of trade unions was becoming more and more important in industrial relations following the spate of mushroom unions that had come into being during the last few years. This was largely due to the inspiration provided by the multi-party coalitions in certain states and the Janata Party rule at the Centre.

As already stated, there were two opposing views about the manner of recognition of unions. The INTUC felt that paid membership should be the basis, while the others wanted election of representative unions by secret ballot by the workers. The matter was also considered by the National Labour Commission.

Against this background it was surprising that the Madhya Pradesh Government should have come out with an ordinance in October 1968, whereby it sought to derecognise all the unions recognised on the basis of verified membership under the existing law and introduced secret ballot as the basis for deciding the majority union for purposes of recognition. This appeared to be a political move. Firstly, there was no hurry for bringing forth such an ordinance and, secondly, the state Government could have waited for the National Labour Commission and, thirdly, the legality of the ordinance was not free from doubt in that it had not secured the assent of the President inasmuch as labour was a subject on the concurrent list. The ordinance was challenged before an Industrial Tribunal which was reported to have held that the ordinance was ultra vires of the constitution. Meanwhile, before the fall of the S.V.D. Government, the ordinance was not replaced by a regular act of legislature and therefore it had lapsed.

CODE OF CONDUCT

At the instance of the Union Labour Minister, G.L. Nanda an informal meeting of the four central trade union organisations was held separately to discuss measures to combat inter-union rivalry. At this meeting a Code of Conduct was evolved,** but it was never taken seriously by the unions.

*See Appendix V

**See Appendix VI

Although the Government gave credit to the Code of Discipline in Industry whenever there was a fall in the number of mandays lost, the real position was that the Code of Discipline became one more instrument in the hands of the parties to complain against each other. While the AITUC and the HMS started repudiating their obligation under the Code on the ground that the employers, including the public sector, did not play fair mostly in respect of recognition of unions and agreeing to submit disputes to voluntary arbitration, the employers complained that the unions were violating the Code of Discipline by resorting to strikes and go-slow.

Recognition of trade unions and acceptance of voluntary arbitration were the main planks on which the Code stood. In these matters the achievements of the Code were very limited.

RIGHTS OF RECOGNISED UNIONS

The tripartite conference also agreed that the following rights should be conferred on recognised unions :*

- i. to raise issues and enter into collective agreements with employers on general questions concerning terms of employment and conditions of service of workers in an establishment or, in the case of a Representative Union, in an industry in a local area;
- ii. to collect membership fees and subscriptions payable by members to the union within the premises of the undertaking;
- iii. to put up or cause to put up a notice board on the premises of the undertaking in which its members are employed, and affix or cause to be affixed thereon notices relating to meetings, statements of accounts of its income and expenditure, and other announcements which are not abusive, indecent or inflammatory, or subversive of discipline or otherwise contrary to the Code;
- iv. for the purpose of prevention or settlement of an industrial dispute,

*Conclusions of the 20th Session of the ILC, August 7, 1962.

- a. to hold discussions with the employees who are members of the union at a suitable place within the premises of the office, factory or establishment as mutually agreed upon;
 - b. to meet and discuss with the employer or any person appointed by him for the purpose of redressing the grievances of its members employed in the undertaking;
 - c. to inspect, by prior arrangement, in an undertaking, any place where any member of the union is employed.
- v. to nominate its representatives on the Grievance Committee constituted under the Grievance Procedure in an establishment;
 - vi. to nominate its representatives on the Joint Management Council; and
 - vii. to nominate its representatives on non-statutory bipartite committees, e.g. production committees, welfare committees, canteen committees, house allotment committees, etc. set up by managements.

Unrecognised unions were permitted to raise individual disputes affecting their members.

Persistent complaints by both employers and employees about non-implementation of the provisions of the Code of Discipline resulted in the setting up of an Evaluation and Implementation Division in the Labour Ministry of the Government of India with its counterparts in the states to evaluate not only the implementation of the Code of Discipline but also generally of all tripartite agreements and awards of Courts and Tribunals, and the various labour laws, and to persuade the parties to faithfully implement them.

It became obvious that recognition of trade unions under such voluntary arrangements as their Codes of Discipline was not working satisfactorily. It was therefore necessary to have recognition of trade unions regulated by status and the provisions of the Bombay Industrial Relations Act could provide a tried and tested guideline for this purpose. Besides the quantitative test by way of membership strength, it is also necessary that minimum qualitative standards should be laid

down to enable a union to qualify for claiming recognition. The recognised trade union must be the sole bargaining agent entitled to collectively bargaining on behalf of the entire body of workmen in an undertaking or in the industry in a local area. Following the failure of collective bargaining, it must have the sole right to represent labour in arbitration and adjudication proceedings. The provisions for arbitration should be a built-in feature of all collective bargaining schemes. Where, however, collective bargaining failed and arbitration was not available, it should be competent for the recognised union to directly invoke the adjudication machinery if it so desired, or to go on strike. At the same time, it should be competent for the appropriate Government to step in and compel the parties to submit to adjudication in the interest of the community where its interests are jeopardised. A recognised union, it was felt, must also have the facility of check-off if it so desired.

RATIONALISATION

The 15th session of the Tripartite Conference also agreed on a Model Agreement to guide employers and labour in regard to the vexed problem of rationalisation. The recommendations of the Conference Committee as adopted by the Conference on this subject are as follows :

“The second Five Year Plan stressed the need for promoting increased productivity for the general benefit of the community, the enterprise and the workers. In this context, rationalisation, that is better utilisation of men, machines and management in industrial undertakings, has assumed greater importance. The Committee discussed the content of rationalisation and the procedure to be followed by establishments which proposes to introduce schemes involving higher productivity. It was emphasised and agreed that Government might make arrangements to ensure that measures of rationalisation which did not serve real economic interests in the existing conditions of the country might be avoided. This and what follows would be applicable even in the cases of units which have already taken initial

steps to introduce rationalisation but have not completed the process. The Committee agreed and emphasised particularly that :

- i. there should be no retrenchment or loss of earnings of the existing employees, i.e., the full complement required for the operations before rationalisation should be maintained except for cases of natural separation or wastage. Workers, could, however, be provided with suitable alternative jobs in the same establishment or under the same employer, subject to agreement between the employer and his workers;
- ii. There should be an equitable sharing of benefits of rationalisation as between the community, the employer and the worker; and
- iii. There should be a proper assessment of work-load made by an expert or experts mutually agreed upon and also suitable improvement in the working conditions.

Subject to the above conditions, the following broad procedure was suggested to smoothen the progress of rationalisation. The union or unions in an undertaking and the employer could enter into a working arrangement on the following lines:

- i. The company may seek to make such changes in machinery, lay-out and organisation as it deems necessary for efficient operation of machinery and rational use of labour and material without prejudice to the provisions of any law for the time being in force and subject to the provisions of the working arrangements;
- ii. Before any such change is effected the company shall give reasonable notice, ranging from three weeks to three months, to the union(s) of its intention to effect the change. The notice shall be in a form mutually agreed upon and shall contain full information regarding the nature of the proposed change, approximate date of such change, proposed duties for workers concerned and their job assignment and the expected

- earnings. Where, however, an appropriate procedure for change exists under the current legislation, the same should be observed in preference to the above;
- iii. The employer shall also furnish information regarding the change and the reduction in the number of jobs and also the effect of the change on the number of jobs in other departments affected by the same change;
 - iv. The employer and employees shall meet and discuss the proposal as soon as possible after the notice has been given under para (ii) above. The employer shall furnish all information necessary for a complete understanding of the proposed change and shall explain the contemplated change to the union(s);
 - v. The union(s) shall, within a week after discussion with the employer, present its views or proposals to the employer. If there is agreement between the parties, the employer may introduce the change on the due date in accordance with the agreement;
 - vi. The union(s) shall be given adequate opportunity to study the new change so as to enable it to gauge the work-loads and the earnings of the employees engaged in the new operation; and
 - vii. If there are differences between the parties on any matter covered by this working arrangement, the matters in dispute shall be referred for arbitration or adjudication.”*

GANDHIJI'S PHILOSOPHY OF TRUSTEESHIP

Gandhiji was the first person to propound the philosophy of co-trusteeship. The general opinion that one who invests capital is the employer is not altogether correct. He is only employer of labour, just as labour too is the employer of capital. Both labour and capital are therefore mutually employers and employees. But the real employer is the community, as it is the community that gives employment to both labour and capital and the object of the joint endeavour of labour

**Tripartite Conclusions—1942-1962*, Government of India, Ministry of Labour and Employment, p. 45-46.

and capital should therefore be service of the community. Gandhiji, therefore, wanted that workers should work in industry as co-owners and the so-called owners should work in industry as co-workers with labour. This would help in gradually substituting the present relationship of master and servant between capital and labour to that of co-partnership.

True social economics will teach us that the working man, the clerk and the employer are parts of the same indivisible organism. None is smaller or greater than the other. Therefore, their interests should be not conflicting but identical and inter-dependent. Commenting on the ideal labour-management relationship, Gandhiji observed : "The relations between the mill agents and the mill hands ought to be one of father and children or as between blood brothers. I often heard the millowners of Ahmedabad refer to themselves as masters, and their employees as their servants. Such loose talk should be out of fashion in a place like Ahmedabad, which prides itself on its love of religion and its love of *ahimsa*, for that attitude is a negation of *ahimsa*. What I expect of you, therefore, is that you should hold all your rights as a trust to be used solely in the interest of those who sweat for you and to whose industry and labour you owe all your position and prosperity. I want you to make your labourers co-partners of your wealth. I do not mean to suggest that unless you legally bind yourself to do all that, there should be a labour insurrection. The only sanction that I can think of in this connection is of mutual love and regard as between father and son, not of law. If only you make it a rule to respect these mutual obligations of love, there would be an end of all labour disputes."

Gandhiji wanted that there should be a realisation that labour is as much capital as metal. The realisation of their strength combined with adherence to non-violence would enable them to co-operate with capital and turn it to proper use.

They would not regard it as a conflicting interest. They would not regard the mill and machinery as belonging to the exploiting agents and for grinding them down, but as their own instrument of production, and would therefore protect them as well as their own property. In fact capital and labour

would be mutual trustees, and both would be trustees of consumers—trusteeship theory is not unilateral and does not imply superiority of any trustee. It is a perfectly mutual affair, and each believes that his own interest is best safeguarded by safeguarding the interests of the other.

LABOUR'S PARTICIPATION IN MANAGEMENT

Gandhiji's philosophy of co-trusteeship arose, therefore, from the conviction that both labour and capital are co-trustees in whose hands the welfare of the community is entrusted. He therefore wanted both labour and capital to consider themselves as co-servants of the society. Arising out of this is labour participation in management. The sponsoring of a scheme of labour participation in management through Joint Management Councils by the Government of India was, therefore, the logical implementation of the philosophy of co-trusteeship. It was at the 15th Session of the Indian Labour conference for the first time that Nanda, as Labour Minister of the Government of India, brought on the agenda the subject of Joint Management Councils.

The Conference also accepted, in principle, the basic idea of workers' participation in management of industries and the setting up of Joint Management Councils.

The following recommendations contained in the report of the study group on workers' participation in management was accepted by the conference :

- i. The main functions of the councils may include provision of means of communication, improvement of living and working conditions, improvement in productivity, encouragement of suggestions and assistance in the administration of laws and agreements. It may be desirable to consult the councils regarding matters like alterations in standing orders, retrenchment, rationalisation, closures, reduction in or cessation of operations, introduction of new methods, procedures for engagement and punishment.

They may also have the right to receive information about the general economic situation of the concern, the

- state of the market, production and sales programmes, organisation and general running of the undertaking, circumstances affecting the economic position of the undertaking, methods of manufacture and work, and the annual balance-sheet and the profit and loss statement and connected documents and explanations and such other matters as may be agreed to by employers and employees.
- ii. It would be preferable to exclude wages and bonus and individual grievances from the purview of joint bodies but otherwise the list of functions should be flexible enough to be settled by joint consultation between the management and the representative trade union.
 - iii. To reduce the danger of apathy, councils of management may be entrusted with some administrative responsibility such as administration of welfare measures, supervision of safety measures, operation of vocational training and apprenticeship scheme, preparation of schedules of working hours and breaks and of holidays and payment of rewards for valuable suggestions.
 - iv. There should be a strong self-confident trade union closely connected with the machinery of participation and with a reasonably clear separation of function. It would be advisable to devise some methods for closely associating the trade unions in the selection of workers' representatives.
 - v. It is necessary to enlist the willing co-operation of management at the middle and lower levels such as junior managers, supervisors and foremen.
 - vi. Joint consultation should be 'in-built' and for this purpose Government should provide an advisory service on personnel management on the lines of the service provided by the U.K. Ministry of Labour.
 - vii. While Government should accept leadership for organising a sustained educational campaign for creating the necessary atmosphere, it should not be made a departmental affair, but efforts should be made to build up a tripartite machinery of direction

by utilising employers' organisations, trade unions, non-official bodies, etc.*

Commenting on the workers' participation in management scheme accepted by the Indian Labour Conference, the Working Committee of the INTUC observed in its resolution :

“Any scheme of workers' participation in management could be successful when it is worked on a voluntary basis rather than by compulsion and law.”

The committee suggested that the scheme may be first tried in selected centres and then extended to other centres in industry under a phased programme in the light of experience gained in the process.

The other organisations, it would appear, have not taken this proposal seriously.

PROHIBITION

There were rumours early in 1957 that the Government of India was likely to modify its prohibition policy in order to find more funds for financing the Second Five Year Plan. The INTUC, commenting on this said :

“If this report is correct, it would defeat the very purpose and object of the Plan. The move will go against the Directive Principles of the Constitution of India. The standard of living of the poorer section of our society has definitely risen to some extent by the introduction of prohibition, which has helped to divert the funds spent on drinking for purchasing the necessities of life. It would therefore be a wrong step to modify the present policy of prohibition. Any such move will bring down the standard of living of the people in the economic, social, moral and cultural spheres. The INTUC, therefore, urged upon the Government not to countenance any suggestion for modification of its prohibition policy, but to introduce it,

**Tripartite Conclusions-1942-62*, Government of India, Ministry of Labour and Employment, pp. 41-42.

wherever it has not so far been introduced. The AITUC and the HMS paid no attention to this problem."

However, some State Governments scrapped prohibition while others made it less rigorous on the ground that illicit distillation was going on a large scale and the law had become ineffective.

Some familiar arguments that because of prohibition, the States' revenues were suffering could not convince anyone. Scrapping prohibition was not going to create new wealth. It would only result in diverting money spent on other useful purposes to drinks and other intoxicants. This is neither morally good, nor materially desirable, either for an individual or his family or the nation.

It cannot be denied that the introduction of prohibition has helped to improve the standard of living of the poorer sections of the population. The argument that the law is not properly implemented can be no reason to scrap the law. If that be the criterion, many of our existing laws will have to be scrapped, for there is no law which cannot be circumvented or violated. The tragedy was that those who had picketed liquor shops during the freedom struggle had started promoting them after the attainment of independence.

MERGER OF D.A.

The Government of India had appointed a committee known as the Gadgil Committee which had been asked to go into the employees' demand for integrating a part of dearness allowance with basic pay. This committee went into the question in great detail and recommended that 50 per cent of the dearness allowance should be merged with basic pay for certain purposes, such as calculation of gratuity, pension, etc. The basis of this recommendation was the committee's conviction that prices were not likely to go down below the indices range of 260-284. It was of the view that even if prices ultimately went down and stabilised, such stabilisation would be somewhere in the range of 265-284. The Gadgil Committee's recommendations were accepted by the Government. But prices never came down. On the other hand, they went up

persistently. The course of the index showed that it had risen several times over the pre-War-level.

STATE GOVERNMENT EMPLOYEES

State Government employees were generally getting lower scales of pay and D.A. than their counterparts in the Central Government. With the implementation of the recommendations of the First Pay Commission by the Government of India, the difference between the earnings of the State Government and Central Government employees became wider. The State Government employees therefore began agitating that they should get the Central Government rates of pay and dearness allowance. The State Governments invariably said that they did not have the resources to meet this demand. As a result of successive pay and D.A. commissions at the Centre, the State Governments were forced to allow some increases in the scales of pay and dearness allowance of their employees. But still the gap remained, and it became wider whenever increases were given to Central Government employees. The demand of the State Government employees for the same rates of pay and dearness allowance as given to the Central Government employees for comparable jobs was just; and it was the duty of the Central Government and State Governments to put their heads together and render justice to these employees. The demands of the State Government employees had the support of the trade union movement and the INTUC actually adopted a resolution demanding equalisation of pay scales and dearness allowance. The failure to do justice to the State Government employees resulted in strikes in State after State in 1966-67, with the Opposition parties taking advantage of their discontent; and ultimately one State after another started increasing the dearness allowance of its employees on the eve of the fourth general elections.

PLANTATION ENQUIRY COMMITTEE

The Government of India had appointed a Plantation Enquiry Committee for Tea Plantations under the chairmanship of P.M. Menon, I.C.S. The Report of the Committee was released in December, 1956. It is a voluminous report. The

Government did not accept most of the recommendations of the committee even where they were unanimous. The recommendations rejected by the Government included:

1. Abolition of the managing agency system in Indian-owned gardens;
2. Prohibition of withdrawals from Reserve funds for declaring dividends;
3. Ceiling on the annual turn-over of packing firms;
4. Abolition of the export quota system; and
5. Blanket ban on expansion of tea gardens.

There was a minute of dissent by K.G. Sivaswamy, a member, who felt that the Committee's recommendations did not go far enough.

COLLIERY AWARD

The Labour Appellate Tribunal of India finally gave its decision in 1957 on the Industrial Tribunal's Award relating to wages of workers in collieries. In terms of the decision of the LAT, the minimum wage of an unskilled worker on the surface in West Bengal and Bihar was raised from Rs. 53 to Rs. 78 per month. Women workers were given equal wages as men. Piece-rated workers were given a 75 per cent increase in their basic rates and they were assured of a minimum guaranteed fallback wage of 75 per cent of their wages. The clerical, mining, survey, medical and other staff too received substantial increments along with time-scales. These increases were to be given effect from May 26, 1956. The award also fixed the dearness allowance in a flexible manner, so as to protect the workers against possible increases in the cost of living. Those working underground were granted an extra allowance of 12-1/2 per cent of their basic wages. Seven festival holidays with wages and return railway fare for the journey to and from the villages of the workers were also granted under the award.

The Indian National Mineworkers Federation (the INTUC's specialised agency for mining labour) fought before the All-India Tribunal and the Appellate Tribunal successfully, and secured the aforesaid benefits. The Federation represented

the bulk of the workers employed in the mining industry. The employers filed an appeal in the Supreme Court against this decision of the LAT but the Union Labour Minister used his good offices to put an end to such litigation and successfully persuaded the employers to implement the award.

SECOND PAY COMMISSION

The Government of India appointed a Second Pay Commission in August 1957. Interim increase in dearness allowance was also one of the terms of reference of the Commission. In December 1957, the Commission recommended an interim increase of Rs. 5 per month in dearness allowance. The Government accepted the interim recommendation of the Commission. The employees were not satisfied with this meagre relief. Nevertheless they accepted it.

The final report of the Commission was published in the first week of December 1959. The Pay Commission had rejected the unanimous recommendations of the 15th Indian Labour Conference in respect of the norms for fixing a need-based minimum wage. It appeared that the Finance Ministry had written to the Commission that the Government was not bound by the recommendations of the 15th Session of the Indian Labour Conference in respect of the need-based minimum wage. The Commission therefore ignored the unanimous recommendations of the 15th Indian Labour Conference.

The Commission's terms of reference also operated as an inhibiting factor. The Commission was required, while making its recommendations, to take into account the historical background, the economic conditions in the country and the requirement of developmental planning, etc. Since the rise in the standard of living to be allowed to the employees by the Commission was subject to the requirements of economic and developmental planning, the Commission observed:

“Until the economy develops, no substantial improvement in the standard of living of the people generally, or, for the matter of that, of the great majority of Government servants is possible and the economic development in the conditions of India requires restraint in current consumption for the sake of the future.”

The result was that the recommendations of the Commission fell short of the expectations of the employees. In terms of real wages, its recommendations registered no advance over the First Pay Commission's report. Also, the dearness allowance was not automatically linked to the index number. It was also alleged that the Commission's recommendations resulted in taking away some of the privileges already enjoyed by Central Government employees.

However, some of the recommendations such as retirement benefits and the machinery for settlement of disputes were definitely beneficial to the employees. In regard to the machinery for settlement of disputes, the Commission had recommended setting up of a joint consultative machinery and compulsory arbitration.

GOVERNMENT'S DECISION ON PAY COMMISSION REPORT

The Government of India announced its acceptance of most of the Pay Commission's recommendations, modifying some and rejecting some others. It must be pointed out that the recommendations accepted by Government were to result in an additional expenditure of nearly Rs. 29 crores, apart from the Rs. 11 crores already granted by way of interim relief.

The recommendations accepted by the Government were:

1. Minimum wage of Rs. 80 per month;
2. Merger of dearness allowance and basic pay;
3. Compulsory contribution to P.F.;
4. Increase in the number of working days (holidays cut from 23 to 16 days per year, and casual leave reduced to 12 days from 25 days per year and earned leave made more restricted with increase in working hours).

The Commission had shown some concern for amenities like medical aid, facilities for schooling of children and retirement benefits.

The INTUC commenting on the recommendations of the Commission as accepted by the Government said:

“The recommendations obviously have not brought full satisfaction to the employees. Looking to the steep rise in the cost of living, the employees did deserve a higher remuneration. All the same, the recommendations of the Pay Commission should be treated as an award and implemented fully. In the absence of any immediate relief, just the promise of a secure future will not satisfy the employees.”

The INTUC also felt that the benefits of the recommendations of the Pay Commission should also be extended to the employees of the State Governments and Local Bodies.

The 11th Report of the General Secretary presented at the Delhi Session of the INTUC in April 1960, observed:

“That the Government should have thought it fit to modify the Report and reject some of the recommendations has been very much resented by the workers. In all fairness, the recommendations should have been treated as an award, and the Government should have implemented them as such and in full. If at all any modifications are sought to be incorporated, they should be in agreement with the parties concerned. Any departure is bound to result in shaking the faith of the employees in efficiency of the industrial relations machinery.”

The report expressed satisfaction at the Commission having recommended the principle of arbitration for solution of disputes.

The other trade union centres also objected to the Government's action.

JOINT COUNCIL OF ACTION DECIDES ON STRIKE

Meanwhile, the All India Railwaymen's Federation, the National Federation of P & T Employees, the All India Defence Employees' Federation and the Federation of Central Government Employees formed a Joint Council of Action (JCA) and decided to organise a strike from June 19, 1960.

This date was later changed to July 11, 1960. Many of the demands covered by the strike notice were altogether new. The INTUC did not support the strike move, for most of the demands put forward by the JCA were new and had nothing to do with the Commissions' recommendations. It held the view that since arbitration had been accepted by the Government, it should be possible to settle all outstanding disputes through arbitration. It therefore preferred the process of negotiation and arbitration.

The injection of new demands to justify the strike move gave it a political touch. The communists were already waiting for some such opportunity to paralyse the Government and they exploited it fully.

The Joint Council of Action did not place before the employees the beneficial aspects of the recommendations of the Commission properly. It exaggerated the adverse recommendations. It was obvious that the raising of the new demands was with a view to forcing a strike somehow. The Joint Council was just nothing but a united front formed at the instance of the communists.

The Joint Council gave a call for a general strike in the country. The Communist Party's game was to remain behind the scenes, work out the show, and take charge of it, if it showed signs of success. There was already a strong anti-communist feeling among the people consequent on the Chinese incursion along the Himalayan borders of India; and therefore the communists did not want to openly put themselves at the front of the struggle. They however succeeded in making the PSP and the HMS lead the strike. If the strike succeeded, the communists would step in at the proper time and take the credit. If it failed, they would keep out and allow the PSP to take the discredit. The PSP and the HMS were thus being exploited by the communists and the AITUC.

INTUC'S STAND

The INTUC felt that it should oppose the strike as a matter of principle as well as on account of expediency. It conceded that certain matters still remained to be settled. Therefore, it said, negotiations should be initiated on all such

matters, and if negotiations failed, they should go for arbitration. It did not approve of the inclusion of new demands in the present struggle as they had nothing to do with the Pay Commission. Such new demands had to be proceeded with independently.

As regards expediency, the INTUC felt that the security of the country was threatened by the Chinese aggression on Indian territory. At a time when the country was passing through critical times, it felt it was necessary to preserve discipline, unity and peace within the country. Any dislocation of services and industrial production or transport, at this juncture, the INTUC was convinced, would harm the interests of the country at large, including the workers.

An overwhelming majority of the Central Government employees, in spite of all the noise made by the Joint Council of Action, were really anxious to get the recommendations of the Commission implemented because they stood to gain to some extent from them. "The INTUC was convinced that the general strike was unjustified, unwarranted, unwise and harmful to the country and to the workers who participated in it and to the trade union movement in general."*

NEHRU'S APPEAL

Jawaharlal Nehru addressed the employees over the All India Radio on July 7, 1960, and advised them to give up the proposed general strike. He said such a strike would only lead to weakening our defences and our economy and darkening the future. Nehru specially brought to the notice of the public and the Government employees who threatened to go on strike that the country could not afford such an action in the interests of safety and the future of India. At the same time, he said the Government had already accepted the major recommendations of the Pay Commission and was prepared to implement many others, which would be of considerable help to the Government employees. He added that the Government was prepared to give favourable consideration to any of the Pay Commission's recommendations involving financial

*INTUC Secretary's Report to the 1960, Delhi Session.

consequences. He agreed to accept the recommendations of the Commission as an award, and conveyed the Government's wish to give a fair deal to its employees.

V.B. Karnik, who was in the HMS, commenting on the strike, said :

“It would not be fair to say it. But it appears they (S.M. Joshi, Nath Pai, Peter Alvares—the top leaders of the Joint Council of Action) who conducted negotiations with the Union Labour Minister had set their hope upon the strike and were keen on establishing their reputation as leaders who would not compromise but fight till the bitter end. Unless some such assumption is made, it is difficult to understand and appreciate the rejection of the three clause proposal by which Government *inter alia* accepted the principle of linking wages with prices, the guaranteeing of fifty per cent neutralisation, and the agreement to refer the dispute, if any, regarding balance for adjudication or similar machinery.”*

THE STRIKE FAILS

The strike was, however, called from the mid-night of July, 11, 1960, as the strike leaders were bent upon it. But from the very start, the move was a dismal failure, as no section of any Government department was dislocated. More than 85 per cent of the employees attended to their work. That the strike was doomed to fail was evident the moment it started.

The few who struck did not believe in peaceful methods. On July 11, 1960, in a Railway Loco workshop, a number of hand bombs and acid bulbs were seized. Crackers were thrown on employees in their places of work and in numerous places. Assaults were made on those who refused to join the strike. Several instances of sabotage and attempts to disrupt communications by cutting off cables, signals and telegraph wires, and of damaging the railway track were reported. Eight cases of

**Freedom First*, Democratic Research Service, No. 59.

derailment due to sabotage were reported during the strike period.*

Finding that the strike was not effective, the AITUC and the HMS jointly gave a call for a one-day token general strike throughout the country on July 14, 1960. The INTUC opposed the token general strike which too was a complete flop. If the strike had succeeded the HMS would have been wiped out and the communists and the AITUC would have taken the credit and brought the integrity and independence of our country in jeopardy. As it had failed, the communists escaped by merely blaming the PSP, and the country was saved.

COMMUNIST GOVERNMENT IN KERALA

The communists came to power through the ballot box in the newly formed state of Kerala in April 1957. From the beginning the new Government started functioning in an erratic manner. The non-communist trade union organisations, more particularly the INTUC, were its first victims. Overnight the AITUC started claiming a membership of three lakhs in Kerala. But on verification the membership was found to be only about one-third of the claim. Mushroom unions owing allegiance to the AITUC were set up in almost all industries and centres as rivals to the existing organisations which enjoyed the overwhelming support of the workers.

Two incidents are important from the workers' viewpoint. One was the boat workers' agitation in Alleppey that went on for four months in which over 700 workers were arrested for picketing. The workers were employees of the Kerala Water Transport Corporation. The Corporation was allegedly sponsored by the new Government in order mainly to purchase the support of some powerful boat owners by paying them large sums of money for their worthless boats. Unfortunately, the Government overlooked some of the vital interests of the workers concerned in its anxiety to push forward this transaction.

The other incident was the strike in the plantations. It started on October 4, 1958, in some estates in Munnar and

*General Secretary's Report to the 12th Session of the INTUC, April 1961.

developed into a state-wide conflagration. The communists and their Government tried to capture the plantation industry by ousting the INTUC which was the strongest and the most representative organisation in the estates in Kerala. The communists had always looked upon with unconcealed envy at the predominance of the INTUC in this field and were only waiting for an opportunity. The opportunity offered itself when the workers in the plantations insisted on getting from the planters a higher bonus over and above the four per cent of the annual earnings that had already been paid for 1957. It began with the representative of the AITUC resigning from the tripartite Plantation Labour Committee on September 12, 1958. The Committee had been negotiating for some time a settlement of the general demands of the workers and the issue of bonus for 1957. Immediately following the resignation, the communists gave out a call for a general strike in the Munnar plantations by themselves alone. But the S.I. Plantation Workers Union (INTUC), Munnar, had acted a little ahead of the communists and they had no alternative but to join the strike sponsored by the INTUC. The next day the INTUC workers went back to work following an agreement with the management. The communists did not do so and continued the strike for the sake of their party interests.

The net result of the strike was two deaths in police firing, hundreds injured and more put under arrest. Colossal losses were inflicted on the tea and rubber industries and lakhs of rupees were lost to the workers as wages. The demand itself was lost.

The strike taught a bitter and unforgettable lesson to the plantation workers and the working class in general in Kerala.

In July 1959 there was a popular movement against the Communist Ministry of Kerala. It was a real movement for liberation from communist misrule. It had the support of non-communist political parties and other organisations. Workers and their unions, except those under the communist leadership, participated in it. There were spontaneous hartals and strikes and also efforts to initiate a campaign of total non-co-operation with the communist government. The movement spread all over the state and there was a virtual breakdown

of government. The Government of India had to intervene and dismiss the Ministry under Article 256 of the Constitution of India. The Government took over the administration of the state on July 31, 1959.

The 9th Annual Session of the INTUC was held at Madurai on January 1 and 2, 1958. A few days earlier, the AITUC had its Annual Session at Ernakulam (Kerala), also in the South, where the Communist Party was in power. There were many fraternal delegates from abroad who attended the Madurai Session. Among them were representatives of the All China Federation of Trade Unions and the All Union Central Council of Trade Unions of the USSR, and the Vietnam General Federation of Labour. These delegates had also been to the Ernakulam Session of the AITUC before visiting Madurai. This was the last session attended by the All China Federation of Trade Union's delegates.

The Madurai Session was pre-occupied with the threatened unemployment due to closure for an indefinite period of textile mills, jute mills and cashew processing factories. It demanded a special survey of the conditions of uneconomic units in these industries with a view to advising the Government on suitable means for restoring them on an economic basis. The session also pointed out that it was time for evolving a comprehensive scheme of social security for the industrial workers through the amalgamation of all the schemes then in force. It demanded the immediate abolition of the contract system of employment of labour and regretted the delay in abolishing the Central Recruiting Organisation and similar other recruiting agencies. The rate of affiliation fee was converted from annas and rounded off in terms of naya paise, consistent with the change of the monetary system of the country. G. Ramanujam was elected President of this session and S.R. Vasavada, General Secretary.

CHINESE AGGRESSION

In 1950 Communist China forcibly occupied Tibet. The Tibetans resisted but the Chinese stayed on. In 1958 Tibet was openly annexed by Communist China as one of its Provinces, quoting some ancient right. Unfortunately, the Government

of India accepted China's suzerainty over Tibet. The Tibetans could not stand up against the Chinese armed might; the Dalai Lama with some of his followers escaped from Tibet and sought asylum in India.

The problem of Tibet was certainly not an internal problem of China. It was naked aggression by an expansionist China on the innocent people of Tibet. Naturally, the Tibetan episode aroused apprehensions in the minds of the Indian people about China's real intentions, and it was thought that the acceptance of Panch-Sheel by China would prevent her from interfering with the internal affairs of other countries. But to the utter shock of the Indian Government and the people, China refused to recognise the internationally accepted and traditionally recognised MacMahon Line as the Sino-Indian border, and openly encroached upon Indian territory by occupying Talekote and Hoti beyond Almora in September 1959. Earlier, in the previous month, Chinese guards occupied some of our check-posts on the Indo-Tibetan frontier in Kashmir and arrested 19 Indian guards. China began a war of maps showing large chunks of Indian territory as China's own. The Chinese Prime Minister had himself disowned those maps on earlier occasions as follies of private cartographers. But then China occupied nearly 12,000 sq. miles of Indian territory without any justification and in violation of Panch-Sheel to which she was a party. This conduct of China rudely shocked the conscience of the Indian people.

The INTUC was the first trade union centre to protest against the Chinese incursions. It called on the working class to observe December 20, 1959, as Anti-Aggression Day there were protest demonstrations and processions all over India. The HMS also raised its voice of protest against the wanton aggression by China. The communists and the AITUC, who used to call for all-India hartals and protest demonstrations on the slightest pretext, were studiously silent when the nation's security was threatened by a communist country.

It is significant that within six months of the Chinese aggression on India, in July 1960, the communists called an all-India general strike, in an effort to paralyse the Government

and the normal activities of the country. Was it a signal to Communist China? Had the strike succeeded, it would have been difficult for India to function as an independent democracy. It would have paved the way for communist China's expansionist aims in India. But the strike move did not succeed.

The Government of India appeared not to be fully alive to the gravity of the situation. In his Presidential address to the 28th General Council of the INTUC at Kanpur in November 1959, G. Ramanujam said :

“The security of the nation is threatened along our Himalayan border by Communist China. The freedom of our nation is also threatened continuously from within by the Indian communists. I do not feel the Government of India is fully alive to the gravity of the situation. There is no use in calling the Indian Communist Party's Peking-inspired resolution as ‘extraordinary’. It will not avail us to simply call the party as ‘supra-national’.

“There have been not only many incursions by Communist China into our territory but they have killed our frontier guards too. The Government must realise that the ultimate danger to India from outside is going to be from Communist China, notwithstanding her loved professions of loyalty to the Five Principles and her frequent reference to the centuries of friendship with India and good neighbourliness. We cannot run the risk of self-deception. We cannot afford to be fooled by the repeated wordy assertions by communist China about her desire for peace, co-existence and non-interference.

“The world knows we have no designs on the territory of any other nation. Also, we have no desire to compel other people to accept our political philosophy. But the same cannot be said of Communist China or, for that matter, of any other communist country. They do want to expand their territories and the avowed object of communism is to make it cover the ends of the earth; which only means that communist countries want to impose their political philosophy and form of government on others; and China is no exception.

“Whatever she may say to the contrary, now or at any other time, is only part of the game and is dictated purely by expediency. We should judge the communists not by what they say at the moment but by looking closer at them, and their philosophy, their objective and their conduct in the past. These will show us that it will be foolish to accept communists’ words at their face value and worse still, to act on that basis. Any policy of appeasement of Communist China or the Indian communists is bound to spell disaster to our country.”

But these words of warning fell on deaf ears and the Government of India continued its old policy of appeasement of the communists, within and outside the country, much to its own regret later.

PRODUCTIVITY MOVEMENT

From the beginning the INTUC was in favour of supporting the productivity movement not only in the interest of the workers but also in the interest of industry and the nation.* It has been cooperating in the formation of the National Productivity Council, and Local Productivity Councils, and has participated in the many teams sent abroad to study the productivity movement in general and problems relating to particular industries and aspects of labour management relations in other countries. But most other trade union centres feel that productivity is a management responsibility. However, the success of the productivity movement in our country has not been to the extent expected or desired. The main reason for this lack of progress is the general apathy of most employers and the existing setup not enthusing labour sufficiently.

Commenting on the unhelpful attitude of the employers in adopting productivity techniques, Michael John, said:

“Let the employers who cry for higher productivity create a climate for that and give better treatment to their workers. The productivity that the employers clamour

*44th Session of the INTUC Working Committee July 14, 1954 at New Delhi.

for can be possible only when the workers have attained a fair wage, and on the condition that the additional gains of productivity will be shared by the employees.”*

Even after the functioning of the Productivity Councils for several years now, their own productivity is poor, let alone their contributing to increasing productivity of industries.

PAY-PRODUCTIVITY LINK

Employers have often stressed that wages should be linked to productivity. There were many obstacles in the way. Although in every case it is not possible to link productivity with wages, as certain jobs are not amenable to productivity measurement, yet, wherever possible such a link is desirable. For this purpose, it was necessary that the wage structure itself should first be rationalised. In many industries, the basic pay forms an insignificant part of the total pay packet and it was this small part of the wage that was linked to production. The larger part, namely, the dearness allowance, was independent of production/productivity. A substantial part of the D.A., if not the entire D.A., should first be merged with the basic pay and the piece-rates revised upwards so as to link production with the merged basic pay.

Also, as a result of the basic pay becoming a smaller part of the total pay packet, wage differentials have become distorted. While merging part of the D.A. with the basic pay, opportunities should also be taken to rectify anomalies in wage differentials.

It was complained that the merger of D.A. in the case of Central Government employees had the effect of reducing the take-home pay of certain categories of employees owing to the increase in the house rent recoveries. Labour naturally wanted that such anomalies should be rectified by the Government immediately as the objective was not to reduce the take-home pay.

*Michael John's Presidential Address to the 13th Section of the INTUC.

JAMSHEDPUR STRIKE

Jamshedpur, the steel town of India, employs a large labour force. The workers were well-organised under the Tata Workers Union under the able guidance of Michael John who had dedicated his entire life to the service of the working class. He was himself at one time an employee in one of the factories in Jamshedpur; and he succeeded Prof. Abdul Bari as president of the union on his death. The Tata Workers Union had been able to secure many benefits for the workers by struggles, negotiation and arbitration.

The communists had been trying their best to capture this union and failing that, to disrupt it. With the communists coming into power in Kerala, the communists in Jamshedpur took courage to resort to strike and other violent forms of direct action in an effort to dislodge the INTUC union. The wages secured to the steel workers in Jamshedpur as a result of an agreement between the steel company and the Tata Workers Union did compare favourably with wages elsewhere. But the communists came up with a demand for a 25 per cent general increase in wages and dearness allowance as also for recognition of their union. The demand for wage increase was only a camouflage, the real demand being recognition of their union, which was really having a pitiful minority as its members, as against the vast majority who were members of the INTUC union. The communists began with a one-day token strike on May 13, 1958. As the demands covered by their strike notice were already covered by the agreement between the management and the Tata Workers Union, the strike was declared illegal and disciplinary action was taken against a few workers. The communists immediately took that as a pretext to create a serious law and order problem and resorted to a long-drawn strike.

Large-scale violence and destruction of property were freely resorted to, resulting in police firing, killing four workers and injuring over 100 others. Ultimately, the strike had to be called off by the communists. The result was a loss of production to the extent of 45,000 tonnes of steel and a loss of Rs. 25,00,000 in terms of the workers' earnings. This was the time when the communist leaders were agreeing in Nainital to

a Code of Discipline in Industry and undertaking to give effect to it. It should be said to the credit of the steel workers in Jamshedpur that they saw through the communists' game and refused to be a pawn in their political gamble and struck to constitutional trade union activities under the leadership of Michael John and his devoted colleagues. Barring the complete political strike in 1942, on the occasion of the Quit India Movement, Jamshedpur workers led by the Tata Workers Union had succeeded in protecting and promoting the workers' interests without a single strike.

Soon after this political strike, in October 1958, the INTUC held its General Council in Jamshedpur and was able to witness the great enthusiasm of the workers for the nationalist trade union movement. The workers once again proved their support to the INTUC at a mammoth public meeting on the evening of November 22 when the General Council commenced.

ICFTU DELEGATION

Both the INTUC and the HMS are affiliates of the ICFTU which was naturally anxious to explore the possibilities of bringing about unity between them. To this end, efforts had been made both within the country and outside it by the ICFTU. But unity was always elusive. The Executive Board of the ICFTU at its meeting in Brussels in November, 1957 decided to send a high-powered delegation to India to make a proper assessment of the trade union situation in the country and submit a report to enable the ICFTU to take necessary action to strengthen the activities of the democratic trade union movement in India. Accordingly, a delegation headed by J.H. Oldenbroek, General Secretary of the ICFTU, visited India. In Delhi, they met the President of the INTUC as well as the members of the working committee. Later they also met the office-bearers of the HMS. But nothing came out of the efforts of the delegation.

Besides the ICFTU there are several other International Trade Secretariats which are in fact International Industrial Federations. Some of these ITSs are old and well established. Some others came into being after the ICFTU was born,

and are not so strong and are being maintained therefore by substantial assistance from the ICFTU. There, however, seems to be no real control or coordination between the several ITSs and the ICFTU. The ITSs claimed complete autonomy and functioned independently of the ICFTU. Sometimes there is also rivalry among the ITSs because of overlapping jurisdiction. This has resulted in creating difficulties in the way of progress of the free trade union movement. The INTUC, therefore, suggested to the ICFTU that there must be effective coordination among all the ITSs. The National Industrial Federations of the INTUC function as the Industrial Wing of the INTUC. It was for the ICFTU and the ITSs to consider whether a streamlining of this kind would help ensure better and orderly progress of the free trade union movement.

MAY DAY

In 1886 a movement spread across the USA for a general strike in support of an eight-hour day. There was a group of anarchists known as the 'Chicago Anarchists' who took advantage of every opportunity to preach their own doctrine of revolutionary violence. Describing the events that lead to bloodshed in early May 1886, Foster Rhea Dulles says :

“The day set for the strike itself—May 1, 1886, passed off very quietly, but two days later a clash between strikers and strike-breakers at the McCormick Harvester Plant in Chicago led to police intervention and the death of four men. Here was the sort of situation for which members of the Black International were waiting. That night leaflets were circulated through the city calling upon the workers to avenge their slaughtered comrades.

“‘The masters sent out their blood-hounds—the police,’ this incendiary appeal read, ‘they killed six of your brothers at McCormick’s this afternoon. They killed the poor wretches because, they, like you, had the courage to disobey the supreme will of your bosses . . . To arms, we call you, to arms .’

“A protest meeting was summoned for Haymarket Square the next evening, May 4, and some 3,000 persons gathered to hear impassioned and inflammatory speeches by the anarchist leaders. But it was an entirely peaceful meeting for all these alarms (the Major himself attended it and left upon finding everything so quite), and when a cold wind began to blow gusts of rain through the square, the crowd gradually melted away. The meeting had, in fact, virtually broken up when a police detachment of 200 men arrived and their Captain peremptorily ordered such workers as remained to disperse. Suddenly there was a sharp explosion. Someone had hurled a bomb into the ranks of the police, killing one outright. They at once opened fire and there were answering shots from the workers. During the affray seven police in all were either killed or fatally wounded, and some sixty injured; four workers were killed and fifty or more injured.”

The day on which this strike took place, *viz.*, May 1, which was a landmark in the struggle for the eight-hour day, was later on declared as an International Labour Day.

In America where it originated, observance of May 1, is not very much in vogue. Instead, there is the American Labour Day which is observed on the first Monday of September of every year. May Day has now come to be more monopolised by the communists, although the ICFTU also observes it. In India, the AITUC, the HMS and the UTUC observe May Day. In fact when the communists came to power in Kerala, they declared statutorily May 1 as a holiday. The INTUC, however, has not issued any directive on this issue. It feels that Indian Labour Day should be a day consistent with the traditions of the country. In Ahmedabad, December 4 is celebrated as Labour Day. The INTUC was founded on May 3, 1947, and there is a move to have May 3 as the Indian National Labour Day. Already many unions have started celebrating the Foundation Day of the INTUC as Labour Day. But as yet there is no such

Indian Labour Day that is accepted by all the trade unions in the country.

KRISHNA MENON'S LOGIC

In 1959 the INTUC met at Dibrugarh and in a resolution called for introduction of statutory rationing in all industrial areas as that would help to stabilise prices. It felt that if industrial and urban areas were cordoned off and covered by statutory rationing, it would reduce the indiscriminate draw from the rural areas and minimize hoarding and profiteering in the urban areas. That in turn would help stabilise prices. But, the Government took no notice of the resolution. It came to realise the seriousness of the food situation three years later and introduced half-hearted rationing at a still later date.

V.K. Krishna Menon, who was then Defence Minister, inaugurated the Dibrugarh Session. Referring to the country's population, he said India's four hundred million would swell to six hundred million by the end of the century. Although there was now greater emphasis on population control, this figure, Menon said, ought not to be put down. Under-population would be a great mistake as a country's greatest wealth was its population.

Menon asked the INTUC not to follow western trade unionism which India could not afford. The greatest amount of labour must be utilized to make the highest amount of production. To help achieve this, everyone working in an industry had a responsibility. Social justice should be achieved through negotiations rather than through the latest weapon of strike. About the plea that India was a poor country, Menon said the correct thing to say would be that India was a rich country where poor people lived. The problem, therefore, was how to make the people rich and develop the country.*

Indira Gandhi, inaugurating the Yamunanagar Session in April, 1961, referred to the ideals and policies of Mahatma Gandhi who had shown the workers of India a new path—the

**Brief Review of Dibrugarh Session*, p. 6.

path of truth, universal love and non-violence. "These principles were the basis of a constructive labour movement which was founded by Mahatma Gandhi in Ahmedabad forty-two years ago. This movement later on came to be known as the INTUC and was indeed the purest and most well organised working class organisation in the country." She called upon the workers to remember the larger interests of society while fighting for their demands. She also drew the attention of the conference to the problems of agricultural labour, which was not so well organised.

INTUC ON THIRD PLAN

The INTUC was not confining itself mainly to a bread and butter trade union movement. It took part in shaping the economic and social policies of the nation. In its resolution on the Third Plan, adopted at the Yamunanagar Session, the INTUC said :

"It is a matter of deep concern to the INTUC that the pace of development and success of the plans have not been such as to ensure the provision of employment opportunities on an adequate scale, and the volume of unemployment and under employment have thus been steadily increasing. At the same time, owing to the continuous rise in prices during the Second Five Year Plan, such increases in money wages as had occurred during the period, have been more than offset by the mounting cost of living and in many industries the real earnings of the workers have declined. This is so despite the fact that the working class as a whole has given its full co-operation to industry in increasing production and productivity and has carried out its obligations under the Code of Discipline to the extent that the number of man-days lost owing to industrial disputes have been going down steadily since the adoption of the Code.

"While the tempo of economic development is being speeded up, the social objectives of planning have not advanced in the course of these years to any appreciable extent. The conviction is growing that the rich are growing

richer and the economic power is being concentrated in the hands of a microscopic minority.

“Adequate measures should be adopted in the course of the Third Five Year Plan to curb these trends and to secure a more equitable distribution of increasing incomes and opportunities created by the heavy investments in the public and private sectors. First consideration should be given to the satisfaction of the basic minimum needs of the common people, especially food, clothing, housing, health and education. The pattern of production should be so arranged that there is adequate availability of the essential goods and there is restraint on the consumption of luxury and semi-luxury articles.

“The interests of social justice can be safeguarded, if the public sector grows rapidly and takes a dominant place in the economic life of the country. Steps will, however, have to be taken to improve the working of the public sector undertakings and to raise their level of efficiency. The public sector will fail to be a true instrument of a new social order, if its administration, specially in the matter of industrial relations, does not reflect a new spirit and give evidence of a high social purpose. There are serious deficiencies in this respect in the public enterprises as they are being run.

“On behalf of the working class of India, the INTUC offers its full co-operation to the State in its development programmes and insists at the same time that the State should be prepared to make more effective use of the workers and their organisations as the agency for decentralisation of economic power and a healthy alignment of economic forces in the country.”

THIRD GENERAL ELECTIONS

The Third General Elections took place early in 1962. The INTUC once again considered the situation and made its recommendations to the working class, in connection with the

forthcoming elections. It convened the General Council in Bombay on October 27, 1961, for the purpose. After discussions at some length the General Council passed the following resolution :

“In the last ten years the policies followed by the Indian National Congress and its Government at the Centre and in the states, though occasionally may have caused some dissatisfaction, have on the whole led to political stability and economic progress of the nation. The future progress and development directed towards achievement of a socialist society based on freedom and democracy will depend on political stability and peace in the country. The Indian Nation is today threatened with disintegrating forces of communalism and other vested interests within the country and by communism from within and outside. The growth of these forces is detrimental to the interests of the nation as a whole and the working class in particular. These forces have to be combated and the INTUC is of the view that the Indian National Congress is the only political party, which can achieve this objective.

“Having considered the situation in all aspects, the INTUC is of the view that the Indian National Congress is the only political party which it can support in the forthcoming General Elections. The INTUC as the most representative organisation of the working class therefore calls upon the working class in general and its affiliated unions and their members in particular to support the Congress candidates in the General Elections.”

CODE OF WELFARE AND EFFICIENCY

G.L. Nanda's term as Labour Minister at the Centre witnessed the introduction of many codes. The first code was the Code of Discipline in Industry, the second the Code of Conduct governing inter-union rivalry. A third code was first discussed at the Indian Labour Conference at Bangalore in 1961. It was called the Code of Welfare and Efficiency. It was realised that it was necessary to ensure proper utilization of all the available resources in men, machines and materials, if there was to be

maximum productivity. This was the context in which the draft Code of Efficiency and Welfare was introduced by Nanda for discussion at the Bangalore Session of the Indian Labour Conference in 1961. The Code recognised that for larger production and increased productivity, it was necessary that there should be reduction in costs and improvement in quality. This alone would ultimately strengthen the economy and raise the standard of living of the masses. The results would depend largely on improved industrial relations for which a contended labour force was a pre-requisite.

The INTUC welcomed the proposed Code of Welfare and Efficiency. In a sense the Code was based on the principle of trusteeship propounded by Mahatma Gandhi, according to which labour and management should realise their mutual rights and obligations as well as their joint obligations towards the community. But at the same time the INTUC felt that no Code would succeed unless it was backed by sincere appreciation of its need and an honest endeavour to implement its terms in letter and spirit.

The two earlier codes were still in the experimental stages and a number of breaches of the codes had been reported. Therefore while the INTUC wanted the Government's experiment with the two previous codes to be successful before embarking on third Code, the AITUC and the HMS opposed the introduction of the Code of Welfare and Efficiency on the grounds that only the efficiency part of it would get priority in implementation, and its welfare part would remain neglected. The Code of Welfare and Efficiency was ultimately dropped.

FAULTY INDICES

The cost of living had been persistently rising and the Government was unable to control the prices. Workers' representatives in the Tripartite Conferences and Committees had been complaining that the index numbers were faulty, and therefore apart from the failure to provide full neutralisation of the rise in the cost of living, the faulty index numbers published by the Government diminished the quantum of dearness allowance.

At the instance of the RMMS, Bombay, and the Textile Labour Association, Ahmedabad, the Governments of Maharashtra and Gujarat appointed expert committees to go into labour's allegation about the methods adopted for compiling the cost of living index numbers. The expert committee on Consumer Price Index Numbers for Industrial Workers in Bombay was appointed in August, 1963 under the chairmanship of Dr. K.D. Lakdawala. The Committee submitted its report in January 1964. Its main recommendation was that it would be desirable to revise the current index as in 1960, and that the revised index number for 1960 average should be 449 as against the existing 429, i.e. 20 points more than the published index figures. This proved the labour's charge that the index numbers were faulty. The index was found defective mainly in respect of clothing, ghee (which was substituted by Dalda), transport charge, etc.

The Government of Maharashtra accepted the recommendations of the committee which resulted in an immediate increase of Rs. 8 in the monthly dearness allowance of the textile workers of Bombay on this account. In Ahmedabad, a similar committee known as the Desai Committee was appointed and there too a similar rectification was carried out in the index number resulting in an additional dearness allowance of Rs. 7 per month. The setting up of these committees in Bombay and Ahmedabad was followed by the appointment of similar committees in other states to find out whether the index numbers were faulty.

The Indian Labour Conference had been repeatedly urging the linking of D. A. with the cost of living index number in all industries. But the process of achieving such linking in all industries and services was rather slow. Apart from this fact, where it was linked the percentage of neutralisation was also generally low.

FAULTY CONSUMER PRICE INDICES

The Janata Party Government had set up another committee for correction of the Consumer Price Indices if they were proved faulty upon enquiry. It was chaired by Rath, an eminent economist.

The Committee submitted its report in 1979. The Government did not even publish the report, let alone implement it. One thing, however, was obvious. The government appointed another committee of only officers, headed by Dr. K.C. Seal, which submitted its report in August 1981. After nearly three years, discussions were held with 'workers' organisations. The government's final decision on the acceptance of the Seal Committee's report is still to be known.

The Consumer Price Indices were not sensitive enough to register the rise in prices and the consumer had been suffering all the while. The pattern of consumption had changed; the weightage diagram had also changed; and, therefore, the computation of consumer price indices must also reflect these changes. The prices must be collected from shops from where the workers bought their requirements; so that they had an opportunity to check and verify whether correct prices had gone into the reckoning.

LINKING WITH 1960 SERIES

Meanwhile, the Labour Bureau at Simla started publishing the 1960 series of Consumer Price Indices for different centres and there was general agreement that the 1926, 1936 and 1939 series were outdated and that the dearness allowance had now to be linked to the new 1960 series. Here again, the Ahmedabad Textile Labour Association took the lead and raised an industrial dispute. It secured an award from the Industrial Court that the old index number at its average for the year 1960 after correction should be linked to the new series at the base period of 1960 as 100. In view of the fact that the 1960 series was altogether based on a different 'basket' and contained many more items which were not included in the 1926 basket, the millowners objected to the new linking. They also objected to the linking at the base year of the new series. They said any linking, if allowed, should be on the average index number for two or three years of the new series which should be linked with the average of the corresponding two or three years of the old series. The Industrial Court, Ahmedabad, had directed the linking of the corrected old

series with the new series at its base and provided the corresponding linking factor. The employers went on appeal to the Supreme Court. Since the matter was very important it was felt that all the central organisations of labour and employers might be interested in placing their points of view before the Supreme Court, which had invited them to do so. But the response from other organisations was not satisfactory. The INTUC submitted an elaborate affidavit in support of the award. Ultimately the Supreme Court did not hear any of the interveners. After hearing the parties it confirmed the award of the Industrial Court, Ahmedabad. Similar linking of the old series with the new series has to take place for other centres, but the progress on this behalf has been very slow.

PROFIT-SHARING BONUS

The term 'bonus' might mean "a boon or a gift over and above what is nominally due as remuneration to the receiver", according to the dictionary, but bonus has not been a boon either to management or to trade union executives. On the other hand, it has been and continues to be an annual headache to them.

There are many kinds of bonuses such as Good Attendance Bonus, Good Conduct Bonus, Efficiency Bonus, Production Bonus, Pooja Bonus, Annual Bonus, Profit-Sharing Bonus, etc. The Profit-Sharing Bonus in our country is something peculiar. It has been in vogue only during the last forty years. The Royal Commission on Labour in India while discussing the question of bonus referred only to the Attendance Bonus and Efficiency Bonus. So did the Textile Enquiry Committee set up by the Bombay Government in 1938 which referred to the existence of Attendance Bonus and Efficiency Bonus. This report, which was published as late as in 1941, however, said: "We are not against the grant of bonuses on special occasions, such as the grant of a week's or a fortnight's pay to all the employees of a concern, or against the grant of a periodical bonus dependent on profits to which no conditions for the earnings thereof are attached." It will thus be found that the observation of this Committee were not even positive. It simply said it was not against payment of such bonuses.

The practice of paying bonus out of profits is a product of world war II. The justification for it is based on the fact that the worker is entitled to a living wage, but the industry for obvious reasons is not able to pay it. Therefore, if at the end of the year after meeting all expenses and paying the contractual wage, which has always been less than the living wage, if there was a profit, a part of it was paid to the worker in the name of bonus in order to bridge, as far as possible, the gap between the actual wage and the living wage.

From the beginning the workers have been calling the annual bonus a deferred wage in that it is a wage deferred and paid at the end of the year for work already done, with the object of raising total wages as far as possible to approximate to the living wage. The Employers, on the other hand, have been calling bonus as *ex-gratia* payment. Courts, however, have taken the view that it is neither a 'deferred,' wages, as labour would have it, nor an *ex-gratia* payment, as employers would put it. It was merely "an addition to the wage". Courts, therefore, recognised that a demand for bonus, if resisted, would lead to an industrial dispute, requiring settlement either by direct negotiation, conciliation or adjudication.

In the early days of the history of bonus adjudication in India, tribunals followed no set formula. They were mostly moved by a desire to ensure social justice. Generally, a percentage of the profits was awarded as bonus to labour. Since the concept of social justice might vary with different individuals, awards by different tribunals and arbitrators also varied.

There were cases where the bonus was awarded on an industry-cum-region basis, without taking into account the performance of any of the units in the industry in the region. There were cases where bonus was linked to the percentage of dividend paid to the share-holders. There were also cases where bonus was awarded at a minimum rate as a deferred wage, regardless of the nature of the industry and the trading results. There were also cases where bonus was linked to production even though more production need not necessarily mean more profits. In spite of the different methods adopted to settle bonus disputes, by and large the position in the early

stages was satisfactory, particularly for one reason, viz., that there was then no prolonged litigation by means of 'writ petitions' to the High Courts and appeals to the Labour Appellate Tribunal or laterly to the Supreme Court. Decisions were generally fair, final and prompt.

It would, however, appear that some employers were not satisfied with the state of affairs and they agitated for an appellate forum in the name of uniformity of principles to be adopted as guidance for settlement of bonus disputes. The Government of India agreed with this view and enacted the Industrial Disputes Appellate Tribunal Act in 1950 and set up a Labour Appellate Tribunal for the country as a whole.

The very first case the Appellate Tribunal was called upon to decide was an appeal in regard to bonus made by the Bombay Mill Owners Association and the Rashtriya Mill Mazdoor Sangh in Bombay. The Labour Appellate Tribunal, instead of deciding the case before it, started laying down a formula for the solution of all bonus disputes. Normally, a formula is evolved based on a fairly long experience gained in dealing with a number of cases. "Experience first and formula next" should be the rule, but in the case of the Labour Appellate Tribunal it was "formula first and experience ever afterwards".

The result was that the Labour Appellate Tribunal's experience in respect of its own formula was not quite happy. It had to work in fetters and failed to satisfy the purpose for which it was created. In fact, one bench of the Labour Appellate Tribunal even went to the extent of observing "that the full bench formula of the Labour Appellate Tribunal was not the last word on bonus." Another bench of the Labour Appellate Tribunal linked bonus to production in the case of certain sugar mills though more production need not necessarily mean more profits. A third bench blessed the dividend-bonus link in preference to its own formula. Thus the formula of the Labour Appellate Tribunal was not always guiding the Labour Appellate Tribunal itself. But where the formula was sought to be applied either by Tribunals or by the Labour Appellate Tribunal itself, it was found that the formula itself,

far from being a means of solving disputes, had become a fruitful source of disputes and painfully prolonged litigation.

THE LABOUR APPELLATE TRIBUNAL BONUS FORMULA

The Labour Appellate Tribunal Formula laid down that certain prior charges would have to be allowed from gross profits to find out what it called the 'surplus available for distribution as bonus'. The prior charges listed by it in its formula were :

1. Statutory depreciation;
2. Income tax;
3. A fair return on the paid-up capital;
4. A return at a lower rate on the reserves employed as working capital; and
5. Provision for rehabilitation and modernisation of machinery and buildings over and above the depreciation already provided for.

Whatever was left after providing for these prior charges was called the 'surplus available for payment of bonus'. But the difficulty did not stop there. How much of the available surplus should be distributed as bonus was yet another point always in dispute, thus creating yet another prior charge not thought of in the original formula. Thus where formerly there was a single dispute, i.e., a bonus dispute, now resulted in six or more disputes, each one relating to each of the prior charges.

As in other matters affecting labour, in bonus too, the Ahmedabad Textile Labour Association showed the way.

On June 27, 1955, a bonus agreement was signed between the Ahmedabad Millowners' Association and the Textile Labour Association of Ahmedabad. The main feature of this agreement was that it provided for a minimum and maximum bonus with a provision for 'set on' and 'set off'. The agreement retained the prior charges under the LAT formula, and

provided for a minimum bonus of 4 per cent of the basic wages earned during a year, and a maximum of 25 per cent of the total basic earnings in a year. The 'set on' amount in any one year was to be limited to 25 per cent of the basic wages. The amount would be utilised towards making up the deficit in any subsequent year, if in any subsequent year during the currency of the agreement the available surplus was not sufficient to pay the maximum bonus of 25 per cent. The agreement was to run for five years from 1953 to 1957, both inclusive.

A similar five-year bonus pact was also made between the RMMS (INTUC), Bombay, and the Bombay Millowners' Association for the years 1952 to 1956. There were also similar agreements between the Madhya Bharat Millowners' Association and the Indore Mill Mazdoor Sangh, and between the Modi Spinning and Weaving Mills, Modinagar, and the union at Modinagar. In the silk industry in Bombay a similar agreement was signed by the HMS union for a period of three years.

The Bonus pacts in Bombay and Ahmedabad expired in 1957. There were long-drawn negotiations between the parties in an attempt to renew these pacts for a further period. But the negotiations broke down. Bonus disputes in the Ahmedabad mills for 1958 were referred for adjudication to an Industrial Court, whose award was challenged in the Supreme Court. The latter allowed the employers' appeal. However, in Ahmedabad, the Millowners' Association and the Textile Labour Association came to an interim arrangement over bonus for the years 1959-62, providing for bonus on the basis roughly of the average bonus paid in the previous five years, pending the recommendations of the Bonus Commission which had by then been set up.

With the Supreme Court upholding the employers' contention in the Ahmedabad case and holding that the agreement could be extended not by a Tribunal or Court without the consent of the parties but only by the parties themselves, the final settlement of the bonus issue in Ahmedabad became complicated.

Meanwhile, bonus disputes throughout the country were creating frequent dislocation in industrial peace and production. Bonus litigation became long-drawn as a result of the several appeals made to the Supreme Court.

It was during one such bonus fight between the Associated Cement Companies Ltd., and their workmen that the Supreme Court observed :

“The plea for the revision of the formula raises an issue which affects all industries; and before any change is made, all industries and their workmen would have to be heard and their plea carefully considered.

“It may also be possible to have the question comprehensively considered by a high-powered commission which may be asked to examine the ‘pros’ and ‘cons’ of the problem in all its aspects by taking evidence from all industries and bodies of workmen.”

APPOINTMENT OF BONUS COMMISSION

Following this observation of the Supreme Court, the Standing Labour Committee at its meeting in 1960 unanimously agreed that a tripartite commission should be appointed to go into the question of bonus for all industries and services, in both the private and the public sector with certain exceptions.

On the basis this tripartite agreement, the Government of India constituted a Bonus Commission on December 6, 1961, with M.R. Meher, Chairman of the Industrial Court, Bombay, as Chairman. The Commission had two Independent members, two members representing employers and two representing labour—one of the employer-members of the Commission was from the public sector. For labour, S.R. Vasavada from the INTUC and S. A. Dange from the AITUC were members of the Commission.

The terms of reference of the Commission were on an agreed basis. They were :

1. To define the concept of bonus and to consider, in relation to industrial employments, the question of payment of

bonus based on profits and recommend principles for computation of such bonus and methods of payment. Note : The term 'industrial employments' will include employment in the private sector and in establishments in the public sector not departmentally run and which compete with establishments in the private sector.

2. To determine the extent to which the quantum of bonus should be influenced by the prevailing level of remuneration.

3. (a) To determine what the prior charges should be in different circumstances and how they should be calculated.

(b) To determine conditions under which bonus payments should be made unitwise, industrywise, and industry-cum-region wise.

4. To consider whether the bonus due to workers, beyond a specified amount, should be paid in the form of National Savings Certificates or in any other form.

5. To consider whether there should be lower limits irrespective of losses in particular establishments, and upper limits for distribution in one year; and if so, the manner of carrying forward profits and losses over a prescribed period.

6. To suggest an appropriate machinery and method for the settlement of bonus disputes.

7. To make such other recommendations regarding matters concerning bonus that might be placed before the Commission on an agreed basis by the employers' (including the public sector) and the workers' representatives.

The Commission prepared an elaborate questionnaire, considered a large volume of replies, heard evidence from the parties throughout the country representing various industries, including public sector and independent experts and made its recommendations. The Commission's recommendations were published by the Government of India early in May 1964. The recommendations were not unanimous, the employer-member representing the private sector dissenting in respect of return on paid-up capital, return on reserves and the inclusion of all direct taxes as 'prior charges'. He also wanted

certain industries to be excluded from the Commission's recommendations. He further wanted that certain industries, like plantations, coal, jute etc. should be asked to pay a reduced minimum bonus.

The majority recommendations allowed a 7 per cent return on paid-up capital and 4 per cent return on reserves. These rates were higher than those allowed under the LAT formula. Therefore even the majority recommendations, in so far as they related to the revised formula of 'prior charges' were not considered progressive by labour. The employers also were not happy with the recommendation providing for the payment of minimum bonus even in a year of loss, although they had the right to set off such payment against subsequent years' bonuses.

GOVERNMENT MODIFIES THE RECOMMENDATIONS

The Government of India accepted the recommendations of the Commission on September 2, 1964, with certain modifications. These modifications were aimed at accepting the minority view, viz., that of the employer member representing the private sector; and enhanced the rate of return on paid-up capital from 7 per cent to 8.5 per cent and the return on reserves from 4 per cent to 6 per cent. The Government also agreed with the minority view and allowed all direct taxes as a 'prior charge'. It thus went against the majority recommendations—a very unhealthy and dangerous precedent.

The modifications by the Government made the new formula even less attractive to labour than the majority recommendations. In fact, the LAT formula against which labour was complaining appeared to be more progressive than the formula of 'prior charges' accepted by the Government. Workers in established industries already getting a bonus stood to lose considerably in quantum by these changes by the Government.

GOVERNMENT'S ASSURANCE TO WORKERS

The INTUC was the first to protest against these changes by the Government. It specially convened a meeting of its

Working Committee at New Delhi immediately after the changes were notified by the Government, and demanded that either these should be dropped or the right of workmen already getting a higher bonus under a more favourable formula, whether such payment was by an award, agreement, arrangement, convention or practice, should be protected. A deputation on behalf of the INTUC met Prime Minister Shastri and his other Cabinet Colleagues and impressed upon them how the modifications announced by the Government would adversely affect labour's existing right to bonus. The Prime Minister assured the deputation that if the existing basis yielded a better bonus to the workmen it will be protected, notwithstanding the changes introduced by the Government. He added that such protection would also be embodied in the statute. The Labour Minister repeated this assurance in Parliament.

The draft Bill seeking to give effect to the recommendations of the Commission as modified and clarified by the Government was discussed in the Standing Labour Committee, and, again, by a bonus sub-committee of the Committee. As there was no unanimity, it was decided to leave drafting of the Bill to the Government. It was expected that the Bill would be formally introduced in the Budget Session of Parliament in 1965. Evidently, the drafting of the Bill had taken more time than was anticipated, and the Bill could not be introduced during the Budget Session as was expected. The Government had to make good the delay and came out with an Ordinance to give effect to the Bonus Commission's recommendations along with the Government's modifications and assurances. Accordingly, the Government promulgated an Ordinance on May 29, 1965.

The Payment of Bonus Ordinance, was the first legislation on this subject. It was a very complicated piece of legislation. Its drafting must have been very difficult. Otherwise there could have been no explanation for the ordinance failing to give effect to the very assurance given by the Government to labour regarding the protection of the past basis of bonus agreements, awards, settlements, etc., if it gave labour a higher bonus.

The Ordinance was defective in its coverage too. It did not bring out clearly the recommendations of the Bonus Commission. The introduction of September 2, 1964, as a deadline for governing pending disputes also gave rise to several avoidable difficulties.

Making the Ordinance applicable only from the accounting year commencing on any day in 1964 also led to several anomalies.

THE PAYMENT OF BONUS ACT

The Payment of Bonus Act was introduced in Parliament in August 1965. The Bill as introduced modified Section 34(2) to give effect to the Government's assurances. It also contained certain other minor changes. Even so the anomalies in respect of coverage persisted. Many of these were subsequently rectified by official amendments to the Bill, including the substitution of May 29, 1965, for September 2, 1964.

The main features of the Payment of Bonus, Act, 1965, in favour of labour were :

- (i) Payment of bonus, in terms of total pay, i.e., basic pay plus dearness allowance.
- (ii) Payment of a minimum bonus of 4 per cent of total pay even if the year returned a loss, subject to a minimum of Rs. 40 for an adult worker and Rs 25 for a child.
- (iii) Fixation of a maximum bonus payment of 20 per cent of total pay, subject to a maximum of Rs. 1,800 with a right to carry forward another 20 per cent for payment in subsequent years as 'set on'.
- (iv) Making available the principle of 'set off' and 'set on' which would introduce an element of stability and evenness in bonus.
- (v) Fixing a normal time-limit of 8 months after the conclusion of the accounting year for payment of bonus.
- (vi) The prescription of an illustrative schedule for calculating the gross profit so that controversies could be considerably reduced.

- (vii) Making available the old basis for payment of bonus whether by award, agreement, settlement or contract of service, if that gave a higher bonus.
- (viii) Extension of bonus to new industries in the private sector such as coal and jute, which had not been paying bonus in the past.
- (ix) Extending the right of bonus to workers in the public sector undertakings, not departmentally-run and which compete with the private sector at least to the extent of 20 per cent of its turn-over.
- (x) Enlarging the definition of the term 'employee' so as to cover managerial and administrative personnel up to Rs. 1,600 p.m.
- (xi) Knocking out the most controversial prior charge of rehabilitation from the formula of 'prior charges'.
- (xii) Not allowing a return on depreciation 'written-off to date', as though it were a reserve employed as working capital.

The main features of the Act in favour of employers were :

- (i) Allowing all direct taxes as a prior charge.
- (ii) Not allowing development rebate to be added back to the profits.
- (iii) Not allowing donations to be added back to profits, if such donations were permitted by income-tax law.
- (iv) Allowing 8.5 per cent return on equity capital in the case of companies other than banking companies, and in the case of banking companies allowing it at 7 per cent.
- (v) Allowing 6 per cent return on reserves in the case of a company other than a banking company and in the case of a banking company allowing it at 5 per cent.
- (vi) Not insisting on proof that reserves were actually employed as working capital.
- (vii) Allowing 25 per cent of the gross profits, subject to a maximum of Rs. 48,000, as remuneration for each partner.

- (viii) The allowance of 8.5 per cent return as a prior charge both on the value of net fixed assets and on the excess of current assets over current liabilities in the case of a global company with a branch in India, as well as to cooperatives, partnerships and proprietary concerns.
- (ix) Limiting the amount payable as bonus out of the surplus to 60 per cent in the case of Indian companies and 67 per cent in the case of foreign companies.
- (x) Prescribing a minimum attendance qualification of 30 days for eligibility for bonus.
- (xi) Disqualification for claiming bonus if dismissed for theft, misappropriation or riotous or violent behaviour while on the premises.
- (xii) That the audited balance sheet and the profit and loss account to be assumed to be correct and the employer not to be called upon to prove their correctness.

However, if the authority concerned is satisfied that the accounts are not accurate, it can take all necessary steps for arriving at the correct profit. In the case of banking companies, the audited balance sheets and profit and loss accounts are not allowed to be questioned.

The Act covered pending disputes relating to bonus ending on any day in the calendar year 1962 and subsequent years, if such disputes were pending before some authority either under the Industrial Disputes Act or under any corresponding law immediately before May 29, 1965. Otherwise, the Act applied only from the accounting year commencing on any day in 1964. This amended provision was intended to rectify certain anomalies in coverage. The Act applied to all factories and to all other establishments employing more than 20 persons in any accounting year. It also provided that, notwithstanding anything contained in it, workers and managements were free to enter into bonus agreements on a basis other than that in the Act, provided however the minimum bonus of 4 per cent or Rs. 40 is not contracted out by such agreement.

The Supreme Court while deciding an appeal held that the tax payable under the Payment of Bonus Act was not the actual

tax payable under the Income Tax Act, but only a notional tax on the profit determined under the Bonus Formula. This meant that the tax to be provided in the Bonus Formula as a prior charge was to be arrived at without deducting the bonus payable although it was not taxable. The Supreme Court also held in another appeal that if the workmen in certain establishments were not entitled to bonus under the Payment of Bonus Act, because the Act did not apply to those establishments, no tribunal could award them bonus even under any other formula. The Bonus Act applied to establishments employing more than 20 persons. But establishments employing less than 20 persons were paying bonus previously under the Labour Appellate Tribunal Formula. These workmen stood to lose their bonus in its entirety because of the above decision. Labour naturally wanted the Government to amend the Act, so as to protect the interests of workmen in small establishments as also to see that the quantum of bonus was not adversely affected as a result of the Supreme Court decision. The Government after considerable delay came out with an ordinance on January 10, 1969, offering partial relief. The ordinance amended Sections 5 and 7 of the Payment of Bonus Act, 1965, which defined the available surplus and taxation. The effect of the amendment was that the available surplus would be increased by the tax rebate on bonus paid or payable in the previous year. This was no big concession for labour as it was already the law laid down by the Supreme Court while apportioning the available surplus under the old LAT formula.

The ordinance did not seek to extend the scope of the Act so as to cover, or otherwise provide for, payment of bonus to employees in establishments employing less than 20 workmen. The ordinance has since been replaced by a regular act of Parliament. It was expected that this could not be the last amendment to the Act. There were many other provisions in the last Act, which were defective, giving room to a feeling that many more amendments were necessary before the Act could settle down to years of undisturbed working.

The provision in the Payment of Bonus Act, which enabled workmen and managements to enter into agreements outside

the formula laid down in the Act, was objected to by the employers. They pointed out that such a provision nullified the whole Act. They wanted its deletion from that Act. They wanted bonus to be paid only under the formula laid down in the Act and not on any other basis even if agreed to between the parties. The Government conceded the demand of the employers and deleted the provision to enable the parties to reach a settlement on a basis other than that of the formula laid down in the Act. The Government, however, inserted a provision that the parties were free to reach an agreement based on productivity but subject to a ceiling of 20 per cent of total wages earned in that accounting year. However, bonus continued to be an annual headache and gradually the Act was ignored by many employers themselves.

SUPREME COURT DECISION

A section of labour and the employers opposed the Payment of Bonus Act. The employers' objection was in respect of two provisions—one relating to the payment of minimum bonus even in a year of loss, and the other providing for an alternative calculation for bonus on the basis of the proportion of bonus to gross profits in a base year. They contended that the payment of minimum bonus in the year of loss was not at all bonus, but was in fact a straight increase in wages, which was not contemplated by the 'terms of reference' of the Bonus Commission, or by the concept of bonus.

As regards the alternative formula for calculation of bonus intended to protect labour's right of payment of bonus, the employers said this would result in great hardship to the industry and unfair discrimination. The employers preferred an appeal in the Supreme Court challenging these provisions of the Act, as also the other provision relating to the coverage of the Act in respect of pending disputes on the date of the ordinance.

The Supreme Court heard not only the parties to the appeal but also several interveners. Among them were the INTUC, the HMS, the AITUC and the UTUC. After two weeks of hearing, the Supreme Court gave its judgement by a majority

decision of three to two. All the five judges, however, upheld Section 10 of the Act, which provided for the payment of minimum bonus even in a year of loss with 'set-on' and 'set-off'. Section 34 (2), which provided for the base-year calculation, was struck down by the majority decision as discriminatory and unconstitutional. Similarly, Section 33 of the Act, which governed pending disputes on the date the ordinance came into force, was declared *ultra vires* as also Section 37.

Though the structure of the Act was not damaged by the Supreme Court decision, yet striking down Section 34 (2) adversely affected workers already getting a higher bonus than what it would be due under the Act. The assurance given by the Government that the right to past basis of bonus would be protected if that gave a higher bonus, also came into jeopardy.

SPECIAL SESSION OF STANDING LABOUR COMMITTEE ON BONUS

The Labour Minister convened a special meeting of the Standing Labour Committee in October 1966 to consider amendments to the Payment of Bonus Act in the light of the Supreme Court decision. There was no agreement in the Committee, the employers taking the stand that they had no mandate from their constituents to consider any amendment. The labour representatives and State Governments gave two or three alternative proposals.

The main proposal, placed by the INTUC, was to the effect that the old LAT formula should be revived but without the 'prior charge of rehabilitation' and the surplus so arrived at should be distributed equally between labour and management after taking into account the income-tax rebate accruing on the bonus payable. Some of the State Governments blamed the Central Government for modifying the majority recommendations, and advised it to amend the law in terms of the majority recommendations. Another suggestion was to legislate only for the minimum and maximum bonus retaining the 'set-on' and 'set-off', and leave the rest to the parties to negotiate or

litigate. Yet another suggestion made was to take the three preceding years as the base period and work out the bonus for the future years so as to give the same percentage of gross profit as bonus, and that such a provision might be made a transitory provision for the next five or ten years.

As there was no agreement on any of these proposals, with the employers' representatives refusing to discuss them for lack of mandate, the Standing Labour Committee set up a bipartite sub-committee consisting of three representatives of labour and three of employers, with the Labour Secretary to the Government of India as the convener. The bipartite committee was to meet on January 10, 1967, by which time the employers were expected to be ready with their reactions to the proposals or submission of new proposals. On January 10, 1967, when the bipartite sub-committee met, the employers stated that they were not agreeable to any change and that they wanted the Act to remain as it was after the Supreme Court's decision, with the result that the bipartite committee failed to reach any agreement and the breakdown of negotiations was reported to the Government. Further action on amendments to the Act was postponed because of the fourth general election.

In the meantime the bonus dispute in the Indian Oxygen Limited was referred to a National Tribunal. The Tribunal decided that income tax to be provided as a prior charge should be the tax payable under the Income Tax Act, which meant the bonus payable was not taxable. The Government appeared to hold the view that the tax rebate on bonus payable should go to the workers and not to the employers.

KHADILKAR FORMULA

A private member's Bill was introduced in Parliament seeking, among other things, to raise the minimum bonus. But it was thrown out on the ground that the Government itself was thinking of revising the Act. The State Labour Ministers who met in August 1971 also recommended an increase in the minimum bonus. The INTUC Working Committee demanded payment of $8\frac{1}{2}$ per cent as minimum

bonus under an ordinance. The AITUC and the HMS too made similar demands. The Union Labour Minister convened an informal conference in Bombay on September 20, 1971, to discuss this question. The conference failed to reach an agreement. Khadilkar, who was then Union Labour Minister, on his part made it clear that he was not bringing out any ordinance on the subject.

The employers' main opposition to the proposition was that looking to the state of the industry and the economy of the country, the present was not the proper time for any increase in minimum bonus. But Diwali was fast approaching and the bonus question had to be solved on an urgent basis. On the initiative of the Labour Minister an interim agreement was reached at Bombay on September 22, 1971, between representatives of the employers and the INTUC General Secretary whereby it was agreed that a committee should be appointed to go into the entire scheme of bonus and it should be required to submit its report within six months. Pending the recommendations of the committee, interim payments would be made at 5 per cent and $8\frac{1}{3}$ per cent on a graded basis; and in all such cases the excess over 4 per cent would be treated as an advance to be adjusted according to the recommendations of the proposed committee. This formula came to be known as the Khadilkar Formula.

The AITUC went on strike demanding $8\frac{1}{3}$ per cent bonus in the Bombay textile industry but withdrew it on the mill owners' agreeing to implement the interim agreement. The meeting of the AITUC, HMS, UTUC, CITU, etc., also agreed that there were positive aspects to the interim agreement entered into by the INTUC, including the implied acceptance of $8\frac{1}{3}$ per cent, but felt that it fell short of their expectations. They were however convinced that being interim in nature it was bound to be so.

The INTUC appreciated the necessity for an interim agreement and expressed its satisfaction over such an arrangement, but protested that even the interim agreement had not been implemented by the employers all over the country. It, therefore, felt itself free from its obligations under the

minimum bonus to the workers in loss-making units, and reduced the minimum bonus from 8.33 per cent to 4 per cent and linking even such reduced minimum bonus to the existence of allocable surplus. The amendment also excluded employees in such industries, as banking from their right to bonus. It deleted Section 34(3) of the Act, which made negotiated settlement on bonus possible between the parties on a basis other than the prior charge formula under the Act. These amendments were retrograde and anti-labour. Both the President and the General Secretary of the INTUC in a joint statement immediately reacted to this move by the Government saying that it amounted to putting the clock back and that the working class would stoutly oppose the amendment.

The INTUC pursued the matter further by sending deputations to the Prime Minister, Labour and Finance Ministers on a number of occasions and carried on a ceaseless struggle through representations to undo the injustice done to labour by the amendment and succeeded in mitigating the adverse effects of the Government's measures on bonus.

The Janata Party in its election manifesto promised that it would accept 'bonus' as a 'deferred wage' if it was voted to power, which meant that irrespective of profit or loss, bonus would be paid, as wages have priority over profits. Probably the Janata Party did not expect to come to power and was, therefore, making such promises. Once in power, it would speak differently. However, the INTUC carried on an unceasing campaign and the Government half-heartedly came forward to restore the minimum bonus of 8.33 per cent just for one year, viz., the accounting year commencing on any day in 1976. It also partially restored Section 34(3), but made it subject to the ceiling and a further condition that any agreement under Section 34(3) should have the prior approval of the Government.

Once again the question what should be the minimum bonus was thrown wide open for the accounting year 1977 and onwards. The Janata Party's policy declaration that bonus is a deferred wage was based on the acceptance of the deferred wage concept of bonus and such a concept cannot change from year to year. Upon the INTUC's further representations

and threat to launch a nation-wide struggle, the Government of India came forward with an ordinance to extend the minimum bonus of 8.33 per cent for one more year, viz., 1977-78. Such patchwork solutions, it was obvious, was not conducive to abiding industrial peace.

Later, the minimum bonus at 8.33 per cent was made a regular feature of the Act.

As a result of several negotiated settlements and the increase in the D.A. component of total wages following steep rises in prices, many workers started drawing a total salary of more than Rs. 750 per month.

Since Rs. 750 was prescribed as the notional ceiling for the computation of bonus, employees getting a total pay of more than Rs. 750, stood to suffer. They wanted the notional ceiling of Rs. 750 to be done away with as Rs. 750 of 1985 was equal to Rs. 150 of 1965. The same argument was advanced for abolishing the Rs. 1600 salary eligibility limit for bonus.

The INTUC pressed these demands, namely, that the Rs. 750 notional ceiling and the Rs. 1600 eligibility limit should be abolished. The Finance Minister in his Budget proposals for 1985-86 partially conceded the demand of the workers and raised the notional ceiling of Rs. 750 to Rs. 1600. This was followed by an amendment to the payment of Bonus Act, deleting Section (12) of the Act, on May 22, 1985. This meant that employees getting a total pay of Rs. 1600 and below would henceforth get their bonus computed on the basis of their actual total pay and not on that of Rs. 750. This was a significant gain for the workers. However, the Finance Minister did not abolish or raise the eligibility limit of Rs. 1600 per month.

The INTUC went in deputation to the Finance Minister to impress on him the need to abolish this eligibility limit. It argued that the employees getting a total salary of Rs. 1600 and above were generally skilled or technical personnel, and their contribution to the profits was direct and substantial. They should not therefore be denied bonus. Further, the number of such skilled or technical personnel would be small and the financial burden would therefore be insignificant.

The INTUC pointed out to the Finance Minister that in

spite of the eligibility ceiling of Rs. 1600, the private sector would compensate its employees drawing above Rs. 1600 per month somehow by circumventing the provisions of the Act, which the public sector could not do. It was therefore likely that the efficiency and productivity of the public sector would suffer. The Government would probably take some more time to decide this issue.

PONDICHERRY AND GOA

Pondicherry and the other French possessions in India were transferred *de facto* to the Indian Union in 1954-55. The *de jure* transfer however took place several years later. The main industry in Pondicherry consisted of three textile mills. Production of these mills had a sheltered market in the French possessions in Africa. With the *de facto* transfer of the French possessions to India that protected market was no longer available, and the textile industry in Pondicherry passed through a crisis. The labour employed in these mills had hitherto been organised by the communists. With the decision of *de facto* merger, the INTUC moved into Pondicherry and started organising the textile labour there. From the beginning the Pondicherry unit of the INTUC functioned as part of the INTUC Tamilnadu Branch and the representative of Pondicherry labour had a seat on the Working Committee of the INTUC, Tamilnadu. Labour in Pondicherry had to launch a series of struggles against the abrupt move of retrenchment and rationalisation in the textile industry, and after a few years of struggle it practically settled down to normal working. But the textile mills there continued to suffer for one reason or another and two of them had to be taken over by the Government. The third remained closed for a long time.

Unlike the French, the Portuguese Government would not transfer the territory of Goa to the Indian Union gracefully. India waited with patience for fourteen long years after her own freedom, in the hope that wisdom would dawn on Portugal and she would voluntarily transfer the territory of Goa to India peacefully and honourably as was done by the French. Portugal seemed to live in a world of its own and did not care for the wishes of the people of Goa and her other

territories in India. Ultimately, the Government of India had no other alternative, but to send Indian forces, in response to the express desire of the Goan people, to Goa and other Portuguese possessions in India and take over the area. With the merger of Goa with the Indian Union, the last vestige of colonialism in India was wiped out. The Indian Army achieved the merger of Goa with the Indian Union with the minimum use of force, as there was very little obstruction from even the Portuguese. The people of Goa greeted the Indian Army with traditional garlands and coconuts and provided boats to cross the rivers and helped in removing the mines planted by the Portuguese Army while retreating.

Unlike in the case of Pondicherry, there was a move that Goa should be merged with Maharashtra, which provoked a similar claim by Karnataka on Goa; and ultimately an 'opinion poll' was taken early in 1967 which revealed that the majority of Goan people would like to maintain their individuality with Goa directly under the Centre. The main industries in Goa are ports and docks and iron ore mines. The labour laws of the Indian Union have been extended to both Pondicherry and Goa.

CHINESE INVASION

In October 1962, China launched an unprovoked aggression on India along the north-east frontier as well as in Ladakh on the Indo-Tibetan border in the north. The Chinese invasion was in total violation of the principle of Panch-Sheel, to which she had subscribed, and also of the age-old friendship between the two countries. The attack on India was a cruel and crude betrayal of a friendly country. China refused to recognise the traditional and well-accepted McMahon Line as the border between the two countries, and resorted to the use of force to wrest from India large chunks of territory. Prime Minister Jawaharlal Nehru ordered the Army to throw back the invaders. But the Army's achievements were not up to the mark. Krishna Menon, who was Defence Minister, was held responsible for the sorry state of affairs of our defences and he resigned.

With in the country, a very tense situation developed. The

communists in India would not call the Chinese as the aggressor. They began to equate India with China, i.e., the victim of aggression on a par with the aggressor. They refused to see the facts and wanted India to talk terms with China which was engaged in a military invasion of our country. The Government of India convened an emergency session of the Indian Labour Conference on November 3, 1962. The INTUC and the HMS refused to sit with the AITUC, as the latter was not even having the independence and courage to condemn the Chinese aggression. They both held the view that such an organisation could not be trusted, nor could it be qualified to advise the Government on the measures to be taken to save the country from the Chinese invasion and to maintain the independence and territorial integrity of the nation.

INDUSTRIAL TRUCE RESOLUTION

Prior to the meeting of the Tripartite Conference, there was a meeting between representatives of labour and the labour Minister, G. L. Nanda. The AITUC, sensing the atmosphere, tactfully absented itself from that meeting. The representatives of both the INTUC and the HMS said the AITUC should not be invited to the Emergency Session. But as an invitation had already gone out to that organisation, the Government felt it was too late to stop it. There was then an understanding that the AITUC representative would not be allowed to speak at that meeting. The AITUC representative was present in the Conference and did not speak. Somehow the Government must have prevailed upon the AITUC representative not to speak at the meeting.

The Labour Minister as Chairman briefly recapitulated the circumstances under which the Conference had been called, explaining the grave danger that was facing the nation. He pointed out that no sacrifice was too great in the circumstances and called for unreserved cooperation by labour and industry to enable the country to meet the challenge. Nanda suggested the adoption of an Industrial Truce so that the wheels of production would not be stopped or slowed down on account of any employer-employee differences. The Truce resolution was read out by the Chairman, and was whole-

heartedly accepted by the Conference. The AITUC representative not only did not speak at the Conference, but also stood isolated.

This was the second Industrial Truce resolution adopted by the tripartite conference, the first one having been adopted soon after independence. This time it was adopted with a view to safeguarding that independence.*

The response from the working class throughout the country was tremendous and spontaneous. There were voluntary contributions to the National Defence Fund by the workers who donated a day's wage every month. They offered to work overtime and work on holidays too.

It was at this time that a Compulsory Deposite Scheme was introduced by the Government of India. Although labour was voluntarily offering its mite to the Defence Fund, an attempt was made to make such contributions compulsory, so that these could be uniform and made by all workmen. Further, as a deposit the contributions would not be a total sacrifice on the part of the workers as the deposit would be returned to them after some time with interest. The INTUC supported the scheme. The HMS did not do so. The AITUC opposed it. The scheme was in force for some time and with the change of Finance Minister at the Centre, it was dropped.

Of the several measures taken by the Government to conserve and increase the nation's resources at this time, one was the 'Gold Control Order' prohibiting the making of ornaments of more than 14 carat purity. This resulted in a number of goldsmiths being thrown out of employment. They had to be found alternative employment. The move became very unpopular and the Government had to dilute the order considerably.

The Government of India set up a number of Defence Committees at the Central and State levels. Blindly following the past practice, it also invited the communists to be members of the Defence Committees. The INTUC and the HMS questioned the wisdom of the Government appointing the communists to the Defence Committees as they felt that the Government had failed to understand the change in

*See Appendix VII.

circumstances. The INTUC sent out a directive that none of its representatives should associate themselves with the Defence Committees set up at various levels where the communists were already included.* At the same time, the INTUC pledged itself to support the nation whole heartedly during this national emergency.

The spirit of patriotism and the determination to make sacrifices, for the country was evident among all sections of the population. The traders did not make undue profits. The employers too rose to the occasion. There was a general restraint among the people in pressing their sectional demands with the result that the declaration of the National Emergency following the Chinese invasion did not lead to any rise in prices. But this new spirit did not last long and gradually the old attitudes returned.

FAIR PRICE SHOPS

At the emergency session of the Indian Labour Conference convened in November 1962, the Government gave an assurance that it would compel employers, employing more than 300 workmen, to open fair price shops, and supply essential items of food at fair and fixed prices. It warned that if the employers did not pay heed to its advice and set up fair price shops voluntarily within two months, it would come out with an ordinance to compel them to do so. The employers wanted the Government to supply them with food grains and other controlled commodities to enable them to run fair price shops.

Meanwhile, the food situation in the country deteriorated so much that even if the employers were willing to open and run fair price shops, the Government could not keep up the supply of food grains to all such employers. Besides the biggest public sector employers, the Railways were not willing to undertake this responsibility, although in British India during World War II they had supplied all items of consumption at subsidised prices to their employees through a network of grain shops.

The opening of fair price shops demanded in 1962 were

*Secretary's Report to the 14th Session of INTUC p-9.

not opened by all employers employing more than 300 workers. This demand was reiterated at conferences after conferences by labour and discussions shifted from fair price shops to cooperative consumer societies. But nothing tangible came out on any scale, nor was the promise of legislative compulsion on employers who had not implemented the resolution fulfilled.

At the Bangalore session of the ILC in 1964, the employers offered payment in kind up to a certain extent to ensure that the wages paid were properly spent and also to ensure that there was real relief for the workmen. The workmen readily accepted the offer, for they were all interested in their real wages and not in money wages. But, later on, even that was found unworkable owing to several practical difficulties, such as construction of a special cost of living index for the workers, and, finally, the non-availability of adequate food grains for the purpose. So the sub-committee appointed to supervise the working of the Industrial Truce Resolution agreed to drop the proposal for payment in kind.

PEOPLE OF INDIAN ORIGIN IN SRI LANKA

The problem of people of Indian origin in Sri Lanka had been pending for long. Several attempts were made to solve it during Prime Minister Nehru's time. But without success. In October 1964, however, an agreement was signed between the Governments of India and Sri Lanka which provided for the repatriation of nearly 500,000 people of Indian origin living in Sri Lanka over a period of 15 years.

Although the INTUC was not happy over the agreement, it felt that no useful purpose would be served by finding fault with it at that stage. Therefore, it appealed for making an honest effort to understand the implications of the agreement and paving the way for its implementation.

Most of those 500,000 people who were to be repatriated had been working on tea and rubber plantations and their repatriation to India would naturally create problems of rehabilitation. Most of them were Tamils. Earlier, the Prime Minister of India gave an assurance that the problem of rehabilitation of the repatriates would be treated as a national problem. The

INTUC suggested that the repatriates from Sri Lanka be employed in opening up new plantation areas in the country either in the public sector or in the cooperative sector with necessary assistance by the State.*

The people of Indian origin who returned to India were accommodated by the Government in special projects, such as opening up of plantations, and in textile mills, etc. But their number was too large and all of them could not be absorbed in official relief projects.

The relations between India and Sri Lanka did not improve in spite of the agreement. After Junius Jayawardene became President of Sri Lanka the problems of Tamils in Sri Lanka became acute. The Tamils inhabiting the northern part of the island complained of persecution by the Government of Sri Lanka, and there was organised violence in which hundreds of Tamils were killed and thousands had to flee their homes. Many were rendered homeless—victims of arson and loot.

The Government of India considered the developments in Sri Lanka as her domestic problem; and did not intervene beyond offering its good offices to settle the problem and ensure peace on the island. The DMK and other minor state parties in Tamil Nadu called for military intervention by India to save the Tamils. But the Government stood firm. The Prime Minister's special envoy, G. Parthasarathy, went to Sri Lanka on two or three occasions and similarly the Sri Lanka President and his officers visited Delhi on more than one occasion with a view to exploring the possibilities of satisfying the minimum demands of the Tamils in Sri Lanka. But a solution eluded them.

The Sri Lankan Government complained that the Tamil militants were being given training in India. This was untrue and was promptly denied by the Government of India. India, it observed, always wanted peaceful and good neighbourly relations with Sri Lanka. Meanwhile, provocations from Sri Lanka continued and one of their naval boats intruded into Indian waters and killed some Indian fishermen. The Boat was captured by Indian patrol boats. Rajiv Gandhi while expressing his concern at the continued killing of Tamilians in Sri Lanka

*Report of the Bhilai Session, December 1965, p. 6 (Part II).

also stated that there could only be a political solution to this problem. Through the good offices of the Government of India, the Sri Lankan Government and the representatives of Tamils have agreed to a negotiated settlement of the problem.

ASSASSINATION OF JOHN F. KENNEDY

The assassination of John F. Kennedy, President of the United States of America, on November 22, 1963, shocked the conscience of the world. Within a period of three years in office Kennedy had succeeded in rising to great heights and becoming a world leader. His youthful enthusiasm and courage of conviction was symbolic of the spirit of America. His premature death under tragic circumstances deprived the troubled world of the ray of hope radiated by Kennedy. He was a great friend of India and had always tried to appreciate her problems and point of view. He helped her fight against poverty. He was a great friend of labour too. He joined the ranks of the world's great martyrs who sacrificed their lives at the altar of truth and social justice. The world had great hopes in him, and his being snatched away from the world stage made the world poorer. India lost a friend.

APARTHEID

India was one of the leading nations that condemned in unequivocal terms the apartheid policy pursued by the South African Government. The struggle against this unjust and inhuman policy had been going on for more than a century and Mahatma Gandhi fought it through passive resistance. His fight was for asserting the equality and dignity of man. Ever since India attained independence, she has been one with the United Nations in abolishing this policy in South Africa. She has been faithfully implementing the resolution of the United Nations in this regard. Nevertheless, it is a pity that apartheid has yet to be abolished and the world's conscience sufficiently roused to remove this social evil.

MAHALANOBIS COMMITTEE

The Planning Commission had appointed a high-powered Committee headed by P.C. Mahalanobis in 1960 to study and

report on the increase in the national income generated during the Plan periods, and how the increased national wealth had been distributed among the different sections of society. The INTUC was one of the first organizations that had demanded appointment of such a committee. It said the nation had a right to know what the increase in the national wealth was and how it had been distributed. It had been complaining that there had been a faulty distribution of the increased national income with the result that the rich had become richer, and the poor poorer. The gulf of disparity in incomes, had further widened with the mal-distribution of the increase in the national wealth. The persistent rise in prices which had more than offset increases in money wages had resulted in depressing the real incomes of workers in many cases. Prime Minister Nehru observed that if this situation was not rectified in time, people might resort to violence.

The Mahalanobis Committee's report revealed that the fears of the working class were correct. What the working class had been alleging from its own experience had been proved by statistics of the committee. Out of the 42 per cent increase in the national income during the Plan periods, 73 per cent was available for public consumption. Population growth nullified 45 per cent of it, leaving only 28 per cent for net increase in the per capita consumption. According to the report, the lowest 10 per cent of the population had only 1.3 per cent of the aggregate household income, while the top 10 per cent benefited 40.4 per cent. It revealed a high degree of concentration of economic power in the hands of a few who had the lion's share of the increase in the national income. The Committee also observed that it was mostly the contractors who had benefited more out of the increase national wealth.

The fact that the additional national income had gone into the hands of a few people clearly showed that no proper distribution had taken place. The country was therefore justified in demanding a thorough study by a Monopolies Enquiry Commission.

The Government of India appointed in April 1964 a Monopolies Enquiry Commission under the chairmanship of a Supreme Court judge.

The 'terms of reference' of the Commission were:

1. to enquire into the extent and effect of concentration of economic power in private hands and the perseverance of monopolistic and restrictive practices;
2. their social and economic consequences and the extent to which they might work to their detriment; and
3. to suggest such legislative and other measures that may be considered necessary in the light of such enquiry, including, in particular, any new legislation to protect essential public interests, and for the procedure and agency for enforcement of such legislation.

ABOLITION OF MANAGING AGENCY SYSTEM

The INTUC had been repeatedly demanding abolition of the managing agency system companies. This system is a relic of old colonialism. Very often the managing agency itself was a company which would thrive as a parasite on the managed company. Whatever justification there was for the managing agency system in the past it had ceased to be there, with controls, safeguards and assistance by the State at every stage and by public financial institutions. The managing agency system had therefore outlived its utility and deserved to be abolished.

The Government of India was already committed to the abolition of the managing agency system. It appointed a committee to recommend whether any extension of time should be given for particular industries or whether the abolition was to be phased over a period, and if so, to recommend details of such phasing.

The INTUC submitted a memorandum to the committee. It pointed out that there was the danger of the managing agency system coming back in a different form after its abolition, but having the same grip and power in the shape of holding companies and subsidiaries. The INTUC pointed out that in most companies purchases of raw materials and stores were routed only through particular agencies created by the main companies and so the selling media also enjoyed similar monopoly concessions from the main companies. These purchasing and selling agencies acted as parasites on the parent

company. The continuation of these practices, besides weakening the parent company, helped to build up monopolistic courses and concentration of wealth, as it was the same group of individuals who managed the buying and selling agencies as well as the parent company. It suggested that companies should be subjected to super or test-audit under Government auspices. It also suggested that there should be a standardised costing form for each of the major industries and each unit of such industry should be required to fill up the form every quarter and forward it to the Government so that any unit spending unduly large sums on any particular item could be immediately located and corrected.

THE KAMARAJ PLAN

Unity in the ranks of the Congress Party even at the top level had been gradually weakening. The question 'Who after Nehru?' had come up more frequently during the later years of his life. There was no definite answer to this question. There was even an attempt to avoid the question. Meanwhile Jawaharlal Nehru was becoming physically weak as a result of over-strain.

In Madras State, the DMK, a State party, which was demanding secession of Tamilnadu from the rest of the country, was becoming popular. It had secured 50 seats in the State Assembly in the 1962 elections. Kamaraj, who was then Chief Minister of Madras, was worried over this development and he felt the need for strengthening the party. He approached Prime Minister Nehru to permit him to resign from the Chief Ministership and work for the Party. Nehru perhaps saw in Kamaraj's suggestion an opportunity not only to revitalise the Party, but also to achieve many other things. He gave it the stature of a national plan stature. It resulted in what later came to be known as the Kamaraj Plan.

According to this plan, Ministers in the Government, both at the Centre and in the States, were invited to resign their Ministership and work for the Party. Practically all Ministers in the Central and State Governments submitted their resignations. In most of the cases the Ministers were allowed to continue in office, but not Kamaraj who had resigned his Chief

Ministership of Madras. At the Centre a number of senior Ministers' resignations were accepted. This led to a feeling that the Plan was not a genuine one, but was only a subterfuge to get rid of some senior colleagues who were not wanted by Nehru. Even the acceptance of Lal Bahadur's resignation did not help to remove this feeling. Nehru's stature in the country was such that if he had wanted to get rid of anybody, he could have easily done so straightaway without resorting to any such plan. Nevertheless suspicion about the bona fides of the Kamaraj Plan persisted in the minds of some people, and undoubtedly in the minds of those Ministers who had been thus removed. It was even rumoured that it was not the Kamaraj Plan, but a Nehru Plan, but this criticism was most uncharitable.

Kamaraj soon after his resignation was elected as Congress President. He was formally installed in this office at the Congress Session held in July 1963 in Bhubaneswar in Orissa. The Congress reiterated its faith in socialism and decided to work with great vigour and determination for the realisation of democratic socialism. Nehru fell seriously ill during the session and could not participate in its deliberations. From then on, he had to take great care of his health until he died on May 27, 1964.

Nehru had been showing keen interest in the working of the INTUC, and in spite of his delicate health, attended the meeting of the Working Committee of the INTUC in October 1963. He spoke on the role of the working class in the country in those critical times.

NEHRU'S LAST MESSAGE TO LABOUR

The INTUC was to meet in Hyderabad in May 1964 for its 15th Annual Session. Nehru's passing away in May, 1964, however, resulted in postponement of the session. In his last message to labour, written three days before his death and sent to the INTUC session, Nehru said:

"I send to the 15th Annual Session of the Indian National Trade Union Congress my good wishes. India is facing difficult problems today, and it is very necessary that the organized labour movement should react to them

properly. A merely agitational approach is not helpful in the circumstances. We have to consider every problem in its larger context. I hope, therefore, that the INTUC will do this and will function from this larger point of view and at the same time press for its own special demand."

Nehru's death came at a time when the country most needed him. The country was not prepared to lose him, nor was it ready with an alternative leader to succeed him. The question of a successor had been left unanswered during Nehru's lifetime and after his passing away it became suddenly live and large.

Gulzarilal Nanda, who was Home Minister at that time, succeeded Nehru as acting Prime Minister. Meanwhile, group politics within the Congress came to the surface, and although Lal Bahadur Shastri was elected Prime Minister by a process of ascertaining the consensus by the Congress President, it was not without the country knowing that the Congress leadership at the top was dis-united. Shastri, however, proved himself a worthy successor to Nehru and though his term of Prime Ministership was brief, it was a glorious chapter in the history of India. The unprovoked aggression by Pakistan developing almost into a fullscale war on India, Shastri's tremendous courage to fight the aggressor and the success achieved on the military front against Pakistan in spite of her superior equipment will always be remembered.

Shastri died at Tashkent after making a successful bid for peace. His unexpected death created the problem of choosing his successor. There was no alternative leadership, groomed to take over the Prime Ministership. The choice of a successor to Shastri proved even more difficult than the choice of a successor to Nehru and showed even more glaringly the disunity among the Congress top leadership.

Indira Gandhi was elected leader of the Congress Party to succeed Shastri. The Congress Party had selected the right leader as would be seen by subsequent events. The ruling Party was riven with group and personal rivalries. Even on such policies as devaluation of the rupee, there were reports of differences between the Party leadership and the Government.

All over the country the Congress stood split and its image before the people suffered. Dissident Congressmen started forming rival parties almost in all the States. When the Congress went to the polls in 1967, it was a weak and disunited organization which had to fight not only the Opposition parties but also erstwhile Congressmen who contested the official candidates either as Independents or as members of rival parties.

SPLIT IN THE SOCIALIST PARTY

The Socialist Party was having its own troubles. There was the PSP led by Ashoka Mehta and the Socialist Party led by R.M. Lohia. The two Socialist Parties tried to come together. After several efforts they merged to form the Samyukta Socialist Party (SSP), only to split again after a short period and to function again as the PSP and the SSP. This had its impact on the HMS and a new federation Hind Mazdoor Panchayat, was formed in Bombay in October 1964, by the Fernandes groups in the HMS.

Meanwhile Kamaraj, as President of the Congress Party, issued an appeal to all socialist-minded people who had left the Congress to return to it. This resulted in Ashoka Mehta and a few others coming back to the Congress. Ashoka Mehta was made Vice-Chairman of the Planning Commission and later Planning Minister at the Centre.

The Jan Sangh also sponsored a trade union federation. But it turned out to be almost still-born for a long time. The International Federation of Christian Trade Unions also set up units in Asia. Finding that the word Christian was an impediment to its progress, it changed its name to the Independent Federation. It held its inaugural conference towards the close of 1966 in Bihar. The Federation appears to have little chance of growing.

PAK AGGRESSION

Since its inception, Pakistan had been brought up in an atmosphere of religious fanaticism. The history of Indo-Pakistan relations is also the history of Pakistan's broken pledges and whipped up hatred against India. Pakistan has

proved herself unworthy of democracy, and has ended up as a theocratic dictatorship, with nothing more than religious fanaticism to unite and sustain her people. It is obvious that such unity can only be for negative purposes. Pakistan has been hopping from one negative stand to another.

Pakistan was all along bent upon fighting India, overtly or covertly, in an effort to annex the State of Jammu and Kashmir, which is constitutionally and morally an integral part of India. Pakistan's membership of the various military treaty organisations, like SEATO and CENTO, was ostensibly a protection against international communism but was in fact aimed against India. Pakistan also entered into Pacts with Communist China.

From the very beginning India had warned the U.S. Government that the enormous military hardware which it was giving to Pakistan as aid, would be used against India. India appealed to the U.S. Government not to give such aid to Pakistan. The U.S. Government believed in the assurances of Pakistan that the arms aid she was receiving would be used only in fighting communist expansion in Asia. Little did the U.S. Government know that Pakistan never meant to abide by her assurances. Pakistan has shown by her actions that she cannot be depended upon even by her own allies. The huge gift of weapons to Pakistan had made her believe that she could settle her differences with India through military methods. For the last 37 years she had been causing pinpricks to India by her violations of the cease fire; India has acted with great restraint and was content with sending protest notes. But when Pakistan sent in an army of infiltrators in August 1965 to create chaos within our country hardly the ink on the settlement over the Rann of Kutch was dry, India had to act in self-defence. The action taken by India was not aimed to grab territory from Pakistan, but to protect her own territorial integrity and independence. It was Pakistan which declared total war on India relying on the superiority of her equipment.

The Indian forces were not equipped with sophisticated modern weapons as were Pakistani forces. The Indian army fought with conviction, courage, determination and devotion and the result as the world knows, was that Pakistan's

military might was mauled within three weeks of the war started by her.

India's military success over Pakistan's army and Air Force restored her prestige which had suffered somewhat during the Chinese aggression on India. Hundreds of Patton tanks secured by Pakistan as the American gift were smashed by the Indian Army. A large number of American jet planes were shot down by the IAF. People's morale rose high. Prime Minister Shastri's prestige and popularity within the country and abroad gained new heights and he became a national hero.

The United Nations gave a call for a cease-fire. With the good offices of Soviet Russia, a meeting was arranged at Tashkent between Prime Minister Shastri and Pakistan President Ayub Khan, early in January 1966. The meeting resulted in an agreement known as the Tashkent Pact. But the Pact struck a most tragic note for India, for within hours of signing it Shastri died in Tashkent. If his courageous leadership during the war had raised Shastri's prestige in India to an unprecedented height, his death in the cause of peace raised it still higher.

The role of China in the days of Pakistan's total war against India was both cruel and crude. She wanted to profit by the misfortune suffered by India. Pakistan was known to be a tool in the hands of certain countries which wanted to fight communism, more particularly China. But then China managed to rope in Pakistan as an ally of her's pointing out that they both wanted to fight India. It built up the Peking-Pindi axis much to the chagrin of the United States which was nursing Pakistan in the fond hope that she would act as an instrument for containing communism in Asia. Not only that, the U.S. and her military allies gave Pakistan a huge supply of arms to fight communist China's expansion. But Communist China succeeded in making Pakistan use those very arms to fight her enemies and thus strengthen herself. The U.S. policy in Asia thus failed and China made Pakistan use her weapons to fight not communism but democracy.

China did not want Pakistan to agree to the United Nations call for a cease-fire and urged her to carry on the fight, offering to open up a second front against India in Sikkim. China, for all her tall claims, was incapable of any

military engagement with any of the big powers and when she found that world opinion was against her, she beat a noisy retreat.

The treacherous role of China in international politics stands sufficiently highlighted in Indonesia and in India. In India, she stabbed her friend in the back after grabbing Tibet and exploiting her as a colony. In Indonesia, she proved so ungrateful as to attempt the overthrow of the regime there, which had been extending all facilities to the communists of the Peking brand. Perhaps China wanted Indonesia to be another of her colonies. But for her abortive efforts in Indonesia, it would have been difficult to stop the Chinese march against other Asian nations. Every nation in Asia and Africa, including Pakistan, has a lesson to learn from the Indonesian example.

India was always anxious that the U.N. should not go the way of the League of Nations and that India should remain a symbol of world peace, solidarity, security and prosperity. But the developments in the U.N. during Pakistan's aggression on India caused genuine anxiety in the minds of all those who wished well by the U.N. The U.N. had proved itself too week-kneed to act.

The U.N. was convinced that Pakistan was the aggressor. But it did not have the courage to say so. This gave the impression that the U.N. was not a free agent, and had become a victim of big-power politics. The U.N. even delayed the release of its own observers' report which had clearly indicated that Pakistan was the aggressor. This prevented effectively the world from knowing in time as to who was the aggressor.

In spite of all this, India was convinced that U.N. was the only hope for world peace. She therefore wanted the U.N. to function as a more effective instrument for the preservation of world peace, and, for that purpose, she insisted that the U.N. function as an absolutely independent organization and become immune to pressures from any quarter.

The U.S. Government should have realised that Pakistan was unworthy of its trust, as soon as she aligned herself with communist China. Pakistan gave away to China thousands of square miles of Indian territory in Jammu and Kashmir,

which did not belong to her. She entered into a trade agreement, a border agreement, a civil aviation agreement and a telecommunication agreement with communist China and accepted military aid from it. All this must have come as a rude shock to the U.S. Government, which believed that Pakistan was an outpost of the free world, equipped with its armaments to contain communism in Asia.

The United States did not openly condemn Pakistan for misusing the military aid she had received. She did not have the courage to brand Pakistan as the aggressor even when convinced that she was the aggressor. The people of India had held the U.S. in high esteem because she was the forerunner of freedom from colonial exploitation and had fought for the cause of freedom and democracy every where. When such a country hesitated to call a spade, a spade the resentment in India was all the greater. History shows that the U.S. has not learnt its lesson. It continues to pamper Pakistan with sophisticated offensive weapons and aircraft.

The role of Britain in this episode did not come up to the expectations of the people of India. Britain too appeared to be partial, taking the side of Pakistan against India. The excuse that she did not have the correct facts was hardly convincing. Even when the correct facts were subsequently known, Britain did not correct her earlier stand. Her conduct made a mockery of the Commonwealth and caused great resentment among the people of India who demanded India's exit from the Commonwealth. Even the British Press, which could not plead ignorance of the facts, was unkind to India.

China exploded her first nuclear bomb on October 16, 1964. This made her neighbours restive, because China is known to have expansionist designs on them. She was systematically infiltrating into several Asian countries and had even resorted to military aggression on India. She would be able to intimidate her small neighbours hereafter with her stock of nuclear weapons. This development was a threat to peace and security in this part of the world.

A section of the Indian people started to bring pressure to bear on the Government to make the nuclear bomb, but the Government resolutely took the stand that it would utilise atomic energy only for constructive purposes and would not

make the bomb. The nuclear powers have so far behaved in a responsible manner, but there is no guarantee that China as an atomic power would act likewise. It was therefore necessary for the atomic powers to keep a constant vigil on China and see to it that she did not use her nuclear weapons under any pretext. Quite recently Pakistan too has been bent upon making the bomb, endangering peace in South Asia.

SPLIT IN THE CPI

Differences began to arise between Communist China and Soviet Russia. With this the Indian communists also got divided. There were two distinct groups among the Indian communists, the Peking group and the Moscow group. For some time there appears to have existed a Centrist group, but it soon became indistinguishable from the Peking group, which was called the Leftist group. The Rightist communist group was led by Dange and guided by Moscow.

The Leftists held a conference in Tenali in Andhra at which large portraits of Mao Tse-tung were displayed on the dais. This was not only a challenge to the Government of India, but also an insult to patriotic Indians. The Government however merely watched the situation and took no action.

The Left communists, it was openly alleged, were drawing their inspiration and receiving their instructions from Beijing. They exposed the Right communists, particularly its leader by publicising what are known as the Dange letters, which were alleged to show that Dange had agreed to act as an agent of British Imperialism in return for certain concessions to him which Dange denied. The rift in the Communist Party was also reflected in the mass organizations controlled by them, and more particularly in the AITUC. In several States, the leadership was with the Right, but the rank and file were mostly with the Left communists. There were complaints of delayed and rigged elections in the unions affiliated to the AITUC. In some centres rival unions were formed by the leftist leaders against the Right communist unions as they could not capture the leadership through elections.

In the last session of the AITUC held in Bombay in 1966, Dange managed to maintain his secretaryship of the organisation, but it became evident that a substantial section of the

AITUC was Left communist controlled. Although the AITUC then was not split into two it was obvious that it was being torn between the Right and left factions of the CPI. A formal split into two appeared only a question of time. There was a rift in the WFTU in 1966 and the All-China Federation of Trade Unions refused to pay its dues to the WFTU.

Early in 1965, the Government of India arrested most of the Left communist leaders under the Defence of India Rules, acting on the intelligence reports received by it. They were released later after some months, although the danger to the security of the country, both from outside and from within, remained.

The differences between China and Russia became more acute in early 1967. On the Chinese mainland, Mao Tse-tung sponsored a cultural revolution in an effort to put down all those suspected of being against him. The revolution took a violent turn and even Liu Shao-chi, head of the State, came in for attack. Mao tried to enlist the support of the Red Army to put down his political opponents. But the army could not be won over completely and in many provinces some of the army generals were reported to be supporting the anti-Mao forces and rumours of civil war persisted. Meanwhile, China accused the USSR of ill-treating some of the Chinese students returning home via Moscow and started retaliating in Peking against the Russians there. Soviet Russia had to arrange for evacuation of the wives and children of its diplomatic personnel in Peking. But the evacuation was made difficult and humiliating by the Red Guards of Mao. Soviet Russia's diplomatic personnel were practically under house arrest and they could not leave the embassy grounds. The snapping of diplomatic ties between the two communist countries was only a question of time. China also humiliated the diplomatic personnel of India and the U.K.

INDONESIA DISILLUSIONED

That India's contribution to the achievement of the Indonesian freedom was considerable needs no reiteration. It was regrettable that those in power in that country forgot their real friends. Indonesia was rudely shocked by the Communist Chinese inspired coup of September 30, 1965. The coup was

abortive. However, six high-ranking generals known for their non-communist views were brutally murdered. The people of Indonesia, and more particularly the student community, rose up against this subversion by the Chinese inspired communists. The Chinese Embassy in Jakarta did not show even the courtesy of lowering its flag at half-mast when the entire nation was mourning the death of the six generals. This further confirmed the suspicion that China was behind the coup. There were large-scale arrests and retaliation against the communists in Indonesia. Several top-ranking persons known to have been involved in the coup were killed. There were public trials of high-ranking men known to have been involved in the coup. They were sentenced to death. Even president Sukarno was not considered above suspicion. There were moves afoot to institute an enquiry against him and demands for exiling him. President Sukarno was stripped off all his powers.

With the disillusionment of Indonesia with Communist China, there has been a change for the better in the former's relations with India. The Indian Foreign Minister Chagla went to Indonesia to restore the cordial relations that had existed between the two countries in earlier years. His mission was successful. Almost as a reaction to his visit, Indonesia demanded the return of the submarines she had lent to Pakistan. The relations between India and Indonesia started improving.

THE PUBLIC SECTOR

An observation made by Kashinath Pandey in his Presidential Address at the Hyderabad session of the INTUC in 1964 was played up by practically all the newspapers in the country. He had said that when he rose to support the public sector his legs shivered because he was immediately reminded of the miserable plight of the workers and the inefficient management in the public sector.

This was taken as a left-handed compliment to the private sector. Some even went to the extent of inferring that the INTUC was not in favour of the public sector. Kashinath Pandey's observation was intended to merely convey the fact that conditions in the public sector were not ideal. The wage level, the working conditions and the treatment of workers in

that sector had a long way to go before they came up to the workers' satisfaction.

The INTUC had never been against the public sector. In fact, it had supported the public sector enthusiastically; for it was convinced that the public sector was necessary in a country with poor resources, where for rapid progress in industrialisation the State had to step in a big way, particularly in the core-sector. The private sector would not be able to find the capital necessary for big modern projects, and therefore the public sector was a necessity to hasten the achievement of the socialist aims accepted by the country. The INTUC was also of the view that the public and private sectors were not rivals opposed to each other. They were mutually complementary to the nation's economy. The INTUC wanted that the public sector should become effective. It set its face against the controversy started by the public sector running down the private sector and the private sector running down the public sector. Indeed, who owns the plant is not so important as how the plant runs. There should be no room for inefficiency or mismanagement in any sector in the economy of the country.

Inaugurating in June 1966 a two-day conference of top executives of public sector undertakings, Indira Gandhi, Prime Minister, said the public sector could claim no virtue unless it functioned effectively as an instrument of production and development and as a creator of new wealth. She had no hesitation in accepting the fact that the performance of public sector units, on the whole, had fallen below the Government's expectations.

She said : "We could not treat public sector undertakings as of sentimental value. The final test lay in profitability, service and growth. If the public sector could not pass these three steps, then there was no meaning in it."

Analysing some of the causes hindering the efficient functioning of the public sector, the Prime Minister added.

"Faulty planning with regard to concept, size, location,

raw materials, designs, choice of processes, equipment, personnel, contractual arrangements, supervision, coordination and time schedules had resulted in cost escalation and delay.

“Over-capitalisation, over-staffing adding to townships costs, inadequate work study, lack of delegation, the application of secretarial codes and procedures to commercial undertakings, the system of financial control and audit and lack of a well-thought-out personnel policy constituted another set of problems.

“The proper programming of orders, pricing policies, quality and cost control, research and design, development and the structure of management were the other factors which needed looking into. There had yet to be a satisfactory reconciliation between autonomy and accountability.”

The Prime Minister added that labour relations had not always been satisfactory in the public sector. The difficulties listed by her showed there had to be a thorough overhaul of the entire working of the public sector undertakings so that those many-sided improvements might become possible.

Addressing a seminar jointly organised by the Parliamentary Forum on Public Sector and the Centre for Public Sector Studies (New Delhi) in collaboration with the Bureau of Public Enterprises of the Bihar Government in March 1984,* the Union Finance Minister, Pranab Mukherjee, categorically stated that the public sector undertakings could no longer be allowed to work below the capacity utilisation. He said to avoid the closure of such undertakings they should be made viable. He added that the Government could not just go on dumping money into public sector undertakings without getting returns. Government organisations were not meant for their employees alone. They had also to serve the entire community, particularly those struggling below the poverty line.

He stated the central public sector undertakings made a net profit of Rs. 618 crore in 1982-83 but that was not enough compared to the investments of Rs. 30,000 crore made by the

**International News*, March 4, 1984.

Government in them.* In 1983-84 it was estimated that the central public sector undertakings had suffered an estimated net loss of 30 crore, despite a massive profit made by the Government-owned oil companies. The oil companies were stated to have earned a pre-tax profit of more than Rs. 2,000 crores in that year. But for oil, therefore, the losses of the public sector undertakings would be much higher. After suffering a net loss of Rs. 2297 crore in 1980-81, it made a profit of Rs. 445.92 crore in 1981-82 and Rs. 617.85 crore in 1982-83. The Steel Authority of India, a giant public undertaking accounted for a loss of Rs. 350 crore in 83-84, and Coal India for a loss of more than Rs. 200 crore. Heavy losses were concentrated in half a dozen public sector companies. It was therefore easy to identify the causes and indicate the remedies.

The Union Industry Minister, N.D. Tiwari, expressed his concern over the decreasing profitability of the majority of public sector undertakings and said many of them should have done better.** There were two main reasons for the decreasing profits; first, some of the better performing enterprises had actually earned reduced profits, and secondly, some of the losing undertakings instead of improving their performance had increased their losses. The Industry Minister wanted the Boards of Directors of Government enterprises to play a constructive role in achieving a better performance. He was concerned greatly at the low productivity and utilisation of manpower in several public sector undertakings.

A study by the Union Labour Ministry*** revealed that machinery of many public sector undertakings fared no better than the private sector as far as compliance of labour laws was concerned. Though the public sector was expected to act as a model employer, there were numerous cases of violation of labour laws, including the Contract Labour (Regulation and Abolition) Act, the Minimum Wages Act and the Payment of Wages Act. The irregularities pointed out by the enforcement wing of the Labour Ministry were not promptly rectified.

**Indian Express*, February 29, 1984.

***The Hindu*, June 9, 1984.

****Indian Express* March 21, 1984.

The coal companies were stated to be the worst offenders in this regard.

The study further stated that the Labour Ministry's conciliation machinery was concerned over the casual attitude of the public sector units towards conciliation proceedings. In a majority of public sector units either junior or middle-level officers were deputed to attend conciliation proceedings. They were not able to take decisions.

Some of the managements did not even produce the relevant documents and records at the conciliation table. This resulted in additional difficulties for conciliation officers to come to right conclusions.

Joint Negotiating Committees had been set up in all major public sector undertakings such as the Steel Authority, BHEL, and Coal India and they had a fairly good record in reaching unanimous agreements not only over wages and other service conditions but also in respect of target setting, productivity and quality. But these agreements were subject to the Government's approval which created problems at the post agreement stage, but were finally overcome in a spirit of industrial accommodation.

During the negotiations on the revision of pay scales etc., in 1982-83, the parties could not agree to the quantum of increase in the D.A. The unions complained that Rs. 1.30 per point of the Consumer Price Index (1960 base) as D.A. was not adequate to fully neutralise the rise in the cost of living of even employees at the lowest level. They therefore demanded a higher rate per point. Since there was no agreement on this issue, and since the parties did not want to stall the negotiations on account of this issue, they reached an agreement on all other issues and gave the disputed D.A. a separate treatment.

It was agreed that in respect of D.A. increase, the Government should set up a high-level committee with the Union Labour Minister as chairman to decide what increase and with effect from what date should be given in the rate per point over Rs. 1.30. The Committee held several sessions but could not reach any agreement.

While the committee was still deliberating the rate to be paid as D.A. an agreement was reached in West Bengal at

the instance of the CPIM Government there, under which the rate of D.A. was raised to Rs. 1.50 per point (1960 series) but with no retrospective effect. This agreement came in the way of a substantial increase in the rate of D.A., as well as a reasonable retrospective effect to the increased D.A. during the central negotiations. The committee thus reached a stalemate and the matter was kept pending with the Finance Ministry, Government of India, for a final decision.

The committee ultimately broke up in March 1985. Nevertheless the INTUC continued its efforts. At a meeting of the members of the committee with the Finance Minister on April 9, 1985, an oral agreement was reached whereby the Government agreed to raise the rate per point from Rs. 1.30 to Rs. 1.65. The Government also agreed to give retrospective effect to the increased rate with effect from April 1, 1983, over 492 points.

It was further agreed that the two years arrears would be paid in two instalments and the second instalment falling due after one year with interest thereon. The Finance Minister announced the terms of the agreement as the Government decision in the Lok Sabha a few days later. The announcement received a favourable response from employees in the Central Government public sector undertakings. There were other industrial establishments, both in the State public sector and in the private sector which were paying Rs. 1.30 per point as D.A. following the central public sector undertaking's D.A. They will all now have to pay the revised higher rate of D.A.

With the advent of a new Government under the leadership of Prime Minister Rajiv Gandhi there is a move to give public sector managements greater autonomy coupled with commensurate accountability. A Committee was set up in September 1984 with Arjun Sengupta, Special Secretary to the Prime Minister, as chairman and with Secretaries of various Departments of the Government and the Bureau of public Enterprises as members to go into policies governing the public sector, their working, finances, profitability, etc. The committee was reported to have submitted its report by December 31, 1984. Considering the complexity of the issues involved, the time given to the committee was too short to

undertake a thorough study and suggest comprehensive remedial measures.

BANKING INDUSTRY

Some of the political parties had been demanding nationalization of the banking industry in the hope that it would help the Government to have an effective control on prices and eliminate abuse of funds by the private sector leading to a build-up of monopolies. The All-India Congress Committee considered this demand in 1967 and decided that instead of nationalizing the banking industry they should go in for social control on banks by appropriate legislation. A Bill was accordingly introduced in Parliament towards the end of 1967. Discussing the subject of social control of the banking industry, the General Council of the INTUC meeting at Birmitrapur in February 1968 expressed the view that the Government had rightly hesitated to embark on a programme of total nationalization of the banking industry in the absence of proper personnel to man it after nationalization. The Governments own experience of the working of several public sector undertakings must have discouraged it from undertaking a programme of total nationalization of the industry. The Council welcomed the move for social control on the banking industry as a logical, immediate and practical step. Later, the INTUC also demanded total nationalization of the banking industry.

However, the General Council of the INTUC protested against the provisions in the Bill seeking to penalise certain forms of agitation by the employees. The Council was of the opinion that such provisions were extraneous to the scope of the proposed legislation. As acts of misconduct were already covered by the Industrial Employment Standing Orders Act, the Council opposed inclusion of any such provisions in the proposed Bill. It pointed out that the provisions of the Bill were not even balanced. It felt that there was little wisdom in penalising any form of agitation without at the same time providing for a satisfactory machinery for settlement of disputes. The Council therefore urged the Government to make a provision in the Bill itself that all unresolved disputes between bank employees and managements should be settled by voluntary arbitration.

NATIONALIZATION OF BANKING INDUSTRY

Nationalization of the banking industry, it was felt, would help the Government to have an effective control on prices and eliminate abuse of funds by the private sector leading to the building up of monopolies. The All India Congress Committee considered this question in 1967 and decided that instead of nationalizing the banking industry they should go in for social control of banks by an appropriate legislation. A Bill was accordingly introduced in the Parliament towards the end of 1967.

The old Imperial Bank of India was nationalized in 1955 and it started functioning as the State Bank of India. The year 1969 marks a distinct milestone in the economy of the country. That year Indira Gandhi nationalized fourteen major scheduled banks in the teeth of opposition from some conservative Congressmen. It even resulted in the removal of Morarji Desai from Finance Ministership. This measure is important for the nation, both as a symbol of the Congress Party's earnestness to advance towards the socialist goal, and as a powerful lever for accelerating the nation's economic progress. The control of banks by private individuals had led in the past to mismanagement and retarded the progress of implementation of the nation's economic and social policies. The enthusiastic welcome accorded by the masses to nationalization of banks is an index of their hopes in the Congress Party. It was also expected to open up new opportunities for the small man in agriculture and industry. Later, the Congress nationalized another set of eight major banks. Life insurance was nationalized in 1956 and the general insurance in 1971. The IDBI and the IFCI are Government-sponsored institutions which finance industries. Thus the Congress enabled the Government to have a better hold on the finances of the country.

Before nationalization there was one bank branch for a population of 65,000. After nationalization there is one branch on an average for a population of 17,000. Bank deposits rose from Rs. 4,646 crores before nationalization to Rs. 60,148 crores in 1984. Thus there has been a phenomenal growth in banking in our country since nationalisation. After nationa-

lization banking has switched over from class-banking to mass-banking.

COOPERATIVE SECTOR

The cooperative sector was confined in the past mostly to rural credit and in a small way to urban credit. Since independence a number of industries have been started on a cooperative basis, mostly in cotton textiles and sugar. So far as the workers are concerned, there is nothing cooperative about them. It is immaterial for a worker whether every share has one vote or every share-holder has one vote. All that he cares for is whether the employer is good or not so good. Industries run on a cooperative basis have not so far proved functioning as ideal employers. Although technically all the laws relating to labour in the private sector are applicable to the cooperative sector, there are complaints that at the time of applying the provisions of the Act, partiality is shown in favour of cooperatives as against their employees. This must be so because the cooperative movement in our country is still largely inspired and controlled by the Government through the Registrar of Cooperative Societies as a sort of hot-house plant. It is still to take root as a genuine mass movement.

SECURITY OF EMPLOYMENT

The most essential factor ensuring peaceful industrial relations is security of employment. Wages, D.A., bonus and working conditions are no doubt very important. But what is more important is security of employment. The Government had undertaken legislative and other measures to protect and promote several aspects of employment, but the fundamental aspect of security of employment stood neglected. It was the INTUC that raised this issue and fought for it consistently in all tripartite conferences and committees. It pointed out that when an employer dismissed an employee after going through the formality of charge-sheeting him, calling for his explanation and holding an enquiry, even an Industrial Tribunal adjudicating on the claims of the workman for reinstatement had no powers to substitute its own judgement for that of the employer. It could not suggest an alternative

punishment even if it was convinced that the punishment given by the employer was harsh or too severe. The employer, it must be remembered, was himself the prosecutor, in that he made the charges against the workman, he became the judge in that he presided over the enquiry, gave his finding, and, ultimately, he was the executor in that he signed the dismissal order and removed him from service. The combination of the functions of prosecutor and judge in the same person militated against the principles of natural justice. The INTUC therefore demanded that Industrial Tribunals and Labour Courts should be empowered to act as appellate authorities, and sit in judgement over employers' decisions in disciplinary matters.

The INTUC raised this subject at several sessions of the Standing Labour Committee and the Indian Labour Conference. The Government brought in an amendment to the I.D. Act and placed it before the Standing Labour Committee in 1966. The draft amendment was half-hearted. It did not go to the extent it should in ensuring security of employment fully. It expressly prohibited Tribunals and Labour Courts from recording any fresh evidence. They were called upon to decide the cases on the basis of the evidence recorded by the employers in the domestic enquiry.

In all cases of reinstatement, there is very little question of law involved. It is mostly a question of facts. While giving the Tribunal powers to alter, modify or cancel the employers decision in this matter, the Tribunal's hands were sought to be fettered, preventing it from getting at the true facts, if it so desired. Labour therefore opposed this limitation sought to be imposed on the powers of the Tribunals by the proposed amendment. The Employers opposed the amendment totally, saying the existing law was all right.

In view of this difference between the parties, it was expected that the Government would go ahead on its own. But before the amendment could be enacted into law, the life of the Third Parliament came to an end. The next Parliament passed the amendment to the I.D. Act in 1967, exactly as the Government had proposed earlier.

PRESIDENTS CONFERENCE ON INDUSTRIAL SAFETY

Industrial accidents continued to show an upward trend in the last decade. In an attempt to speed maximum production, the safety aspect was getting neglected. The Construction industry recorded the highest percentage of accidents. The Government of India had been endeavouring for some years to impress upon the managements to take all possible steps to reduce accidents. The question of industrial safety was also discussed at meetings of the Standing Labour Committee and Indian Labour Conference. Finally, in December 1965, a Presidential Conference on Industrial Safety was convened. The President inaugurated it and underlined its importance. It was agreed on all hands that there was need for creating safety consciousness among labour and to educate them to observe safety rules. At the same time, it was necessary to impress upon managements to provide the required safety measures. With a view to carrying out a sustained programme of ensuring safety in industry, a National Safety Council with its counterparts in the States was to be set up. The conference suggested that inspection services should be strengthened and labour representatives associated with them.

LAL BAHADUR ON INTUC'S RESPONSIBILITY

In his last message to labour conveyed through the 16th Annual Session of the INTUC held at Bhilai in December 1965, Prime Minister Lal Bahadur Shastri before his departure for Tashkent had said :

“The response of labour and their leaders to the crisis which the nation faces today has been highly commendable. But more difficult days may lie ahead. Despite difficulties, production has to be increased further, and for doing this, we are largely to depend on our own resourcefulness, ingenuity and determination of all persons engaged in industrial production. I have every hope that the labour movement will rise to the occasion. The 16th Annual Session of the INTUC is meeting in historic times. The

Congress has to shoulder a great responsibility and has my best wishes.”

While the INTUC was having its annual conference in Bhilai, the communists called for a textile strike in Bombay. The conference pointed out that the real reasons for the strike were political, and not the economic demands projected before the working class. It reminded the workers that the entire working class in the country had given a solemn assurance to the people that they would suspend strikes in view of the critical conditions the country was passing through. Any call for a strike at this juncture was definitely unpatriotic and also against the interests of the workers themselves. The strike, it pointed out, would only benefit the employers who were already complaining of accumulation of stocks. The strike failed and once again the workers suffered at the hands of the communists.

INDIA PRODUCTIVITY YEAR

The year 1966 was declared as Productivity Year with a view to raising the nation's productivity consciousness. The choice of the year however proved unfortunate. 1966 turned out to be the worst year from the point of view of productivity and production. It witnessed numerous *bandhs*, all of them politically motivated. There were also large-scale power shortages, paucity of raw materials, inability to market finished goods as a result of the reduced purchasing power of the masses, devaluation of the rupee in terms of the dollar and the pound sterling and dear money conditions. The year 1966 witnessed large-scale retrenchment and closures. The number of mandays lost was the highest reaching a record figure of over one crore. The year also experienced a steep fall in agricultural production owing to failure of the monsoon and consequent drought conditions. There was widespread indiscipline, particularly among the student community. Even the legislatures and Parliament appeared to be not immune to the general atmosphere of agitation and indiscipline in the country. Nevertheless the National Productivity Council and its regional counterparts observed the year as India Productivity Year, with whatever enthusiasm they could muster.

In the early months of 1966, there were large-scale unemployment, lay-off and retrenchment owing to power shortages, insufficient raw materials, lack of adequate credit facilities and inability to market finished products. The Standing Labour Committee which met to consider this serious problem demanded the setting up of a high-powered Inter-ministerial Committee which could look into the difficulties of industries in different areas and come to their rescue as promptly as possible. A Committee was no doubt set up pursuant to the decision of the Standing Labour Committee, but the relief it gave in the matter of removing difficulties was quite insignificant. The Committee was soon forgotten.

The whole of the year proved to be a very difficult one for labour, who suffered unemployment, lay-off and retrenchment, and sometimes even closures. A number of textile mills in the country closed down on account of their uneconomic working. The INTUC was of the view that the closures were the result of either inefficient management or mismanagement or both. It wanted the Government to take action under the Industries Development and Regulation Act to take over the administration and control of all such closed units. Government action, however, was very hesitant.

Here and there the State Governments gave guarantees to banks so that they might advance loans to managements to enable them to restart the mills. This was a tardy process and did not give any relief to workers.

In 1957 the Government had appointed a committee with Joshi, Textile Commissioner, as chairman to enquire into the working of the textile mills, with particular reference to their rehabilitation. The Joshi Committee recommended the setting up of an autonomous corporation by the Government to take over the closed units and run them in the interest of continuity of production and employment. The INTUC had been repeatedly urging the Government to establish such a corporation to run the closed units on a permanent basis. The Government's response to the demands of the INTUC was however, not immediately encouraging. In April 1967, Dinesh Singh, Union Commerce Minister, finally agreed with the demand for setting up such a corporation. Legislation for

this purpose was finally got through Parliament towards the close of 1967.

One feature which attracted all those interested in the productivity movement in the country was the realisation that there should be increasing emphasis on applying productivity techniques to begin with, in the field of agriculture, as agricultural productivity, in the matter of both food crops and agriculture-based industrial raw materials, was poor. Thus were started efforts to improve our agricultural productivity which resulted in the so-called 'Green Revolution.'

JOINT CONSULTATIVE COUNCIL

Employees in public enterprises and Government departments were having no proper machinery to redress their grievances. Although the existence of a grievances machinery by itself is no guarantee that all legitimate complaints will be looked into, its absence is bound to upset employer-employee relations on the slightest possible pretext.

The Second Pay Commission had recommended the setting up of Whitley-type Councils for Government employees. The fact that the Government was lukewarm in implementing this recommendation roused discontent in the minds of Government employees. Later the Government announced a scheme with pre-conditions attached to it. If the Government wanted to fulfil its earlier commitment only in part, the part left out loomed large before the employees. The best thing in the circumstances was for the Government to invite the employees' organizations for consultation on the composition and scope of the proposed Joint Consultative Machinery.

The Joint Consultative Scheme proposed by the Home Minister for Government employees restricted compulsory arbitration to three matters only, leaving a substantial gap in the conditions of employment unprovided for. There was no machinery to provide for redressal of grievances in respect of matters falling outside the three subjects.

Again, the Government said the machinery would be available only to those unions which abjured strikes. This restricted the employees' basic rights, as well as rights guaranteed under the various laws. The Government's stand that certain

matters were not arbitrable and that workers who suffered on account of them would be left without any remedy could never be appreciated by responsible trade unions. The restriction on the choice of representatives of trade unions on the Joint Consultative Council was yet another point which the trade unions could not accept, considering that the growth of the trade union movement among Government employees was not adequate. The trade unions therefore demanded that the Government should modify its proposed scheme in consultation with trade union organizations.

The lead given by the National Federation of Indias Railway men in this regard was accepted by all other organizations of Central Government employees in the country. The NFIR had insisted that the rules applicable to the civil servants should not be made applicable to the industrial employees of the Government. The scheme for these employees must be consistent with the rights and privileges currently enjoyed by the industrial employees in the private sector. Further, the scheme should be in consonance with the provisions of the Industrial Disputes Act, which was held applicable to the Railways. The NFIR also opposed the demand for unconditional surrender of the right to strike.

Following criticism of the Government Scheme, a number of conferences were held between the employees' organizations and the Government at various levels. During the discussions the NFIR was assured that the Joint Consultative Scheme was only experimental, that the present privileges and facilities enjoyed by the employees would not in any way be curtailed and that the present Permanent Negotiating Machinery on the Railways would continue to remain in force and govern the relations between the administration and the railwaymen in respect of subjects not covered by the scheme. The Government also made it clear that it would not insist that workers should abjure their right to strike, and, finally, that the discretionary powers of the Government to refuse arbitration of disputes in respect of arbitrable subjects would be withdrawn.

In view of this assurance and the modifications announced by the Government, the NFIR agreed to work the Joint

Consultative Scheme on an experimental basis. The other organizations of Central Government employees also agreed to do so. Accordingly, the Scheme was put into operation.

The first meeting of the National Council of the Joint Consultative Machinery was held at New Delhi on January 30, 1967. Under the Scheme, the National and Departmental Councils were set up. The JCM Scheme with compulsory arbitration is continuing to work with some degree of satisfaction.

THE BANGALORE SEMINAR

The INTUC convened a top-level seminar in Bangalore in July 1966 for a discussion on the ideological, organizational and operational aspects of the trade union movement in the country. The seminar was followed by a meeting of the Working Committee and General Council of the INTUC.

On the eve of the seminar, the West Bengal unit of the INTUC adopted a resolution by a majority vote to the effect that the INTUC should have nothing to do with the Indian National Congress and should function as an independent body. The resolution also wanted the INTUC to take the initiative on the political plan of sponsoring a Labour Party. Kali Mukherji, President of West Bengal unit of the INTUC, was largely responsible for this move. The resolution came in for a thorough discussion. The seminar came to the conclusion that the INTUC was already independent of the Congress. Any view that it had to become independent was therefore not based on a correct appraisal of the constitutional relationship between the two organizations. Organizationally the INTUC was completely independent of the Congress Party or any other party. If therefore in any State there was a feeling of dependence, the remedy lay in asserting its independence there. The occasion was taken to restate the true position, namely, that the only link between the Congress and the INTUC was the ideological affinity between them. If Congressmen who worked successfully in the INTUC were able to influence its policies nobody could make a grievance of it; for the INTUC was not a closed shop to any particular political party. People belonging to any party or no party could become members of the INTUC, provided they abided

faithfully by the constitution and rules of the organization. The Bangalore session thus helped to clarify the Congress-INTUC relationships. The suggestion in the Bengal resolution for sponsorship of an independent Labour Party was however not discussed seriously at the seminar. Quite recently, Rajiv Gandhi, Congress (I) General Secretary, reiterated the independent character of the INTUC.

DEVALUATION

The country was taken by surprise on June 6, 1966, when the Government of India announced its decision to devalue the rupee in terms of the dollar and the pound sterling. Earlier, there had been assurances in Parliament that the Government was not thinking in terms of any devaluation. Among the politicians, it was not only the Opposition but also some top Congressmen who openly expressed their views ranging from misgivings to outright condemnation of the move. The Government took the stand that it had no choice before it, that there was already *de facto* devaluation of the rupee on the international exchange, and that therefore it had become an absolute necessity. The move was sought to be justified on the grounds that it would result in increased exports. The critics alleged that the devaluation was done under American pressure. The Government of course denied it.

Devaluation might give a boost to exports according to textbooks on economics under certain circumstances. But whether such circumstances existed in India was a big question. Devaluation was not an absolute remedy, only a qualified one. Further, there was need for a number of quick follow-up measures if the nation was to profit by devaluation. Unless the necessary pre-conditions were present and prompt follow-up measures initiated devaluation might even produce the opposite effect and pave the way for a further devaluation. Once a currency is devalued it is seldom revalued. All the elaborate and laboured explanations of the Finance Minister and his colleagues in the Government failed to carry conviction to the common man. The argument that devaluation would boost exports also did not carry much weight for India's

exports consisted of very little beyond some traditional items. The argument that exports of other items such as textiles and engineering goods would increase as a result of the devaluation appeared to be of doubtful validity.

In the case of textiles, the country had to import cotton from outside and such imports were bound to cost more than before as a result of the devaluation. It was doubtful whether the industry could export quality goods at prices attractive to the international market and compete with other countries by taking advantage of the devaluation. In regard to engineering goods, since raw materials in addition to spares and components, had to be imported the cost of production was bound to go up. This was likely, to outprice Indian goods from the international market. The Indian engineering industry had to achieve considerable improvement even otherwise to enable it to compete successfully in the international market. For domestic consumption too, India had to depend heavily on large imports of raw materials, components and spares in many cases. That was why most of the industries could not work to full capacity following the delay or denial of assistance from abroad. As a result of devaluation of the rupee, import of such raw materials, components and spares became more costly, which got reflected in the increased cost of production. The consumer within the country had to pay for the increased cost, assuming he had the purchasing power after meeting the high cost of food articles. The effect of devaluation was to further shoot up prices of commodities within the country and this meant a depreciation in the value of the internal rupee also. It was extremely difficult to insulate the internal rupee against the impact of devaluation of the external rupee. Already the effect of devaluation on internal prices had shown itself in rising prices. The cost of imported foodgrains had also gone up considerably. The cost of living index numbers, defective as they were, registered further steep increases. In the circumstances labour and the middle class, including Government employees, clamoured for full neutralization of the rise in the cost of living by increases in their dearness allowance.

SUGGESTION FOR WAGE FREEZE

The contrary view was aired in certain quarters that a wage freeze during this difficult period could be one of the remedies. The Labour Government in Britain had introduced a wage freeze. The British example was cited in support of India taking similar action. The suggestion for a wage freeze in India was both unfair and unpractical. Without freezing prices, it would be unfair to freeze wages, in that labour would be asked to accept a wage cut in the name of a wage freeze; for every time prices went up, real wages were bound to go down. The suggestion for a wage freeze was also unpractical in that when the wages were on the lower side of the accepted minimum of the fair wage in most industries and services, any inroads into such pay packets would throw into chaos all industries and services in the country. The consequent demand constraint would make industries slide.

While opposing introduction of a wage freeze, the Working Committee of the INTUC suggested to the Government the following eleven-point formula to offset the adverse effects of devaluation and to make full use of its advantages:

Stop deficit financing;

Introduce economy in Government expenditure;

Quickly finalise the Report of the Administrative Reforms Commission;

Get interim recommendations from the Commission, if the final report is delayed;

Introduce necessary discipline by trade, industry, government and the people;

Give the highest priority to agriculture, particularly foodgrains production;

Give effective aid from banks to agriculture at all stages;

Ensure full utilisation of the existing capacity of all industrial units in both the private and public sectors;

Change the country's attitude towards foreign assistance;

Stabilise prices of essential articles by a network of price support and grant subsidy beneficial to both the

producer and the consumer; and

Increase all-round productivity and efficiency.

However, nothing much was done in respect of any of these items.

DEARNESS ALLOWANCE COMMISSION

Meanwhile the cost of living index had gone up much higher and as a result Central Government employees demanded increased dearness allowance. The Government felt that any increase in D.A. would add to the inflation and further shoot up prices. It appointed a Dearness Allowance Commission with P.B. Gajendragadkar, former Chief Justice of India, as chairman on July 26, 1966. The Commission was asked:

1. to examine if the rates of dearness allowance payable to employees are adequate and, if not, to recommend revised rates;

2. to lay down the principle that should govern the payment of D.A. of Central Government employees, taking into account the economy of the country and the claims of State Government employees as well.

The Gajendragadkar Commission recommended an increase in D.A. on the basis laid down by the Das Commission. In regard to policies and principles of payment of future D.A., the Commission recommended 90 per cent neutralization of the rise in the cost of living in the case of the lowest paid workers. There was great resentment among the employees who felt that the 90 per cent neutralization demanded a sacrifice from even the lowest paid employees. The Commission also endorsed the D.A. formula evolved by the Second Pay Commission.

While one section of the employees wanted the Government to ignore the 90 per cent neutralization recommended by the Commission and provide for full neutralization, the more sober section of the trade union movement, led by the NFIR and the INDWF suggested that the recommendations of the Gajendragadkar Commission, bitter and unsatisfactory as they were, should be treated as an award and accepted by labour and implemented by the Government. The Government's

difficulty was that payment of D.A. as recommended by the Commission would result in injecting into the economy an additional Rs. 30 crore immediately which would affect it seriously. Meanwhile the twelve-monthly average consumer price index had risen by a further ten points and a second dose of increase had become due. This made the Government's resistance to increased D.A. stiffer. There were again talks of a wage-freeze. The Government had also to consult the Chief Ministers of the States before making up its mind on the Commission's recommendations. The State Chief Ministers with one voice said that if the Government increased the D.A. to its employees, they too would have to follow suit and that the additional money required for the purpose would have to be met by the Government of India. The latter however did not agree to foot the increased D.A. bill of the State Governments and left them to their own devices.

Meanwhile the NFIR decided to call a one-hour token strike on Railways on September 11, 1967 to bring home to the Government the resentment of the workers and the need for urgent implementation of the Commission's recommendations. Later, other organizations led by communists and socialists also fixed the same date as their protest day and advised the workers to go on a token strike. Ultimately the Government of India convened a conference of prominent leaders of employees of the Central Government, Post and Telegraphs, Defence Establishments and Railways. S.R. Vasavada on behalf of the NFIR and G.S. Melkote, M.P., on behalf of the Indian National Defence Workers' Federation, gave the lead. It was mainly due to their initiative that an agreement was reached to pay the increased D.A. in cash from February 1, 1967, and to credit the D.A. arrears to the Provident Fund. Vasavada immediately announced withdrawal of the token strike on behalf of the INDWF. The other Central Government employees' organisations followed suit a few days later. The role of the INTUC in this regard was courageous and commendable in that it had averted a nationwide strike, and by its constructive attitude found a solution satisfactory to all.

Both the Finance Minister and Labour Minister assured the working class and the middle class that there would be no

question of any wage freeze in the country, and that the British example would not hold good for India. On the other hand, they gave an increase in the D.A. to the Central Government employees as a result of the recommendations of the Gajendragadkar Commission. Following this increase, the gap between the Central Government employees' D.A. and State Government employees' D.A. began to widen. There was a countrywide agitation, including strikes by State Government employees for higher D.A. The result was that one State Government after another announced its decision to increase the D.A. Coming on the eve of the fourth general elections, these decisions were given a political twist by the Opposition parties. Political advantage was also taken of the agitation by the State Government employees. One fact however is obvious, viz, far from thinking of a wage freeze, there were increases in D.A. granted to millions of employees of Government and public sector undertakings following the rise in prices in 1966. The effect of this increase in money wages, at a time when the country was suffering from a severe shortage of commodities, including food, further pushed up the prices, making the relief illusory.

UNEMPLOYMENT INSURANCE

The Government of India had circulated a scheme of Unemployment Insurance in 1965-66. The Scheme is still in a nebulous stage. The number of unemployed in the country is so large that the scheme cannot serve as an unemployment insurance scheme, as is generally understood. The scheme aims to give temporary relief to those who were already in employment and who became unemployed or disemployed for some reasons. Whether such a scheme is feasible is doubtful. If the unemployment, rather the non-employment, contemplated by the scheme is brought about by retrenchment, there is already the retrenchment compensation payable under the I.D. Act. If the unemployment is due to temporary lay-off, the I.D. Act provides for lay-off compensation. If the unemployment is brought about by the termination of services, the workers are entitled to gratuity and P.F. If the proposed unemployment Insurance Scheme was to apply

only to those cases to whom the I.D. Act does not apply, the shortest possible remedy would be to extend the coverage of the Act to all such cases. It seems some rethinking would be necessary on the part of the Government before the scheme is proceeded with further. The Government did not do so.

DIVISION OF PUNJAB

Following the creation of linguistic states in the country, there was a demand for a Punjabi Suba. The movement gathered some momentum, but was put down by Partap Singh Kairon with a firm hand when he was Chief Minister of Punjab. After Kairon's death, the demand was raised again. It was reinforced by hunger-strikes and violent demonstrations. The Government of India ultimately set up a committee to consider the issue. Towards the close of 1966, Punjab was divided on the basis of the recommendations of the committee. The result was the creation of Haryana State and Punjab State with a common capital at Chandigarh for both Haryana and Punjab. This did not satisfy the Sikhs, whose leader, Sant Fateh Singh, went on fast and threatened self-immolation if further concessions were not given to Punjab State. At the last minute, a compromise was reached and the immolation threat was averted, although the exact terms of the compromise were not quite clear. Bhagvat Dayal Sharma, President of the Punjab INTUC and a member of the Working Committee of the Central INTUC, became the first Chief Minister of Haryana State. His tenure was however, short, as his Ministry had to tender its resignation on account of defections from the Congress Legislature Party.

NATIONAL LABOUR COMMISSION

Jagjivan Ram once again became Labour Minister at the Centre in January 1966 after nearly 29 years. G.S. Melkote, a former President of the INTUC and a member of Parliament raised a demand during the budget debate in 1966 for the setting up of a high-powered Commission on the lines of the Royal Commission on Labour to go thoroughly into all aspects of labour and employment and make recommendations, so that they may form the basis for adoption of policies and

programmes relating to labour for the next two or three decades. Jagjivan Ram in his reply to the debate agreed with the demand for the setting up of such a commission.

A National Labour Commission was accordingly appointed on December 24, 1966, by the Government with P.B. Gajendragadkar, former Chief Justice of the Supreme Court, as chairman. The members of the Commission were : Naval H. Tata, D.C. Kothari, P.R. Ramakrishnan, M.P., B.C. Ganguli, S.R. Vasavada, G. Ramanujam, S.A. Dange, M.P., Manohar Kotwal, R.K. Malaviya, Ramananda Das, B.N. Ganguli, Rajaram Shastri, Bharat Ram, Baljit Singh, and B.N. Datar.

B.N. Datar was appointed member-secretary of the Commission. Its terms of reference were :

(1) To review the changes in conditions of labour since Independence and to report on the existing conditions of labour;

(2) To review the existing legislative and other provisions intended to protect the interests of labour, to assess their working and to advise how far these provisions serve to implement the Directive Principles of State Policy in the Constitution on labour matters and the national objectives of establishing a socialist society and achieving planned economic development;

(3) To study and report in particular on :

- (i) the levels of workers' earnings, the provisions relating to wages, the need for fixation of minimum wages, including a national minimum wage, the means of increasing productivity, including the provision of incentives to workers;
- (ii) the standard of living and the health, efficiency, safety, welfare, housing, training and education of workers and the existing arrangements for administration of labour welfare—both at the Centre and in the States;
- (iii) the existing arrangements for security;
- (iv) the state of relations between employers and workers and the role of trade unions and employers' organizations in promoting healthy industrial relations and interest of the nation;

- (v) the labour laws and voluntary arrangements like the Code of Discipline, Joint Management Councils, Voluntary Arbitration and Wage Boards and the machinery at the Centre and in the States for their enforcement;
- (vi) measures for improving conditions of rural labour and other categories of unorganised labour; and
- (vii) existing arrangements for labour intelligence and reasearch; and

(4) To make recommendations on the above matters.

The Commission appointed a number of study groups to deal with major industries and major aspects of industrial relations.

The National Labour Commission submitted its report in August 1969. Its recommendations were expected to provide guidelines for framing the labour policies of the Government of India for the next decade or two. The main recommendations related to industrial relations. The Commission recommended a single statutory recognized union for an industry or a plant, pride of place for collective bargaining, establishment of an Industrial Relations Commission to certify the bargaining agent and to arbitrate and adjudicate industrial disputes, right of direct access to the Industrial Relations Commission for parties without waiting upon the Government for any reference, automatic adjudication by the Industrial Relations Commission in all disputes concerning essential services.

The Commission left open the manner of choosing the representative union, viz., whether by ballot or by membership for decision by the Industrial Relations Commission from case to case. A minute of dissent criticised this aspect of the recommendation and wanted a clear preference in favour of verified membership. The AITUC General Secretary, who was a member of the Commission, resigned from the Commission while it was half-way through its work. The recommendations of the Commission were disowned by the HMS although Manohar Kotwal, the member representing the HMS, was its General Secretary, when he was appointed a member of the Commission.

The Labour Minister convened a special session of the

Standing Labour Committee in July 1970 to consider the recommendations of the Commission governing industrial relations. The meeting was attended by INTUC and HMS representatives but not by the AITUC. It reached certain major conclusions. Important among them were ;

1. Choosing a representative union by verified membership and making recognition compulsory by statute;
2. Setting up of an Industrial Relations Commission;
3. Only conciliation powers to continue to remain with the Governments for the time being;
4. Automatic adjudication by the Industrial Relations Commission in essential services;
5. Right of choice between adjudication and strike for the workers and, similarly, the right of choice between lockout and adjudication for the employers in industries/services not classified as essential; and
6. Rights of recognised unions.

Before the Government could legislate and give effect to these agreed conclusions, the mid-term elections intervened and no further action was taken on them or on the recommendations of the National Labour Commission.

PRESIDENT'S WARNING

As already stated, the year 1966 had been a very trying period for India. The year 1967 promised to be no better. The Government and the people had to pass through all kinds of difficulties — acute food shortages, adverse employment conditions, steep increases in prices, decreasing purchasing power of the masses and a fall in the standard of efficiency and discipline generally in the country. There were charges of corruption against people even in high places. The Fourth Plan, which was talked about in terms of Rs. 20,000 crores and above, could not take any shape even after the first year of the Plan period was over. The general feeling in the country was one of great discontent, if not frustration. The President in his Republic Day message on January 26, 1967, administered a forceful warning to the nation. It was unusual for the President to talk otherwise than in general support of the Government policies. Perhaps the situation demanded some

sort of shock treatment and the President administered it in no uncertain terms.

The President referred to the natural calamities which had affected agricultural production, saying: "Yet, even after making allowance for all the difficulties of the situation, we cannot forgive the widespread incompetence and the gross mismanagement of our resources."

He suggested immediate action on charges of corruption against people at all levels in the Government.

The President referred to the internal differences crippling democracy in India. He regretted the increasing sectional and regional pressures and said, "Our way of doing things has set up a bad example to young men and women." He wanted a complete change of spirit to meet the present crisis. He reminded the people: "Civilisation is not built on brick and mortar, steel and machinery, but with men and women, with clarity of mind, purity of heart and spirit of cooperation." These were very weighty pronouncements coming from the President of the Republic, and had therefore added significance. He warned the country that there would be a revolution if effective action to improve the situation was not taken immediately. It was the duty of the newly-elected governments both at the Centre and in the States to address themselves to the task of setting right the defects pointed out by the President.

THE FOURTH GENERAL ELECTIONS

The Working Committee of INTUC met in Bombay on December 30, 1966, and after considerable discussion on the political situation in the country "appealed to the working class to support the Congress in the 1967 General Elections with a view to strengthening democracy in the country". Unlike in the past, it was a bald single sentence resolution.

Even before the appeal was made, the President of the INTUC's Bhilai affiliate in Madhya Pradesh, Bakliwal, who was a sitting member of Parliament on the Congress ticket, had resigned from the Congress Party and joined the Jan Congress, a new party of Congressmen in the state, and declared his decision to contest on Jan Congress ticket against the official

Congress candidate for the Lok Sabha. Dr. (Mrs.) Maitrayee Bose, a former President of the INTUC and a veteran trade union leader of West Bengal, decided to fight the official Congress candidate from Darjeeling constituency after the Working Committee resolution was passed, stating that she had refused the Congress ticket in view of her differences with the Party's leadership in West Bengal.

It was expected that the fourth general elections would have in store several surprises. The results showed that not only there were not only surprises, but also shocks, mostly for the ruling party.

The Congress Party had secured an absolute majority in the 1962 elections in all the States except Kerala. But in the 1967 elections, it failed to get an absolute majority in as many as eight State Assemblies. These were : Kerala, Tamilnadu, Orissa, West Bengal, Bihar, U.P., Rajasthan and Punjab.

In Tamilnadu, which witnessed the most spectacular rout of the Congress, the President of the AICC, K. Kamaraj, the Chief Minister as well as all Ministers of the State Cabinet, except the Minister for Information, were defeated. All the Central Ministers from Madras State also lost their seats. Out of the 233 Assembly seats, the Congress could secure only 49; and out of the 39 Lok Sabha seats for Taminadu, the Congress could get only three. The DMK secured an absolute majority and formed the Government. This was the only non-Congress single party Government in the country. For the Lok Sabha the DMK had contested 25 seats and won all of them, a unique record for any party. In Kerala, the Congress could secure only nine seats.

In Orissa, the Government was formed by a coalition of the Swatantra and the Jan Congress; in Bengal, by the Opposition group of twelve parties led by the Bangla Congress Chief Ajoy Kumar Mukerji; and in Bihar by a coalition of Opposition parties led by Mahamaya Prasad Sinha of the Jan Kranti Dal. Both the Bangla Congress and the Jan Kranti Dal were rebel Congress organizations. In U.P., however, the Congress was able to form the Government with the support of some Independents, but it was short-lived. There were defections from the Congress Party, with the result that a non-Congress Government led by a rebel Congressman was formed. In

Rajasthan the Congress attempt to form a Government with the support of Independents resulted in a widespread agitation, leading to suspension of the State Assembly and introduction of President's rule. On April 26, 1967, President's rule was withdrawn and again a Congress Ministry was formed in the State. In Punjab too a non-Congress Government came to power. But in Haryana the Congress lost its absolute majority within a fortnight, and rebel Congressmen supported by the Jan Sangh and Swatantra formed a Government. Even a small State like Pondicherry was caught up in the new anti-Congress wave and the Congress Ministry there ran into difficulties. A major setback for the Congress came from Madhya Pradesh, where owing to large scale defections from the party, D.P. Mishra's Ministry fell and an Opposition coalition Government came into being.

Practically all the parties improved their strength in the 1967 elections at the cost of the Congress. A feature of the 1967 elections was that the United Front of Opposition Parties, by its electoral adjustments, succeeded in preventing a split in the Opposition votes. They were therefore able to capture more seats than in the past.

In the Lok Sabha, however, the Congress succeeded in securing an absolute majority, winning 282 out of 515 seats. Stalwarts of the Congress, like Atulya Ghosh, treasurer of the AICC, in Bengal and S.K. Patil in South Bombay were however defeated. In Delhi, out of seven Parliamentary seats, six went to Jan Sangh. The Congress thus came out badly mauled and battered in the fourth general elections.

As already stated, some of the leaders of the INTUC had fought on the Congress ticket, while some others had stood against the Congress. Notable among the successes of the INTUC leaders, who fought the Lok Sabha elections on the Congress ticket, were those of G.S. Melkote and Kashinath Pandey, both former Presidents of the INTUC, Shantilal H. Shah (Maharashtra), B.C. Bhagawathi (Assam) and G.L. Nanda (Haryana). Bhagwat Dayal Sharma, a former member of the Central Working Committee of the INTUC and President of the Punjab branch, got re-elected to the State Assembly and became Chief Minister though his Government could not last long. Dr. (Mrs.) Maitrayee Bose, another former President

of the INTUC, resigned from the Congress on the eve of the elections, contested the Lok Sabha seat for Darjeeling as an Independent candidate against the General Secretary of the AICC and won it.

Among the (Right) Communists, S.A. Dange was elected to the Lok Sabha from Bombay and among the Left Communists A.K. Gopalan from Kerala and P. Ramamurthy from Madras. G. Fernandes from Bombay and Deven Sen from Asansol, both of the SSP, were also elected.

In the States of Andhra Pradesh, Maharashtra, Mysore, Madhya Pradesh, Gujarat, Assam and Jammu and Kashmir the Congress formed Governments. From the INTUC K.P. Tripathi in Assam, N.M. Tidke in Maharashtra, Shantilal R. Shah in Gujarat, and Ganga Ram Tiwari in Madhya Pradesh were included in the State Cabinets. But with the fall of the Mishra Ministry in Madhya Pradesh, Ganga Ram Tiwari was also out of it.

Soon after the elections, E.M.S. Nambudiripad, who was elected leader of the United Front of the Opposition Parties to form the Government in Kerala, claimed that the success of the (Left) Communist Party in Kerala was proof that the people of the State approved the party's policy of making peace with China as well as its pro-Chinese line. This was certainly not true. The people of Kerala were angry with the Congress on account of the food scarcity in the State. Both the CPI (Left) and the CPI (Right) were able to get many seats as a result of the support they got from other Opposition parties and their poll alliance.

In Kerala, in the United Front Government, there were both the Right and Left communists in the Cabinet. A question arose as to how far the two Communist parties could work together. S.A. Dange, Chairman of the CPI (Right), said at Trivandrum on the eve of the formation of the Government in Kerala that there could be no question of merger or unity between the two wings as there were fundamental differences between them on international issues. It is obvious that the difference between the two Communist parties were based on those between Moscow and Peking and that their unity was dependent on the unity between Moscow and Peking. Another interesting feature of the Kerala Government was that

T.V. Thomas, CPI (Right), and his wife Gowri Thomas, CPI (Left), were both in the cabinet but they were ordered to live in separate houses by their parties.

The Congress Parliamentary Party at the Centre unanimously elected Indira Gandhi as Prime Minister. Morarji Desai became Deputy Prime Minister. Jaishuklal Hathi, who was once Minister of State in the Labour Ministry at the Centre, was raised to Cabinet rank and made Minister in charge of Labour, Employment and Rehabilitation. Dr. Zakir Hussain was President of the Indian Republic.

The Working Committee of the INTUC met in New Delhi in the middle of March 1967 to take stock of the situation in different States as well as in the country as a whole, following the fourth general elections, and their impact on the working class movement in general, and the INTUC in particular. The Working Committee decided that consistent with its independent character, the INTUC should offer responsive cooperation to the various State Governments regardless of their political labels.

THE POST-FOURTH GENERAL ELECTION SCENE

The post-Fourth General Election period has been one of the most unsettled and disturbed periods in free India. Many Governments formed by multi-party coalitions could not survive their first year and some of them collapsed even earlier. There were also large-scale defections and floor-crossing by legislators in the various State Assemblies, which affected Congress and non-Congress Governments alike. Even the elementary responsibility of the State Governments to maintain law and order was not satisfactorily discharged by them. A coalition of parties which has nothing in common among them, except the negative desire to keep some other party out of power—in this case the Congress Party—and somehow stick on to power, could not do any good to the people. All their time was taken up by their own problem of survival. They had therefore no time to devote to the well-being of the people.

DEMOCRACY ON TRIAL

It was a job for Chief Ministers in those States to continue to command the constituents' support, as almost every one of them was threatening to resign almost every day. Members who had lost hopes of becoming ministers resorted to floor-crossing and toppling the Governments, expecting ministerial gains in the new Governments. The coalition Governments had a large number of ministers. And they went on expanding the cabinets in an effort to retain the majority for the ruling coalitions. Still they could not satisfy all. Allegations and counter-allegations were made by both, the party in power and those in the Opposition, that legislators were coerced, kidnapped and bribed to support or oppose a particular party. All this showed that the people, more so the leaders, were not mature enough to play the game of democracy. Democracy means discipline, first, and discipline was absent at most levels, ranging from students, to legislators. The whole country during the post-election period witnessed considerable indiscipline and even violence. Just as indiscipline has no place in a democracy, so also violence is a negation of democracy. People began wondering whether they had only the outer trappings of democracy without its inner essence. Democracy continued to be on trial in the country affecting not only India or Asia but the whole world.

GHERAOS

In West Bengal, where a 14-party coalition had come to power, the Labour Minister, Subodh Banerjee issued a directive that police should not intervene in labour disputes without the Ministry's prior permission. This was taken by the union leadership supporting the parties in power as a green signal for their violent agitational activities. A new method was adopted by the communist trade unionists in the name of *gherao*. The workers would surround management personnel and not allow them to have either food or water or even access to the bath-room for hours, sometimes even days. Some of them were abused, insulted and even attacked. Through this method, labour in West Bengal was supposed to be getting its demands conceded by the employers quickly.

During the period between March and June 1967, there were 349 *gheraos*. In Kesoram Cotton Mills, Calcutta, several hundred workers organized a *gherao* in the mill premises from 2 a.m. till 10 a.m. on April 19, and kept under forced confinement the works manager and personnel officer of the mills for eight hours. According to the police, the workers staged the *gherao* to press their demand for higher wages.

In New Allenbury Works, Calcutta, the General and Works Manager of the Works was *gheraoed* and wrongfully confined from 10.00 a.m. to 5.45 p.m. on April 19. Workers willing to work were prevented from entering the factory.

In the Gun and Shell Factory, Cossipore, a Government of India undertaking, *gherao* was resorted to in protest against alleged mismanagement of the factory canteen. It began on May 9 when two bags of rice were reported to have been removed from a lorry bringing provisions to the canteen. Some demonstrators threw stones, breaking window-panes and damaging furniture. There were attacks on residential houses too. The workers rushed to the officers' quarters in the factory premises and assaulted the General Manager. About 20 people, including an officer, were stated to have been injured in the incidents. Three of the injured were admitted to hospital with serious injuries. The situation took a serious turn next morning when some demonstrators resumed throwing brickbats and damaging office and canteen furniture. An army detachment was called by the factory authorities to guard the defence installations and an order for a three-day closure was issued. The situation eased towards the afternoon on the intervention of the Deputy Chief Minister, Jyoti Basu of the CPI (Marxist). The closure order was withdrawn and work resumed. According to Basu, the workers had a longstanding grievance about the running of the canteen.

In the National Medical College, Calcutta, doctors and others were imprisoned by a section of Class IV staff and by some students on May 11 for several hours. They demanded that the college should be nationalized. The Health Minister intervened, only then were the doctors allowed to leave.

The Assistant Labour Commissioner (Central), Raniganj, was *gheraoed* on May 20 by workers of Samla Colliery. The workers, who were dismissed in August last, demanded

reinstatement. The *gherao* was lifted after about eight hours on the intervention of a CPI (Marxist) leader.

In an engineering firm, Lilloah, a director and four darwans of the firm were taken away by the workers on May 12. The director was released the next day, but the darwans were kept in confinement for several days.

In Concord Industrial Company, Durgapur, top officials were confined by the workers for ten hours on May 29. The workers were demanding bonus and wages for May Day that was observed as a holiday. The *gherao* was lifted after a promise by local officers to refer the demands to higher authorities.

In Indian Iron and Steel Works, Kulti, in the last week of May the assistant to the Deputy General Manager was kept confined by a section of workers residing in modified rationing areas. They demanded that since they worked in Kulti Works, which is situated in the statutory rationing area, they should get quotas of ration according to scales prescribed for the latter area.

In the Raniganj Coal Fields there were until about the end of May 30 *gheraos*. The duration varied from *gherao* to *gherao*. The workers' complained about non-payment of dues, victimization, harassment and failure to implement awards and decisions. The employers complained that the workers were indisciplined and rowdy and that the state government was not giving them protection even in cases of criminal assaults by workers.

In Burn and Company, Asansol, a *gherao* took place on June 1 at the refractory works at Raniganj. The manager and the personnel officer were made to stand in the sun from morning. They were later allowed to enter the office but were kept confined. The workers' complaints were about inadequate food served in the factory canteen.

In Ratibati Colliery the manager, assistant manager and cashier were made to stand in the sun for seven hours from 9 a.m. on June 1. The police went to 'rescue' them at noon with a court warrant, but could not execute it until the union leaders relented at 4 p.m. The officers were then given first aid. The demand of the workers was said to be for payment of wages.

In Bangaon Electric Supply Company, a *gherao* was

organized in the first week of June by some consumers of electricity. They confined the officers of the company from 9 a.m. to 7 p.m. From 11 a.m. to 4 p.m. they were made to stand in the sun. They were also compelled to supply electric energy free of charge. Even when approached, it was stated, the police did not take any action. The Magistrate and the Sub-Divisional Officer also refused to intervene. A reign of terror was thus allowed to continue.

In a factory in Kumardhubi, over 500 workers began a stay-in strike, on Monday, June 5. The Personnel Manager of the concern was confined in his office until 1 a.m. when he was rescued by the police. The cause of the trouble was the demand for recognition of the newly started AITUC Union.

In the Calcutta Corporation, the Mayor and Councillors were *gheraoed* for about 24 hours on May 12 in the corporation building by a joint committee of employees and workers. They were demanding better wages. The *gherao* was lifted when the Mayor agreed to give one increment with retrospective effect from March 1966 and to appoint a pay commission.

In the Rehabilitation Industries Corporation, Rupnarainpur, the manager and financial adviser were kept confined on May 28 by workers who demanded increased wages and confirmation of their services.

In the Barrackpore Municipality about 200 CPI workers staged a *gherao* on May 30, demanding the immediate resignation of the Chairman, Mr. Haripada Biswas, and of the Councillors who were all Congressmen. Their term was to expire in September. One of the Councillors, Saroj Mukherjee, who was in the building at the time resigned 'out of fear' after having been kept confined for six and a half hours from 3 p.m.

It was stated that the *gheraos* were the results of closures, retrenchment, and lay-off and non-implementation of wage boards' recommendations and tribunals' awards. This was stated to be so particularly in the case of engineering industries. But on an analysis of the *gheraos* in West Bengal it was found that hardly 12.5 per cent of the *gheraos* were in protest against retrenchment and closures and 11.00 per cent against non-implementation of recommendations of wage boards and awards of tribunals. Over 75 per cent concerned minor mis-

cellaneous demands which might not have justified even a strike. It was stated that a large number of the *gheraos* had blessings, overt and covert, of the State Government. This resulted in further closures and unemployment of a large number of workers and added to their sufferings in West Bengal.

The General Council of the INTUC meeting in Bombay early in May 1967 condemned *gheraos* as a *mala fide* trade union method and added that they could not be tolerated in a democratic society. The Council felt that unless the threat of *gheraos* was effectively checked, it would prove harmful to planned progress of the nation, labour and industries. It would also be a prelude to anarchy and chaos in industrial relations in West Bengal, first, and then in the country. It said tolerance of this tactics was bound to spell the doom of legitimate trade union activity. The General Council called upon its affiliates throughout the country to educate the workers about the dangers inherent in such anarchic moves, and wanted them to win over labour to constitutional trade union activity. The Council at the same time appealed to the employers and the Government to adopt a reasonable attitude in their dealings with labour so that legitimate trade union activity could flourish.

Later in the same month, the Government of India convened a meeting of the Standing Labour Committee to consider the danger of *gheraos* to industrial peace. At this meeting, the AITUC leader Dange, who belonged to the Right Communists, in order not to be left behind in the race for cheap popularity vis-a-vis the Left Communists, came out in support of the *gherao* movement. He said it was a legitimate weapon that workers could use in their fight against the employers. Subodh Banerjee, West Bengal Labour Minister, also justified the *gheraos*. The HMS's stand on this issue was not clear. Only the INTUC came out with a categorical declaration that *gheraos* were not at all a trade union method. It was illegal and even uncivilized. The INTUC also pointed out that the level of wages and conditions of work in West Bengal were the poorest in the country and that urgent steps should be taken to improve them.

The employers, concerned about the happenings in West Bengal, wanted the Committee to condemn the *gherao*

movement. Except the West Bengal and Kerala Labour Ministers all the other State Ministers were against *gheraos*. Ultimately the Committee adopted a resolution denouncing *gheraos*. Dange and his colleagues of the AITUC walked out of the meeting in protest.

Gherao tactics did not stop with West Bengal. They spread to other states, affecting industries in Bihar, Orissa, Kerala and even Madras. These violent, coercive and intimidatory tactics were not directed against the employers only. Once the fury was aroused, it was turned against unions opposed to the communists in an effort to dislodge or break them.

The labour situation in Bihar became very tense as several ministers were interfering in implementation of the labour policies of the coalition Government. There were *gheraos* and violence in both Bihar and Orissa in the mining and iron and steel industries.

In West Bengal for a time it became difficult for non-communist unions to function. Some of the INTUC and HMS workers were murdered, with little or no effective protection by the State against the criminals. The worst part of the situation was that in spite of all this violence by communists, police were not acting effectively in West Bengal. The employers therefore approached the High Court for a writ of mandamus to direct the police to act. The High Court of Calcutta after hearing the parties, gave its judgement in September 1967 observing that *gheraos* amounted to illegal confinement and trespass. The court directed the police to provide protection to person and property from attacks by workers through *gheraos*.

WEST BENGAL MINISTRY FALLS

Ajoy Mukherji, a dissident Congressman and leader of the Bangla Congress who was Chief Minister, was finding it difficult to continue in the Coalition Government in West Bengal. He said the first main problem worrying him was the growing unrest in the industrial field. He observed: "There is widespread discontent and disorder, there are *gheraos*; the labourers resort to inhuman treatment and

physical violence, they are often guided by political leaders.”*

Ajoy Mukherji alleged that a wing of a political party (obviously the CPI (M) is openly inviting China to help in bringing about an armed revolution in West Bengal”. He admitted that when he wanted to nip the trouble in the bud, he was opposed by some of his friends in the United Front.

Actually Ajoy Mukherji wanted to resign and dissolve the Government. But he was prevailed upon by the communists to continue in office which he did to the surprise of many. But Dr. P. C. Ghosh, who was Food Minister in the United Front Government and a great patriot and a valiant freedom fighter resigned from the Government. With him a number of legislators left the United Front making it lose its majority in the state legislature. But the United Front did not want to resign, nor was it prepared to face the Assembly and secure a vote of confidence. Instead, it resorted to dilatory tactics. The Governor, convinced that the United Front Coalition had lost the support of the majority in the Assembly dismissed the Government on November 21, 1967. Dr. P.C. Ghosh was sworn in as Chief Minister after the Governor had satisfied himself that he enjoyed the support of the majority of legislators, including those from the Congress Party.

During the Congress session at Hyderabad early in January 1968, the Congress Parliamentary Board permitted the Congress legislature party in West Bengal to join Dr. P.C. Ghosh's cabinet. Accordingly six ministers were included in Dr. Ghosh's cabinet from among the Congress legislators. With the change of Government, the labour policy also underwent a change. Pramanick became Labour Minister in the new Government. He tried to ensure peaceful and orderly working of industries. Several factories that had remained closed during the previous regime reopened. There were many other factories that remained closed, for it would take some time for the wounds to heal. It appeared the process of healing had started and if the Government had remained in office for some more time, West Bengal could have hoped for industrial peace. However, on account of defections,

*Source: *Indian Express*, October 17, 1967.

the Ghosh ministry resigned and President's rule was imposed dissolving the state legislature on February 20, 1968.

In Bihar, too, the multi-party coalition Government had been unstable from the beginning. With the Congress and the Soshit Dal coming together the ruling United Front lost its majority. The Government was defeated when the Assembly adopted a vote of no-confidence against it on January 25, 1968. Mahamaya Prasad Sinha, Chief Minister of the coalition Government, resigned. A new government was formed with the Soshit Dal leader, B.P. Mandal as Chief Minister who enjoyed the support of the Congress Party. This Government also did not last long.

LEFT COMMUNIST AND DMK

Another State where the Left Communists exploited the labour situation through their terror tactics was Madras. Taking advantage of their electoral alliance with the DMK they began to entrench themselves in the labour field. The DMK being new to the trade union field, became junior partners of the Left Communists who dominated the scene. Very soon in Madras city, known for its disciplined and peaceful ways, a number of strikes, *gheraos*, obstructions and violence against employers erupted. Rival trade union workers came to be victimized. The Left Communists and the DMK began organizing rival unions even where good established unions were functioning. They started upsetting the industrial peace. The Government woke up to the realities of the situation somewhat late. The firing on WIMCO workers early in January 1968 was the last straw. The President of the WIMCO Workers Union was a Left Communist and the Vice-President, a top DMK leader. It was only after this incident that the Labour Minister admitted that the Left Communists were exploiting their relations with the DMK brought about by the electoral alliance during the fourth general elections. He said the Communist's were trying to bring discredit to the Government through their violent trade union methods. He assured labour and employers in the State that the Government would not tolerate violence in any form whatever including *gheraos*.

STAY-IN-STRIKES

In a small factory in Madras (The Chelpark Company) there was a stay-in-strike by the workers for several days in November 1967. The employers appealed to the workers to vacate the premises. The Government did not intervene, nor did it ask the workers to leave the factory premises. Ultimately, the employer preferred a complaint before the Madras High Court asking for protection of his properties. The Court ruled that it was wrong for the police not to act in protection of the right of property. It directed the police to ensure that protection was provided to every citizen. The Court observed that a stay-in-strike beyond duty hours was illegal.

The AITUC alleged that the High Court decision had taken away a hard-won right of the workers. The State Labour Minister immediately convened a conference to decide what action should be taken on the High Court Judgement. Obviously, he was influenced by the Communist's cry. The Communists advised the Labour Minister to go in appeal since the judgement, according to them, deprived the workmen of one of their rights. The INTUC, on the other hand, felt that there was nothing wrong with the judgement and that there was no need for an appeal. It said the court had in fact conceded a new right to labour by its judgement. It had recognized that a stay-in-strike could be legal. It was a gain for labour. The Court had only said that a stay-in-strike beyond duty hours was illegal. There could be no strike beyond duty hours. A strike being withdrawal of labour could only be when labour was required to work and not when it did not have to work. Therefore, there could be no strike at all beyond duty hours, much less an illegal strike. The Government of Madras did not take any further action on the court decision.

FALL IN STANDARDS

There had been a great fall in the standards of public conduct in all walks of life in the past few years. Ethical standards had been given the go-bye and 'somehow' methods began to prevail in the pursuit of individual and party aims, with the result that the nation suffered from a crisis of character,

which seemed to be worse than the economic crisis which had overtaken the country. The effect of Pakistan's war on India and the continuing menacing posture of Communist China across India's borders, coupled with the failure of two successive monsoons had affected the Indian economy adversely. The foreign exchange position became difficult. The devaluation of the rupee made imports costlier. Exports came down steeply. The nation had all the disadvantage's of devaluation; and none of the advantages held out at the time of devaluation. Prices of essential commodities had gone up very high. Food was in short supply and a part of the country was suffering from famine conditions. Agriculture-based industrial raw materials were in short-supply. The Government had tightened its financial policies in a bid to bring down prices. All these factors operating at the same time had resulted in the closure of several industrial units, and retrenchment and lay-off in many others. The people had very little purchasing power. What little they earned was spent on food leaving no surplus for purchasing other items. A general recession in trade and industry set in. The Fourth Plan could not be finalized. Normally it should have come into force from April 1966. But even by April 1968 formulation of the Fourth Plan could not be completed on account of too many imponderables. Meanwhile prices shot up reaching an all-time high in November 1967.

SPLIT IN AITUC

The changes in political alignments had their impact on the trade union movement in the country. The rift in the Communist Party was extended to the AITUC. Although the Communist Party had split into two, the CPI and the CPI (Marxist), the AITUC outwardly continued to be a single organisation. In fact it too was divided into two strong sections, one section owing allegiance to the CPI (Right) and the other to the CPI (Left) known as the CPI (Marxist). It was said that the leadership among the affiliates in the AITUC were generally pro-CPI (R) while the rank and file supported the CPI (M). At the Annual Session held in May 1966, in Bombay, the AITUC very nearly came to breaking point but

the crisis was averted at the last moment by a thin patchwork which could not last. It has to be remembered that this session of the AITUC was held after five years, showing the serious internal difficulties the organization had been suffering from.

Following a further split in the CPI (M) into a new party standing for Naxalbari, a remote village in West Bengal, there has been a further division in trade unions controlled by the Communists. Wherever these extremist sections could not capture the existing AITUC unions, they did not hesitate to form rival unions. The AITUC was thus becoming weaker and disunited. Many of its state units also suffered from disintegrating forces. The Communists believed that a trade union was a school for revolution and therefore, whenever the Communist Party was split on the basis of ideological differences, there was also a split in their trade unions, so that they could become a school for the kind of revolution which each splinter group wanted to bring about.

JOINT FRONTS

It has been the experience all over the world that the Communists condemn rival organizations as pro-capitalist or pro-imperialist whenever they are strong. But when weak, they approach them for forming joint fronts. Out of every joint front it is the Communists who emerge stronger, for if the front succeeds they take the credit for it and if it fails they condemn its other constituents as betrayers. By now the trade union world has become aware of this communist technique.

In July 1967, the INTUC received a communication from the AITUC suggesting formation of a joint front against the employers and the Government on the ostensible plea of protecting the rights of the working class. The INTUC replied laying down certain pre-conditions, viz:

- (a) The AITUC will function on peaceful and constitutional lines;
- (b) It will eschew violence;
- (c) It will condemn '*gheraos*' which are not a trade union weapon;

- (d) It will not resort to [strikes when arbitration or adjudication is available; and
- (e) It will accept that trade unions (being the creation of statute) are intended to function within the limits of law.

The INTUC was of the view that acceptance of these conditions by the AITUC would be conducive to unity. Even if the AITUC were to say that it was prepared to accept the conditions, past experience demanded that it should be put on probation for at least three years to see whether it actually did so. But the committee controlling the AITUC did not accept these terms.

INTUC-HMS TALKS

Earlier, the HMP (SSP-controlled body) had written a letter to the HMS suggesting an unconditional merger of the two. The HMS, while considering the letter, expressed its desire for a broad-based unity. The Executive Committee of the HMS adopted a resolution suggesting that talks be initiated with all national centres for a unity probe and appointed a delegation consisting of five of its top leaders for this purpose. Evidently this was meant to avoid any merger with the HMP. The overall unity suggested by the HMS was taken by the SSP as an attempt to side step its offer. It did not appear to have evoked any response from the HMP or the UTUC.

In May 1967, the HMS approached the INTUC with a request for a discussion to explore the possibilities of unity with it. The INTUC responded favourably.

INTUC and HMS representatives met on several occasions. During the discussions it was found there was a considerable area of agreement between the two organizations. The INTUC suggested that to begin with the following steps be taken:

(a) The HMS should make a categorical declaration that it would have no truck with either the communists or the communalists.

(b) Following such a declaration, a Joint Consultative

Council at the national level consisting of two or three representatives each of the INTUC and the HMS be set up.

(c) This apex body would advise its respective affiliates not to indulge in mutual recriminations and work constructively to create an atmosphere in which representatives of the two organizations at the State, local and industries levels would be able to meet and discuss common problems.

The apex body was to meet from time to time and discuss all national problems affecting labour with a view to taking a common stand, if possible, on them. If this system worked well, similar Joint Consultative Committees could be set up at the State levels and at the district, industry and plant levels with a view to forging unity.

During the discussions with representatives of the HMS, it was found that some of them wanted the unity move to include the AITUC also. This appeared to be a move to sabotage the unity move of the HMS by a section of the HMS itself. This was not acceptable to the INTUC as it was fundamentally opposed to the communist methods of trade union activity. The INTUC, therefore, made it clear to the HMS that unless it made up its mind to limit the unity move to the free and democratic trade union movement in the country, there was little point in continuing the talks. The HMS met for its Annual Convention at Baroda in December 1967. A resolution to the following effect was adopted on the initiative of the floor.

The HMS should take energetic steps to pursue its efforts so far made in bringing about trade union unity with free and democratic forces in the trade union movement.”

S.B. Giri was elected President of the HMS and Mahesh General Secretary at the Baroda Convention. The new leaders met the INTUC leaders shortly thereafter, pursued the unity talks and made some more progress.

It must be appreciated that the HMS had its own difficulties. Some of its leaders were attached to the SSP or the PSP and some others were members of the Congress Party. The SSP and the PSP in turn were partners in coalitions with Left and

Right Communists in some of the states. Therefore, there were certain inhibiting factors at work in the HMS thinking. The General Council of the INTUC meeting in Birmitrapur in February 1968 appreciated the move made at the Baroda Convention of the HMS and indicated certain broad guidelines for the consolidation and strengthening of the free and democratic trade union movement in the country. But the HMS could not take any step forward owing to its built-in conflicts. The unity move became abortive.

RISE OF REGIONAL PARTY TO POWER

In the elections to the State Assemblies, the Congress fared badly in Tamil Nadu. Kamaraj who had been the all India President of the Congress Party and former Chief Minister of Tamil Nadu was defeated. A regional party, viz., the DMK, came to power with Annadurai as Chief Minister. That was the first non-Congress Government in the State. Annadurai died of cancer after a year and Karunanidhi took over as Chief Minister.

M.G. Ramachandran, a famous film-star member of the party, fell out with Karunanidhi and started his own party, called the ADMK. In the next elections Karunanidhi's DMK was defeated and Ramachandran's ADMK came to power. The Congress continued to be a minor party. The ADMK changed its name to the All India Anna DMK to give it an appearance of an all-India party. Nevertheless it had a pronounced character. The party continues to be in power in Tamil Nadu. The Congress Party, aligned once with the AIADMK and then with the DMK, again switched back to its former ally, the AIADMK. This put the Congress in a much better position in the 1985 elections to Parliament, in which the AIADMK played the role of a junior partner. In the Assembly elections held simultaneously, the Congress played the role of the junior partner and the AIADMK got the majority of seats and came to power.

The DMK and the AIADMK started their trade union wings and this added to the division among labour and in the working class in Tamil Nadu.

STATE ASSEMBLY ELECTIONS

The Andhra Pradesh Chief Minister, N.T. Rama Rao, wanted elections to the State Assembly held on March 5, 1985. He had earlier resigned his Chief Ministership and the Assembly was dissolved. Rama Rao was allowed to lead a caretaker Government until the elections were held. The other States too wanted early elections although their term was to expire in June 1985. In deference to the wishes of the various State Governments, elections to the ten State Assemblies were held in the first week of March 1985. The States that went to the polls were: Andhra Pradesh, Karnataka, Maharashtra, Madhya Pradesh, Orissa, Gujarat, Rajasthan, Uttar Pradesh, Bihar, Himachal Pradesh and Sikkim. The Union Territory of Pondicherry also went to the polls at the same time.

Rajiv Gandhi campaigned in all the States. He suggested that in the interest of rapid progress of the nation as a whole, it would be desirable for the State Governments and Central Government to be on the same wave-length.

By and large the elections were peaceful and orderly. In Madhya Pradesh the Congress (I) won by more than a three-fourths majority and in Gujarat by more than a two-thirds majority. In States like Uttar Pradesh, Bihar, Maharashtra, Rajasthan, Himachal Pradesh and Orissa, the Congress (I) won by comfortable majorities. In Andhra Pradesh the Telugu Desam came back to power with increased strength. In Karnataka, the Janata Party secured an absolute majority. In Sikkim, the Congress fared badly losing to the Sikkim Sangram Parishad which won by a substantial majority.

In Karnataka Ramakrishna Hegde again became Chief Minister and so did N.T. Rama Rao in Andhra Pradesh. In the Congress-ruled States, elections of leaders were smooth. Vasant Dada Patil, who was, however replaced by Shivaji Rao Patil Nilaugekar later, Solanki, J.B. Patnaik and N.D. Tiwari were chosen to continue as Chief Ministers of their respective States.

In Rajasthan, Madhya Pradesh, Bihar, and the Maharashtra Chief Ministers were changed. In Bihar, the President of the INTUC Bindeshwari Dubey, became Chief Minister. This was

the first time that an INTUC President had become the Chief Minister of a State.

INTUC AND THE CONGRESS PARTY

The ideological affinity between the INTUC and the Congress Party continued, though the actual programmes and personalities entrusted with implementation of the Congress Party's programmes at times came in conflict in some centres with leaders of the INTUC. Difficulties cropped up in certain areas in the country in regard to cooperation and coordination between the two organizations. The AICC too recognized the existence of these difficulties in the way of healthier cooperation between the organizations. The AICC appointed a five-man committee in 1967 consisting of Gulzarilal Nanda, Khandubhai K. Desai, S. R. Vasavada, V. V. Dravid and Jagjivan Ram, and G. L. Nanda as the convener. The committee appreciated the fact that the INTUC was an independent organization and that there should be no interference in the internal working of one organization by the other. The five-man committee recommended the setting up at the national level of a Coordinative Committee consisting of representatives of the AICC and the INTUC and similar coordinating committees at the State and district levels to ensure mutual cooperation and coordination. These committees were however not set up either at the Centre or at the State level. The move was thus a non-starter.

INTUC AND THE CONGRESS SPLIT

The fact that the INTUC has always been organizationally independent of all political parties, including the Congress, has enabled it to remain united and undivided in spite of the split in the Congress Party. In fact, the split in the Congress Party posed a challenge to the claim of the INTUC's independent character. People had expected that the split in the Congress Party would also split the INTUC. This expectation was belied and the INTUC continued to function as an independent and united organization. It is true that there were always a large number of Congressmen actively associated with the INTUC. It is also true that with the split in the

Congress Party the loyalties of these Congressmen got divided between the two Congress parties. But they had kept their politics out of the INTUC, and enabled the organization to work as a united, harmonious team at the Centre. The self-imposed restraint of INTUC leadership continued and helped ensure the unity of the organization both at the Centre and in the States.

MULTIPLICITY OF NATIONAL CENTRES

The UTUC, insignificant as it is on the national plan also appeared to suffer from internal dissensions, owing to political differences, which acquired a further edge on the formation of the 14-party coalition Government in West Bengal. It split into two, both factions using the same name.

The Jan Sangh had sponsored a national centre called the Bharatiya Mazdoor Sangh. This organization functioned in some small isolated pockets in North India and was not of any consequence. But it has since then emerged as the second largest trade union in the country.

The HMP was also functioning as a separate organization under the control of the SSP in limited areas.

The International Federation of Christian Trade Unions (IFCTU) also tried to work in India. Its impact was almost next to nothing. Finding that the appellation 'Christian Federation' would make it appear openly communal, and therefore restrict its chances of growing, efforts were made by it to organize labour within the 'Federation of Independent Trade Unions'. It was reportedly guided by the Swatantra Party and manned by disgruntled elements in the trade union movement who could not fit in with the other national centres.

It will thus be found that too many national centres had started cropping up and all of them approached the Government of India for representation on the Indian Labour Conference, the Standing Labour Committee, etc. Partly, the Government's own policies were responsible for this state of affairs. If the Labour Ministry had restricted the right of representation to a single major organization, the present multiplicity of National Centres could have been avoided, or at least their claims for representation would not have arisen.

The numerous applications made for representation have underlined the urgency of the Government prescribing a minimum membership qualification for representation on conferences and committees. The INTUC, recognizing this need, had suggested a minimum verified membership of ten per cent of the organized labour in the country to be the qualifying condition for representation on National Committees and Conferences. This suggestion, if accepted, could have helped to change the course of the trade union movement from disintegration to integration. But it was not accepted for several years and more and more central organizations started cropping up.

INTUC URGES GLOBAL APPROVAL

The General Council of the INTUC meeting in Birmittapur (Orissa) in February 1968, adopted a resolution calling upon the UNCTAD to think in terms of global planning on the economic front. The Council felt that the UNCTAD would be harnessed as an effective instrument, not merely to cover the imbalances in economic progress among the different nations of the world and thereby reduce the gap between the 'haves' and the 'have nots' but also as to serve as a guarantee for abiding international peace. The Council expressed the view that the gap between the rich and the poor nations was becoming wider and wider. It cautioned the nations that the prosperity achieved by the developing countries could not be real and abiding so long as there was a large number of countries suffering from want. It pleaded with the advanced nations that in their own enlightened self-interest, they should serve other nations and develop their economies so that the imbalances in economic development among nations did not pose a threat to peace and prosperity to all nations.

The Council demanded that economic planning should be on a world basis and cautioned the UNCTAD that a mere packet of piecemeal concessions and assistance by the advanced nations, with strings attached would not ensure balanced economic progress among nations. It wanted a new and fair deal for all countries and pleaded for an intelligent division of labour among several countries—both advanced and not-so-

advanced, in that the activities of one would be complementary and not competitive to those of the other. It emphasised that the activities of each nation should be so designed as to supplement the activities of others and not to substitute them. Such a planning should create a sense of balance and responsible interdependence among nations, leading to the prosperity of all nations and peace in the world.

COALITION GOVERNMENTS : PRESIDENT'S RULE

The year 1968 opened with President's rule in West Bengal and Uttar Pradesh. Punjab, Bihar and even the small State of Pondicherry were soon added to the list. The coalition Governments of these States could not continue for long because there was nothing in common among the constituents that formed the Governments there, except their desire to hold on to power at all costs. Just as the ruling parties were power hungry, so were individuals in them as well as the independents. It was this desire to grab power and hold on to it at all costs that spelled the doom of these Governments. The coalition Government in Kerala continued to limp along, while the non-Congress coalition in Madhya Pradesh gave place to a Congress-led coalition. The Governments in Orissa and Tamil Nadu appeared to be stable.

The states under President's rule had necessarily to go through the election process, again starting with Haryana, which was the first to have its legislature dissolved. Although in Haryana, the Congress Party was again returned to power in the elections, the stability of the Government was threatened constantly by defections and group rivalries. The elections in Punjab, Bihar, Uttar Pradesh and Pondicherry which took place later again proved that neither the people nor the parties had learnt anything from the past. The people of West Bengal perhaps thought that the Congress would be wiser after being voted out of power. But the election results showed that it was not so. The multi-party coalitions in three out of the four States, with or without the Congress Party, represented an unprincipled combination which did not stand the test of time. This is also true of the DMK-Communist coalition

Government in Pondicherry. If the past was any guide it was only a question of time for the fortunes of these coalitions to flounder unless their conduct came up to the expectations of the people.

Labour's sustained progress needed stable governments friendly to it and sympathetic to its aspirations, weak and unstable governments impeded its progress. These political developments were therefore of vital interest to labour.

THE NAXALITES

A section of the Communists, drawing inspiration from their counter-parts in China, began to indulge in violent activities in Naxalbari (West Bengal) in the name of championing the cause of landless labour there. Naxalbari is a little-known village in North Bengal. This Communist group has since come to be known as the Naxalites. There were now three parties among the Communists: the CPI or the so-called Rightists, the CPI(M) or the Marxists and the CPI(N) or the Naxalites—the extremists. The last mentioned group seemed to depend more on violence for its progress than the other two. The Naxalites were also able to secure some following in other States like Kerala, Andhra Pradesh, Tamil Nadu and elsewhere. Though in the former two States its violent character was more in evidence, it appeared that neither the Communist Governments in Kerala and West Bengal nor the non-Communist Government in Andhra Pradesh were able to put down their lawless activities. Indeed, they were afraid of the Naxalites who accused the CPI and the CPM of not being sufficiently revolutionary.

NATIONAL TEXTILE CORPORATION

Traditional industries, particularly cotton textiles and engineering, faced closures in 1968 mostly on account of the economic recession. The heavy engineering industry too did not revive in spite of the claims that the country was coming out of the recession. The installed capacity in many units in these industries, whether in the public or in the private sector, could not be utilized fully. The INTUC was largely textile-based and the closure of textile mills was there-

fore viewed seriously by it. It took the lead in bringing the problems of the industry and its workers to the notice of the Union Government.

In September 1968 the Government responded by setting up a National Textile Corporation, with a senior INTUC leader, S.R. Vasavada, M.P., as chairman. But the pace of the working of the Corporation was slow and the resources at its disposal so meagre that its impact on the closed mills was negligible. There was also a demand that a study should be undertaken to the effect of man-made fibres on the textile industry in general and on the cotton textile industry in particular, so that changes in consumer preferences could be taken into account while formulating a revised policy and programme of textile production. But nothing much came out of this demand, the growth of the National Textile Corporation remaining slow and tardy. The Corporation itself became sick accumulating huge losses year after year.

The Government of India by an ordinance in October 1972 took over 46 sick textile mills in the country. Most of them could not be made to resume work, although the textile industry was then enjoying a prosperous time. There were in all 103 sick mills in the country at that time. It was necessary to invest huge sums in them in order to modernise their equipment, provide working funds and improve their profitability. Labour had been pleading for outright nationalization of these mills, if not the entire textile industry. The Government by another ordinance on September 21, 1974 nationalized many more closed mills, bringing their total to 103. In the ordinance, no provision was made to protect the dues of labour in respect to their services prior to April 1974, as the Government had made the previous owners responsible for the dues. This meant that labour could get nothing in respect of the period of service prior to nationalization. This injustice to labour had to be set right.

During the Janata Party Government a working group, consisting only of trade union representatives was appointed to go into the working of the National Textile Corporation and its subsidiaries and to make recommendations to improve its working, including all aspects of labour. One of the

recommendations of the committee was that the National Textile Corporation should assume responsibility for the benefits payable to the workmen for the period of service prior to the takeover either through nationalization or through acquisition by liquidators. But this as well as several other recommendations of the study group, were not implemented.

The latest count of textile mills taken over by the National Textile Corporation as a result of either nationalization or its functioning authorised controller runs to 125 mills employing over 2.5 lakh workers. The cumulative loss suffered by the NTC as on March 31 1984, was of the order of Rs 137.36 crores. However, the NTC has provided a means of livelihood for 2.5 lakhs of people directly, and several lakhs more indirectly. It has contributed to the state exchequer by way of excise duty, sales tax, etc., several crores of rupees. Thus the NTC's performance should not be viewed only from the profit angle. There is no doubt that it could be run more efficiently with higher productivity and lower losses or even modest profits.

REGIONAL PRESSURES

The process of dividing the country into states on a linguistic basis was completed though the wisdom of it was in doubt, particularly in the context of imperatives of national integration. Perhaps the linguistic states were needed to satisfy the power hunger of certain politicians, rather than the progress of the people in the various regions or the nation as a whole. It appeared that the same hunger for power was directed at further sub-division of the linguistic states, as in the case of the Telengana movement in Andhra Pradesh.

An even more dangerous development was birth of the "sons-of-the-soil theory" in the name of 'Shiva Sena' in Maharashtra. There were violent demonstrations in the city of Bombay sparked by fanatic regionalism. These retarded national integration by setting into motion a chain reaction of violence by equally fanatical forces elsewhere. Any attempt to lay down that employment in industries should go entirely to local people only was bound to create new problems in the matter of location of industries and compel people to think

in terms of local pressures, forgetting that India was one country and that they were all Indians first and Indians last.

Yet another divisive force was the DMK in Tamil Nadu which stood for a separate Dravidian State. It also wanted to fight Hindi as a national language. It played upon the linguistic sentiments of the people and came to power in Tamil Nadu through films depicting Congressmen as villains and themselves as saviours. This tendency later manifested itself in the foreigners issue in Assam and the Khalistan movement in the Punjab. These are detailed elsewhere separately as they had assumed serious proportions.

THE YOUNGER GENERATION

In every country the 20-40 age group is generally the most vocal and active section of the population in bringing about any change in the social, economic or political sphere. In India the present population in this age group had no opportunity to witness the freedom struggle under the unique leadership of Mahatma Gandhi and the sufferings and sacrifices made by the country's illustrious leaders. Often, the later-day leadership which interpreted this part of the country's history and the role of the earlier leaders were either forgotten, distorted or discussed in disbelief. There was no organized effort to make the young men and women of the country learn the history of its freedom struggle and the values that were cherished by the freedom fighters. It is necessary that biographies of our great national leaders should form part of studies in our schools and colleges. But this aspect of education continued to remain neglected.

Another disturbing feature was the agitation by students most of whom were politically motivated. While some of their grievances were genuine, the type of the agitation the country witnessed was not quite necessary even when judged from the students' own interests.

Generally, student union elections were fought as political elections, sometimes even financed or otherwise assisted by political parties. Judging by the violence and destruction of property which marred many of the elections, there was room to doubt whether there was a central planning and direction

running through them and whether the students were not being misled, sometimes even by their teachers, who had their own battles to fight. Students should be observers, of politics and should not involve themselves to be exploited by politicians.

STATE LOTTERIES--GAMBLING NATIONALIZED

Several State Governments started running lotteries to augment their revenues. The Gandhian principle of adopting proper means to achieve worthy objectives were ignored. Any means appeared good enough to increase the finances of the State, as also the finances of the individual. A lottery is a gamble. There was the paradoxical situation of State Governments, which should discourage gambling, themselves organising and running lotteries and encouraging the people to participate in them by making fabulous and tempting offers. Thus gambling stood nationalised. Even Communist Governments swearing by Marx no exception.

The introduction of lotteries along with liquor sales through State licensing was having a delerious effect on the working class. Money which they used to spend on essentials was now spent on buying lottery tickets and drinks. It was the duty of the State Governments to withdraw their lotteries and function in a manner calculated to build up healthy values of making money through hard work. The citizens of India should learn to respect dignity of labour and not depend on luck to improve their lot.

INTUC AND STRIKES

Developments during the years preceding 1968, including the attempted token strike on September 19, 1968, were indications of the shape future industrial relations in the country would take. While laying down guidelines for future industrial relations, the role of strikes had to be clearly stated. Contrary to popular belief, the INTUC took the stand that it was not against strikes, it was opposed to only avoidable strikes. It declared that a strike was not an end in itself; it was only one of the several means available to labour for redressal

of its grievances. As had been generally accepted, a strike would be its last resort.

Direct negotiations between a recognised union and the employers would be the most ideal step to resolve industrial disputes. It was desirable that all collective bargaining agreements should contain a clause to the effect that in case the parties were not able to reach a settlement themselves, the issues in dispute should be referred to an arbitrator or arbitrators already agreed upon. But such arbitration was generally not available. The Government had set up an Arbitration Promotion Board but it was a non-starter and strikes continued as usual, and arbitration became a rarity.

INDUSTRIAL SECURITY FORCE

The Industrial Security Forces Bill to protect the property of public sector undertakings became an Act of Parliament in 1968. It was argued that such legislation had become necessary on account of repeated irresponsible conduct by certain misguided sections of labour, resulting in danger and even actual damage to plant and machinery. Even so, no one was happy with such a measure on the Statute Book. It was hoped that the Act would be a temporary measure and that there would be no opportunity to enforce it. However, the industrial security force became a permanent feature and many public sector undertakings took advantage of it. This was in a way "employment of contract labour for a regular and permanent requirement" connected with and incidental to manufacture or the regular business of the employer. It amounted to running a Watch and Ward Department through a contractor. That the contractor in this case was another department of the Government did not alter the character of the contract system. The terms of employment of men of the CISF were different from those of employees of the plant. For instance, while the employees got a 20 per cent annual bonus on their total earnings, the CISF men were paid nothing. Such a situation was bound to cause discontent among the CISF personnel.

Even in private sector units at centres like Bombay many employers are resorting to employment of contractors for

Watch and Ward duties which has caused discontent among labour.

STRIKE-BAN LAW

In the field of industrial relations there was an all-round deterioration in 1968. Although the year recorded a fewer number of mandays lost as compared to the previous year—which registered the highest tally in the preceding twenty years—the number of man-days lost in 1968 was much higher than in 1965.

The trend in the fall of real wages could not be arrested. As before, the demand for full neutralization of the rise in the cost of living at least to workers drawing the minimum wage, was not met. The 1965 level of real wages was found to be lower than the pre-war level in many cases. The norms for the need-based minimum wage accepted at the 15th session of the Indian Labour Conference again gave rise to a controversy. The pay-scales fixed for Central Government employees twelve years ago remained unrevised. A Third Pay Commission was yet to be appointed. The Opposition political parties as usual did not hesitate to exploit the discontent of labour, including the Central Government employees, who were prodded to go on strike in September 1968.

The Government of India promulgated an ordinance banning strikes by Central Government employees on the eve of the token strike and following it up by a regular Act of Parliament. All trade unions opposed the ordinance. The INTUC held the view that banning strikes by law could never solve the problem. What was needed was to remove the need for strikes by providing a superior alternative machinery for redressal of labour's demands and grievances. Such a machinery could only be voluntary arbitration. The INTUC told the Government that banning strikes was a negative, one-sided approach. It wanted the law to concentrate on the positive aspect of providing an alternative machinery. The Home Minister while replying to the debate on the Bill in Parliament agreed with this criticism and offered to bring forward a comprehensive legislation providing for voluntary arbitration. But such a law has not materialised so far. And the law banning

strikes remained a dead law and illegal strikes continued.

OUTSIDERS IN TRADE UNIONS

One of the subjects of controversy in industrial relations which has gained added importance today is the role of outsiders in trade unions. Nobody can dispute that the trade union movement should be run entirely by leaders emerging from its rank and file. But, then, leadership of the trade union movement has ceased to be a part-time job. It is becoming highly technical and complicated as well as all-absorbing, and therefore requiring full-time specialists to man it. Even so, it would be eminently desirable to draft and train full-time trade union leaders from among the workers themselves.

It should be realised that by banning entry of outsiders in trade unions, we will not be eliminating their influence. Thus, any legislation, restricting or prohibiting outsiders at the helm of affairs of trade unions will not achieve its purpose. Labour must be trusted and given the freedom to exercise its choice in this regard.

It is not that all insiders are good and all outsiders are bad or vice versa. It is not a question of insiders vs. outsiders. It is one of good vs. bad leadership. Good leadership does not import into industrial relations extraneous considerations. It may be a good idea to lay down that no office-bearer of a trade union shall hold office in any political party, so that direct political party influence over trade unions is reduced to some extent. But whether all political parties will agree to it is a moot point. Mere amendments of law reducing the percentage of outsiders in trade unions will not achieve their purpose. Outsiders thus, continue to lead several important trade unions in the public and private sectors.

SELECTIVE AUTOMATION

A special tripartite conference was held in July 1968 to consider problems relating to automation. Labour has always felt that considering the ever-increasing unemployment in the country, planning and industrial activities should be mainly employment-oriented. Apart from maintaining the existing level of employment in the country as a whole and in the existing

industrial units, i.e., both at the macro and micro levels, it was necessary to increase the volume of employment which could be done only by encouraging labour-intensive methods. At the same time, labour was conscious of the fact that unless the country took advantage of technological advances, it would remain backward. Therefore, a judicious approach to the problem was necessary. There could be neither a blanket approval nor a blanket ban on all schemes of automation. These would have to be highly selective and in harmony with the larger interests of the nation. Unless there were compelling circumstances, automation should be discouraged. Indeed automation is an extreme form of rationalisation. There are already national agreements governing rationalization in industries which provided for necessary safeguards and opportunities to improve the level of earnings. The same safeguards should apply to introduction of automation wherever it is considered a must, but it should always be preceded by bipartite consultation and concurrence at the unit level. A suggestion for a tripartite screening committee at the national level to examine every individual case was accepted in principle by the Government.

Complaints by labour of indiscriminate resort to automation by certain employers continued. These were mainly about computerization of table work, adding to the problem of the educated unemployed. Labour opposed any move to install computers in some centres of the Life Insurance Corporation and the Railways. A special tripartite conference, as stated earlier, was convened in July 1968 to consider this problem. Acting on the decision taken at the conference, the Government of India appointed an Expert Committee on Automation in July 1969 to study the impact of automation wherever it had been introduced and to lay down guidelines for the future.

The Committee submitted its report in June 1972. Contrary to expectations, it was a unanimous report with certain clarificatory notes by some members. The main theme of the report was that automation could be resorted to on a selective basis, and that, too, only with the consent of labour. Where at the plant level differences persisted the matter should be taken up for settlement at the national bipartite level. The Committee

discouraged indiscriminate automation keeping in view the fact that there were millions of unemployed people in the country and not sufficiently rapid industrial growth to absorb those who might be rendered surplus as a result of automation.

GANDHI CENTENARY

The Union Labour Ministry convened a tripartite conference to commemorate the Gandhi Centenary Year in 1969. There was all-round praise for Gandhij's contribution to the freedom struggle. The INTUC and some employers' representatives referred to his contribution to the trade union movement and industrial relations. They pointed out that his concept of industrial relations and technique of running the trade union movement had contributed to a new kind of stable, healthy, and harmonious industrial relations. They suggested that this and his philosophy of trusteeship needed further study in order to make Gandhism a live factor in industrial relations.

The INTUC suggested that it would be a fitting memorial to Mahatma Gandhi to organise a Gandhian Institute of Labour Studies. The conference accepted the idea in principle. Jai Sukhlal Hathi, Union Labour Minister, agreed with the proposal, but before he could implement it he resigned for political reasons. He was a follower of Morarji Desai who was dropped from the Government following differences with the Prime Minister on nationalisation of banks. R. K. Khadilkar who succeeded him as Labour Minister at the Centre wanted to call the institute Jawaharlal Nehru Institute of Labour Studies and tried to locate it in Pune. But before he could do so, he ceased to be Union Labour Minister. Khadilkar was succeeded by K.V. Raghunath Reddy and he named the institute as National Labour Institute and located it in Delhi. Thus the suggestion to start a Gandhian Institute for Labour Studies in memory of Mahatma Gandhi did not materialize.

The National Labour Institute functioned in a peculiar manner and could not make much impact on either labour, industry or on industrial relations. Quite recently the Government of Gujarat set up a Gandhian Institute for Labour Studies which has yet to achieve the status of a National Institute.

SELF-RELIANCE THE ANSWER

Czechoslovakia : The armed aggression of Soviet Russia on Czechoslovakia was a shocking development of the year 1968. Communism has proved itself to be no better than the imperialism it condemns. Indeed, it has shown itself to be a new form of imperialism. While the communist parties of France and Italy condemned the aggression, the Indian Communists were seen wobbling in their stand. Some of them even tried to justify the aggression. The INTUC admired the courage, fortitude and perseverance with which the Czechoslovak people faced the aggression and expressed the hope that Czechoslovakia would become independent in the not very distant future. On behalf of the working class of India, the INTUC paid homage to the martyrs in that country who sacrificed their lives at the altar of freedom.

U.S. and Pakistan : When the United States armed Pakistan as its SEATO/CENTO ally with bombers and tanks, India lodged a protest with Washington as she was certain that Pakistan would use the arms against India. The U.S. Government explained that the supplies were made on the specific condition that they would not be used against India. It went to the extent of assuring India that if Pakistan used the arms against India, the United States would fight on the side of India against Pakistan. History has shown how Pakistan employed those weapons against India, and how the U.S. turned a blind eye to it. Unmindful of this experience, the U.S. again started arming Pakistan with more sophisticated fighter aircraft and other arms, knowing that they would be used against India. A strange way of protecting democracy in the world!

It was high time India learnt a lesson from these experiences and became more self-reliant, knowing that, ultimately, nobody could help her except herself

The Vietnam war hotted up with the American military intervention in favour of South Vietnam. It could have been brought to an end sooner but for this action by the U.S. The war lasted several years until at last the U.S.A. gave up in defeat and a unified Vietnam came into existence as a free nation.

DISSENSIONS IN I.C.T.U. AND W.F.T.U.

The differences in the AFL-CIO came into the open with the exit of the United Automobile Workers Union (UAW) from it. The UAW thereafter sought affiliation directly with the ICFTU. The AFL-CIO threatened that if the ICFTU considered the application of the UAW, it would withdraw from the ICFTU. Actually, a top committee of the ICFTU recommended to the Executive Board the rejection of the UAW's application for affiliation. Still the AFL-CIO chose to withdraw from the ICFTU without waiting for the decision of its Executive Board. The ICFTU however appealed to AFL-CIO to reconsider its decision.

The AFL-CIO held the view that only one national centre from any one country should be affiliated with the ICFTU. This is perfectly understandable. But when the INTUC pointed out to the ICFTU that the rival national centre from India, the HMS, had been affiliated to the ICFTU in violation of its policy, the AFL-CIO sang a different tune.

The dissociation of the powerful American labour movement from the ICFTU weakened it financially. The reported decision of the AFL-CIO to operate in Latin America, Africa and Asia through various American institutes for labour, backed also by Government finances, had the effect of weakening the efforts of the free trade union movement instead of assisting them.

It was imperative that the free trade union forces should reverse this trend of fragmentation and functioning in isolation and should work for a united world body with its activities well coordinated. The initiative in this regard, it was felt, might lie with the Asian countries. The AFL-CIO rejoined the ICFTU later in the year 1982.

The WFTU, too, in spite of its monolithic structure subject to central direction, appeared to be falling apart. The All-China Federation of Trade Unions stopped having anything to do with the WFTU. Indeed, The All-China Federation of Trade Unions itself ceased to exist for several years whereafter it was revived. The open stand taken by the General Secretary of the WFTU on the Russian aggression against Czechoslovakia, supported by a few other affiliates of that

body, was also reported to have weakened the unity within the WFTU. But it continued to have its grip over the affiliates with varying degrees of firmness.

THE BEGINNING OF THE 70's

The end of the sixties and the beginning of the seventies witnessed many crucial events in the country's history. The problem of unemployment was growing to menacing proportions. The rich were continuing to grow richer. The monopoly houses profited and prospered at the cost of the poor. Prices began to rise steeply and industry and agriculture lagged behind. It appeared that the nation had become tired and a sense of frustration was setting in. The situation needed some sort of shock treatment and found in Indira Gandhi 'the MAN of the hour'. She initiated a series of bold and radical measures to awaken the nation out of its slumber and lethargy and infuse sense of vigilance and vigour into it.

The Finance Minister, Morarji Desai, was practically dismissed and major banks in the country were nationalized. The Presidential election resulted in a split in the Congress Party. But Indira Gandhi managed to carry the bulk of the party with her. However, an amendment to the Constitution of India to do away with privileges and privy purses of the princes could not be passed for want of the required majority in Parliament. Mrs. Gandhi promptly dissolved the Lok Sabha and opted for a fresh mandate from the people in 1967. This act of her's took the opposition by surprise. They were bewildered and tried to form in a hurry all kinds of combinations. The Congress (O) joined hands with Swatantra, the Jan Sangh and the SSP, while the ruling Congress had an electoral understanding with the PSP, CPI and the DMK. Mrs Gandhi and her party were returned to power by a landslide victory. She secured more than a two-thirds majority in the Lok Sabha, the minimum required to amend the Constitution. Earlier, she had to depend upon small and sundry parties, including state parties, for even survival. But the picture changed radically after the elections.

ABOLITION AND REGULATION OF EMPLOYMENT OF CONTRACT LABOUR

The Contract Labour system is a relic of the colonial system. Contractors are keen to make profits and generally do not treat their labour fairly, either in the matter of wages or that of other service conditions. There is seldom any security of employment for workers. Indeed, there are no records to show that a particular worker was employed by a particular contractor. In such a situation organising contract labour on trade union lines becomes difficult, for the moment the contractor comes to know that any of his workers has joined a union, he dismisses him from service without any formal or written order.

The Government brought forward legislation to abolish employment of contract labour in certain specific occupations through the Contract Labour (Abolition & Regulation) Act, 1970. Whether contract labour should be abolished or whether their conditions of employment should be regulated where such labour becomes necessary is laid down in the Act. Where work is of a perennial nature and its volume predictable, and not widely fluctuating, and where work is connected with the regular process of manufacture, or forms part of the regular work of the employer, contract labour is prohibited. Where work is of an intermittent nature and its volume unpredictable and fluctuating and where work is not connected with regular manufacturing or other regular work of the employer, employment of contract labour is allowed. Examples of such work is loading and unloading of coal, raw materials, etc. Under the contract labour law a committee has to be set up to advise the Government as to where all contract labour can be abolished and where it can be allowed and regulated. However, in spite of the legislation, employment of contract labour continues in industries and occupations where it should not. Unless enforcement of this law is made more strict, this section of labour will continue to suffer.

THE HIGH TIDE

The high tide of the people's support to Indira Gandhi enabled her to push through progressive legislations without

having to depend upon the support of other parties in the Lok Sabha. The mandate given to her by the people represented not merely a tribute to her but also involved her in a commitment to the electorate. There were great expectations all round. The common man had been patient for too long and words like 'freedom', 'democracy' and 'socialism' seemed to have no meaning for him. It was, therefore, the duty of the new Government to make these words meaningful without further loss of time.

The electorate had, at the same time, showed its disapproval of the other parties. The Swatantra Party suffered a most devastating blow, as also the opposition Congress. The CPM was reduced to the status of a mere state party, largely confined to West Bengal. The PSP and the SSP suffered serious reverses to the extent of becoming almost totally irrelevant to the nation's politics. The CPI did not suffer as much because of its understanding with the Congress, while the DMK in Tamil Nadu improved its position, also because of its alliance with the Congress.

The Government introduced amendments to the Constitution so as to remove any obstacles that may come in the way of fulfilment of its promises to the people. Of the three amendments moved by the Government one, passed in both Houses of Parliament, gave to Parliament the right to amend the Fundamental Rights.

Another amendment sought to make the right to property vis-a-vis the Government not an absolute one. It made the quantum of money to be paid as compensation to owners of property acquired for the public good not justiciable.

The Government also abolished the privileges and privy purses of princes. A law was enacted for nationalization of general insurance and coking coal mines. Another law, providing for family pension to industrial workers to begin, with was put on the Statute Book. A crash programme to solve the unemployment problem in the country, particularly in the rural areas, was announced.

At a conference of Labour Ministers held in August 1971 it was agreed that the rate of PF should be raised by two per cent, the Act extended to smaller units, and a central law on gratuity enacted.

The green revolution had for the first time made the country almost self-sufficient in food.

Although this was an impressive array of achievements made in a short span of time, much more remained to be done.

THE BIRTH OF BANGLADESH

While the country was thus hurrying to ensure rapid progress, to make good the time lost, a problem of immense dimensions overtook it in the wake of certain happenings in the neighbouring state of Pakistan. The eighty million people of East Bengal, the major partner of Pakistan, returned to power the Awami League headed by its redoubtable leader and patriot, Sheikh Mujibur Rehman. The people expected that the Government of the country would pass into the hands of the newly elected leader, who alone had the moral and political right to determine the country's future, but the Military Junta of Pakistan refused to recognize the democratic rights of the people of East Pakistan. The West Pakistan army was brought in to crush the genuine aspirations of the people through a campaign of mass genocide. This development proved that religion alone could not be the basis for sustaining a nation.

Banga Bandhu Sheikh Mujibur Rehman, the undisputed leader of the people of East Pakistan, who had launched a non-violent struggle against domination by West Pakistan, declared Bangladesh as an independent sovereign country. As the killing of the people by the military might of East Pakistan, assisted by arms supplied by the USA, continued, there was a mass exodus of refugees into India. More than nine million people entered India. The burden of maintaining them fell on the shoulders of the Indian Government, which rose to the occasion valiantly motivated by humane considerations. India's appeal to the nations of the world to assist the refugees did not bring in adequate response. The maintenance of the refugees cost the Government over crores of rupees a day, which had an almost crippling effect on the already difficult budgetary position of the country.

What was happening in East Pakistan was a big blot on the human civilization. It was painful to observe that the

Pakistan military authorities were assisted in this inhuman atrocities by a democratic country, the United States. The military hardware supplied to Pakistan by the U.S. Government, in spite of its open denial, was this time used against the Pakistanis themselves, those living in East Bengal region. The United States, it appeared, had used Pakistan as a go-between herself and China. The supply of military hardware to Pakistan was justified as reward for its arranging the Nixon-Mao meet—a strange way of rewarding one country the cost of another friendly country, ignoring all democratic norms and human values.

In response to Sheikh Mujibur Rehman's appeal India sent her army into Bangladesh. The war ended in a victory for Bangladesh, and India immediately withdrew her army from it.

The conscience of the world was shocked by the reported secret trial by the Pakistan military authorities of Sheikh Mujibur Rehman who was captured and taken to West Pakistan. On the victorious establishment of Bangladesh as a sovereign nation, Mujibur Rehman was declared head of the new nation. Thereafter, he was allowed to leave Pakistan—saved almost from the gallows. He returned to Bangladesh and took over the reigns of government of that country only to be assassinated along with several other members of his family by a military clique later.

The Indian working class, irrespective of its affiliations, unanimously condemned the mass genocide of people of Bangladesh by the West Pakistan Army and expressed its solidarity with the people of Bangladesh. It also called for liberal contributions to assist in the maintenance of the millions of refugees from Bangladesh who had poured into India.

INDO-USSR TREATY

Assisted by two big powers—the United States and China—Pakistan began talking of a war against India and resorted to bombing our cities without any provocation. Since India had always sought peace and never had an eye on even an inch of land belonging to any other country, she was willing, as a

guarantee of peace in this area, to enter into treaties of peace with all nations. The first of such treaties was signed with the Government of the USSR in August 1971. It was a treaty not for war against anyone. It was a treaty of peace with all and war with none. It did not affect the non-alignment policy pursued by India. The INTUC welcomed the treaty as timely and wished it were possible to enter into such treaties with the other countries of the world, particularly those in Asia. The Communists in India too welcomed the pact, for obvious reasons.

PROBLEM STATES

In West Bengal where there was President's rule at the time of the mid-term poll in 1971, the Government decided to have elections to the State Assembly, along with the poll to the Lok Sabha. The results of the State Assembly elections indicated that the CPM's strength had been considerably reduced and that the Congress(R) had improved its position, becoming almost twice as strong as the undivided Congress. A Congress (R)* sponsored Coalition Government came to power, but it was shortlived. Again, there was President's rule in the State.

There had been innumerable political murders in West Bengal since 1968. The efforts made to bring about peace never fully succeeded. In a tense and violent situation like this, the trade union movement had to go through difficult time.

The Governments in Bihar and U.P. changed hands several times. In Kerala, a coalition Government formed by the CPI and the Congress(R) with the support of others gave the State a relatively stable Government, and respect for rule of law improved slightly. In Tamilnadu, where the State Assembly elections were held along with the Lok Sabha elections, the Congress(R) did not contest a single seat in the State Assembly as part of its understanding with the DMK. This helped the DMK to come back to power in the state in much greater strength and helped the Congress(R) to get a substantial

*This was subsequently known as Congress (I).

number of seats in the Lok Sabha. In Orissa, the third State which went to the polls for its State Assembly along with elections to the Lok Sabha, the Congress(R) improved its position, but it did not secure the majority seats to be able to form its own Government. The Government there was having an uneasy peace because of a continuing threat to its stability.

The Governments in Karnataka and Gujarat, which were led by the Congress(O), continued to hold the ground for several months after the split in the Congress Party. They too had ultimately to resign owing to defections. Both the States came under President's rule subsequently.

THIRD PAY COMMISSION

Central Government employees got their Third Pay Commission appointed in 1970. It gave them an interim relief ranging from Rs. 15 to Rs. 45 per month. The employees were not satisfied although the relief cost the exchequer Rs. 30 crores per annum. The unions, therefore, demanded more interim relief. Meanwhile, it was expected that the Pay Commission would come out with its final recommendations in early 1972. But the Commission's final report was placed in Parliament on April 2, 1973. The minimum remuneration for a Class IV employee on entry, according to its recommendation, was Rs. 185 per month. The employees covered by the report were not satisfied. There was widespread discontent and an agitation to get the pay-scale revised upwards. The Government, in a gesture to meet the employees' demand, agreed to raise the minimum from Rs. 185 to Rs. 196. But this too did not satisfy the employees and the discontent continued.

CONSULTATIONS AMONG TRADE UNION NATIONAL CENTRES

Earlier in 1970, there had been a meeting on two occasions of the central trade union organisations, viz., the INTUC, HMS and the AITUC, in an attempt to evolve a consensus on the recommendations of the National Labour Commission on such important matters as basis of recognition, collective bargaining, right to strike and the Industrial Relations Commission. They could not reach agreement on any of the issues, although

there were indications that the parties were coming closer. The new Labour Minister wanted these efforts to continue and the parties met on four occasions before the end of September, 1971. The discussions helped to narrow the differences to some extent, but the progress achieved did not lead to any workable formula.

The Labour Minister, Shri Khadiolkar, thereafter convened in May 1971 a conference of several trade union leaders to consult them on industrial relations in pursuance of the policy statement made by the President in his joint address to both Houses of Parliament. The INTUC did not appreciate the move and the basis on which invitations to trade union centres were issued by the Government for consultation for such invitations had always been limited to recognised national trade union centres. The INTUC felt that the convening of the conference could not succeed in assisting the Government to formulate effective policies. On the contrary, the Government move would defeat the very purpose for which the conference had been called. Prime Minister Indira Gandhi inaugurated the conference which was attended by selected trade union organisations. As was expected, the conference did not prove much of a success. The Labour Minister tried to reopen in the conference issues already concluded by the Standing Labour Committee presided over by his predecessor. The whole exercise therefore ended in futility.

JOINT INTUC-HMS CONSULTATIVE COMMITTEE

The INTUC had been carrying on a dialogue with the HMS to explore some sort of a working arrangement, first, at the national level, and if successful, then at the State and unit levels. As a result of these efforts the INTUC and the HMS reached an understanding in June 1971. Both agreed to the setting up of a Joint Consultative Committee at the national level, consisting of five representatives each of the organizations. The Consultative Committee would informally meet on the eve of National Tripartite, or, as often as might be necessary, in an effort to explore the possibilities of taking a common stand on issues that might crop up from time to time. If the committee at the national level proved successful, the idea

was to extend it to the State/industry level, and thereafter to the unit level ultimately paving the way for unity. After the HMS entered into the agreement with the INTUC, it was reported to have joined a similar agreement with the AITUC, without the concurrence of the INTUC. But nothing came out of these Joint Committees. They were still born and the situation was back to square one.

AITUC SPLITS BIRTH OF CITU

The split in the CPI had its impact on the AITUC. While the CPI controlled a small number of unions affiliated to the AITUC, the CPM controlled the rest of them. At one time it became difficult to agree between the two even on the choice of venue for the AITUC conference. Eventually the CPI had its way and held the conference at Guntur. The CPM boycotted it. Ultimately in 1970 the unions controlled by the CPM broke away from the AITUC and formed a new trade union centre called the Centre of Indian Trade Unions (CITU). The rivalry between the AITUC and the CITU became one more disturbing factor in industrial relations in the country.

The AITUC's verified membership as on December 31, 1968, was next to the INTUC's, although it was trailing far behind. With the split in the AITUC, and the formation of the CITU in 1970, the AITUC lost its second position on account of its dwindled membership. The Government, however, continued to recognise it, obviously for political reasons, for purposes of national tripartite consultations. One of its representatives was included in the ILO delegation as an adviser. R.K. Khadilkar, whose interest in the CPI was well known, was then Labour Minister at the Centre.

FOURTH PLAN

The Fourth Five Year Plan did not begin where the Third Plan ended. Owing to recession there were three years of Plan holiday and the Fourth Five Year Plan was therefore designed to cover the period 1969-74. There was the usual debate over the size of the Plan and the quantum of the outlay as also the rate of annual growth. But it must be remembered that all these had no direct or immediate appeal to the common

man who was concerned more about unemployment, high prices and falling living standard. It was obvious that the Fourth Plan should have been even more employment-oriented than the earlier ones.

The progress achieved by the green revolution had to be consolidated and extended. It was not enough to attain self-sufficiency in food. Self-sufficiency must also be achieved in agriculture-based industrial raw materials, such as cotton. The benefits of the green revolution, it was said, had only reached the rural rich and not the rural poor.

The several labour policy statements adumbrated in the earlier Plans were yet to be implemented fully. Labour was interested not in policy statements but in the whole economic policy guiding the Plan: industrial policy, prices, taxation, etc. The Planning Minister invited representatives of labour for a discussion in September 1971 with a view to exploring the evolution of acceptable policies regarding not only labour, but planning as a whole. The discussions were short. However, none of the suggestions made by labour were woven into the main Plan. The discussions appeared to be a mere formality.

THE HMS

The HMS occupied the third position according to its verified membership as on December 31, 1968. From then onwards it started admitting unions affiliated to the Hind Mazdoor Panchayat following the merger of the PSP and the SSP with the certainty of a fall in the AITUC membership because of the secession of many of its affiliated unions which formed the CITU, and with the addition of some members from the HMP, the HMS tried to improve its status. But after a few years the HMP section led by George Fernandes left the HMS and both became smaller and weaker.

The National Labour Commission had recommended that only central organisations with not less than 10 per cent membership of organised labour in the country should be given representation on the national tripartites. The question of restructuring the tripartites was discussed in detail at the ILC held in October 1971. There was general agreement that central trade union organizations with less than a membership

of 400,000 be eliminated from the tripartites at the national level, although the AITUC, HMS and the UTUC opposed this qualification for obvious reasons. The Janata Party Government, however, ignored this qualifying membership limit and invited as many as eleven trade union centres, not so much with a view to broadbasing labour representation as out of a desire to dilute the INTUC's eminent position in the country's trade union movement. There was no progress through the tripartite machinery during the Janata Party regime, although it had set up several tripartite committees.

WOMEN WORKERS

The problem of working women has always engaged the attention of the Congress. As far back as 1919, it was women whose initiative gave the country's trade union movement its organized beginning. Anusuya Ben Sarabai in Ahmedabad and Dr Annie Besant in Madras initiated as well as inspired it, the latter through B. P. Wadia. In later days, however, there were not many women workers in the trade union movement which has become male-dominated.

Women workers have been mostly employed as nurses, teachers, telephone operators and white collar staff, particularly typists and stenographers. In the plantation industry almost 50 per cent of the labour are women. Practically all of them are illiterate. In the textile industry a large number of women used to be employed in the reeling and winding departments. But of late employment of women in the textile industry has been shrinking, owing to a deliberate policy of preventing employment of women in it. One reason given is that they cannot be asked to change over to night shifts.

With the increase in the number of educated women, there is a greater demand for employment by women.

EQUAL PAY FOR EQUAL WORK

The Constitution of India stipulates that men and women should have equal rights to means of livelihood. It requires the State to make provision for securing just and human conditions of work and for maternity relief. Pursuant to

these Directive Principles of State Policy enshrined in the Constitution, the Government brought forward a legislation in 1976, called the Equal Remuneration Act, to provide for payment of equal remuneration to men and women workers employed in the same or similar work and for the prevention of discrimination, on grounds of sex, against women in the matter of employment and certain other matters connected therewith. The Maternity Benefit Act was enacted to provide 12 weeks leave with full pay for women workers to cover the period prior to and after delivery. Employment of women in night shifts in factories is generally prohibited. So also employment of women in underground mines. Even in many advanced countries Governments have not implemented the principle of equal pay for men and women. Our country has made significant progress in this regard.

MISCONCEIVED AGITATIONS

Political instability in Gujarat following infighting between the legislators there, resulted in the dissolution of the Assembly on March 15, 1974.

In Bihar too, a movement was started by Jayaprakash Narayan against the democratically elected Government in the name of fighting corruption. This was exploited by the opposition political parties with an eye on the forthcoming general elections. The working class however kept itself aloof from this fruitless and misconceived agitation. The INTUC congratulated the working class in Bihar for keeping away from the agitation and alerted the working class in the rest of the country saying that any threat to democracy would be a threat to the trade union movement too. It wanted the working class to fight the menace of mob violence with courage and determination in its own interest, without hampering production at the same time.

AHMEDABAD GOES OUT OF INTUC

Following the exit of Morarji Desai from the Government and the differences between the two groups in the Congress over the election of the President of India, the Congress Party split into two: viz. Congress (R) and

Congress (O)—R standing for the ruling party and O for the organization. The Textile Labour Association of Ahmedabad, which was founded by Mahatma Gandhi and was the main founder of the INTUC, was affected by these political developments. The Textile Labour Association did not like the removal of Morarji Desai and joined his group. It thereby found itself cut off from the mainstream of the INTUC, which supported the leadership of Indira Gandhi.

On November 4, 1971, on the eve of the Nagpur session of the INTUC, the Textile Labour Association adopted a resolution accusing the INTUC of thinking politically about matters pertaining to labour and industry. It also accused some of the INTUC leaders of having Communist leanings, who seemed to them to be striving to achieve their political ends by resorting to unfair means. The Textile Labour Association said it would therefore keep itself aloof from the INTUC and its activities. The relevant part of the resolution read :

“After the split in the Indian National Congress, it appears that the Indian National Trade Union Congress thinks politically about matters pertaining to labour and industry. Some workers in the Indian National Trade Union Congress seem to have a Communist leaning and seem to be striving to achieve their political purpose by using unfair means. It has also been divided in two factions in the wake of the split in the Congress. Trade union means unity. If there is disunity in the trade union organization, it cannot serve the true cause of labour. The working class cannot get real service from an organization which is bereft of Truth and Non-violence.

“Under the circumstances, the Joint Board of Representatives of the Textile Labour Association resolves that until the political climate improves, the Textile Labour Association should remain aloof from all activities of the Indian National Trade Union Congress, and the workers should solely devote their time in the service of the labour.”

The Working Committee of the INTUC, meeting on the eve of its Nagpur session a few days after the passing of the above resolution by the Textile Labour Association, rejected

the views expressed by the TLA as baseless and interpreted the stand of the Textile Labour Association as a withdrawal from the INTUC and decided to disaffiliate that organization. This decision was unanimous. The resolution of the Working Committee adopted at the Nagpur session on November 18, 1971, read :

“The Committee’s attention was drawn to certain press statements emanating from its affiliate, the Textile Labour Association, Ahmedabad, as also to a copy of a resolution adopted by the Textile Labour Association, officially forwarded to the INTUC. The Committee feels that the allegations made in the resolution and the press statements are baseless. The INTUC continues to believe in Gandhian ideals and means in pursuing its aims and has been and will always endeavour its utmost to follow Gandhiji’s teachings to the best of its ability. The whole move appears to have been inspired by political motives. The Committee is convinced that the very fact that they did not choose to bring these allegations before the Working Committee of the INTUC for a discussion, but chose to make deliberate unilateral statements showed the political under-current behind the move. The Committee is of the opinion that while the statements made deserve disciplinary action against the Textile Labour Association, in view of their decision to ‘keep aloof’ from the INTUC, it was felt that such a decision should be treated as a withdrawal from the INTUC. The Committee accordingly decided to inform the Textile Labour Association, Ahmedabad, that its affiliation with the INTUC stands withdrawn with immediate effect.”

Surprisingly, the disaffiliation of the Textile Labour Association did not cause even a ripple in the delegates-session on the following day. No delegate in his speech mentioned the disaffiliation. The organization continued to function smoothly as if nothing had happened. Indeed, it grew to newer heights in the matter of membership.

Some time after this, the Textile Labour Association started its own labour centre, calling it the National Labour Organization, though confined to Gujarat only.

OUTMODED INDUSTRIAL RELATIONS SYSTEM

Another major reason for strikes was that there was no satisfactory industrial relations system available to the parties. The Industrial Disputes Act, 1947 had become outmoded in every respect and nobody wanted to take recourse to it. A new comprehensive industrial relations law had been promised, but the promise had not been kept even until the early 1980s. The unanimous recommendations of the National Labour Commission had not been given effect to either. The sooner a new law was put on the statute book, giving the parties machinery better than strikes and lockouts for the settlement of their grievances, the better for industrial relations. Such a law must provide for direct negotiations or collective bargaining by a union certified by statute as a representative union on the basis of verified membership strength. It must also provide for participative management at all levels.

Strikes have ceased to be the monopoly of labour. Of late there has been an increasing tendency for other sections of the community also to resort to strikes. Among them are teachers, students, doctors, nurses, engineers, and even lawyers. The reason for this phenomenon has to be studied and correctives applied in time before strikes start paralysing society.

WHY STRIKES ?

There have been repeated appeals to labour right from the President of India and our Prime Minister down to ministers and employers for a voluntary restraint on strikes. These appeals have been misrepresented by certain interested quarters [as the Government's attempts to ban strikes. Prime Minister Indira Gandhi had clearly said time and again that she was not against labour's democratic right to strike. She had appealed to labour that in the context of conditions obtaining in the country, which were almost comparable to a wartime situation, labour which had always been patriotic and had never hesitated to make sacrifices in the national interests should keep the wheels of production moving.

It is axiomatic to say if you want to control the effects of anything you should deal with its causes. Mere appeals to emotion and sentiments cannot produce abiding results. It was therefore necessary to go into the causes of strikes and other forms of industrial action that dislocated production and deal with them. It should be obvious that the spate of strikes that have occurred in the country were largely due to the attitude of the employers in both the public and private sectors. Most of them did not concede even a legitimate demand unless forced by a strike. The railway locomen's strike in 1983 was an example. Strikes in the past had been successful, thanks to the employers' attitude. This trend had provided a built-in incentive for strikes. The firmness with which the Government dealt with the railway strike, the IAC and Air India strike in 1983 was a new experience. So long as it was necessary to go on strike to secure even legitimate demands, strikes would be there. It was therefore for the employers to change their attitude and deal fairly with labour, avoiding the necessity of the latter going on strike.

CRAFT AND CATEGORY-WISE UNIONS

It was unanimously agreed at the Indian Labour Conference repeatedly that recognition should not be accorded to category-wise or craft unions. This was also the unanimous recommendation of the National Labour Commission, as well as the consensus among the three national centres—the INTUC, AITUC and the HMS. Even so, when the railway locomen went on strike in 1973-74 the Government of India intervened and negotiated with the category-wise union and entered into some kind of a settlement with it. The same issue, when taken up by the National Federation of Indian Railwaymen, did not receive the same active, sympathetic and prompt consideration of the Government. The only difference was that the NFIR did not reinforce its demand by a strike. Such encouragement to craft category unions showed that the Government understood only the language of strike. This tendency was bound to lead to endless trouble, and cut at the root of the trade union movement and plaguing industrial relations by strikes and struggles by one category

of employees after another, holding the entire industry and the country to ransom.

The Government should have respected the tripartite conclusions, the consensus of the three Central trade union organizations, and the recommendations of the National Labour Commission and helped to establish healthy practices in industrial relations. K.V. Raghunatha Reddy was then the Union Labour Minister.

NATIONAL COUNCIL OF TRADE UNIONS

The Standing Labour Committee meeting held in July 1970 revealed that there could be no consensus among the three Central trade union organizations, the INTUC, the AITUC and the HMS, regarding the manner of choice of the bargaining agent, labour's right to strike, the State's right to intervene in industrial disputes and the institution of an Industrial Relations Commission. The Government of India suggested that the three organizations' representatives might meet informally in an effort to produce an agreed formula on these issues. There were several meetings of the three organizations, and at one of them, held in February 1972, representatives of the INTUC suggested the setting up of a National Council evolving Trade Unions, consisting of representatives of the three organizations, which might endeavour to explore the possibilities of adopting a common stand wherever possible in respect of broad issues affecting the working class.

The idea was welcomed by the other two organizations. The National Council was set up on May 21, 1971. But it immediately got into trouble over the basis of representation of the organizations in the Council. While the INTUC suggested that representation on the National Council should be proportionate to the verified membership of each organization, the other two organizations wanted parity in representations. However, without deciding the question of the constitution and composition of the Council, representatives of the three organizations met informally on several occasions and discussed various issues facing the working class. Here too, the record of achievement is not much, because there was a lack of the attitudinal changes needed on the part of all

concerned for effective functioning of the Council.

The National Council had great potentialities but unfortunately it became a non-starter. However, there appeared to emerge a limited accord among the three organizations.

The decision to set up the National Council had its echo in the formation of a rival Council consisting of the CITU, the HMP, the UTUC, etc., more out of pique. But this Council too was still-born and the reason was not far to seek; the urges that led to its formation were negative.

LIMITED ACCORD

On the question of manner of choice of the bargaining agent, labour's right to strike, the State's right to intervene, etc., there was a 'limited accord' as stated earlier, among the representatives of the INTUC, the AITUC and the HMS in March 1972. But there were differences on whether the formula covered by the 'limited accord' should be extended at once all over the country, or whether industries and areas covered by the State laws on the subject should be left over for a second stage. Even the fact of this 'limited accord' was questioned subsequently by the AITUC and the HMS. The contents of the 'limited accord'* were conveyed to the Labour ministry at the 4th meeting of the Working Party of Employers and Workers on May 6, 1972.

VERIFICATION OF MEMBERSHIP

It used to be the practice for a long time to verify the membership of Central trade union organizations once every two years. After December 31, 1968, verification of membership of the INTUC, AITUC, HMS and the UTUC was postponed for one reason or another particularly at the instance of the AITUC. Since 1968, the AITUC and the UTUC had got split and part of the former's membership had gone to the CITU, and the latter's to another group of the same name but housed in a different street in Calcutta.

The Government of India, at long last, decided to conduct verification of membership as on December 31, 1972.

* See Appendix

Meanwhile, a few more central organizations which had come into being also clamoured for verification of their membership. These included the CITU, NLO, HMS and the HMP. The AITUC and the HMS refused to cooperate with the verification, while the INTUC and certain others forwarded their claims for verification. The Labour Ministry gave up verification of the 1972 membership figures. But sooner than later, verification has to be done so that the representative character of the central organizations could be clearly established and their representation on committees and conferences ensured.

In spite of the INTUC's repeated representations that there should be a fresh verification of membership every two years the Government because of obstruction by other trade union centres postponed such an exercise. The Labour Ministry called for membership claims from central trade union organizations as on December 31, 1977, for verification. The INTUC submitted its membership claims before the appointed date. On that date its membership was 32,70,795 distributed over 3,137 unions. Most of the other central trade union organizations refused to submit their claims for scrutiny. The inference was obvious. They obviously did not want their real membership strength exposed for it was small. The INTUC was thus the unchallenged premier organization and the Government had no further excuse for not according of it its rightful place in a democratic set up. However the INTUC was being treated by the Government as just one more organization, not recognising its premier position and democratic rights.

The Government sought to verify membership of all central trade union organizations as on December 31, 1980. The AITUC and the CITU refused to cooperate with the verification process in spite of repeated opportunities given to them. The other central organizations, including the INTUC, submitted their membership claims with all the necessary details.

The Government rightly decided to go ahead with the verification despite the non-cooperation of the AITUC and the CITU. In the case of those organizations which had not filed their membership claims, the Government decided to go by the membership figures of their affiliates as shown in the annual returns submitted to the Registrars of Trade Unions.

The tentative results of the verification were out in January 1984. They showed that the INTUC had the largest membership and continued to occupy its premier position, leaving the other organizations far behind. The tentative results were subsequently corrected after taking into account the representations made by the central trade unions about omissions. The final position announced by the end of April 1984 was as under:

<i>Unions</i>	<i>Claimed</i>		<i>Verified</i>	
	<i>No. of Unions</i>	<i>Membership</i>	<i>No. of Unions</i>	<i>Membership</i>
INTUC	3,457	25,09,326	1,604	22,36,128
BMS	1,725	18,79,728	1,333	12,11,345
HMS	1,122	18,48,147	409	7,35,027
UTUC (LS)	154	12,38,891	134	6,21,359
NLO	249	4,05,189	172	2,46,540
NFITU	166	5,27,375	80	84,123
TUCC	182	2,72,229	63	14,570
UTUC	618	6,08,052	158	35,384
AITUC	1,366	10,64,330	1,080	3,44,746
CITU	1,737	10,33,432	1,474	3,31,031

ENERGY DEMANDS

The energy crisis brought about by oil producing countries putting up prices of petroleum products affected our country's economy immediately. While the Government did its utmost to face the crisis, it was obvious that India should become self-sufficient in her energy requirements in as short a time as possible. She had to intensify her efforts at oil exploration within the country and the shore, and utilize coal more and more as a source of energy. Scientists were urged to undertake research in harnessing solar and tidal energies.

The country has since improved its oil resources. Findings of coal and gas have also been reported and gas-based industries are being planned on a large scale. It is expected that the country would soon become self-sufficient in oil.

NATIONALISATION OF COKING COAL AND COAL MINES

The Government of India nationalized the coking coal and

other coal mines in the country in two stages in 1971 and in January 1973 respectively. These were rather long overdue measures and became necessary in the interest of fuller and effective exploitation of the coal reserves in the country for its industrial development. Certain vested interests tried to obstruct the progress of nationalized coal industries from the beginning. Since nationalization, coal production has gone up in spite of such obstruction. The shortages experienced at times at centres of consumption were stated to be due to transport difficulties. In 1984, more coal deposits were discovered. There will now be no coal shortage. India will very soon be reaching self-sufficiency in oil too, the results of on-shore and off-shore drilling having been quite promising.

INDIA ENTERS NUCLEAR AGE

May 18, 1974, will remain a red-letter day in the country's history. On that day Indian scientists successfully exploded an atomic device in Pokhran (Rajasthan). There was no harmful fall out from the explosion, which impressed scientists all over the world. The country was proud of this achievement of our scientists. The Prime Minister repeatedly reiterated that India would use nuclear power for peaceful purposes only and would never make the bomb. This decision was confirmed by the new Prime Minister, Rajiv Gandhi, while addressing the six-nation summit conference in Delhi in January 1985. Nuclear energy would be one of the future sources of energy to sustain our economy, and would make a very significant contribution to the country's progress.

PRIME MINISTER ADDRESSES INTUC MAY DAY RALLY

For the first time in the history of the country, a May Day rally was addressed by Prime Minister Indira Gandhi on May 1, 1973. The mammoth rally organized by the INTUC at Kanpur was attended by workers from all over Uttar Pradesh. It was also addressed by the Union Labour Minister, the Chief Minister of U.P., and the President and General Secretary of the INTUC. This in a way provided a fitting finale to the INTUC Silver Jubilee celebrations. The Prime Minister stressed

the need of abolishing poverty and inequality and for the courts to render justice with due consideration for the disabilities of weaker sections of society.

NATIONAL APEX BODY

On June 26, 1975, the President declared an internal emergency. Although there was no legal ban on them the incidence of strikes came down sharply and so did the number of man-days lost on account of strikes. The number of man-days lost on account of lockouts, however, did not show a decrease. On the contrary it increased. The INTUC was quick to point out to the Government how the emergency was taken advantage of by some employers who resorted to indiscriminate lockouts, lay-offs and even closures rendering thousands of workers unemployed.

The Government set up a bipartite national apex body to enable industry and labour to meet frequently, discuss problems affecting industry in general, monitor the state of industrial relations in the country as a whole and suggest necessary corrective measures in time. The National Apex Body in turn set up industrial bipartites for the major industries at the national level, so that problems relating to them could be resolved, productivity improved and dislocation avoided. Although called bipartites, the Union Labour Minister attended all the meetings, while sometimes representatives of the employing ministries as well as finance were also present.

The States were also asked to set up similar apex bodies. In certain states, these bodies were tripartite in character. Although the intention behind the setting up of such bipartites and tripartites was good, in practice they could not achieve much. The INTUC wrote to the Government that the bipartite committees were not able to deliver the goods and therefore there was little point in continuing them. These committees gradually lost momentum and came to an end with the coming to power of the Janata Government.

PAYMENT OF GRATUITY

Another important legislation enacted during the period

1971-1974 related to the payment of gratuity. The INTUC had suggested that following enactments on gratuity by the Governments of Kerala and West Bengal, the Central Government should not delay similar legislation so as to make the benefit of gratuity available to all workmen in the country. The Government accepted the suggestion and enacted the Payment of Gratuity Act, providing for 15 days pay (basic plus D.A.) for every completed year of service subject to a maximum of 20 months pay. There were, however, several defects in it such as the 240 days actual work in a year as a qualifying condition for gratuity. The eligibility salary/wage limit was fixed at Rs. 1,000 p.m. which was too low. The Act was therefore required rectification without delay. All trade unions took up these matters with the Government and put pressure on it to amend the Act.

The Government responded by amending the Act in the middle of 1984, in the first instance by raising the eligibility ceiling of wages/salary limit to Rs. 1,600 per month; and in the next instance by removing certain difficulties experienced in the implementation of the Act. Even so, labour was not fully satisfied by these amendments.

The definition of "continuous service" was modified to state that an employee working in an establishment which works for less than six days a week and who is not in uninterrupted service for one year, shall be deemed to be in continuous service for a period of one year if he has actually worked for 190 days in the preceding year and that for determining the continuous period of six months for payment of gratuity an employee should have completed half the number of days' actual work which constitutes "continuous service" for a whole year. This was a substantial reduction from the previous provision of 240 days of actual work in a year.

The Act provides that a shop or establishment once covered under it shall continue to be covered notwithstanding that the number of people employed therein at any time falls below 10. This provision is welcome as it would check any tendency among the employers to deliberately reduce the number of employees in order to escape their gratuity obligation.

Further, the Act provides that 15 days' pay should be paid as gratuity for every year of service. Dealing with a bunch of cases pertaining to payment of gratuity, the Supreme Court made it abundantly clear that the annual gratuity amount payable to a monthly-rated employee should be calculated after calculating that the monthly wages were earned in 26 days and not in 30 days. This would result in gratuity being worked out by dividing the monthly wages last drawn by 26 and multiplying the resultant figure by 15.

The court held that the total amount of gratuity payable to an employee should not exceed 20 months wages but in computing the permissible maximum of 20 months wages for payment of gratuity in a given case, the total amount must mean wages for 600 days taking a month to consist of 30 days, having regard to the separate and distinct objects of the relevant terms of section 4 of the Act.

The Supreme Court while dealing with the gratuity cases stated that the Government might consider the desirability of setting up a National Labour Commission entrusted with the task of making a periodical review of such social welfare legislation from time to time, and suggesting reform of the laws relating to industrial relations to bring them in tune with the changing needs of society. A National Commission on Labour was set up in the late 1960s under the Chairmanship of the former Chief Justice of India, P.B. Gajendragadkar. However even the unanimous recommendations of the Commission have so far remained unimplemented. How far another National Labour Commission will be useful is a moot point.

ORGANISATION OF RURAL WORKERS

The INTUC has long been conscious of the fact that the standard of living of the poorer people can be improved by raising the standard of living of the rural masses. The INTUC and some other trade union centres have been endeavouring to organize rural workers on trade union lines wherever possible. The necessity for such organization was keenly felt as the benefits of the Green Revolution went more to the 'haves' in the rural areas than to the 'havenots'. The INTUC sponsored a Rural Workers Federation. A founding conference

was held in Delhi on July 25, 1974, which was attended by representatives from all the States interested in rural work. The Indian National Rural Labour Federation was formed at that conference.

The Federation started organizing branches in all the States. Considering the immensity of the problem, the efforts made were meagre and therefore the results achieved were not much. But it must be realized that there is a great future for this organization of rural workers.

COMPULSORY DEPOSITS ORDINANCE, 1974

The rate of inflation had risen steeply in 1974. Even substantial wage increases were of no avail as the gains proved illusory. The remedy obviously lay in increasing production, ensuring an efficient distribution system, curbing black money and curtailing the volume of currency in circulation. Increasing production had to be attempted under such severe constraints as shortages of raw materials, power, coal and fuel oil.

The Government in an effort to slow down the pace of inflation and restrict expenditure came forward with an ordinance on July 6, 1974, requiring all employed persons to deposit compulsorily any wage increases after that date for a period of one year, repayable in five equal annual instalments from the end of the first year. The ordinance also required all employed persons to compulsorily deposit with the Government 50 per cent of the increases in D.A. The Government assured a return of 2 per cent over the bank rate on the amount so impounded. Income tax payers with an annual income of over Rs. 15,000 were also required to pay varying percentages of their incomes as compulsory deposit. Under the scheme, the impounded amount was to be refunded in five annual instalments. All sections of labour opposed this 'compulsory deposit scheme', and as a result of representations to the Finance Minister, were able to extract a promise from him that the scheme would not be extended beyond the two years originally fixed in the ordinance. Workers covered by the Minimum Wages Act were exempted from the scheme upon labour representation.

The Government justified impounding of labour's

additional earnings by the simultaneous promulgation of an ordinance limiting company dividends to 12 per cent for two years. At the end of the two-year period, however, the dividend limitation Act was allowed to expire, while the Compulsory Deposit Scheme was extended by one more year. This went against the assurance given by the Finance Minister and was also in disregard of the balancing Act. The working class was therefore very much agitated.

The INTUC demanded raising of the rate of P.F. to 10 per cent and extending the applicability of the Employees Provident Fund Act to all employed persons, exemption of wage-earners below Rs. 300 per month from the applicability of the Compulsory Deposit Scheme, drastic action against hoarders, profiteers, smugglers, black-marketeers and adulterators, enforcement of ceiling on urban incomes and profits, establishment of a network of fair-price shops all over the country for supply of essential items, imposition of a ceiling on profits, on dividends and other incomes, demonetization of higher denomination currencies, avoidance of wasteful expenditure at all levels by all establishments, including the Government. The Compulsory Deposit Scheme was opposed by all sections of labour, but the Government stood firm.

The Janata Party leaders had assured the workers on the eve of the March 1977 elections that if they came to power they would scrap the Compulsory Deposit Scheme. But once victorious, they too changed their mind. They too wanted to extend the Scheme which they did.

In the 1984 budget people above the age of 65 were exempted from the Scheme. It was totally abolished in the budget for the next year.

THE FIRST 20-POINT PROGRAMME

The Congress felt that improvement of people's lives was a duty of the Government. All plans and programmes of the Congress had been undertaken to strengthen the nation and to take it further on the path of self-reliance so that it could solve its old and new problems. In addition to general programmes of development, Indira Gandhi in 1975 announced a special programme to lighten the hardships of the various

groups. This was the first 20-point programme. Briefly, it envisaged:

1. Continuance of steps to bring down prices of essential commodities. Streamlining of production, procurement and distribution of essential commodities. Strict economy in Government expenditure.
2. Implementation of agricultural land ceilings and speedier distribution of surplus land and compilation of land records.
3. Stepping up of provision of house-sites for landless and weaker sections.
4. Abolition of bonded labour, wherever it exists.
5. Planned liquidation of rural indebtedness. Legislation for a moratorium on recovery of debts from landless labours, small farmers and artisans.
6. Review of laws on minimum agricultural wages.
7. Bringing under irrigation million more hectares. A national programme for use of underground water.
8. An accelerated power programme. Super-thermal stations to be brought under Central control.
9. A new development plan for the handloom sector.
10. Improvement in the quality and supply of cloth for the people.
11. Socialisation of urban and urbanisable land. Ceilings on ownership of vacant land and on the plinth area of new dwelling units.
12. Special squads for valuation of conspicuous construction and prevention to tax evasion. Summary trials and deterrent punishment to economic offenders.
13. Special legislation for confiscation of smugglers' properties.
14. Liberalisation of investment procedure. Action against misuse of import licences.
15. New schemes for workers' association in industry.
16. A national permit scheme for road transport.
17. Income-tax relief for the middle-classes. Exemption limit to be raised to Rs. 8,000.
18. Provision of essential commodities at controlled prices to students in hostels.

19. Provision of books and stationery at controlled prices.
20. A new apprenticeship scheme to enlarge employment and training, specially of weaker sections.

Many of these programmes have been accomplished. Legislation for the abolition of bonded labour was adopted in 1976.

MEASURES AGAINST SMUGGLERS, BLACK MARKETEERS

Labour's suggestions to the Government for imposition of restrictions on other sections of society had some effect. It brought forward an ordinance limiting dividends to 12 per cent. Another ordinance required self-employed persons/income-tax payers to compulsorily deposit a part of their earnings. Efforts were intensified to deal with smugglers under the M.I.S.A. The provisions of the Act were also applied to hoarders, profiteers, adulterers and black-marketeers. The machinery to arrest tax evasion was strengthened. However, smuggling operations which slowed down temporarily again began to be intensified after sometime.

CLOSURES

A further amendment to the Industrial Disputes Act in 1972 required an employer who intended to close down his undertaking to give at least 60 days' notice mentioning clearly the reasons for the closure. This was a welcome measure from the labour viewpoint. It was thought that it would act as a deterrent to indiscriminate closures and *mala fide* closures with a view to victimizing workmen. It would also give the Government an opportunity to avert closures wherever possible.

Despite these measures there was an increasing incidence of closures in the textile, jute and engineering industries. Labour wanted all the closed units to be taken over by the Government. The Government acceded to this demand to some extent while explaining that taking over could not be considered a remedy in all cases of closure.

INTERNATIONAL RELATIONS

Labour wholeheartedly supported the stand of the

Government of India on the question of a nuclear non-proliferation treaty. There is little point in the super powers pressurizing India alone to give up its nuclear projects, while they themselves continue to stockpile nuclear weapons. The suggestion of our Prime Minister that the nuclear powers must set an example by destroying their existing nuclear stockpiles in a manner that would not upset the world ecological balance before asking others to make the world free from nuclear weapons is sound. Even so, Indian Governments, past and present, have unequivocally declared that they will use nuclear power only for constructive purposes.

The INTUC for the first time sent an official delegation to the USSR in May 1976, led by its General Secretary, G. Ramanujam. It was paying a return visit to the USSR wherefrom a trade union delegation had come to India in January-February 1976. A joint declaration was issued at the end of the visit of the delegation.*

The AFL-CIO (USA) came out of the ICFTU in February 1969 complaining that the latter was moving away from its original objectives. After that the INTUC's contacts with the AFL-CIO were limited to conferences and committees under the auspices of the International Labour Organisation. The result was that the INTUC's contacts with the AFL-CIO became few and far between. After some time the USA went out of the ILO also, making the chances of such contacts rare.

The British TUC and German DGB continued to have periodical contacts with the INTUC and other trade union centres. In Asia the INTUC consolidated and improved its relations with the DOMEI (Japan), SOHYO (Japan), SNTUC (Singapore), MTUC (Malaysia) and CWC (Sri Lanka).

The AITUC maintained its international contacts with the WFTU and Communist countries as usual. In pursuance of a resolution adopted by the International Labour Organization at its 59th session held at Geneva in June 1974, the ILO convened a Tripartite World Conference on Employment, Income Distribution and Social Progress and the International Division of Labour, at Geneva from June 4 to 19, 1976. Except for

the usual resolutions, speeches, documents and fanfare, nothing came out of this conference.

RELEVANCE OF GANDHI IN PUBLIC LIFE

Corruption had become rampant in almost all departments of the nation's activities. It had become so widespread that nobody could accuse anyone else. Resort to shortcuts to riches in politics, commerce, trade, industry, service and administration, appeared to have become a way of life. It seemed the people's conscience had become deadened to such an extent that they ceased to be shocked at instances of corruption. Society had lost its soul and a soulless society could not hope to live long, and even if it lived long it could not be a meaningful existence.

All this had happened because the country had ignored Gandhiji's advice. No doubt, people took his name now and then to lend weight to the ideas they wanted to put across. In fact, they paid no heed to Gandhiji and his teachings. Gandhiji had laid great emphasis on the purity of means. To him, the end does not justify the means. The means themselves must be pure even as the objectives were good.

It was becoming exceedingly difficult for an honest man to continue to be honest. Truth was fast ceasing to be legal tender in society. Such a society was bound to decay and rot. Indeed, moral decay seemed to have already set in. The country had only the outer forms of democracy without its inner essence. It was, therefore, necessary to recapture Gandhian values, not by lecturing about them, or by holding seminars, symposia and workshops on the subject, but by practising them. The leadership had a great responsibility in this regard. It had to set an example by its conduct in day-to-day life.

The prevailing culture seemed to be one of praising the person and ignoring his principles. People were prepared to put up any number of statues of Gandhiji, name any number of roads, centres and cities after him, but when it came to following his principles, they lost all their enthusiasm and acted in a contrary way. Some of them even went to the extent of saying that Gandhiji's teachings were impracticable and had therefore become irrelevant.

The future of India lay not merely in the building of dams and other ambitious projects for her development; it greatly depended upon the people, their character, their sense of discipline, honesty, spirit of service, tolerance, and sacrifice. Indeed, these should get priority and the only way the country could progress in this direction was to make the Gandhian teachings not merely relevant on the academic scene but also a guide to regulate our thoughts and actions.

PRIOR PERMISSION FOR LAY-OFF

The bipartite committees were devalued by the Government after some time in that it did not even care to consult the National Bipartite on important steps like issuing of the ordinance to amend the Bonus Act, introduction of the Compulsory Deposit Scheme, etc. and even on evolving of the scheme for labour participation in management.

The Government also failed to take effective measures to prevent lockouts which were increasing in numbers. As regards layoffs, the Government came forward with an ordinance requiring employers to take its prior permission before laying off workmen. But this also was not found in practice and layoffs continued as before. In spite of all this it should be said to the credit of the working class that it cooperated with the Government and reduced the number of man-days lost in strikes in 1976.

With the coming to power of the Janata Party the bipartite committees ceased to meet.

THE 1977 ELECTIONS

For the first time since independence, the country had a non-Congress Government at the Centre following the elections to Parliament in March 1977. Jayaprakash Narayan who claimed that he was a non-political person—a mere Sarvodaya worker—made a major contribution to this political change. The Janata Party headed by Morarji Desai as Prime Minister took over the Government. Subsequent elections to the State Assemblies brought non-Congress Governments to power in some of the States. Not all the parties in power in the States subscribed to the same political ideology as the party

at the Centre or as between themselves. Indeed, in States like Maharashtra and Assam no single party secured an absolute majority. In Karnataka and Andhra Pradesh Congress (I) continued to maintain its hold. The party in power at the Centre was itself a combination of several minor parties, which had nothing positive in common, brought together as they were by negative compulsions, and were riddled with internal feuds. The leaders of the party in power, whether in the party or in the Government, were preoccupied with their own personal problems so much so that the people's problems continued to be neglected—problems which had grown in size and severity.

WAGES, PRICES AND INCOMES POLICY

A national wages, prices and incomes policy was considered a necessity though no effective steps were taken to evolve it. There were attempts to equate the evolution of such a policy with a wage freeze. But responsible spokesmen of the Government clarified that they did not aim at any wage freeze.

It would have been a very difficult exercise to evolve a national policy on wages, prices and incomes, particularly in the context of uneven development of wages and industries. The situation in these fields was bordering on anarchy, and that was why a rational policy on these matters was all the greater. In order that unjustified disparities in wages were reduced to a minimum and some orderly progress in the standards of living of wage earners ensured, it might have been desirable to have a permanent National Wage Commission, which could be a tripartite body. This might be able to ensure that agreements and awards on wages in individual units and industries became final only after securing the clearance of the Commission. The Commission's functions could be both supervisory and correctional so that unjustified disparities in wages of workmen, demonstrably for the same kind of work, were gradually reduced, and further inter-occupational differentials rationalized in a manner consistent with the socialist objectives of the country. Similarly, a National Prices Commission and a National Incomes Commission could be set up with both supervisory

and correctional roles in respect of prices and incomes. There should be no increase in the price of essential commodities unless approved by the Prices Commission. The Incomes Commission would regulate, control and correct income disparities through appropriate action. These could form integral parts of a national economic policy to be evolved after a close look at economic realities and projections.

The INTUC had suggested that attempts should be made to evolve an economic policy which would also include, among other things, the following aspects:

- i. Limiting of profits and dividends;
- ii. Ceiling on urban and rural holdings and incomes;
- iii. Demonetization of higher denomination currencies;
- iv. Strict action against smugglers, hoarders, adulterers and profiteers;
- v. Selective tightening of credit policy with a view to discouraging hoarding, speculation, blackmarketing etc.;
- vi. Spelling out a National Minimum Wage;
- vii. Reducing disparities in wages and incomes;
- viii. Stabilising prices through subsidized fair price shops; and;
- ix. A Standing National Wage Commission whose approval should be mandatory of all wage settlements and awards before implementation to arrest widening of unjust disparities.

BHOOTHALINGAM COMMITTEE

The Janata Party Government at the Centre set up a 'study group' to recommend a national policy on wages, prices and incomes under the chairmanship of Mr. Bhoothalingam. The study group suffered from some inherited defects. It was appointed by the Bureau of Public Enterprises which was concerned only with public sector industrial undertakings. If its report was to have a wide-ranging national coverage, the study group should have been set up by either the Economic Affairs Department of the Reserve Bank or the Planning Commission. The composition of the study group was also unsatisfactory; its terms of reference were neither

appropriate nor adequate; and the time allowed to it was wholly inadequate to deal with such a complex issue.

The Government swore by participative management, on the one hand, and set up a committee to evolve a 'National Policy on Wages, Incomes and Prices' without effective representation of labour on it, on the other. The INTUC, which was and still is the major trade union centre in the country, was not included in the committee for political reasons. All the trade unions led by the INTUC decided to boycott the committee as they were convinced that its recommendations were going to be scrappy, lacking in depth, casual, imbalanced, anti-labour, unrealistic and unworkable.

The study group admitted in its report that:

"A study of this complex nature, if it is to be carried out in sufficient depth, might take up to a couple of years. We were asked to complete our work and make our recommendations within six months... We have, therefore, interpreted our terms of reference to mean that what is expected of us is to complete as much of the assignment as possible during the six months. We have tried to do just that."

This means that the study group could not do justice to the subject and whatever it offered was half-baked.

It was widely believed that the Bhoothalingam Committee was a device to make the Study Group negate the deferred wage concept of bonus. It was feared that the Committee would only play a command performance. Labour's fears were proved correct and its stand of boycotting it was vindicated by subsequent events.

The workmen also feared that the Bhoothalingam Committee might be used as a tool to deny bonus to railwaymen and others and thus save the present leadership in the Government from the awkward position it had landed itself in. This is exactly what happened. The Bhoothalingam Committee said that bonus should not be extended to the railwaymen, P&T and defence undertakings, etc.

Yet another unacceptable recommendation of the Committee was that bonus should be substituted by a pension system, in due course. It must have been obvious to the Committee that bonus was required to meet deficits in the

workers' annual family budgets. To refuse such a payment annually and not to offer it till the time of a worker's retirement appeared to be a recommendation more to oblige the Government than to provide an answer to the difficulties of the situation. Any attempt to implement such a recommendation would have led to a countrywide agitation, resulting in serious dislocation in production and services. The Committee's recommendations were ignored by all, including the Government which had appointed it.

WAGE FREEZE ?

The committee took pride in saying that it had not recommended a wage freeze. But this was exactly what it did. By recommending the miserably low figure of Rs. 100 as a national minimum wage, employers who might be paying more—and all employers were paying much more than this—would refuse to agree to any wage increase hereafter, saying they were already paying more than the national minimum, and this would surely operate as a freeze. The Committee's recommendation in this regard also deserved to be rejected.

The recommendation for a single, national D.A. formula to compensate for rises in the cost of living would result in reducing the existing D.A. or freezing that of the employees who were either getting Rs. 1. 30 or more per point of the 1960 series of the Consumer Price Index. This recommendation was unworkable. It was well known that a large number of industrial employees in both the private and public sectors were getting D.A. at Rs. 1.30 per point or more on the 1960 index. These D.A. agreements had expired and were under revision. At that time, the Committee had recommended that the D.A. should be around Rs. 1.30 per point and this was definitely an attempt to freeze the D.A. The committee's claim that it had not recommended a wage freeze was therefore untenable.

NATIONAL MINIMUM WAGE

The committee fixed Rs. 100 as the national minimum wage. There was no basis for arriving at such a miserably low amount. The committee had toyed with the idea of fixing

Rs. 150 as the minimum wage at one time. To attempt a national minimum straightaway in a country of India's dimensions and diverse conditions would be impracticable. Labour was of the view that a beginning must be made with a 'sectoral minimum' and a 'regional minimum' which might ultimately pave the way for a 'national minimum'. In the absence of a regional minimum industries like cashew and bidi manufacturing were migrating from one state to another. Therefore, the method adopted by the Bhoothalingam Committee was impracticable. It must be remembered that at the 15th tripartite held in the year 1957, there was a unanimous agreement on the content of a need-based minimum wage. There was no justification for the Committee to go back on it and offer something very low and unrelated to the realities of life.

RAILWAYMEN AND BONUS

The INTUC was the first to take up the demand for bonus for railwaymen and campaign for it. The Janata Party and its constituent unions, when in the opposition, had supported the railwaymen's strike on the bonus issue. But after coming to power they began to talk about the need for a national debate on the subject. If a national debate on bonus for railwaymen was a prerequisite, why did they not debate the issue before making the demand forcing the strike on the railwaymen when they were in the opposition? The suggestion for a national debate appeared to be an after-thought and escapist tactics.

It was stated by the Janata Party Government that the railwaymen's bonus claim should await the evolution of a national wages, incomes and prices policy! If this was a prerequisite for deciding whether the railwaymen should be given bonus or not, according to the Janata Party Government, why did they force the railwaymen to go on strike on the bonus issue when they were in the opposition? Politics of double standards came into play and the railwaymen stood disillusioned. Later when the Congress Party came back to power in the 1980s, the demand for bonus for railwaymen based on productivity was conceded. Their right to bonus was later extended to other departmental industrial undertakings,

such as Posts and Telegraphs and defence production units. Even Government servants were given fourteen days bonus pending the evolution of a suitable formula for them.

INCOME DISPARITIES

While so much of injustice had been done in regard to the wages of workers by it the Bhoothalingam Committee recommended that there should be no ceiling on incomes. This was strange. The Committee should have first addressed itself in all seriousness to the problem of evolving a national policy on incomes.

The country's economy was in such a state that the Government did not know the true income of many people in the country. The Committee should have recommended measures to arrive at correct incomes of various classes of people and discipline them so as to make them fall in line with the national policy. Its recommendation that, instead of a ceiling on incomes, there should be a ceiling on expenditure was, to say the least, like "letting go the leash and hanging by the tail". There should be not only a ceiling on incomes but also effective ceilings on urban and rural holdings if economic justice for the millions of the under-privileged in this country is to be ensured. The longer the delay in this matter the faster the country's march towards anarchy.

PRO-CAPITALIST TILT

It was surprising that the study group should have recommended that company dividends should form not a percentage of paid-up share capital, but a percentage of equity capital and reserves, on the ground that the latter represented the investment of the shareholders. It had forgotten that so long as the living wage had not been paid, profits contained, at least ethically, part of the unpaid wages, and it is out of such profits that reserves had been created. Just as profits were the results of the joint endeavour of labour and capital so too were the reserves. The study group's recommendations showed a glaring tilt in favour of the 'haves'.

PRICES

The study group had also recommended nothing worthwhile about prices. It put a strange interpretation to the demand for stabilization of prices. Beyond repeating the Government's own oft-repeated statements that the public distribution system had to be strengthened, and buffer stocks should be created, the group had done nothing to lay down a national prices policy. Indeed, the problem of prices had been defying the Government all along. The Government had not been able to discipline the trade and, therefore, the group found that incomes and prices were beyond its power to tackle. It had therefore come down heavily on wages, much to the detriment of the working class who contribute to increasing the wealth of the nation.

In short, the study group's report on incomes, prices and wages was scrappy, lacking in depth, anti-labour, one-sided, unrealistic and unworkable and, therefore labour wanted it to be scrapped. Understandably the Government shelved the report and nothing more was heard of it afterwards.

COMPREHENSIVE INDUSTRIAL RELATION LAW

For several years, the Government had been promising to bring forward a comprehensive industrial relations bill. The recommendations of the National Commission on Labour—past and present—had been put in cold storage by it. The Government is yet to come forward with a reasonable explanation why it failed to act on even the unanimous recommendations of the National Commission.

The Janata Party Government in the name of broadbasd consultations with trade unions took the politically motivated step of inviting all and sundry, for talks thereby perpetuating the fragmentation of trade unions and denying the democratic right of the largest trade union centre in the country. The Government had started recognizing trade union centres which had only one per cent or even less of the organized labour force in the country as their members. The INTUC as the largest organization of the working class in the country, was entitled to a premier position. But it was treated on a par with other trade union centres with a membership of one lakh

and less out of political considerations. As usual, the smaller the trade union centre, the noisier it was for it had nothing to lose.

The Janata Party Government began with making grand statements that it would not favour any particular trade union centre. But in practice, it denied the rights due to the largest trade union organisation—INTUC—and started distributing favours to and spoon feeding the smaller organizations, because they stood by it politically.

A 30-member committee on Industrial Relations on which ten central trade union organizations including the INTUC were represented, each by one member, was set up. Of these central organizations, some were nominal bodies hardly qualified for consultative status even at the state and industry level, much less at the national level. The committee was chaired by Ravindra Verma, the then Union Labour Minister. It ended up with disagreements on many points. If the Government wanted labour to disagree among themselves, they could not have hit on a better plan. Far from promoting unity among labour, such moves only promoted disunity and frustration.

Surprisingly the Government itself came forward before the committee with a proposal for an *ipso facto* union, which most representatives understood as a Government union. The proposal was so unacceptable and unworkable that even the ten organizations which usually did not agree among themselves unanimously decided to throw it out.

There was considerable discussion once again on whether a union should be recognized on the basis of verified membership or secret ballot and as usual there was no agreement.

There was a proposal, as part of the proposed comprehensive legislation, to repeal the State laws governing industrial relations, such as the Bombay Industrial Relations Act, which had stood the test of time and had proved an effective instrument in promoting healthy industrial relations and strong, responsible trade unions. The INTUC opposed the suggestion.

The proposed bill on industrial relations was called comprehensive simply because it tried to merge the Trade Unions Act, the Standing Orders Act and the Industrial Disputes Act

into a single legislation. What was needed was not simply a merged Bill, but a radically different legislation. The INTUC suggested that all employed persons, whether in industry or elsewhere, whether they came under the definition of workmen or not, should be enabled to get statutory protection. Indeed the proposed law should be comprehensive enough to cover all employed persons.

Three bills on industrial relations were introduced in Parliament towards the end of August 1978 and referred to a Select Committee of both the Houses of Parliament.

It must, however, be remembered that it is not so much the absence of a law that has been responsible for the unsatisfactory state of industrial relations as the absence of the necessary will on the part of the concerned parties and the absence of an appropriate climate for healthy industrial relations. Therefore, more than amending the law, efforts should have been made to create a climate for better industrial relations and promote a desire for mutual cooperation in the interests of the workmen, industry and the country. But no efforts in this direction were made by the Government. No wonder the bill died a natural death.

LABOUR AS EQUITY SHAREHOLDERS

The Janata Party Government had set up a committee to recommend amendments to company law and the MRTP Act. A suggestion was put forward by some quarters that in order to make labour identify itself more intimately with the undertakings in which they were employed, it should be required to contribute to the equity share capital of the undertakings. It was argued this would make the participation of labour in industry more real. The INTUC opposed the proposal, convinced that labour was already a partner in industry by virtue of its contributing labour. It should not, therefore, be called upon to contribute to the equity capital in order to become a partner. Moreover, the wage levels in many industries had not yet reached the need-based minimum of the fair wage, with the result that labour was often heavily indebted and had no savings. The compulsory savings on account of PF were a big contribution by labour to the national

development projects. As already suggested the contributory rate might be increased to 10 per cent to augment resources for these projects. But it would be unrealistic to expect labour to make available funds for investment in the equity capital of companies on a compulsory basis. The other trade union centres followed more or less the same line of argument.

The proposal would create several other difficulties. If such contributions to equity capital were made compulsory, labour was bound to resist such a move. If made optional, labour would not make any contributions. Assuming that labour voluntarily contributed to equity capital, the labour-shareholders' rights would often come into conflict with those of the other shareholders. In a losing company, labour would be doubly victimized once as labour and again as shareholder. In a prosperous company, the company itself might not be needing this kind of investment, viewing labour shareholders as a nuisance.

In some Western countries, participative management was being attempted without labour contributing to the share capital by giving an equal number of seats to it on the boards of management. The INTUC recommended a similar type of participative management which gave labour an equal status at all decision-making levels, including representation on boards of directors of all companies, whether public, private or joint sector. Trade union centres like the CITU ridiculed the whole philosophy of participative management. They said they were totally against this capitalist system and would not cooperate with it in any manner. The CITU's stand in respect of application of the scheme to public sector undertakings was not helpful either, for it followed the same approach to the public sector as it did towards the private sector. The other central trade unions gave verbal support to the scheme but appeared to be not really very serious about it.

The Sachar Committee set up by the Janata Party Government to go into the working of the Companies Act recommended, among other changes of a far-reaching character—representation for labour on boards of directors of companies—in both the private and the public sectors. The recommendation was not implemented, evidently because neither

labour, nor management were mentally reconciled to the idea of patchwork partnership.

PARTICIPATIVE MANAGEMENT

The Janata Government nevertheless talked about more effective implementation of the scheme of labour participation in management. This scheme was given some importance by the Congress Government in 1975-76. Impressive statistics were produced to show that the scheme had been introduced in hundreds of industrial units in the country. The INTUC pointed out that these statistics were unreliable, and that meaningful labour participation in management could not be achieved by a mere resolution of the Government.

Labour participation in management is possible only when both parties accept the philosophy behind it and industrial relations are built upon this foundation. Industry will be blowing hot and cold if, on the one hand it bemoans frequent gheraos, work to rule, go-slow, strikes, lockouts, closures, and even violence, and, on the other, waxes eloquent about labour participation in management.

The Janata Party Government set up another unwieldy Committee on Participative Management. This Committee submitted its report after much deliberation. But the Government did nothing about it. Indeed, it never saw the light of day. Unless the attitudes changed, a new climate was created, and the Government for its part played a positive role, the whole scheme would end up as a non-starter. But by recognizing ten central trade union organizations and thus contributing to the fragmentation of trade unions, the Government fomented disunity among labour, which was not conducive to the creation of a climate for participative management.

Quite apart from the problems on the labour front there was need for a great change in the attitude of management if participative management was to become a reality. Most managements were not prepared to share even information with their workmen. Considerable ground had to be covered by managements and their organizations in both the private and public sectors, before one could expect meaningful participative management in industry.

SICKNESS IN INDUSTRIES

The number of medium and large-scale units (those enjoying credit limits of Rs. 1. crore and above from commercial banks) that had reported sick stood at 241 at the end of December 1976. It had increased to 344 by the end of December 1978. The total bank credits outstanding against these units increased from Rs. 608.75 crore at the end of December 1976 to Rs. 1,060.75 crore at the end of December 1979.*

The increase in credit outstanding between these dates did not represent additional credit extended to the sick units. Most of it represented the credit outstanding against the additional 103 units which were classified as sick. Most of the sick units belonged to the engineering, cotton, textiles, jute textiles and sugar industries.

Labour was the immediate, indeed the first, victim of industrial sickness. Unfortunately its voice was feeble and seldom heard by those in power either to avert the sickness or to rehabilitate the sick units. The Government tried to nurse the sick units which were financially viable through a programme of financial assistance for modernization and recovery, but the managements responsible for making the industry sick were not dealt with firmly enough. If mismanagement or inefficient management had been responsible for the units falling sick, no systematic effort was made to provide efficient management free from corruption.

The directors appointed by the financing institutions on the boards of directors of these companies appeared to be mere figureheads. Guidelines should have been issued to these directors, so that units likely to fall sick could be prevented from falling sick, and units already sick could be subjected to disciplined and efficient functioning to enable them to recover from sickness as quickly as possible. This required the fullest cooperation of labour; and labour cooperation could be secured only if it were taken into confidence and allowed to share the responsibility of decision-making in the matter of both prevention and cure of the sickness. As this did not

*Reserve Bank Report

happen, more and more units continued to fall sick.

IDENTIFYING COLLECTIVE BARGAINING AGENT

Collective bargaining has a pivotal role in industrial relations, but it can succeed only where labour has a strong, responsible collective bargaining agent to act on its behalf and the employer is enlightened—a rare happening. In the context of multiplicity of trade unions it was becoming increasingly difficult for labour to be represented through a single bargaining agent—whether on the basis of verified membership, the results of a check-off system or a secret ballot. How to choose a bargaining agent remained an unending controversy. Even assuming that a satisfactory means of identifying the collective bargaining agent could be found, the problem would not end there. Healthy industrial relations are possible only if trade unions adopt a common code of conduct. Where a single bargaining agent would not be able to deliver the goods, a collective bargaining council of trade unions, with representation for its constituent unions having a particular minimum strength in proportion to their strength, could be thought of. This was one of ideas put forward by some trade unions, but it did not make any headway.

A collective bargaining scheme must have a built in provision for arbitration so that wherever disputes cannot be settled by collective bargaining, a sort of automatic arbitration by a board should become available. Such a process would help to decide industrial disputes fairly, promptly and finally. Where, however, arbitration is not available, it should be open to the workers to resort to strike and the employers to declare a lock-out. The workers should be free to go on strike if they so desire wherever arbitration is refused. Adjudication had become a cumbersome process, riddled with writs and appeals, and had lost its appeal to labour long ago. Labour felt that it should reject adjudication in favour of quick-yielding alternatives, some of which earned it a bad name.

“INDUSTRY”—EXPANDED DEFINITION

An important decision was handed down by the Supreme Court in February in 1978 on the scope and meaning of the

'industry' occurring in Section 2(j) of the Industrial Disputes Act. The judgement said:

"A systematic activity organized by cooperation between employers and employees and for the production and/or distribution of goods and services calculated to satisfy human wants and wishes *prima facie* means 'industry' under the Act.

"Sovereign functions, strictly understood, alone qualify for exemption, not the welfare activities or economic adventures undertaken by the Government or statutory bodies.

"Even in departments discharging sovereign functions, if there were units which were industries and they were substantially serviceable then they could be considered to come within the word 'industry' in Section 2(j).

"The absence of profit motive or gainful objective is irrelevant, be the venture in the public, joint, private or other sector."

The judgement is a landmark in the history of industrial relations, overriding as it does its earlier judgement which gave a restricted meaning to the term 'industry'. The new definition should be kept in view by the Government while finalizing its new laws on industrial relations.

Another important decision of the Supreme Court related to the striking down of the Act which nullified the LIC bonus agreement. The Court upheld the sanctity of bipartite agreements and was widely welcomed by the working class.

UNEMPLOYMENT

The unemployed, particularly the educated unemployed, continued to grow rapidly in numbers. They have been demanding immediate gainful employment after passing out of schools and colleges. Unless we meet this increasing demand for employment by increasing employment opportunities, our economic and social policies will mean nothing to them.

Even in trade union offices, members were invariably accompanied by their younger brothers, brothers-in-law, sons

or daughters, and they sought the unions' help in securing employment for their dependents, rather than in getting wage increases for themselves. But what could the poor unions do?

It is true that unless there is some check on our population growth, it would not be possible to tackle the problem of unemployment effectively. Family planning schemes must be pursued vigorously. Birth control programmes should be carried out completely on a voluntary basis, after carrying conviction to the people concerned through a process of education.

It must, however, be remembered that people who would be demanding employment in the next, say twenty years, are already born and, therefore, it would not avail to take shelter under the slow pace of the family planning programme for not being able to solve the unemployment problem. Even if the family planning programme succeeds fully—as indeed it must—its effect on the employment situation will be felt only after 18 or 20 years.

Rural unemployment and under-employment were no less severe than urban unemployment. Morarji Desai as Prime Minister asked for a ten-year period to tackle the problem of unemployment. But what was the guarantee that he would be Prime Minister for ten years. His own 'unemployment' would overtake his plan for solving unemployment of others, as indeed it happened. Moreover, people are not going to wait for ten years or believe that at the end of this period the problem would stand solved, or that the same Government would be there to answer for its failure. This was a leisurely approach to a burning problem. It is necessary that the planners should realize the gravity of the situation and act on a war-footing to meet it.

WORKERS' DELEGATION TO ILO

Ever since its inception, the INTUC has had the democratic right and responsibility to represent the Indian working class as a delegate, assisted by its own advisers, at the ILO annual conference. This right was conferred upon it not by any condescending act of political patronage by the party in

power. The INTUC, by virtue of it being the most representative working class organization in the country, gained it under the constitution of the ILO.

Even though the INTUC could have continued to insist on having the right of sole representation of Indian working class at the ILO, it had been accommodative enough to voluntarily allow representative from other trade union centres to be included in the workers' group as advisers on three or four occasions. However the nominee of the INTUC always acted as the delegate to the ILO sessions by virtue of its premier position among the trade union centres in the country. Any composite delegation in any particular year was on the basis of voluntary accommodation by the INTUC. The minority trade union centres did not have any right as such. In some years composite delegations were sent by the INTUC, but there were years subsequently when the entire delegation was composed of only the INTUC.

After the parliamentary election in early 1977 and the Janata Party's coming to power, there were loud protestations by the ministers that they would respect the legitimate rights of the trade unions, and that they would not show political favouritism to any particular trade union centre on the grounds of its being a part of or close to the party in power. IN 1977 and 1978, that is after the Janata Party came to power, the Indian workers' delegation to the ILO was led by the INTUC in recognition of its status as the most representative organization of the country. For the first time, for the 1979 June conference of the ILO, the Government unjustly denied its right of representation as delegate to the INTUC, even though it had acknowledged that it continued to be the most representative organization. The denial of this right to the INTUC was most unfair, unjust and undemocratic.

In the middle of 1978, the Labbour Ministry wanted the national centres to submit their membership claims for its scrutiny so that they could be assessed for representation on various committees and conferences. The INTUC submitted its claim of a membership of 33,72,375 within the prescribed time-limit. Neither the AITUC nor the HMS submitted their claims. The INTUC had given copies of the details of its claim to the rival trade union centres, but none of them

challenged it. Extension of time for submission of claim was given to the defaulting centres by the Government as an act of patronage. But none of them filed their claims.

According to the figures furnished by the Registrars of the trade unions under the Janata Party Government, which cannot be accused of being partial to the INTUC, its membership was easily the largest: 23.83 lakhs as on December 31, 1977. The AITUC came second with a membership of 13.07 lakhs, a million less than the INTUC's. The HMS, with which the HMP was reported to have merged, had claimed a membership of 10.73 lakhs and came a poor third. It was interesting to note that several HMS unions in the States of Tamilnadu, West Bengal and U.P. had opposed the merger and they either walked out of the HMS or were on the point of doing so and therefore even the 10 lakh membership claim staked by the HMS could not hold water.

The Government of India had invited the HMS to nominate the workers' delegate to the ILO conference as a blatant act of patronage because George Fernandes, who was a Minister in the Janata Party Government was leading the HMS from behind the scenes.

The contention that the non-INTUC unions commanded a majority and the HMS was the nominee of the majority was also invalid as the AITUC, which was the second largest centre, had also boycotted the delegation, thus making the HMS nominee a choice of the minority and so untenable. The Government stood thoroughly exposed.

The denial of the legitimate right of the INTUC to nominate a delegate smacked of victimization for political reasons. The Government's decision provided a classic example of crude political favouritism to an organization which had a membership less than half of the INTUC's. Similarly, denial of the INTUC's right to nominate the delegates had political motives. The INTUC, therefore, unanimously decided to condemn this unfair action of the Government and filed an appeal before the Credentials Committee of the ILO in Geneva, challenging the credentials of the Indian workers' delegate to its conference.

INTERNATIONAL CHILDREN'S YEAR

The United Nations declared the year 1979 as International Children's Year. The Government of India had not formulated any specific measures to stop or minimize exploitation of child labour in India. In view of the fact that India has the largest number of child labour in the world, the Government should have taken suitable short-term and long-term welfare programmes for child labour in cooperation with trade union organizations as part of the observance of the International Year of the Child.

This problem however started receiving greater attention in the 1980s when a serious accident took place in Sivakasi, a matches manufacturing centre, in which several children died in a flash flood while being taken for work in a truck.

Child labour in India is employed in the matches industry, beedi industry, handlooms, carpet-weaving and small shops and hotels. Legislation alone cannot solve this problem. It requires education of employees as well as parents of the children.

POLITICS OF NEGATIVISM

The various political combinations and electoral adjustments witnessed in recent times had shown that principles did not matter. Indeed, principles, found rather inconvenient, were given the go-bye. All kinds of alliances were entered into sacrificing principles. Many of these combinations and adjustments were guided by negative considerations. Thus the politics of negativism had come to play an increasing role, and it should be obvious that negative combinations could not take the country forward.

The ruling Janata Party at the Centre was not able to speak with one voice, and this was an indication that unity of purpose, plans, policies and programmes was evading the ruling party. On the contrary, allegations and counter-allegations of a serious nature were continuously hurled back and forth, so that the people became disgusted and disillusioned.

The Congress became the main opposition for the first

time. It too was split, though the chances of its reunification were not so dim.

Indeed, the nation was at the cross-roads in its history. It was time for all thinking sections of the population to do some bold and honest introspection. A correct diagnosis of the malady the nation was suffering from had to be found and radical remedies prescribed for improving the economic health of the country and the moral standard of its people, and for ensuring the stability and essence of its democratic system. Thinking of trade unions cannot be confined to the bread and butter problem alone. It should take in its sweep the entire gamut of national activities—political, economic, social and cultural.

ECONOMIC SCENE, 1979-80

According to the Economic Survey of 1979-80 published by the Government of India, there was a sharp deterioration in the performance of the industrial sector in that year. The index for April/February 1979-80 showed a decline of 0.8 per cent over the same period in the previous year. The most important reason for the fall in the rate of growth was the unsatisfactory performance of the infrastructure.

There was an acute shortage of power with severe power cuts in many parts of the country. The failure of the monsoon had led to a decline in hydel generation. The demand for power was rising considerably due to the normal growth in demand and drought in the agricultural sector. Coal production remained almost stagnant and the problem of non-availability became more acute by the inability of the Railways to move sufficient quantities of coal. Shortage of inputs, such as coal and power, led to a decline in production a number of key industries, such as steel, transport, and cement. The drought adversely affected production in agro-based industries, such as sugar and tea. Extensive floods in U.P., Assam and Bihar contributed to the difficulties.

The performance of public sector units in 1979-80 showed a marked deterioration over the previous year. Production in public sector enterprises in the first ten months of 1979-80 was anticipated to be 0.5 per cent lower than that in the

corresponding year—1978-79. Petroleum, coal, chemicals, pharmaceuticals and transport equipment industries showed positive rates of growth, whereas steel, heavy engineering, medium and light engineering, minerals and metals fared badly. In metallurgical industries, shortage of power was an important factor responsible for their poor performance.

The performance of the power sector deteriorated sharply. Hydel generation of electricity declined by 2.2 per cent in April/February, 1979-80 compared to the same period of the previous year. The performance of the thermal sector, however, was slightly better than in the previous year, but it was not enough to offset the decline in hydel generation and to meet the expanding demand.

While the total power generated in the full year increased by only 2 per cent, the demand for power rose sharply particularly because of the increased demand from agriculture.

The gap between coal availability and demand in electricity rose to 16.1 per cent in 1979-80. The worsening of the power supply position was stated to be not because of lack of installed capacity. Thermal capacity had grown by 12.1 per cent per year during the last few years. But the actual power generated increased on an average by a rate of only 7.9. The percentage of installed thermal capacity utilized as measured by plant load factor declined from 51.5 per cent in 1977-78 to 45 per cent in 1979-80. The thermal section had been experiencing plant operation problems with limited effective utilization of installed capacity.

Labour demanded a Tripartite Task Force to go into the working of electricity generation plants, both hydel and thermal, as well as their distribution and management.

Transport also became a severe constraint during 1979-80 because the performance of the Railways fell below expectations. The Railways' performance had been unsatisfactory during the preceding three years also. In terms of tonnes of originating revenue earning traffic, the Railways had reached a peak of 212.6 million tonnes in 1976-77. Their performance had been declining since then. In 1977-78 it was 210.8 million tonnes and in 1978-79 199.6 million tonnes. 1979-80 showed a further decline of 3.3 per cent over the previous year.

Thus the shortfall in performance in the infrastructural

sectors had an adverse impact on the economy. Low production and high prices continued to be its features.

The performance of the private sector was worse, viewed from the stand point of self-generating growth. According to a member of the Planning Commission, "Despite favourable factors, private sector companies failed to register an adequate rate of growth mainly because they enjoyed a captive market. This had led to the companies sometimes pumping their products in the internal market even when they had been set up for export purposes."

Subsequently, the Prime Minister addressed a meeting of the State Labour Ministers on this subject. The Labour Minister had a similar conference with representatives of the leading employers' organizations in the country with a view to devising a programme of action that would command the support of the largest possible number of people to ensure harmonious industrial relations. These discussions were expected to be followed by a National Labour Conference in September (1892).

Prime Minister Indira Gandhi convened a meeting of prominent trade union leaders to discuss the economic situation particularly the low production and high prices obtaining in the country. The INTUC suggested the setting up of a Standing Tripartite Task Force to go into the working of key industries : coal, electricity, steel, transport and cement. The Task Force should be asked to identify the bottlenecks and other inadequacies and suggest remedial measures. These five key industries, once they began working to their maximum installed capacities, would have a beneficial impact on other industries, which in turn would help the economy to look up.

Another reason pointed out by the member of the Planning Commission as to why private sector companies failed to demonstrate their growth potential was that "they take recourse to the manipulation of balance sheets whereby in a number of instances a company turns sick".*

It was not that all private sector units were badly managed. There were honourable exceptions, showing that there was scope for improvement in the working of the private sector

* *Financial Express*, Madras, May 31, 1980

to justify its continuance.

The manufacturing units in the public sector employed 18.7 lakh men and spent over Rs. 268 crore on them. In 1969-70 they employed about 6 lakh workers, the number growing by 300 percent during the last decade. The per capita income of an employee in the public sector in 1969-70 was Rs. 4,731 per annum which increased to Rs. 11,032 per annum in 1978-79. If one takes into account the number of men employed by the Railways, P & T, and other public sector enterprises, besides the manufacturing sector, public sector employment was around 25 millions as against 15 millions in the private sector. The public sector had thus emerged as a major employer in the organized sector.

Upto 1979, the public sector had spent about Rs. 554 crores on building and maintenance of townships. It also had undertaken large-scale welfare facilities to improve the standard of living and promote cultural interaction among its employees. In the public sector, there was greater security of employment. The number of man-days lost in 1979 was 6,66,000 against 30,44,000 in the private sector. This meant that the number of man-days lost per 1,000 employees in the public sector in 1979 was 441, against 4,281 in the private sector. Thus, in spite of several handicaps the public sector had been able to put up a better show. There was however vast scope for improvement in its working so that the investment made in it gave the nation substantial returns out of the profits earned, made its contribution towards rapid economic development in the country and fulfilled the objectives for which it was created.

Labour felt that the Bureau of Public Enterprises had to be reorganized and staffed by experts in different aspects of running industrial undertakings. It should have experts in material management, production engineering, marketing, finance and industrial relations. It should not be manned merely by officers of the IAS cadre and other branches of bureaucracy. The reorganization suggested by labour would perhaps enhance the utility of the Bureau of Public Enterprises qualifying it to advise the public sector undertakings in regard to issues referred to it.

Labour further complained that the practice of investing the offices of Chairman and Managing Director in one person had tended to make the public sector a bureaucratic sector. Public sector undertakings had a greater social responsibility than those in the private sector. Moreover, the combination of the offices of Chairman and Managing Director in one and the same person resulted in an unhealthy concentration of power. A non-official Chairman, even though part-time, would help to bring about a social orientation of the public sector undertakings and would act as a healthy check on the over-bureaucratism of the sector.

Although the Government had not implemented the recommendations of the National Labour Conference to amend the Industrial Disputes Act, it brought forward a Bill introducing several important amendments towards the end of 1984. It was a piece-meal attempt and not a comprehensive new industrial relations law. The structure of the Industrial Disputes Act was retained and the amendments related to the following matters:

1. Placing time-limits on conciliation and adjudication processes;
2. In individual cases if the labour court or the industrial tribunal directs reinstatement of a dismissed employee, and the employer challenges the award for any reason before the High Court or the Supreme Court the employer was to be called upon to pay full wages to the employee till the Court finally decides his case.
3. The payment of compensation for the period of suspension pending enquiry was increased with a view to motivating the employer to expedite the domestic enquiry.
4. A grievance procedure with a grievance settling authority was formulated.
5. The list of unfair practices by labour and management was added to the Act and any party committing unfair practices was liable to punishment, including imprisonment.

Although the amendments appeared to be in the right direction, the basic structure remained the same. Introduction

of an Industrial Relations Commission, strengthening of voluntary arbitration, providing for recognized bargaining agents or councils were omitted.

MAN-DAYS LOST

The estimated number of man-days lost in the year 1979 on account of disputes in the organized industrial sector ranged between 37 and 44 millions. This represented a sharp increase from the previous year's 28.34 million man-days lost.

Any attempt to justify the steep increase in the number of man-days lost as constituting an insignificant percentage of the total number of man-days worked would be of no avail. There was need to go into the causes of this happening and apply necessary correctives to prevent any repetition of it.

Analysis of the situation showed that more man-days had been lost in the private sector than in the public sector, the ratio being about 3:1. It was further found that disputes over wages and allowances accounted for 31.7 per cent and personnel and retrenchment disputes for 21.7 per cent of the man-days lost. Indiscipline, and violence were reported to have resulted in 9.4 per cent and the recurring annual problem of bonus in 8.7 per cent of the man-days lost.

Among the States, West Bengal had the largest number of man-days lost—18 million—in the year 1979. Tamilnadu, known for its better discipline and healthy industrial relations, came second with 8.4 million man-days lost, while Maharashtra which has a bigger workforce than Bengal and Tamilnadu, took only the fourth place i.e., after Kerala. In Maharashtra there was evidence of increasing violence creeping into industrial relations and an atmosphere of tension prevailed.

Apart from the increasing number of man-days lost, there was a disturbing trend of mounting tension in labour struggles. Some of the struggles were unduly long-drawn.

According to one estimate, there were about 44,000 cases pending disposal before industrial tribunals and labour courts in the State of Maharashtra alone. A large number of them have been pending for more than five years. Most of them were stated to relate to demands like wages, bonus, D. A., and other service conditions. This did not include the large

number of cases pending before the Labour Commissioner, Conciliation Officers of the State and the Central Government. The position in other States was not very much different. This would show how frustrating provisions of the law were in the matter of settlement of industrial disputes.

At the same time, several long-term agreements regarding wages and allowances were reached in major industries in both the public and private sectors. The major cause of loss of man-days in these units should therefore stand removed. Stoppage of work due to disputes arising from individual problems, personnel retrenchment and indiscipline could be avoided under a new industrial relations system by resort to voluntary arbitration. Special machinery could have been set up for dealing with the recurring annual bonus problem, such as a standing board of arbitration. But nothing was done to remedy the situation and industrial relations continued to deteriorate. The country suffered from a policy of drift, indecision and adhocism.

THE FULL CIRCLE

The electorate was fed up with the Janata Party and its leadership, even though they were in power only for a short period. They ran mad after personal power and in the process fought among themselves. The people therefore gave a massive verdict in favour of the Congress Party led by Mrs. Indira Gandhi in the elections in 1980. Mrs Gandhi swept the polls and easily secured a two-thirds majority in the Lok Sabha. The results of the poll showed that the Indian people were mature in their political judgement and that democracy had come to stay in India. They reiterated their faith in Mrs Gandhi's leadership and rectified the error they had committed during the 1977 elections. Thus the Indian people had gone round full circle and found their resting point, and gave the country a stable and strong Government under the leadership of the Congress (I) to resume the onward march of the nation.

The Janata Party and its various off-shoots were routed in all the States in the Lok Sabha elections. Applying the same logic as the Janata Party had applied earlier, the Congress (I) dissolved nine State Assemblies, i.e. those of U.P., Madhya

Pradesh, Punjab, Bihar, Orissa, Maharashtra, Rajasthan, Gujarat and Tamil Nadu, and ordered fresh elections. In eight out of nine states the Congress (I) won absolute majority or a three-fourths majority.

Only in Tamil Nadu, where the Congress (I) did not choose to contest on its own and had an alliance with the DMK, it did not fair well. The choice before the electorate in Tamil Nadu was whether they should have as Chief Minister M.G. Ramachandran or M. Karunanidhi. The Congress (I) was not in the picture. The people chose M.G. Ramachandran and the Congress (I) which had thrown its lot with the DMK, had to suffer the consequence. It is necessary to point out here that the AIDMK Chief Minister, M.G. Ramachandran, had assured his cooperation to the Centre.

Thus, once again India was given a strong and stable Government at the Centre with the Governments in all States, except for West Bengal and Kerala, being on the same wavelength. Once again the people renewed their faith in the leadership of Indira Gandhi and showed that the Congress (I) was the only party which could save the country and its people.

GREAT EXPECTATIONS

Great as was the confidence and trust reposed by the people in the Congress (I) and its Government, so were their expectations from the ruling party. They were sure that the Congress (I) Government at the centre would not fail them. It was at this hour of great expectations and greater responsibilities cast on the Congress (I) that the party lost Sanjay Gandhi, the dynamic youth leader of the nation. His sudden death created a great void which was hard to fill. It was a great personal loss to the Prime Minister, Indira Gandhi, but undaunted she carried on her work with great determination and dedication.

The foreign nationals issue in Assam had been defying a solution in spite of the patient and persevering efforts made by the Union Government with the interests concerned. Continued negotiations in a spirit of understanding, keeping in view the overall national interests and commitments, was

the only way to a solution satisfactory to all concerned, which the youthful Prime Minister Rajiv Gandhi, who succeeded Indira Gandhi in November, 1984, did to hammer out a solution in August, 1985.

YOUTH TO THE FORE

The period of political confusion, uncertainty and drift which had overtaken the country since 1977 had come to an end yielding to stability, strength, clear vision, direction and determination. One refreshing and redeeming feature of the developments in this period was that most of the old leaders were laid aside on the shelf and the younger generation has taken over advantageous positions in determining the future of the country under the leadership of Rajiv Gandhi as Prime Minister and President of the Indian National Congress. That is as it should be. Although the nation has thus regained its political stability and endowed itself with youthful vigour, and is poised for taking the country forward, the damage done during the thirty-three months of misrule by the earlier Governments, had set the clock back. The economy was in a mess. No problems were solved. Indeed, they became more difficult and complicated. Prices continued to soar higher. The rate of inflation was terrific and unemployment mounting. Unemployment reached frustrating proportions among the youth, both urban and rural. The new Government has its hands full of problems crying for immediate attention.

FOUR MAJOR PROBLEMS

The country had been facing four major problems for a long time, and these became more acute as the years passed. It was not that Governments had done nothing to resolve them. But whatever they did was inadequate.

The first and foremost of these problems was that of unemployment, the second was that of high prices, the third of growing disparities in incomes and earnings between different sections of the population and regions in the country; and the fourth was of the fall in standards of public life.

These problems, as stated earlier, were not new. They

had been there all along, only their dimensions had become so great that unless radical action was taken to tackle them effectively there was every danger to the very foundation of society and the likelihood of a revolution which would destroy the entire social system. The number of people who had nothing to lose by destroying the present order of society had been growing at an alarming rate. Evidently they were fast reaching the limit of their patience.

People were fed up with pious resolutions, statements and plans of those in power. They demanded results. There seemed to be no adequate realization of the gravity of the situation by the powers that be, who were proceeding at a leisurely pace, treating these basic important problems casually. It seemed that those in power did not have the time to think about the problems of the people as they were occupied with their own personal and party problems. Personal conflicts, group rivalries, political instability and confusion in the country's politics seemed to them more important issues than those affecting the people. Amidst this political game, played by those in power, the country was drifting towards anarchy.

EDUCATION

Education in India seems to lack direction. While we have a high percentage of illiterate people in the country, we have at the same time a large number of over-educated people remaining either unemployed or under-employed or leaving the country in search of greener pastures. This has resulted in brain drain and a colossal national waste. The content of education is not need-based, so much so that there is over-crowding in certain types of employment and scarcity in others.

The general attitude to work also needs a radical change, calling for a cultural revolution. Hard physical labour is considered degrading. Dignity of physical labour must be brought home to all young people. Education should not make them shy away from physical work. The country's resources are limited. But these seem to be wasted on ill-planned education. Whether education should be ten plus

two plus three or otherwise is besides the point. It would only result in a barren controversy. We should not make a fetish of degrees and diplomas. It is gratifying that this aspect of education was realized in 1985 and the new Prime Minister, Rajiv Gandhi, expressed a desire to delink jobs from degrees.

The content of education must undergo a radical change. It is generally felt that while education must be linked to the needs of the country, education policy should be left to be decided by educators and economists rather than by politicians. The purpose of education should be not merely to make people more knowledgeable, but also to mould their attitudes along positive lines and infuse character in them. Moral instruction should form part of the regular curriculum at least in the early stage of education, so that a firm moral foundation, without which any education would become useless, is laid.

There is thus need for all-round reform; radical changes are necessary in people's thinking and ethical and moral values should be infused in the political, economic, social and cultural life of the country. The new Government under the leadership of Rajiv Gandhi has taken note of this need and had assigned this difficult and delicate task to the Ministry of Education which was later made a part of the newly created Ministry of Human Resource Development with P.V. Narasimha Rao as the Minister.

CHILD LABOUR

Employment of child labour is generally found in the matches industry, handloom industry, particularly in carpet-weaving, hotels and restaurants, *bidi* manufacturing and sometimes in the construction industry. Although employment of children under 14 years in factories is prohibited by law, the practice continues. Sometimes parents out of sheer economic compulsions have their children employed. Unless parents cooperate in the implementation of law it will not be possible to abolish child labour. Employers are also keen to have child labour since the wages paid to it are very low and its efficiency relatively high. Inspectors under the Factories Act

have not been able to eliminate this practice. Whenever they go for inspection, the children are sent out by the back door, to wait outside till the inspectors leave the plant. Unless social conscience dawns on the employers and they are made to realise their moral responsibility, the problem of child labour cannot be solved.

Children who should be going to school are being taken to factories for employment at too tender an age. The Government has constituted special committees to go into this problem to see if child labour cannot be abolished, or at least brought under some regulation in the interest of the health and education of children. It should be made obligatory on the part of the employer to provide for free education of child labour within duty hours and provide them with nutritious diet free of charge. They should also be given shelter.

NEW WORLD ECONOMIC ORDER

The division of the world between the 'haves' and the 'have-nots' is becoming sharper. Nearly half the population of the world receive less than 7 per cent of the world income, the remaining 93 per cent being shared by the other half.

One-fifth of the world population account for two-thirds of the global output, while a quarter of the world population elsewhere account for only 3 per cent of it. There could not be a greater inequitous position than this.

The efforts of nation-States to solve their problems of poverty and unemployment, as if they were themselves an independent economic unit, would be difficult and frustrating in an inter-dependent world.

Even the so called advanced nations are not free from the incidence of unemployment which at times has assumed menacing proportions. There must be a global approach to tackle the problems of poverty and employment and this would be possible only through a 'New World Economic Order'.

The policy of grudgingly giving aid by the advanced nations to the backward ones would never solve the problem, howsoever massive the scale of this assistance. What is needed is trade and not aid; and that too trade leading to balanced

inter-dependence with equal dignity and a feeling of partnership. While this need was recognized in theory, in practice there were growing efforts at protectionism by the Governments of industrialized nations. The fact of inter-dependence of nation-States should be realized in framing a 'New World Economic Order'. In the name of division of labour, in the name of inter-dependence, the backward nations should not be relegated to the position of mere suppliers of raw materials and cheap labour to the advanced nations.

The INTUC made an appeal to the conscience of the world working class to persuade their respective Governments to take concrete steps to curb such grotesque distortions in economic justice. It was disappointed at the unresponsive attitude of the trade unions of advanced countries and expressed its disillusionment over the sad and sordid explosion of protectionist attitudes and views by leading trade union centres in some of the countries of the North that count. It however persisted in reiterating the basic need for a 'New World Economic Order' which alone could result in abiding peace and balanced prosperity of nations.

There was need for a bold attempt to come to grips with the basic issues involved in such economic reconstruction on a global basis. The INTUC again appealed to the world powers to do some courageous introspection to bring about necessary changes in the economic policies and programmes, particularly of the advanced countries, and more particularly of trade union organizations in those countries which had a special responsibility in that regard.

The Indian Government under the leadership of Indira Gandhi took great interest and initiative in arranging a North-South dialogue. It also felt the need for a South-South dialogue to marshal the forces of the developing countries to speak with one voice and to make the advanced countries realize their responsibilities. But the progress is slow, if not anything.

INTUC'S CALL TO ICFTU

The INTUC is one of the founder-members of the International Confederation of Free Trade Unions. When this

organization completed 30 years of its existence the INTUC felt that it was time to review the progress made by this world body, and reorient its policies and programmes towards the attainment of its cherished objectives.

The INTUC pointed out that there was growing disparity between the 'haves' and the 'have-nots' of the world and that beyond paying lip sympathy the world body had done nothing effective to narrow the gap.

Over 90 per cent of the world income was cornered by a few developed nations, only the remaining 10 per cent being left to be shared by the developing countries. About 15 per cent of the world population accounted for two-thirds of the world output; only the remaining one-third was made up of four-fifths of the world population. Such an inequitable distribution of the rights and means of production and resources could not augur well for a balanced growth among the nations. While this was the case in the matter of production, there was an even wider disparity in consumption rates. For instance, twenty-nine per cent of the world oil supply was consumed by one country alone; and in the context of the global fuel shortage and artificially boosted prices, it would be impossible for the poorer nations to ensure for their population a reasonable standard of living or a reasonable rate of progress.

The ICFTU, which represented the toiling masses of the free world, had an important role to play in removing these imbalances. The INTUC regretted that the ICFTU's contribution in this direction so far was not worth mentioning. It was convinced that what was needed for a balanced world production and equitable distribution ensuring abiding peace among nations was not condescending acts of petty aid by the wealthier nations to the poorer nations. What was needed was balanced inter-dependence with equal dignity and responsibility among nations to share equitably the world resources amongst all. This could be achieved only by a new world economic order. It needed considerable courage and conviction on the part of the haves to descend from the realm of wordy sympathies to that of hard realities and tackle these problems with determination in their own long-term interests.

The INTUC called upon the ICFTU to work with conviction and courage for the evolution and implementation of a new world economic order, if it was to justify the great expectations the people had from it.

HMS SPLIT AND MERGER

The HMS was split in two at its Ernakulam session in 1981. One of the factions was led by late D. Vasisht and the other by S.R. Kulkarni, following the fading away of the HMP leader George Fernandez, after the fall of the Janata Party Government. Both the factions continued to function under the name of the HMS for some time. The INTUC, anxious that the split in the HMS should be resolved quickly, lent a helping hand in unifying them. The two groups have since merged. D. Vasisht, however, passed away early in 1984 after a massive heart attack. This loss was all the more greater as he had been working for a better understanding between the INTUC and the HMS for closer cooperation as well as for a united HMS.

LABOUR CELL IN PLANNING COMMISSION

There used to be a Labour Cell in the Planning Commission through which trade union leaders were consulted in evolving labour policies and formulating industrial economic and social policies for incorporation in the Five Year Plans. After sometime it ceased to function regularly. When the Sixth Five Year Plan was about to be finalized, the INTUC urged the Government and the Planning Commission to revive the Labour Cell and consult it before finalizing its labour and economic and social policies for inclusion in the Sixth Plan. However, the Planning Commission held discussion with representatives of major trade union centres on the outline of the Sixth Five Year Plan. This was more of a formality, an attempt to get at the roots of the problems and draw out fruitful suggestions. In respect of the Seventh Five Year Plan also there was discussion with the national trade union centres in July, 1985 when it was told that a separate department for labour had been set up in the Planning Commission.

SPACE SATELLITE SLV-3

Our scientists and workmen who are equal to the best in the world have proved their capabilities by launching a satellite, SLV-3, into space from Shri Hari Kota after their two earlier successful experiments beginning with Arya Bhatta. With this India stepped into a new space age of technological developments and joined the select few among the nations of the world possessing expertise in space technology.

INDIAN IN SPACE

India sent her first man, Sqn. Ldr. Rakesh Sharma, into space with Soviet assistance on April 3, 1984. The earlier successful launching of INSAT 1-B had shown the technological heights to which the country could soar. The country was proud of Sqn. Ldr. Sharma, its scientists, technicians and workmen who had been responsible for fulfilment of our efforts to harness the space potential for national progress. This achievement, along with the two successful expeditions to Antarctica, greatly enhanced India's image in the international sphere, particularly among the developing nations. It also helped in the exploration of our natural resources and in the improvement of communication facilities to spread education through television among the rural masses of the Indian subcontinent. The Government set up 170 television relay centres within a short time. Now practically the whole of the country is covered by a TV network through satellite relay arrangements.

CENTRE-STATE RELATIONS

During the five years of Congress (I) rule from 1980, the country had to pass through a very difficult period. Even its unity and integrity were continuously threatened. Regional pulls and pressures dominated the national scene. The violent disturbances in the east (Assam) and in the west (Punjab) added to the problems, adding new dimensions to the threat to national integration. Regional political parties, in the name of more power for the States, were agitating increasingly, and they too posed a threat to national integrity. The coming to power in Andhra and Karnataka of non-Congress

parties and the continuation of the AIDMK in Tamil Nadu, the CPM controlled coalition in West Bengal and the National Conference in Jammu and Kashmir added to the difficult relations between the Centre and the States. The opposition Chief Ministers of these States, except that of Tamil Nadu, met in conclave frequently in a concerted bid at confrontation with the Centre. They almost formed a sort of unregistered union to fight the Congress (I). They became increasingly belligerent.

Centre-State relations almost became a permanent subject of discussion. The States complained against the Centre saying they were not being treated properly. The opposition ruled States demanded autonomy in certain aspects. The Government of India did not stand on prestige over this issue. It promptly set up a commission to go into all aspects of Centre-State relations under the chairmanship of R.S. Sarkaria, a retired judge of the Supreme Court. But the Commission did not appear to be getting sufficient cooperation from the very States which wanted this relationship to be reviewed. These States seemed to have cooled off. The Commission, however, is continuing its labours.

POLITICAL BANDHS BY TRADE UNIONS

The Government promulgated an Essential Services Maintenance Ordinance assuming powers to prevent strikes in a wide range of industries and services that might be declared essential. Upon the INTUC's pointing out the ill-balanced structure of the ordinance in that it made no reference to lock-outs, the latter were included in the legislation passed by Parliament.

The opposition trade unions organized a politically motivated *bandh* on January 19, 1982, as a protest against the ordinance. While the INTUC had its own reservations about the ordinance, it opposed the *bandh* as being against the interests of the country and the working class. It held the view that the *bandh* would not produce any positive results. The *bandh* ended in a failure. Calling a *bandh* throughout the country on a flimsy ground, largely motivated by political considerations, became too frequent an occurrence, and the

people got tired of them and refused to respond to them.

In resorting to *bandhs*, either for political reasons often camouflaged as economic demands, or for exploiting the local sentiments of the people, or for capitalizing on their sufferings and grievances, the opposition parties invariably dragged the working class into them to make them a success. They often used coercion and intimidation with the result that there was partial stoppage of production, aggravating shortages and thereby making hoarding and blackmarketing more paying. The INTUC was the lone trade union centre which did not participate in the *bandhs*. It cautioned the working class against being exploited by political parties in this manner, to the detriment of the country, industry and the workers themselves.

THE NEW 20-POINT PROGRAMME

Prime Minister Indira Gandhi announced a new 20-point programme on January 14, 1982 primarily focussed on improving the lot of the weaker sections of the population, particularly in the rural areas. The programme visualized:

1. Increase in irrigation and provision of inputs for dry land agriculture.
2. Special efforts to increase production of pulses and vegetable oilseeds.
3. Strengthening and expansion of coverage of the Integrated Rural Development and National Rural Employment Programmes.
4. Strict implementation of agricultural land ceilings and distribution of surplus land.
5. Review and effective enforcement of minimum wage for agriculture labour.
6. Rehabilitation of bonded labour.
7. Accelerated programmes for the development of Scheduled Castes and Tribes.
8. Supply of drinking water to all problem villages.
9. Allotment of house sites to rural families and construction assistance to them.
10. Improving the environment of slums and of house building schemes of economically weaker sections, and

- measures to arrest unwarranted increase in land prices.
11. Maximization of power generation, and electrification of all villages.
 12. Vigorous implementation of afforestation, social and farm forestry and development of bio-gas and other alternative energy sources.
 13. Promotion of family planning on a voluntary basis as a people's movement.
 14. Substantial augmentation of universal primary health care facilities and control of incidence of leprosy, TB, and blindness.
 15. Accelerated welfare programmes for women and children in the 6-14 age group with special emphasis on girls and involvement of students and voluntary agencies in the removal of adult illiteracy.
 16. Expansion of the public distribution system, supply of textbooks and exercise books to students on a priority basis and promotion of a strong consumer protection movement.
 17. Expansion of universal elementary education for children in the 6-14 age group with special emphasis on girls and involvement of students and voluntary agencies in the removal of adult illiteracy.
 18. Liberalization of investment procedures and streamlining of industrial policies to ensure timely completion of projects, more facilities for handicrafts, handlooms, small and village industries to update technology.
 19. Continued strict action against smugglers, hoarders and tax-evaders and curbing of black money.
 20. Improving of the working of the public sector enterprises.

Special efforts were made to vigorously implement the 20-point programme at all levels. The INTUC convened a national convention at New Delhi on October 25, 1982. The Convention was inaugurated by Indira Gandhi. Rajiv Gandhi addressed the delegates. This conference greatly helped to promote appreciation of the relevance and importance of the programme and enlisted the cooperation of labour in its implementation.

AGREEMENTS IN PUBLIC SECTOR

The year 1982-83 witnessed the termination of several long-term agreements in the public sector, followed by protracted negotiations by the Joint Committees in Steel, Coal, BHEL and several other public sector undertakings. The Joint Committees were able to produce satisfactory agreement which not only settled disputes in these units but also provided guidelines for other public sector undertakings to follow.

The rate of D.A. prior to these agreements stood at Rs 1.30 per point of the 1960 series of the Consumer Price Index. This was considered rather low. Wage revision agreements in the public sector were held up for want of an accord on the D.A. issue.

At a meeting convened by the Finance Minister towards the end of 1983 it was agreed that high-power committee, under the chairmanship of the Union Labour Minister, with representatives of central trade unions and the public sector should be set up to consider by how much the Rs. 1.30 per point D.A. should be increased and with effect from what date. The committee had several sittings but could not reach any agreement.

Meanwhile, the CPM-led Government of West Bengal got into an agreement with the Central trade unions that the rate of D.A. should be raised to Rs. 1.50 per point of the 1960 series of the Consumer Price Index but with no retrospective effect. This naturally did not meet the demand of labour negotiating at the centre. Labour's stand was a bit paradoxical. In West Bengal where the CPM was in power, they agreed to Rs. 1.50; but at the Centre where the Congress was ruling they demanded a higher rate. The Union Government was however reported to be willing to consider a slightly higher rate with a short retrospective effect. In the meantime elections to the eighth Lok Sabha intervened and the matter got stuck up for some time. On April 12, 1985, the Finance Minister announced a revised D.A. rate of Rs. 1.65 per point shift in the 1960 series of the consumer price index beyond 92 points.

NATIONAL LABOUR CONFERENCE

All trade union centres, including the AITUC and the CITU, had been clamouring for revival of the tripartite forums. In response to this demand the Government of India convened a tripartite National Labour Conference in September 1982. The INTUC, HMS, NLO and the NFITU attended the conference, while the others boycotted it when it was convened.

The National Tripartite Labour Conference met on September 17 and 18, 1982, at Vigyan Bhavan, New Delhi, under the chairmanship of Veerendra Patil, Minister for Labour and Rehabilitation.

Labour participation in the conference comprised of eight representatives of the INTUC, two of the HMS(K), two of the NFITU and two of NLO. The employers were represented by six from the EFI, six from the AIOE, two from the AIMO, two from SCOPE and one from the BPE.

The Government of India's participation was composed of representatives from the Ministries of Home Affairs, Planning, Finance, Labour and various other employing Ministries. Labour Ministers and officers of the State Governments of Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Nagaland, Orissa, Punjab, Rajasthan, Tamilnadu, Uttar Pradesh and West Bengal, and officials of the Labour Departments of Chandigarh, Delhi and Goa, Daman and Diu attended the conference. Mr. P. A. Neck, Director, and Mr. J.Z. Molano, Programme Officer of the Area Office of the International Labour Organization attended as special invitees.

Despite their repeated demand for convening a National Labour Conference, trade union centres like the AITUC, CITU, BMS, HMS(V) and others who were constituents of the so-called National Campaign Committee boycotted the conference for political reasons.

The Union Labour Minister, Veerendra Patil, in his opening speech regretted that some of the trade union organizations chose to stay away from the conference despite his best efforts to convince them that their non-participation would not be in the interest of labour whose cause they claim to be championing. He pointed out that the tripartite conference, which was

meeting after a gap of five years needed to find answers to such questions as representation on the Indian Labour Conference and procedure for identification of the collective bargaining agent.

On issues like the Trade Union (Amendment) Bill and the Hospitals and other Institutions (Settlement of Disputes) Bill and the complex national wage policy, Patil said the Government would like the conference to come to mutually acceptable conclusions.

The conference constituted a committee to study the issues regarding the composition of the Indian Labour Conference and another committee to make recommendations about the new industrial relations law.

On September 18, the two committees placed their reports before the plenary. These were unanimously adopted. It was the first time in recent years that the conference had achieved unanimity.

The following were the unanimous conclusions of the conference :

Composition of the Indian Labour Conference

1. Those central trade union organizations should be given representation at the Indian Labour conference which accept and agree to abide by the recommendations of the tripartite conference.
2. (i) The *status quo* decided by the Indian Labour Conference in 1959 should continue in the matter of allocation of seats among the eligible central trade union organizations for representation at the Indian Labour Conference.
- (ii) For the purpose of representation at the Indian Labour Conference, an organization would be deemed to be a central organization if it had a verified membership of at least five lakhs, spread over four States and four industries. It was also suggested that this should be progressively enhanced by reviewing it at every session of the conference. The representatives of the NLO and the NFITU were, however, of the view that mem-

bership be limited to three lakhs spread over to four states and four industries, being enhanced by one lakh as and when verification is conducted.*

- (iii) Organizations which are not affiliated to any central trade union organization need not be given separate representation.
- (iv) In the matter of representation of the central employers organizations at the conference and the allocation of seats among the Council of Indian Employers (EFI, AIOE, AIMO and SCOPE) the *status quo* should be maintained for the present. The workers' representative, however, felt that the time had come for laying down a proper criterion for the allocation of seats among the central employers organizations including the public sector.
- (v) The *status quo* may be maintained regarding the size of the delegation representing the Government and the Ministry of Labour may distribute seats among its various agencies at present.

Verification of membership

It was agreed that the verification procedure, as at present, should continue but with the modification that trade union organizations that do not submit their membership claims should be excluded from the purview of verification. Wherever check-off data was available it should be taken into account for the purpose of verification. It was also agreed that verification should be conducted at an interval of three years by an independent body like the Industrial Relations Commission recommended by the National Commission of Labour. Until the Industries Relations Commission was set up the existing procedure with the above modification should continue. The representative of the NFITU, however, suggested that verification should be conducted every two years and that the unions which claimed no membership in a unit should have no right to raise objections in respect of the claims of unions of that unit.

*These two organisations had less than a membership of three lakhs.

Amendments to the Industrial Disputes Act and the Trade Unions Act as accepted by the conference were as follow :

The present Industrial Disputes Act seeks to provide machinery for settlement of disputes—a sort of conflict-management arrangement. The Act should have instead a positive objective. It should promote harmonious industrial relations. This would involve basic changes in the Act. The following recommendations were made in this regard :

1. Collective Bargaining Agent

- (i) It was unanimously agreed that there should be a collective bargaining agent at the unit/industry level.
- (ii) The collective bargaining agent will be decided by the check-off system.
- (iii) Each employee will be free to indicate to the management the union of which he is a member and authorize the management in writing to recover from his union subscription and remit it to the union.
- (iv) Only such trade union organizations should be eligible for recognition as collective bargaining agents which qualify according to a new code of conduct to be laid down.
- (v) In the initial stage, all qualified registered trade unions will be allowed the facility of the check-off system. Recognition through verification of the membership of the qualified unions as indicated by the results of the check-off system will be done by the IRC and those unions which are certified either as a sole bargaining agent or as members of the composite bargaining council will thereafter be entitled for the check-off facility. Check-off authorization, once made to such recognised unions, will be valid for a period of three years.
- (vi) The collective bargaining agent once recognised shall have a term of three years and continue to be recognized until it is successfully challenged.
- (vii) The Industrial Relations Commission should lay down the percentage of membership which would entitle a trade union to be considered as a sole collective bar-

gaining agent. This would be done by the Commission, keeping in view the conditions of the industry, the area of its operation including the extent of unionization in it.

- (viii) Where the IRC is satisfied that a sole collective bargaining agent is not feasible, it can decide on a composite bargaining council, comprising unions with more than a specified percentage of membership.
- (ix) Craft/categorywise unions shall not be eligible to seek recognition as a collective bargaining agent.
- (x) In case a trade union organization violates the code of conduct, it will be visited with appropriate punishment/sanctions as decided by the IRC.
- (xi) A separate code of conduct for employers will also be evolved and any violation of it by any employer will be visited with appropriate punishment/sanctions as decided by the IRC.

Individual Disputes

All individual disputes would be settled by a simple grievance redressal procedure, with built-in grievance arbitration.

Industrial Relations Commissions

Industrial Relations Commissions, both at the Centre and State levels, shall be set up in the same manner and with the same functions as recommended by the National Commission on Labour.

Arbitration

Voluntary arbitration shall be the normal means of settling disputes wherever collective bargaining has not succeeded. Every award of the arbitrator shall be final and binding on all parties and not be called in question in any court except on the ground of perversity. Every award of arbitration shall be a speaking award.

Strikes

Every strike in an industry, whether classified as essential

or not, shall be preceded by a strike ballot in which all the workers in the establishment shall be allowed to participate; and resort to strike shall be made only if the results of the ballot show that not less than 60 per cent of the workmen support the strike.

Industrial Relations Machinery

The conference unanimously agreed in regard to the manner in which the machinery should be geared to a positive approach to industrial relations including the setting up of Industrial Relations Commissions. It set up a 15-member committee to examine in depth the several connected issues. Important among the recommendations made by the committee were :

Code of Conduct

a. *Trade Union Organizations* : Only such union organizations should be eligible for recognition as the Collective Bargaining Agent which qualify according to a fresh code of conduct to be laid down.

A list of unfair labour practices was given in the Fifth Schedule of the ID Act, 1947 (yet to be brought into force). What was required was to spell out certain positive attitudes the trade unions should adopt so that their members and office-bearers function with a sense of dedication to the cause of the workers, the unit/industry. Some of the aspects that could be covered by the proposed code were :

- (i) Every employee in an industry or unit shall have the freedom and right to join a union of his choice. No coercion shall be exercised in this matter.
- (ii) There shall be unreserved acceptance of and respect for democratic functioning of trade unions.
- (iii) There shall be regular and democratic elections of executive bodies and office-bearers of trade unions.
- (iv) Casteism, communalism and provincialism shall be eschewed by all unions.
- (v) Trade unions shall make their members conscious of their duties and impress on them the need to work with dedication and sincerity.

- (vi) Trade unions shall not encourage their members to participate in sympathetic strikes, *bandhs*, etc., which have nothing to do with any of their grievances.
- (vii) Trade unions shall accept arbitration when offered by employers.

b. *Employers* : The committee also recommended that there should be a code of conduct for employers, and that the following could form part of it:

- (i) The employer shall not declare any lock-out, closure, or lay-off or retrenchment, except in accordance with the procedure laid down in the Act and prior consultation with the recognized collective bargaining agent.
- (ii) All schemes of rationalisation, automation and the like shall in the first instance be discussed with the collective bargaining agent.
- (iii) The employer shall not violate the terms and conditions of service of the workers.
- (iv) The employer shall faithfully implement the provisions of all labour laws.
- (v) The employers shall accept arbitration when offered by unions for settlement of disputes.

Whenever a union violates the code, the IRC shall impose appropriate punishment, on it including suspension or cancellation of its recognition. In the case of employers the IRC should decide on appropriate punishment.

Go-Slow

The present definition of the term 'strike' in the Industrial Dispute Act, 1947, does not cover go-slow. Go slow should be included in it on the lines provided in the Maharashtra Act.

Public Utility Services

There is no need for a separate concept of public utility services.

Settlements and Awards

When a settlement is arrived at between the employer and the collective bargaining agent/council, or when there exists a conciliation settlement, such settlements may prescribe the

period of validity which may not be less than three years, and no union, workmen and management shall challenge it during the period of validity.

All awards shall remain in force for a period of three years or such longer period as may be indicated in the award. This may apply also to arbitration awards.

Regulation of conditions of services by Government under certain circumstances

Whenever there is an industrial dispute and the employer and the workmen are unable to come to any settlement on the matters in dispute, be it in any industry, described as an essential service under the Essential Services Maintenance Act or otherwise, and the dispute is seized in conciliation, arbitration or adjudication, the Government/IRC may issue an order requiring the employer or the workmen or both to observe for such period as may be specified such terms and conditions in relation to their workmen as may be presented. This would be purely an interim measure and would cease to operate once there is a settlement or the adjudicator/arbitrator gives an interim or final award in the dispute.

Protection of legitimate trade union activities

A specific provision may be made in the law to the effect that the office-bearers of a union or unions certified as the bargaining agent/member of council would have protection from acts such as dismissal, termination of employment, changes in the conditions of services and connected matters as long as they are office-bearers and for a further period of three years immediately after relinquishing such office. This protection would, however, not be available to an office-bearer who has committed an act of proved misconduct.

Definition of the term 'employer'

The term employer may be redefined as: "Employer includes, where the owner of any undertaking in the course of or, for the purposes of conducting the undertaking contracts with any person for the execution by or under the contract of

the whole or any part of any work which is ordinarily part of the undertaking, the owner of the undertaking.”

Notice of change—Section 9 A

The Act may provide that every objection to a notice of change raised by the bargaining agent/council and not sorted out would be an industrial dispute and the procedure accepted for resolution of collective disputes would be followed. A time-limit should be laid down for raising disputes and/or filing applications under Section 33-C (2).

It was decided that no time-limit was necessary for raising of disputes. To check old and stale cases from being the subject matter of reference to labour courts, the law may provide a time-limit of twelve months for filing applications within such period, and the maximum period for admitting delayed applications shall be three years.

Unfair Labour Practices

Any list of unfair labour practices in the Schedule of the I.D. Act has to be reviewed, particularly in the context of the code of conduct. All complaints of violations of the provisions of Chapter VI and the Fifth Schedule of the Act may be treated as offences which the IRCs may decide, acting as courts; and for this purpose the provisions of Section 30 of the Maharashtra Recognition of Trade and Prevention of Unfair Labour Practice Act may be adopted.

Trade Unions Act

It was agreed that with the coming into force of a new IR law with the IRCs as the authority, the functions of the Registrars of Trade Unions would be done by the Certification wing of the IRC and the powers that are necessary have to be redefined in that context.

The committee made several recommendations relating to amendments to the Trade Unions Act, 1926. It said the Act should provide for penalty for failure to maintain accounts, because in the absence of this, no effective scrutiny of accounts was possible.

Registration of Central Organisations of Workers and Employers

The central organizations of workers and employers, including the federation, should get themselves registered as trade unions, the registration should be with reference to the number of unions affiliated to them.

Conclusion

The committee concluded its proceedings with the observation that the Government should take urgent steps to give legislative shape to the unanimous recommendations of the National Labour Conference and the views of the committee on the issues referred to it, which are outlined in the preceding paragraphs.

The Government of India, however, is yet to implement these unanimous recommendations. Only the AITU and the CITU are opposed to their implementation. The other organizations have been impressing upon the Government of India that tripartite conferences will lose their credibility if even the unanimous decisions are not acted upon.

BANKS, LIC AND GIC

Bank employees' unions were largely in the hands of Communist Party workers. Even though the union leaders were insiders, people got the impression that they were being controlled by the Communist parties. The wages and other service conditions in the nationalized banking sector were somewhat better. But there were widespread complaints about lack of discipline, efficiency and quality of customer services in the banks. Frauds were reported from time to time. The banks went on opening new branches and they appeared to have reached a stage where no effective control was possible. Reconciliation of branch balances was not done in many of them for years. There was thus need for a thorough overhaul of the entire banking industry, including its restructuring, to make it subserve the purpose for which it was nationalized.

During 1974-76, a large number of bankmen's unions joined the INTUC and a National Tripartite Committee for the banking industry was set up, on which the INTUC and the AITUC were represented. But with the fall of the Congress Govern-

ment and the coming to power of the Janata Party Government, most of the banking unions left the INTUC and there was a deterioration in the standard of discipline and efficiency. Once again, when the Congress (I) came to power in 1980, unions in the banking industry began to revive their affiliation with the INTUC. So did some of the bank officers' unions.

The Government appointed a number of social workers to the Board of Nationalized Banks in 1981-82. Some of them happened to be INTUC men doing social work. This, however, did not result in increasing the hold of the INTUC among bank employees.

The AIBEA, controlled by Communist Party men, was still numerically strong in many banks and was recognized by the bank management. In fact, AIBEA men were represented on the boards of some banks. It was alleged that bankmen who joined the INTUC unions were transferred, mostly at the instance of rival unions, with a view to discouraging them from strengthening these unions.

Bank officers too had their own problems. They were disappointed with the Pillai Committee's recommendations, and there were complaints that these were not properly implemented. The pay revision claims of the staff were settled by negotiations not only by the AIBEA but also by the INBEC (the banking wing of the INTUC) in 1984-85. The NCBE also participated in them. In the negotiations of bank officers, the AICOBOO was not alone in representing them. The INBOC which is the officers' wing of the INTUC, also joined in the negotiations. Consequent upon the split within the Communist Party, the CPM also started its own wing among the bank employees in opposition to the AIBEA.

Conditions for the grant of loans to small industries and self-employed young were relaxed by the banks and a large number of people was benefited. Loans were granted without insisting upon tangible securities. This brought the banking industry from class banking to mass banking. The number of branches also increased during the last five years, and a National Bank for Rural Development (NABRD) was set up to cater to the needs of rural people.

In the Life Insurance Corporation the bonus payable to

the employees was outside the purview of the payment of Bonus Act. The bonus paid by the management was found to be out of step with the bonus generally paid in industries in the country. The Government sought to bring about a change in the bonus scheme for the LIC. But the employees refused to accept the unilateral change brought about by it. The employees, unions, both INTUC and non-INTUC, went to the Supreme Court complaining against the unilateral change in the bonus agreement made by the Government. The court upheld the unions' stand and said the bonus terms could be changed only by agreement or by statute. The Government, taking advantage of this observation of the court, brought legislation assuming powers to lay down the service conditions of the employees in the LIC. This step was considered reactionary by all trade unions, for it took away the right of collective bargaining.

The parties could discuss and negotiate, but any agreement by them would have no effect unless it was announced by the Government as its decision under that law. The same position applied to officers of the General Insurance Corporation. Their disputes in regard to pay revision and DA, which had been frozen for some years, could not be settled properly. The right to collective bargaining suffered, causing a setback to the officers too, as it did to class III and IV employees. It is hoped that the denial of collective bargaining rights to the employees in the LIC and the GIC is a passing phase and that the Government will take early step to set right the distorted pay structure of the corporations and restore the right of collective bargaining to their unions.

ASSAM/PUNJAB AGITATIONS

Following the Pakistan-Bangladesh war, and indeed even before that, a large number of people from Bangladesh had crossed the border and settled down in Assam. There were no effective checks to prevent this infiltration. The number of infiltrators increased after the war, and these immigrants were alleged to have registered themselves as voters and citizens of India. The Assamese were afraid and angry that their voting power had been considerably diminished in the

process, and started an agitation to throw out all foreigners.

An interesting aspect of this agitation was that the students took the lead in it. There was considerable violence and several acts of sabotage. The Government invited the leaders of the agitation on a number of occasions for discussions, but no agreement could be reached with them. Meanwhile, State Assembly elections were held. There was violent opposition from the agitators. The Congress (I) won the elections and came to power again. Negotiations on deportation of foreigners, determination of a cut-off date, revision of electoral rolls by eliminating the foreigners were redeemed. An agreement was finally signed by the Prime Minister on August 15, 1985.

While this struggle was going on in the east, in the west some Sikhs in Punjab started an agitation demanding a separate State of Khalistan. A resolution to this effect was said to have been adopted at Anandapur Sahib. Some of their demands were religious and some political. The Government conceded their religious demands, but could not concede the political ones, as they went against the Constitution of India. Some of the Sikhs abroad were reported to be financing the agitation. Within the country, Sant Bhindranwale lead violent campaign. No government could tolerate such a demand because it meant disintegration of the country.

The Golden Temple of Amritsar, which is the most sacred place of worship for the Sikhs, was turned into a fortress and an arsenal of destructive weapons. Bhindranwale operated from within the Golden Temple. The High Priests seemed to be helpless. The Government hesitated to send in the police to avoid offending the religious sentiments of the Sikhs. But when it found that the Golden Temple was no longer being used for the sacred purpose of worship, it became necessary to intervene and flush out all the extremist elements from the temple complex. As violence continued to mount, military had to be called in to control the situation, and to clear the sacred complex of the militant elements. This was resented by the Sikhs and resulted in further violence.

The role of the opposition parties in solving this problem

was ambiguous. Sikhs are known for their patriotism, valour and sacrifice for the motherland. The problem had to be solved in a spirit of give and take within the parameters of the Constitution of India.

This was very creditably accomplished by Prime Minister Rajiv Gandhi with the signing of the memorandum of understanding on July 24 by him and Akali Dal President Harchand Singh Longowal, who was later assassinated in a Gurudwara, by some mad elements opposed to the accord.

The Government announced its decision to hold elections in Punjab for the Lok Sabha and the State Assembly in September, 1985, which was welcomed by the INTUC as a logical follow up of the accord. The heavy polling established the popular mandate for the historic accord, aimed at pulling the State of an agonising situation.

The credit for this achievement also went to the Punjab Governor, Arjun Singh who was appointed to the post just a day after being sworn in as the Chief Minister of Madhya Pradesh. Within less than five months Arjun Singh accomplished the challenging task of bringing to an end the political and communal conflicts and violence that beset the Punjab and creating a climate for resumption of constitutional process.

In the Assembly elections the Akali Dal (L) secured near two-thirds majority and formed the government with Surjit Singh Barnala as the Chief Minister. The Congress (I) emerged as the main opposition party in the Assembly.

It goes to the credit of the working class of Punjab that they kept themselves above these controversies and continued to serve the State and the country with zest.

ASSASSINATION OF INDIRA GANDHI

October 31, 1984, was a black day in India's history. That morning Prime Minister Indira Gandhi was assassinated by her own guards who gunned her down within her own residential complex while she was walking from one building to another on official work. She succumbed to her injuries in hospital. One of the assassins was caught alive though wounded, the other killed immediately after the killing. It was felt that more people might have been involved in the

assassination plot. A special investigation committee was set up to probe and indentify the men and the countries, if any, behind this treacherous act.

The whole nation was stunned by this murderous attack on Indira Gandhi by her own guards who happened to be Sikhs. There were riots in many parts of the country. People in Delhi were particularly furious. But the new Government restored law and order quickly. Mrs. Gandhi's funeral was attended by a large number of world leaders, Prime Ministers and Foreign Ministers.

RAJIV GANDHI BECOMES NEW PRIME MINISTER

Rajiv Gandhi, who was General Secretary of the AICC was sworn in as the new Prime Minister by the President on the recommendation of the Congress Parliamentary Board. Shortly thereafter he was elected leader of the Congress Parliamentary Party and a little later nominated as President of the Congress (I) by the Working Committee of the party.

Rajiv Gandhi announced elections to the eighth Lok Sabha on December 23 and 27, 1984. Elections were due in any case and his prompt decision to go ahead with them set at rest all speculations about their likely postponement.

The Congress Party won a landslide victory in the elections. It was an all-time record win for the Congress (I). Its margin of victory was beyond the belief of anybody, even the opposition. It is amusing to recall that some opposition leaders had talked of a coalition Government at the Centre! The Congress secured 405 seats in the Lok Sabha not taking into account Punjab and Assam where elections could not be held. Many of the opposition stalwarts were defeated. Notable among them were Chandra Shekhar and Atal Behari Vajpayee. Charan Singh and Jagjivan Ram were able to scrape through; though their party could muster only a few seats.

The Telugu Desam Party lead by N.T. Rama Rao, won 28 seats in Andhra Pradesh.* All the others were much

*The Telugu Desam Party won two more Lok Sabha seats in the bye elections in Andhra Pradesh making a total of 30.

behind in number. Rajiv Gandhi assured the opposition that it would be consulted on all important matters, even though opposition parties had become a microscopic minority in the Lok Sabha.

The Congress (I)'s main slogan for the elections was unity and integrity of the country, and the people voted for it. Its victory was not merely due to Indira wave. It was also an India wave. People had shown beyond any doubt that they stood for peaceful and orderly progress of this country.

Rajiv Gandhi became India's youngest Prime Minister, his cabinet contained a large number of young people as well as a few old veterans.

In answer to a question during the Press Conference addressed by the Prime Minister in New Delhi in June 1985, he described his Government as a Government which worked faster. Many people would have taken that the reply was a mere pun on the word 'fast' and 'faster'. But the successful initiative the Prime Minister took in settling the Punjab issue, which has been pending for a long time, within such a short period of his assumption of office as Prime Minister, took even the opposition parties by surprise. Even the critics of the Prime Minister did not expect such a quick settlement of this knotty problem. It earned all round kudos to the prime minister and proved that the country is blessed with a young Prime Minister who is dynamic, imaginative, with a high standard of statesmanship. The Prime Minister took the opportunity also to allay the misgivings by the neighbouring States of Haryana and Rajasthan by simultaneously assuring them that these States' interests will be fully protected.

BHOPAL TRAGEDY

Union Carbide, a multinational company, has been operating in India for some years. It has a pesticide plant at Bhopal which manufactures Methyl Isocyanate (MIC). Suddenly, one night there was a large-scale leakage from a tank containing MIC on account of building up of pressure. Wind inside it wafted the gas towards the city.

Soon came reports of people going to hospitals complaini

ing eye trouble. On investigation it was found that the cause of the trouble was the gas that had leaked from the Union Carbide's pesticide tank. Thousands of people died in their sleep or while fleeing from the killer gas. Those who survived became victims of serious injury. It will take some years for the full effect of the damage done by this killer gas to be known.

A government-sponsored survey by the Tata Institute of Social Sciences reported on February 5, 1985, that at least 1,064 people had become blind as a result of exposure to the lethal gas. It said 150 children were orphaned and 168 women widowed in what was described as the world's worst environmental disaster in living memory.

Labour has been complaining that managements in general are not safety conscious and do not observe necessary regulations. In this particular case, labour complained that they were not taken seriously and not even informed of the fatal nature of the gas. They were even ignorant of the precautions they should have taken to protect themselves from the gas leakage.

Newspapers were full of stories of the criminal neglect on part of the management in discharging its responsibility in the matter of safety. It was estimated that about three thousand people were killed. Almost the entire town was contaminated and lakhs of people were subjected to one form of hazard or another.

The Government arrested some top officers of the company who were later released on bail. The arrests were no solution of the problem. Suits claiming compensation running into several billions of dollars were filed in courts in the United States. Whatever the amount of compensation that might be paid, it cannot compensate the loss of human lives in this tragedy.

This development emphasised the need for strengthening the safety system in factories. Safety inspection in many cases seems to be a mere formality, sometimes only statistical. There is need for appointment of safety officers in undertakings that manufacture chemicals and gases. Frequent safety exercises are necessary.

The Bhopal tragedy, one of the worst ever in the world,

calls for tightening of safety arrangements as well as enforcement of high standards of preventive measures.

ADMINISTRATIVE TRIBUNALS

A large number of cases relating to service matters of government employees were pending before various courts. It was stated in Parliament by the Minister of State for Personnel and Administrative Reform that as of January 1985 about 65,000 cases were awaiting disposal in the High Courts alone. The delay was causing frustration to the Government employees.

The setting up of Administrative Tribunals will go a long way in not only reducing the delay but also providing speedy relief to persons covered by the proposed law. A Bill providing for adjudication of disputes and complaints with respect to the recruitment and conditions of services of persons appointed to the public services was introduced in Parliament in January 1985. The Bill also provided for appointment of senior bureaucrats as chairmen and vice-chairmen of the proposed tribunals. This provision was attacked by all parties. All sections of Parliament felt that the induction of senior and retired bureaucrats at the Centre and in the State Governments as chairman of Administrative Tribunals would be in contravention of the law of natural justice. They preferred judges to be chairmen of the tribunals. The 65,000 cases pending before the High Courts will not go before the Administrative Tribunals for disposal. The orders of the tribunals will be final subject to an appeal to the Supreme Court.

The Bill also envisages establishment of Administrative Tribunals which will deal exclusively with service matters concerning State Government employees. It remains to be seen how far the administrative tribunals will succeed in rendering speedy justice and winning the confidence of all those governed by them and how rarely or frequently appeals are made to the Supreme Court.

ANTI-DEFECTION LAW

An unfortunate development affecting democratic functioning

in the country has been that several members of Parliament and State Assemblies elected on party tickets did not take seriously their loyalty to the parties and people who had voted for them. They were more keen to improve their personal fortunes than adhere to the policies and programmes of their parties. They turned opportunists and defected from one party to another. Even such defections were shortlived and there were instances where members who defected from one party to another re-defected to their former party in less than a couple of days. Evidently, the incentives offered to them for defection were not adequate. This led to such members of Assemblies and Parliament being labelled as 'Aya Rams and Gaya Rams'.

There was a persistent demand for legislation to ban such defections. This was an issue fraught with difficulties.

In his address to both Houses of Parliament in January 1985, the President assured Parliament that the Government would bring forward a Bill to ban defections. True to his promise, the Constitution (Fifty Second Amendment) Bill, 1985 was introduced in the Parliament on January 24, 1985. It sought to combat the evil of political defections and thereby put an end to the politics of opportunism.

According to the provisions of the Bill a member of a political party elected to Parliament or a State legislature would be disqualified on the ground of defection if he voluntarily relinquishes his membership of his party or votes or abstains from voting in the House contrary to the direction of the party.

An Independent member of Parliament or State legislature shall also be disqualified if he joins any political party after his election. A nominated member of Parliament or a State legislature who is not a member of a political party at the time of his nomination and who has not become a member of any political party before the expiry of six months from the date on which he takes his seat shall also be disqualified if he joins any political party after the expiry of six months.

Having regard to past history, the Bill also provides for splits and mergers of political parties. It enables a person elected as a Presiding officer of a House to sever his connec-

tion with his party. This Bill which is a welcome measure and will contribute to a stable democracy and party stability, has been passed by both Houses of Parliament and has also received Presidential assent.

ESPIONAGE

It is not unusual for a country to spy on the secrets of another country. This is a very ancient practice. Nowadays, with refinement in the art and technology of spying, even satellites in space are used for spying.

Prime Minister Indira Gandhi had often said that foreign hands were behind the troubles in the country. Spy rings seem to have been actively operating in India for several years and this is acknowledged by the Intelligence Bureau of our country.

In January 1985 it was revealed that some senior aides to the Prime Minister's Principal Secretary and staff of Rashtrapathi Bhawan were involved in this traitorous activity. This shows the degree to which foreign agents had infiltrated into the country's Government. It must have come as a shock to Prime Minister Rajiv Gandhi.

Top secret documents were reported to have been made available to foreign intelligence agencies. These included some papers relating to our defence preparedness. This reminds us of the off-repeated advice of Mrs. Indira Gandhi that the country must learn to be self-reliant, and that dependence on foreign assistance had to be cut down to the minimum. The country must attain rapidly technological freedom and exercise continuous vigilance in order not to become vulnerable to the political arm of the big powers.

PEACE AND DISARMAMENT

According to the UN Annual Report on the world situation, released in February 1985, armed conflicts have taken up to 21 million lives since World War II. As recently as 1983, some 4 million troops were fighting in 75 countries. During 1983, 40 separate major and minor conflicts were identified and eight countries had their troops fighting on

foreign soil. In these conflicts, three out of every five fatalities were civilians. The report put the average death-toll in the conflicts at between 33,000 and 40,000 a month since 1945.

Most of the casualties occurred in developing countries. Conflicts displaced people from their homes and even countries by thousands and in some cases even millions. Poor countries were overwhelmed by the influx of refugees. The report said that a characteristic of the present period was the prevalence of "irregular", "un-declared wars" in which the combatants felt themselves not bound by any rules of conduct. According to latest estimates, of the 29 million regular troops under arms, two-fifths were in NATO and Warsaw Pact countries. Roughly one-third of the armaments were located in Europe.

The report added, "There is no discernible trend towards fewer conflicts. Some old conflicts have dragged on even for decades. Others have flared up repeatedly."

The immensity of the problem is obvious from the U.N. report. What should be causing anxiety to the world's statesmen is that efforts at reversing this trend are not succeeding. On the other hand, the U.S. is extending the warscare through space--what has now come to be called as "Star-War".

Internationally, India earned a name for herself in many respects under the dynamic leadership of Prime Minister Indira Gandhi. The successful holding of the Non-aligned Summit, the election of Mrs. Gandhi as Chair-person of the Conference and leader of the Non-aligned movement, the convening of the conference of Commonwealth Heads of State, the Asiad, as well as the leading role the country played in the last session of the United Nations and the visits of Mrs. Gandhi to several countries to strengthen bilateral relations, greatly enhanced the image of India.

The situation across the border in the west got worse with the American Government overarming Pakistan with modern sophisticated weapons including F-16s which that country had no use for except against India. This compelled the Government of India improve its equipment and increase its military preparedness.

The installation of nuclear missiles in Western Europe followed by retaliatory steps by the USSR created a sense of panic in the world as any day it could be pushed into disaster, resulting in the destruction of humanity. These developments underlined the urgent need for peace and disarmament. The Indian Government played a leading role in working for the attainment of these objectives.

India took the initiative in convening a six-nation summit conference in New Delhi in January 1985. The conference was attended by Heads of States and Prime Ministers from Argentina, Mexico, Tanzania, Greece and Sweden, besides India. It issued an appeal to the super-powers as well as to others who have stockpiled destructive nuclear weapons to desist from further manufacture of these weapons and commit themselves to peace and disarmament. The leaders of the summit conference were expected to personally convey the message of "Peace and Disarmament" in the name of humanity to the super-powers. While the Russian reaction is reported to have been favourable, the American reaction is yet to crystallize.

The long-drawn war in West Asia between Iran and Iraq, the continuing Palestinian problem and the bloodshed in Beirut were disturbing developments. India's sympathies lay with the Palestinians. The Government worked unceasingly to bring the Iran-Iraq war to an end, and seek withdrawal of the Israeli forces from the occupied territories. It strove for making the Indian Ocean a zone of peace and maintaining friendly relations with all nations, particularly her neighbours. But the American response was poor and the Indian Ocean was becoming a naval base for the U.S.

NEW THINKING BY COMMUNIST CHINA

Communist China has often been cited as its ideal by the Communist Party (Marxist) in India. Communist China recognized Karl Marx as interpreted by Stalin. Chairman Mao Tse-tung was accepted as the sole interpreter of Marxism and the whole country followed implicitly his supreme leadership. The country remained under the monolithic structure and control of Mao for several years. Mao showed that it

was not necessary to depend upon the urban, organized industrial labour to bring about a revolution. This could also be done by organizing rural labour as in China.

Communist China had accused the USSR of deviating from the orthodox Marxist philosophy, called it revisionist and parted ways from it many years ago. In India, the CPI took the Moscow line and the CPM the Peking line. After the death of Mao and the emergence of lesser luminaries who took over the country, there was a deliberate effort to move away from Mao and Marxism.

In late 1984¹, China dealt a fatal blow to the unquestioned Communist Party doctrine, declaring that it could not strictly rely on Marxism to build a modern nation. An unprecedented front-page editorial to this effect was in the official Communist Party organ, *The People's Daily*. It said that "the works of Marx (1818—1883), father of the Marxist philosophy, were obsolete. Marx died 101 years ago. There have been tremendous changes since his ideas were formed. Some of the Marxist ideas are no longer suited to today's situation because Marx never experienced these times, nor did Engels or Lenin; and they never came across the problems we face today. So, we cannot use Marxist and Leninist Works to solve our present-day problems."

On the 91st birth anniversary of the late Chairman Mao Tse-tung, on December 26, 1984, China ignored him in sharp contrast to the lavish praise heaped on the 'Great Helmsman' a year ago, Beijing newspapers carried only a brief report on Mao.

For the first time since Communists came to power in China towards the end of the 1940s, the Chinese Government announced in January 1985 a new policy of eliminating party control from the management of State-run enterprises under a draft bill which would give heads of factories full authority in production and management. Party officials inside the enterprises were not to be allowed to involve themselves in the management affairs.

It was also stated that Mao's communes were "being phased

1. *The Hindu*, December 11, 1984

out" rapidly as the arms of government in villages. Communist China considered that concentration of power would lead to economic stagnation. The leading Chinese ideological journal advised the Chinese to stop seeking a magic remedy in the works of Mao and Marx and look instead at the present realities.¹ It further stated that the pair Mao and Marx were beacons of socialism; but Mao sometimes got it wrong; and Marx did not have all the answers. The rejection of blind obedience to Mao and Marx, and the exhortation to seek truth from facts had now become the constant refrain in China, under the leadership of Deng Xiaoping. Mao's idea of destruction first and construction later, it was pointed out, was untenable and did not conform to the Chinese realities, and if followed now, could plunge China back into chaos.

China has even gone to the extent of planning to inject yet another dose of capitalism into its economy with the decision to open stock exchanges in Beijing and Shanghai. These would be the first share markets in any Communist country².

The Government there is taking steps to start selling state-owned flats to its employees from the beginning of 1985. This is with a view to developing house-ownership where at present most urban workers live in state accommodation at heavily subsidised prices³. China has also allowed a privately-owned taxi fleet in Shanghai by a private company. The Chinese leaders are reported to have said that individuals should be encouraged to operate private transport services to help relieve the country's transportation bottlenecks.

The emphasis on production is also changing and the Minister of Light Industry has announced that from 1985 China would step up production of washing machines, refrigerators and quality bicycles—unthinkable luxuries until recently—to meet the growing demands of the population. The Chinese leaders hoped to unshackle the economy from the stifling direct State control, while keeping an eye on wages and price levels.

1. *Indian Express*, February 3, 1985.

2. *The Hindu*, December 19, 1984.

3. *The Hindu*, January 30, 1984.

In Poland also private business has developed rapidly in recent years¹. According to official figures, there were 4,30,000 such business houses at the end of 1984, employing 8,00,000 workers compared to 34,000 business houses employing 67,000 workers in 1981. The Polish Government is encouraging development of small private businesses as a way to overcome the country's economic difficulties.

These radical changes in the thinking of Communist China and Poland should open the eyes of the Indian Communists who were following Communist China as well as Marxist and Leninist doctrines as something unchangeable for all times to come. It is time they did some bold thinking, and adapted themselves to the requirements of India in modern times. They might even discover then that the Gandhian approach to our problems is more realistic than Marxism or Leninism and that their trade unions need to undergo ideological changes and join the mainstream of the national trade union movement.

CONGRESS COMMITMENT TO SOCIALISM

The All-India Congress Committee (I) met in Delhi on May 4 and 5, 1985. This was its first meeting after the death of Indira Gandhi. It formally confirmed the decision of the Working Committee that Rajiv Gandhi should be President of the AICC(I). The meeting took place on the eve of the centenary celebrations of the Congress.

The AICC(I) unequivocally declared its commitment to socialism through an economic resolution adopted unanimously at the session. It reaffirmed that socialism had been the goal of the Congress because in India's social and economic conditions no other way was conceivable for solving the problems of the people.

The AICC(I) ruled out any dilution of the role of the public sector in the country's economy. It resolved to continue the policies laid down by Jawaharlal Nehru and Indira Gandhi and assured the people that there would be

1. *The Indian Express*, February 4, 1985.

no deviation from socialism and self-reliance, and underlined that its single point programme was to "remove poverty".

THE CONGRESS CENTENARY

The centenary celebrations of the Congress were inaugurated by Rajiv Gandhi, its 60th President. Invitations were sent to survivors of the freedom movement and to leaders of the undivided Congress Party, but most of them chose to keep away from the celebrations.

In his inaugural address Rajiv Gandhi reiterated the Congress's commitment to democracy, socialism and secularism and its determination to preserve the unity and integrity of the country.

Rajiv Gandhi compared the Congress to the Ganga mingling with several streams in its continuing flow. He referred to the two major splits in the party in 1969 and 1977, and said that instead of weakening the party they had strengthened it. He called upon Congressmen and youth to be prepared to make sacrifices to save the hard-earned freedom and sovereignty of the nation. He appealed to the youth to once again come to the forefront, as they did during the freedom struggle. He referred to the sacrifices made by the great national leaders, from Mahatma Gandhi down to Indira Gandhi to make India a strong and vibrant, independent nation. He pointed out that "today the country is facing dangers from both within and outside and we have to safeguard our freedom, sovereignty and secularism at all costs."

On the Punjab problem, Rajiv Gandhi said "We could do anything to solve the Punjab problem but we will never let the unity and integrity of the country to be weakened".

He maintained that the Congress had always kept its ideals and principles above individuals and groups. It was the biggest democratic organization in the world and the largest mass-based party. The role of Congress had not changed. It would continue to work for the uplift of the poor and backward classes.

Rajiv Gandhi took the occasion of the Congress centenary to announce an increase in the pension of freedom fighters and their widows from Rs. 300 to Rs. 500 per month. This

gesture was greatly appreciated by the freedom fighters who attended the conference. They were given a place of honour.

Rajiv Gandhi also announced during the conference the institution of a National Award to perpetuate the memory of Indira Gandhi. The award, which will be one lakh rupees in cash, will be given every year to a person who makes outstanding contribution to national unity.

PRIME MINISTER'S AWARDS FOR WORKERS

The Congress Government at the Centre had instituted awards to honour eminent men in different walks of life. The awards were called the 'Padma' series, comprising Padma Shri, Padma Bushan, Padma Vibushan and Bharat Ratna. When the Janata Party came to power they discontinued these awards. After the Congress was returned to power again in 1980, it resumed the awards. The awards are not like titles of the British days that could be prefixed to the names of the awardees. They are a recognition of individual merit and are not intended to be prefixed to names.

Indira Gandhi during her long tenure as Prime Minister had addressed the May Day rally of workers only once. But Rajiv Gandhi, in his very first year as Prime Minister, spoke at a May Day rally at Dhanbad, the coal-mining capital of India. Hundreds of thousands of miners attended the rally with great enthusiasm.

At the rally, Rajiv Gandhi announced the institution of five awards for workers as a May Day gift to them. The awards are to be known as Shram Ratna, Shram Bushan, Shram Shri, Shram Devi and Shram Veer. These are to be given every year on Independence Day to workers who help in raising production or show exemplary courage in a difficult situation. They are to be known as the Prime Minister's Awards and given to workers of public utility services like the Railways and Posts and Telegraphs and to employees of public sector undertakings. Of these awards, the Shram Veer was already in vogue.

Rajiv Gandhi reminded the workers that while they had a right to a better deal they had also a responsibility. They

should ensure industrial peace. He listed the measures the Government proposed to take for the benefit of workers in the organized sector. He said workers would have the right of participation in management in public sector industries, which would later be extended to the private sector.

D.A. INCREASE FOR PUBLIC SECTOR EMPLOYEES

Joint Negotiating Committees were set up in all major public sector undertakings, such as Bharat Heavy Electricals, Coal India and Steel Authority of India. They have a fairly good record; they reached unanimous agreements not only over wages and other service conditions but also in respect of target setting, productivity and quality. Since these agreements were subject to the Government's approval this created problems at the post-agreement stage but these were finally overcome in a spirit of understanding and accommodation.

During the negotiations for revision of pay-scales, etc., in 1982-83, the parties could not decide the quantum of increase in the D.A. The unions complained that Rs.1.30 per point of the Consumer Price Index (1960 base) as D.A. was not adequate to fully neutralize the rise in the cost of living of even employees at the lowest level. They therefore demanded a higher rate per point. Since there was no agreement on this issue, and since the parties did not want to stall the negotiations on account of it, they reached an agreement on all other issues and reserved the D.A. issue for separate treatment.

It was agreed that in respect of D.A. increase, the Government should set up a high-level committee with the Union Labour Minister as chairman to decide what increase and from which date should be given in the rate per point over Rs. 1.30. The committee held several sessions but could not reach an agreement.

While the committee was still deliberating the rate of D.A. to be paid, an agreement was reached in West Bengal at the instance of the CPI(M) Government there, under which the rate of D.A. was raised to Rs. 1.50 per point (1960 series) but with no retrospective effect. This agreement came in the way of any substantial increase in the rate of D.A., and any

reasonable retrospective effect to it, being agreed to during the Central negotiations.

The committee broke up in March 1985. Nevertheless, the INTUC continued its efforts approaching the Prime Minister and the Finance Minister. At a meeting of the members of the committee with the Finance Minister on April 9, 1985, an oral agreement was reached whereby the Government agreed to raise the rate per point over 492 points from Rs. 1.30 to Rs. 1.65. The Government also agreed to give retrospective effect to the increased rate with effect from April 1, 1983.

It was further agreed that the two years' arrears would be paid in two equal instalments and that the second instalment after one year would carry interest on it. The Finance Minister, V.P. Singh, announced these terms as the Government's decision in the Lok Sabha a few days later. The announcement received a favourable response from employees in the Central Government and public sector undertakings.

There were other industrial establishments, both in the State public sector and in the private sector, which were paying Rs. 1.30 per point as D.A. following the example of public sector undertakings. The Cement Manufacturers Association followed suit in terms of the arbitration award and directed all the cement units in the country to pay the increased D.A. rate of Rs.1.65 per point over 492 with effect from April 1, 1983. The others too will now have to pay the revised higher rate of D.A.

FIVE-DAY WEEK

There has been a demand from certain sections of labour led by the INTUC for a five-day week without reduction in emoluments. It has several advantages that are too obvious to need mention here.

Weekly holidays in most industries are staggered because of power shortages. The INTUC had demanded a five-day week for the workers but it wanted the plants to work on all the seven days in the week. This would at the same time help increase employment opportunities and production. There are already several factories which work for five days in the week without staggering the two rest days.

Rajiv Gandhi after he became Prime Minister responded to this longstanding demand and introduced a five-day week in all Central Government Offices with effect from June 3, 1985. The Ministries will work from 9 a.m. to 5 p.m. with half an hour lunch break. The attached and subordinate offices will work from 10 a.m. to 6 p.m. with a similar lunch break. The working hours in a week will remain $37\frac{1}{2}$, as before.

Clarifying the proposal for the five-day week for Central Government employees, it was stated that non-administrative offices of the Central Government, including posts and telegraph offices, and all such operational offices as hospitals and other services under the Central agencies, will not follow the five-day week, but will continue to work under the existing pattern of working days and timings. The Ministries and Directorates under which these services function, will however follow the new five-day week schedule.

The Government feels that a "properly rested and relaxed individual has a discernibly higher efficiency quotient compared to one who has not been able to rest sufficiently." The Government also plans to develop holiday resorts around several urban centres to allow the two-day weekly holiday to be utilised effectively.

ONWARD FOR EVER

Trade unions have come to stay. They will be there so long as there are employers and employees. But most of our trade unions are still largely primitive in their means, sectional in their thinking and negative in their approach. There is, therefore, need for modernization of trade unions. It is not enough to modernize industry; simultaneously, trade unions also will have to be modernized, and workers' thinking updated and attitudes broadened.

It is unfortunate that in our country, we have multiple trade unions operating in most plants. Trade unions are a symbol of unity, but that symbol itself is utilized to disunite them. Workers must, therefore, first, learn their elementary lesson of unity. No legislation can bring about unity. Legislative compulsion may result in multiple unions giving

place to a single union, but that one union may have several groups, each pulling it in a different direction. It is only education that can bring about a conscious change in the attitude of workers and lead to solidarity.

Everybody wants one union for one industry. But that is not enough. What is really needed is one *good* union for one industry. Everybody might claim that his union is that good union. It should not be difficult to lay down objective standards to determine the hallmark of a good union. Trade unions should be a positive force for progress and not be negative and obstructive. There is need for trade unions to adopt an altogether new culture.

Trade union activities should not start and stop at the factory gate. Unions should take charge of the workers as a whole, and cater to their manifold requirements. But so far, they have been fighting for only the economic demands of workers and improvement of the service conditions. That is not enough. Trade unions must also help the workers to lead a better standard of life as well as a better quality of life.

This can be achieved by educating the workers to give up harmful practices and wasteful expenditure. Often, wage increases secured after a prolonged struggle are spent on liquor, smoking and gambling, with the result that they do not go to improve the standard of living of the worker and his family, much less their quality of life. Trade unions should therefore take up new spheres of activities. Even enabling workers to give up drinking, smoking and gambling is a negative approach. Trade unions should teach them positive aspects of a clean and healthy life.

The incidence of indebtedness among workers, even those drawing relatively fair wages, appears to be growing. Workers have been borrowing from all kinds of sources to meet their current needs. Trade unions should teach them to live their means and, if possible, develop the savings habit. They should also educate the workers about the small family norms.

Trade unions should come forward to eliminate social evils such as the dowry system. Every young employed person who is not married must be made conscious of the

evils of this system, and must be equipped to fight it. Older workers who have a son or a daughter of marriageable age should be taught to neither demand nor give dowry. Trade unions should carry on a campaign against the dowry system.

Trade unions should have special programmes for women workers, young workers and handicapped workers. They should embark on organizing cooperative institutions for housing, consumer stores, credit, etc. They should run their own educational, cultural and recreational programmes. Then only can the trade union movement take charge of the MAN in the worker as a whole and cater to his manifold requirements, and improve his quality of life. They should also prepare workers for their future role of participation as partners in the management of industries. Thus trade unions have plenty of constructive work to do. They should not remain satisfied with being as mere instruments of agitation. The future before them is bright. They cannot afford to stagnate. They should be dynamic and continuously on the move. So, onward for ever to newer heights along with the rest of society !

OUR CULTURE IS SOCIALIST

A question may arise whether it is possible to recapture old values and practise them in today's world, engaged in a mad race for power and pelf. The present order of society and the system of its economic activities have changed so much that our old cultural values may appear to be inappropriate and unpracticable. Therefore any reference to them as our objective will be criticised as unworkable.

It is true that the organisation of economic activities in present-day society has changed and with it our values have also changed. Even so there are certain unchangeable basic values in our culture. They will continue to hold good for all times. Maybe, we are not able to practise them fully. But even if we try to practise a fraction of the unchangeable laws embedded in our culture, society will be far better than what it is now and the world will be a much better place to live in. And that is worth working for.

DECLARATION OF PHILADELPHIA

*Declaration Concerning the Purposes of the International
Labour Organisation*

The General Conference of the International Labour Organisation, meeting in its Twenty-sixth Session in Philadelphia, hereby adopts, this tenth day of May in the year nineteen hundred and forty-four, the present Declaration of the aims and purposes of the International Labour Organisation and of the principles which should inspire the policy of its Members.

I

The Conference reaffirms the fundamental principles on which the Organisation is based and, in particular, that:

- (a) labour is not a commodity;
- (b) freedom of expression and of association are essential to sustained progress;
- (c) poverty anywhere constitutes a danger to prosperity everywhere;
- (d) the war against want requires to be carried on with unrelenting vigour within each nation, and by continuous and concerted international effort in which the representatives of workers and employers, enjoying equal status with those of Governments, join with them in free discussion and democratic decision with a view to the promotion of the common welfare.

II

Believing that experience has fully demonstrated the truth of the statement in the Constitution of the International Labour Organisation that lasting peace can be established only if it

is based on social justice, the Conference affirms that:

- (a) all human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity;
- (b) the attainment of the conditions in which this shall be possible must constitute the central aim of national and international policy;
- (c) all national and international policies and measures, in particular those of an economic and financial character, should be judged in this light and accepted only in so far as they may be held to promote and not to hinder the achievement of this fundamental objective;
- (d) it is a responsibility of the International Labour Organisation to examine and consider all international economic and financial policies and measures in the light of this fundamental objective;
- (e) in discharging the tasks entrusted to it the International Labour Organisation, having considered all relevant economic and financial factors, may include in its decisions and recommendations any provisions which it considers appropriate.

III

The Conference recognises the solemn obligation of the International Labour Organisation to further among the nations of the world programmes which will achieve:

- (a) full employment and the raising of standards of living;
- (b) the employment of workers in the occupations in which they can have the satisfaction of giving the fullest measure of their skill and attainments and make their greatest contribution to the common well-being;
- (c) the provision, as a means to the attainment of this end and under adequate guarantees for all concerned, of facilities for training and the transfer of labour, including migration for employment and settlement;

- (d) policies in regard to wages and earnings, hours and other conditions of work calculated to ensure a just share of the fruits of progress to all, and a minimum living wage to all employed and in need of such protection;
- (e) the effective recognition of the right of collective bargaining, the co-operation of management and labour in the continuous improvement of productive efficiency, and the collaboration of workers and employers in the preparation and application of social and economical measures;
- (f) the extension of social and security measures to provide a basic income to all in need of such protection and comprehensive medical care;
- (g) adequate protection for the life and health of workers in all occupations;
- (h) provision for child welfare and maternity protection;
- (i) the provision of adequate nutrition, housing and facilities for recreation and culture;
- (j) the assurance of equality of educational and vocational opportunity.

IV

Confident that the fuller and broader utilisation of the world's productive resources necessary for the achievement of the objectives set forth in this Declaration can be secured by effective international and national action, including measures to expand production and consumption, to avoid severe economic fluctuations, to promote the economic and social advancement of the less developed regions of the world, to assure greater stability in world prices of primary products and to promote a high and steady volume of international trade, the Conference pledges the full co-operation of the International Labour Organisation with such international bodies as may be entrusted with a share of the responsibility for this great task and for the promotion of the health, education and well-being of all people.



The Conference affirms that the principles set forth in this Declaration are fully applicable to all people everywhere and that, while the manner of their application must be determined with due regard to the stage of social and economic development reached by each people, their progressive application to people who are still dependent, as well as to those who have already achieved self-government, is a matter of concern to the whole civilised world.

AVERAGE DAILY EMPLOYMENT IN
 FACTORIES, COAL MINES AND SHOPS
 AND COMMERCIAL ESTABLISHMENTS

<i>Year</i>	<i>Factories</i>	<i>Coal Mines</i>	<i>Shops and Com- mercial establishments</i>
1	2	3	4
1951		35.19	9.28
1952			
1953		34.12	10.94
1954			
1955		34.80	11.71
1956	34.33		
1957	35.43	37.02	15.82
1958	35.97	38.22	17.04
1959	36.45	38.38	16.31
1960	37.73	39.74	18.58
1961	39.28	41.13	20.69
1962	41.21	43.29	20.32
1963	43.76	45.07	20.31
1964	46.22	43.08	22.00
1965	46.82	42.45	25.06
1966	47.03	42.55	25.59
1967	47.60	41.38	26.17
1968	47.58	39.54	28.03
1969	47.99	39.64	28.03
1970	47.89	39.15	29.51
1971	50.83	38.23	31.12
1972	53.44	40.98	31.99
1973	55.00	47.49	31.83
1974	56.78	50.49	34.18

1	2	3	4
1975	57.71	52.24	25.84
1976	61.27	51.04	36.04
1977	63.11	49.73	32.68
1978	65.40	49.66	33.15
1979	67.97	49.89	27.24
1980			31.44
1981			31.69
1982			

AVERAGE EMPLOYMENT IN PLANTATIONS

<i>Year</i>	<i>Tea</i>	<i>Coffee</i>	<i>Rubber</i>	<i>Total</i>
1951	1017989	175111	43185	1236285
1952				
1953	969610	164604	40387	1174601
1954				
1955	989656	202859	57813	1250328
1956				
1957	1004257	199153	71032	1274442
1958	980238	195540	83846	1259624
1959	919405	260654	88721	1268780
1960	845166	283616	93754	1222536
1961	822834	285444	101776	1210054
1962	816262	259967	106371	1182600
1963	847372	204114	111820	1163306
1964			114106	114106
1965			122000	122000
1966				
1967	770200	34561	25762	830529
1968	744902	27186	28935	801023
1969	676721	38172	34065	748958
1970	736351	41175	34791	812317
1971	723106	43808	32545	799459
1972	697534	52662	35825	786021
1973	740644	62325	32745	835714
1974	882022	45633	31857	959512
1975	812437	70354	33225	916016
1976	811130	60184	38469	909783
1977	813046	30572	33336	876954
1978	821710	42565	34478	898753
1979	806952	41845	34448	883245

EMPLOYMENT IN RAILWAYS AND
POSTS AND TELEGRAPHS

<i>Year</i>	<i>Railways</i>	<i>Posts & Telegraphs</i>
1951	9.23	1.93
1953	9.23	2.36
1955	9.90	2.62
1957	10.63	2.87
1958	11.19	3.09
1959	11.55	2.28
1960	11.60	3.54
1961	11.63	3.73
1962	11.80	3.88
1963	12.17	4.27
1964	12.76	4.58
1965	13.24	4.70
1966	13.57	4.90
1967	13.70	5.05
1968	13.67	5.20
1969	13.58	5.34
1970	13.63	5.60
1971	13.78	5.90
1972	13.94	6.05
1973	14.14	6.08
1974	14.36	6.29
1975	14.49	6.53
1976	14.60	6.77
1977	14.78	7.03
1978	14.97	7.32
1979	15.27	7.59

TRADE UNIONS

<i>Year</i>	<i>No. of Registered Trade Unions</i>	<i>No. of Unions submitting returns</i>	<i>Average membership of unions submitting returns</i>
1966	14686	7244	606
1967	15314	7523	602
1968	16716	8851	579
1969	18837	8423	582
1970	20879	8537	600
1971	22484	9029	606
1972	13628	9074	584
1973	26788	9853	668
1974	28648	9800	632
1975	29438	9324	734
1976	29757	9102	675
1977	30895	8792	671
1978	32207	8351	723
1979	33521	6735	695
1980	35750	4426	602

**CLAIMED AND VERIFIED MEMBERSHIP OF
CENTRAL TRADE UNION
ORGANISATIONS**

<i>Name of Trade Unions</i>	<i>Claimed as on 31-12-1980</i>		<i>Verified as on 31-12-80</i>	
	<i>Unions</i>	<i>Members</i>	<i>Unions</i>	<i>Members</i>
INTUC	3457	3509326	1505	2236128
BMS	1725	1879728	1333	1211345
HMS	1122	1848147	409	735027
UTUC	154	1238891	134	621354
NLO	244	405189	172	246540
NFITU	166	527375	80	84123
TUCC	182	272299	63	14570
UTUC	618	608052	158	35384
AITUC	1316	1044330	1080	344746
CITU	1737	1033432	1474	331037

NUMBER OF DISPUTES AND MAN-DAYS LOST

<i>Year</i>	<i>No of Disputes</i>	<i>Workers Involved</i>	<i>Mandays Lost</i>
1	2	3	4
1941	359	291054	3330503
1942	694	772653	5779965
1943	716	525088	2342287
1944	658	550015	344730
1945	820	747530	4054499
1946	1629	1961948	12717762
1947	1811	1840784	16562666
1948	1259	1059120	7837173
1949	920	605457	6600395
1950	814	719883	12806704
1951	1071	691321	3818928
1952	963	809242	3336961
1953	772	466607	3382608
1954	840	477138	3372630
1955	1166	527767	5697848
1956	1203	715130	6992040
1957	1630	889371	6429319
1958	1524	928566	7797585
1959	1531	693616	5633517
1960	1583	986268	6536517
1961	1357	511860	4918755
1962	1491	705059	7620576
1963	1471	563121	3268524
1964	2151	1002955	7724694
1965	1835	991158	6469992
1966	2210	1205570	10494028
1967	2815	1490346	17148000

(Contd)

1	2	3	4
1968	2776	1669294	17244000
1969	2627	1826866	19048000
1970	2889	1827752	20563000
1971	2752	1615140	16545636
1972	3243	1736737	20543916
1973	3370	2545602	20626253
1974	2938	2854623	40262417
1975	1943	1143426	27900931
1976	1454	739974	12745735
1977	3117	2293215	25320071
1978	3187	1915603	28340199
1979	3048	2873575	43853518
1980	2856	1900333	21925026
1981	2584	1252082	26436262

CONSUMER PRICE INDEX NUMBERS
GENERAL INDEX
(19600=100)

<i>Year</i>		<i>Year</i>	
1	2	1	2
1950	101	1967	172
1951	105	1968	177
1952	103	1969	175
1953	106	1970	184
1954	101	1971	190
1955	96	1972	202
1956	105	1973	236
1957	111	1974	304
1958	116	1975	321
1959	121	1976	296
1960	124	1977	321
1961	126	1978	329
1962	130	1979	350
1963	134	1980	390
1964	152	1981	441
1965	166	1982	475
1966	184	1983	532

INDEX

- ADMK, 272
AFL-CIO (USA), 318
AIBEA, 369
AICOBOO, 369
AIDMK, 346, 355
AIMO, 359, 361
AIOE, 359, 361
AIRF, 126
AITUC (All India Trade Union Congress), 14, 15, 18, 21, 23, 34, 35, 43, 44, 46, 50, 59, 61, 63, 84, 87, 88, 90, 100, 103, 114, 116, 139, 148, 149, 151, 160, 166, 169, 170, 179, 184, 192, 200, 203, 210, 211, 226, 227, 252, 253, 263, 264, 270, 296, 299, 300, 305, 306, 307, 308, 309, 337, 359, 368; AITUCs Bombay session, 99-100; AITUC Communists split, 25-26; AITUC Congress and, 16-17; NTUF merges with, 46; on TLA, 33-34; role of, 58-60; split in, 268-269, 298
Abdul Bari, Prof., 39, 40, 176
Abid Ali, 117
Adarkar, Prof. B.P., 108; Adarkar's scheme, 108
Administration, 133; Administration Report of the Bombay Government, 7; Administrative Reforms Commission, report of, 246; Administrative Tribunals, 376; of industries, 130
Africa, 224, 289, (*see also* South Africa)
Agitations, misconceived, 301; agitators, 8
Agriculture, 340; Agriculture-based industrial raw materials, 268, 299
Ahimsa, 156
Ahmedabad, 1, 14, 26, 27, 31, 32, 35, 44-6, 52, 54, 59, 136, 156, 179, 181, 186, 191; Ahmedabad Agreement, 117-119; Ahmedabad out of INTUC, 301-302; Ahmedabad Millowners Association, 118, 190; Ahmedabad Textile Labour Association, 54, 186, 190; Ahmedabad textile workers, 77, 84
Air-India International, 124
Air-India strike in (1983), 305
Akali Dal (L), 372
All-China Federation of Trade Unions, 289
All India Anna DMK (AIADMK), 272
All India Bank Employee's Association, 106
All India Federation of Trade Unions, 171, 227
All India Industrial Tribunal (Bank disputes), 122
All India Kisan Sabha, 49
All India Organization of Trade Unions, 14
All India Railwaymen's Federation, 125, 165
All India Red Trade Union Congress, 43-44, 46
All India Students Federation, 49
All India Tribunal, 105
Alleppey, 169

- Allies, 65
 Allowance, 345
 Almora, 172
 Alvares, Peter, 168
 Amalgamated Society of Railway Servants of India and Burma, 9-10
 Ambedkar, G.D., 55, 68, 74, 101, 137, 138
 America (*see also* USA), 3, 5, 57, 99, 122, 179, 223, 244; American CIA, 89
 American Federation of Labour (AFL), 62, 133, 134; American Labour Day, 179; American National Centre, 62
 Amritsar, 16
 Anand Shankar Dhruv, Acharya, 30-31
 Anandpur Sahib, 371
 Andhra Pradesh, 100, 257, 321, 359, 373; Andhra communists, 98
 Andrews, C.F., 15, 18, 37, 38
 Anglo-Indian employees, 10
 Annadurai, 272
 Antarctica, 354
 Anti-Defection law, 376, 378
 Apartheid, 215
 Appellate Tribunal, 101, 123
 Arbitration, 32, 363; Arbitration Board, 30; Arbitration Promotion Board, 283; principle of, 30-32
 Argentina, 380
 Arjun Singh, 372
 Arkwright, 3, 4, 5
 Aryabhatta, 354
 Asaf Ali, Aruna, 67
 Asansol, 257
 Asia, 65, 91, 122, 221, 222, 223, 224, 225, 289, 295, 318
 Asiad, 379
 Assam, 41, 107, 257, 321, 339, 359, 376, foreign nationals issue in, 346; Assam Plantation Act of (1863), 12; Assam Tea Company, 5
 Associated Cement Companies Ltd., 192
 Athavale, S.G., 74
 Atheism, 23
 Australia, 91
 Automation : Expert Committee on Automation, 286; selective, 285-287
 Avasthi, Suraj Prasad, 74
 Awami League, 293
 Awards for Workers, 365-366, 385-386
 Ayub Khan, President, 223
 BMS, 309, 359
 BPE, 359
 Babul Tree, 26-29
 Backward classes, 384
 Bakliwal, 254
 Baljit Singh, 251
 Bangalore, 184, 213; Bangalore Seminar, 243-244
 Bargaon Electric Supply Company, 261
 Bangladesh, 370; Bangla Congress, 264; birth of, 293-94
 Banker, Shankerlal, 27, 28, 45
 Banking Industry (Banks), 234-236, 368-370; Bank Award Commission, 123; nationalization of, 235-36
 Bannerjee, Dr. S.C., 116, 117
 Banerji, Shibnath, 68, 74
 Banerjee, Subodh, 259, 263
 Banerjee, Dr. Suresh Chandra, 67, 72, 73, 74
 Bareilly, 138
 Barnala, Surjit Singh, 372
 Baroda, 91, Baroda Convention, 271, 272
 Barrackpore, 262
 Basu, Jyoti, 260
 Beiper, 5

- Bengal, 10, 15, 20, 21, 41, 65, 89, 107, 116, 244, 256; Bengal Provincial Committee, 100
- Beasant, Dr. (Mrs) Annie, 14, 15, 300
- Bhagawathi, B.C., 256
- Bharat Heavy Electricals (BHEL), 232, 358, 386
- Bharat Ram, Lala, 139, 251
- Bharatiya Mazdoor Sangh, 275
- Bhave, Acharya Vinoba, 100
- Bhilai, 238, 239
- Bhindranwale, 371
- Bhoodan Movement, 130
- Bhopal tragedy, 374-376
- Bihar, 12, 41, 107, 162, 264, 277, 295, 301, 339, 346
- Birla House, Delhi, 79
- Birmitrapur, 140, 234, 272, 276
- Biswas, Haripada, 262
- Black International, 178
- Black Marketeers, measures against, 317
- Board of Arbitrators, 31
- Boards of Directors of Companies, 124
- Bolshevik Conspiracy Trial, 22
- Bolshevism, 22
- Bombay, 5, 7, 8, 10, 15, 21, 22, 23, 41, 44, 52, 55, 65, 99, 117, 119, 135, 136, 183, 203, 280, 283; Bombay Industrial Disputes Act, 51-52, 66, 152; (1938), 65-66; (1946), 65, 83; Bombay Millhands Association, 8, 102, 191; Bombay Postal Union, 9; Bombay Textile Bonus Case, 106; Bombay Textile Enquiry Committee, 53; Bombay textile strike, 24, 100-2
- Bonus, 344; Bonus Act, 320, 370, retrograde amendment to, 205-208; Bonus Commission, 192-195, 200; Bonus dispute, 102; Bonus formula, 199; Labour Appellate Tribunal, 190-192; Bonus, Railwaymen, and, 325-326; Bonus Review Committee, 204-205; Government assurance to workers, 194-196; Government modifies the recommendations, 194; Khadilkar Formula, 202-204; kinds of, 187; profit-sharing, 187-190; special session of standing Labour Committee on Bonus, 201-202; Supreme Court decision, 200-201
- Boothalingam, 322; Boothalingam Committee, 322-324 325, 326
- Bose, Dr. (Mrs) Maitrayee, 255, 256
- Bose, Minal Kanti, 88
- Bose, Netaji Subhas Chandra, 38, 39, 40, 70
- Britain (Government, rule in India), 3, 10, 21, 43, 51, 57, 58, 78, 91, 225; British Communist Party, 20-22; British imperialism (imperialists), 57, 226; British Labour Code, 41; British Trade Union Congress, (British TUC), 15, 63, 89, 90
- Brussels, 179
- Buckingham and Carnatic Mills, 14
- Bureau of Public Enterprises, 233, 342
- Burma, 12, 98
- Burn and Company, Asansol, 261
- CENTO, 222
- CIO (Congress of Industrial Organisations), 62, 133, 134
- CISF Men, 283
- CITU (Centre of Indian Trade Unions), 203, 298, 307, 308, 309, 330, 359, 368
- CPGB, 48
- CPI (Communist Party of India), 44, 48, 50, 56, 57, 73, 97, 98, 99, 100, 116, 136, 166, 268, 278, 290, 292, 295, 298, 369, 381; birthof,

- 22-25; infiltrated into Congress, 48-50; split in 226-227; workers, 262
- CPI (Left), 257, 268
- CPI (Marxist), 233, 260, 261, 265, 268, 269, 278, 292, 295, 298, 355, 358, 369, 381, 386
- CPI (M) CPI (Right), 257
- CWC (Sri Lanka), 318
- "Cadres of the Shock Brigade", 100
- Calcutta, 6, 8, 9, 11, 36, 98; Calcutta Corporation, 262
- Cambridge, 23
- Capitalism, 99
- Capitalists, 52, 99
- Card-room and Frame Department workers, 14
- Casteism, 364
- Cement Manufacturers Association, 387
- Central Advisory Council, 86
- Central Advisory Council of Industries, 137
- Central Board for Workers' Education, 142, 143
- Central Government, 248
- Central Government employees, 167, 175, 242, 248, 249, 284, 296
- Central Industrial Disputes Act, 66
- Central Labour system, 291
- Central Organizations of Workers and Employers, 368
- Central Recruiting Organizations, 171
- Central Trade Union Organizations, 306, 307, 308, 361, 400
- Centre-State relations, 354-55
- Ceylon, 12
- Chagla, 228
- Chakravarthy, Byomkesh, 36
- Chamanlal, Diwan, 15, 36, 42
- Champaran, 12, 13, 27
- Chandigarh, 250, 359
- Chandra Shekhar, 373
- Charan Singh, 373
- Chattopadhyay, Kamaladevi, 67
- Chattopadhyay, Virendranath, 20
- Chemical Wage Board, 141
- Chettiar, M. Singapore, 18
- 'Chicago, Anarchists', 178
- Child Labour, 338, 349-350
- Child welfare, 393
- Chimanlal Shah, 74
- China, 98, 166, 173, 222, 223, 224, 226, 227, 228, 268, 278, 380-383; Chinese aggression on India, 171-174, 209-210, 212, 223; INTUC delegation to, 123-124
- Chou-En-Lai, 123
- Christian Federation, 275
- Civil Disobedience Movement, 39, 43
- Closures, 317, 331
- Coal India, 386
- Coal Mines, Nationalisation of 309, 310; Coal Mines PF Scheme, 109
- Coalition Governments: President's Rule, 277-278
- Code of Conduct, 150, 183, 364-365
- Code-of Discipline in industry, 146-148, 149-150, 151, 152, 177, 181, 183, 252
- Code of Welfare and Efficiency, 183-184
- Coffee Wage Board, 140
- Coking Coal, nationalization of, 309-316
- Collective bargaining, 333, 362-363, 393
- Colliery Award, 162
- Comintern, 22, 23, 26, 48, 56, 58, 89
- Committee on Participative Management, 331
- Committee on Profit-sharing, 84-86
- Commonwealth, 225

- Communism, 19, 47, 133, 288, 364
 Communist Party of Great Britain, role of, (CPGB), 20-22
 Communist International, 21, 23, 26, 47; role of, 18-20
 Communist Movement in India, 21
 Communist Opposition, 66-67
 Communist party (Marxist) (CPM), 369, 380
 Communist Revolution broke out in Austria in October (1971), 18
 Communists, 19, 24, 49, 66, 68, 93, 97, 98, 266, 267, 269, 271, 278, 295, 381, 383; Communist Government in Kerala, 169-171; split AITUC, 25-26
 Companies Act, 330; Company boards, labour men on, 124; Company law, 131
 Compulsory Deposit Scheme (Compulsory Savings), 211, 315, 320, 329; Compulsory Deposit Ordinance (1974), 314-315
 Conciliation, 345
 Concord Industrial Company, Durgapur, 261
 Congress (I) Indian National Congress), 10, 12, 15, 16, 17-18, 23, 25, 43, 46, 50, 51, 56, 57, 58, 59, 70, 87, 88, 97, 104, 116, 135, 136, 138, 139, 183, 218, 220, 221, 234, 235, 239, 243, 244, 254, 255, 256, 257, 258, 266, 271, 272, 273, 277, 290, 292, 295, 300, 301, 302, 315, 321, 325, 331, 338, 345, 346, 347, 368, 369, 371, 373, 383-385; AITUC and, 16-17; CPI infiltrated into, 48-50; Congress fascists, 100; Congress nationalists, 58; Congress Party INTUC and, 274-276; Congress centenary, 384-385
 Congress (O), 302
 Congress (R), 265, 296, 301
 Congress Socialist Movement, 47; Congress Socialist Party, 46, 47-8; Congress Socialists, 88
 Constitution (Fifty-Second Amendment) Bill, (1985), 377
 Constructive Programme, 64
 Consumer Price Index, 232, 324, 358, 386; faulty, 185-186
 Continuation Committee, 114
 Contract Labour system, 291
 Cooperative undertakings, 129
 Coordinative Committee, 274
 Coorg, 5
 Cottage Industry, 6
 Council of Indian Employers, 361
 Councils of Management, 131
 Courts, 152; Courts of Inquiry and Conciliation Boards, 42
 Craft and category-wise unions, 305-306
 Credentials Committee, 90
 Crompton, 3
 Culture, 393
 Czechoslovakia, 288, 289
 DA (Dearness Allowance) Commission), 110, 112, 175, 185, 232, 233, 236, 247-249, 324, 344, 358, 370; Commission, 247-249; D.A. Formula, 247; D.A. increase for Public Sector Employees, 386-387; merger of, 160-61
 DGB, German, 318
 DMK, 214, 218, 266, 281, 290, 295, 346; DMK-Communist coalitions, 277
 DOMEI (Japan), 318
 Dange, S.A., 20, 21, 192, 226, 257, 263, 264
 Darjeeling, 255, 257
 Das, Bina, 74
 Das, C.R., 16, 22, 37, 38
 Das Commission, 247
 Datar, B.N., 251
 Daud, 39

- Dave, S.P., 68
- Dawn of the Industrial Revolution, 33
- Deenanath, Swamy, 18
- Defence Committee, 212
- Defence Establishment, 248
- Defence Fund, 211
- Defence of India Rules, 66, 227
- Delhi, 67, 71, 108, 121, 256, 359
- Democracy on trial, 259
- Deng Xiaoping, 382
- Deo, Shankar Rao, 67
- Derbyshire, 5
- Desai, Khandubhai K., 27, 65, 67, 74, 84, 87, 123, 136, 142, 274
- Desai, Morarji, 235, 258, 287, 290, 301, 302, 320, 335
- Desai Committee, 185
- Deshpande, P.Y., 74
- Deshpande, S.V., 44
- Devaluation, 244-245
- Development Committee, 114
- Dinesh Singh, 240
- Directive Principles of State Policy, 251, 301
- Disarmament, 378-380
- Discrimination, 301
- "Divatia Committee", 53
- Diwakar, R.K., 67, 74
- Do, or Die, 58
- Dravid, V., 55, 74, 274
- Dulles Porter Rhea, 178
- Dutt, Rajani Palme, 20
- EFI, 359, 361
- East Africa, 12
- East Bengal, 293
- Eastern India Railway, 5
- Eastern Railway Workshop, Samastipur, 9
- Economic: and financial policies, 392; economic scene (1979-80), 339-344
- Education, 348-349, 393; education of workers, 141-146
- Elections, General : first, 116-117; third, 182-83; fourth, 254-258; election scene, post-fourth election 258; State Assembly, 273-274; Elections (1977), 320-321; INTUC on second, 138-39
- Electricity, 340
- Employees, 283; Employees Provident Fund Act, 109-112, 315
- Employees State Insurance; Scheme (ESI), 107, 108-9, 114, 132
- Employees' State Insurance Act (1948), 108; State Government Employees, 161
- Employers, 91, 175, 188, 263, 286, 365; definition of, 366-367; Employer-employee relation, 241; representatives of, 146
- Employment, 130, 146, 241, 283, 285, 301, 334, 342, 349, 387, 392, 395, 397, 398; Rural employment, 335; security of, 236; Tripartite World Conference on Employment, 318; under employment, 335; white-collared employees, 105
- Engels, 381
- Engineering Wage Board, 141
- England (*see also* Britain, UK), 3, 7, 13
- Equal Pay for equal work, 300-301
- Equal Remuneration Act (1976), 301
- Espionage, 378
- Essential Services Maintenance Act (Ordinance), 355, 364
- Europe, 5, 14, 56, 65, 91, 379; European employees, 10; European ideals, 22; Western Europe, 380
- Evaluation and Implementation Division, 152
- Experiments in Trade Union Unity, 124
- Expert Committee on Consumer Price Index Numbers for Industrial Workers, Bombay, 185

- Experts on Workers' Education Programme, 142
- Extremists, 136
- Facilities, 393
- Factories, 5. Factories Act (1881), first, 8-9; Factories Act (1922), 41; first factory, 4-5
- Fair Price Shops, 212-213
- Fair Wages Bill (1950), 87
- Fair Wages Committee, 86-7, 139, 146
- Fascism, 47
- Fateh Singh, Sant, 250
- Faulty planning, 229
- Federation of Central Government Employees, 165
- 'Federation of Independent Trade Unions' 275
- Federations of Railwaymen, 125
- Fernandes, G, 221, 257
- Fiji Islands, 12
- Finet, M. Paul, 91
- Fishermen's and Clerks' Union, 14
- Five-day Week, 387-388
- Ford Foundation, 142
- Freedom fighters, 384
- Freedom of expression and association, 391
- Full Bench Bonus Formula, 106
- GID, 368-370
- Gadgil Committee, 160
- Gajendragadkar, P.B., 247, 251, 313; Gajendragadkar Commission, 247, 249
- Gandhi, Indira, 180, 220, 229-230, 250, 290, 291, 304, 310, 315, 341, 345, 346, 347, 356, 357, 378, 379, 383, 384, 385; addressed INTUC May Day Rally, 310; assassination of, 372-373
- Gandhi, Mahatma, 12, 13, 19, 26, 27, 28, 29, 31, 32, 35, 39, 43, 45, 48; 49, 52, 57, 59, 63, 64, 69, 84, 104, 180, 181, 281, 287, 302, 384; first fast of, 29-30; Gandhi centenary (1969), 281; intervention by, in Jamshedpur workers, 38-39; martyrdom of, 79-80; on TLA, 34-35; philosophy of Trusteeship, 155-157; relevance of, in public life, 319-320
- Gandhian Institute of Labour Studies 87
- Gandhi, Ajiv, 233, 244, 273, 310, 347, 349, 357, 372, 378, 383, 384, 385, 388; became Prime Minister, 373-374
- Gandhi Seva Sangh, 54
- Gandhism, 18, 19, 47, 54
- Ganguli, B.C., 251
- Gauhati, 98
- Gaya, 16, 17, 18
- Geneva, 90
- Germany, 12; German Nazism, 48
- Ghate, S.V., 23
- Gheraos, 252-264, 331
- Ghosh, Atulya, 256
- Ghosh, Jogesh, 36
- Ghosh, Moni, 36
- Ghosh, (Dr.) P.C., 77, 265
- Giri, S.B., 271
- Giri, V.V., 39, 94, 106, 117; resignation of, 122-123
- Girni Kamgar Union, 101
- Go Slow, 331, 365
- Goa, Daman and Diu, 208, 209, 359
- Godse, Nathuram, 79
- 'Gold Control Order', 211
- Golden Temple, Amritsar, 371
- Gopalan, A.K., 257
- Goswamy, T.C., 37
- Government of India Act of (1918), 40; (1935), 50
- Gratuity: payment of, 311-313; Payment of Gratuity Act, 312-13
- Great Britain (see also Britain, England, UK), 8, 14, 22, 57
- Great Indian Peninsula Railway, 5

- Greece, 380
 'Green Revolution', 241
 Grievance Committee, 152
 Guerilla warfare, 100
 Gujarat, 135, 185, 273, 287, 296, 301, 303, 346, 359
 Gun and Shell Factory, Cossipore, 260
 Gupta, D.C., 37
 Gupta, Nalin, 19
 Gurusamy, S., 59
- H.M.P., 275, 307, 308, 337
 HMS (Hind Mazdoor Sangh), 60, 88, 90, 101, 102, 103, 114, 115, 116, 137, 139, 148, 149, 151, 166, 168, 169, 177, 179, 200, 203, 210, 211, 221, 253, 263, 270-272, 289, 296, 298, 299-300, 305, 306, 307, 308; 309, 336, 337, 359; formation of, 87-89; split and merger, 353
 HMSS (Hindustan Mazdoor Sevak Sangh), 54-56, 63-65, 67, 68, 71, 91, 101, 119
 Halder, S.N., 18, 36
 Handicapped workers, 390
 Hardikar, Dr., 67
 Hargreaves, James, 3
 Haryana, 250, 256, 277, 359, 374
 Hathi, Jaisukhlal, 258, 287
 Health Insurance, 107-8; Health workers, 395
 Hegde, Ramakrishna, 273
 High Tide, 291-293
 Himachal Pradesh, 273, 359
 Hind Mazdoor Panchayat, 88, 221, 299
 Hindus, 79
 Hindustan Steel Corporation, 124
 Hiroshima, 65
 Hitler, 57
- Hospitals and other institutions (Settlement of Disputes Bill, 360
 Hoti, 172
 Housing, 393
- Howrah, 5
 Human Rights, 63
 Hyderabad, 91, 138, 265
 IAC strike, 305
 ICFTU, 89-91, 102, 133, 134, 177-178, 289, 351-353
 ICTU, dissension on, 289-290
 ID Act, 249, 250
 IDBI, 235
 IFCI, 235
 IFCTU (International Federation of Christian Trade Unions), 275
 IFL, 63
 ILO (International Labour Organisation), 14, 87, 108, 318, 337; Credentials Committee of, 337; ILO conference, 337; Workers' Delegation to, 335
 INBEC, 369
 INDWF (Indian National Defence Worker's Federation), 247, 248
 INSAT, 354
 INTUC (Indian National Trade Union Congress), 35, 40, 73, 75, 90, 91, 92, 99, 101, 102, 107, 109, 114, 115, 116, 117, 118, 119, 123, 124, 126, 130, 131, 134, 136, 137, 139, 148, 161, 165, 166-67, 169, 170, 171, 172, 173, 176, 177, 178, 179, 181, 182, 183, 184, 187, 192, 195, 200, 201, 202, 203, 204, 205, 206, 207, 208, 210, 211, 214, 216, 217, 219, 220, 228, 229, 238, 239, 240, 243, 244, 246, 250, 253, 254, 255, 256, 257, 263, 264, 267, 270, 276, 278, 284, 287, 296, 297, 298, 301, 302, 303, 305, 306, 307, 308, 309, 310, 311, 312, 313, 315, 318, 322, 323, 327, 328, 329, 330, 331, 336, 337, 341, 351-353, 355, 356, 357, 359, 368, 369, 373, 387; and Congress Party, 274; and Congress split, 274-76; and strikes, 282-83; at ILO, 87; birth of, 67-74; Bombay session of,

- 83-84; delegation to China, 123-124; global approval of, 276-277
- INTUC-HMS talks, 270-72; Jalgaon session, 121-122; objectives of 74-77; on second General elections, 138; on third Plan, 181-182; suggestions of, for the second five year plan, 130-133
- IRC, 363, 367
- Imperial Bank of India, 235
- Imperialism, 24, 288
- Imperialist war, 56
- Implementation of labour policies of first Five year plan, 128-129
- Income Disparities, 326
- Income Tax Act, 199, 202
- Indebtedness, 389
- Indenture system, abolition of, 12
- India: Independence, 78-9, as a Republic, 94-97
- Indian Airlines Corporation, 124
- Indian Communist Party (*see* Communist Party of India)
- Indian Communists, 21, 24, 25, 48
- Indian Companies Act, 10
- Indian Federation of Labour, 59, 61
- Indian Federation of Working Journalists, 129
- Indian Labour Conference, 51-2, 94, 109, 111, 139, 145, 159, 163, 183, 184, 185, 204, 210, 212, 238, 275, 284, 360-61
- Indian Labour Day, 179, 180
- Indian Labour Union, 305
- Indian National Congress (*see* Congress (I))
- Indian National Railway Workers Federation, 99, 125
- Indian National Rural Labour Federation, 314
- Indian Ocean, 380
- Indian Oxygen Limited, 202
- Indian Telegraph Association, 9
- Indian Trade Union Federation, 25, 44, 46
- Indian Workers, 8
- Individual disputes, 363
- Indo-USSR Treaty, 294-295
- Indonesia, 224, 227-228
- Indore, 91; Indore Mill Mazdoor Sangh, 191
- Industrial Committee on Plantations, Calcutta, 121
- Industrial disputes, 283; Industrial Disputes Act, 66, 82, 83, 105, 121, 129, 134, 198, 242, 304, 328, 334, 343, 362; Industrial Disputes Appellate Tribunal, 189; Industrial disputes Appellate Tribunal Act, (1950), 101, 106-7, 134
- Industrial employments, 193; Industrial Employment Standing Orders Act of (1946), 66, 234
- Industrial Federation, 84
- Industrial Relations system, 147, 287, 304, 305, 364; comprehensive industrial relation law, 327-29; Industrial Relations Commission, 205, 252, 253, 296, 344, 361, 362, 363, 364
- Industrial Safety, Presidential Conference on, 238
- Industrial Security Force, 283-284
- Industrial Training Institute, 52-53
- Industrial Tribunals, 66, 106, 128, 134, 236, 237
- Industrial Truce Resolution, 80-81, 210-212, 213
- Industrialization in India, beginning of, 5-7
- Industries (Industry), 245, 339; definition, 333-334; sickness in, 332-33
- Industries Development and Regulation Act, 119-120, 128, 240
- International Children's Year (1979), 338
- International Communist Movement

- International Confederation of Free Trade Unions, 90, 91, 351
- International Federation of Christian Trade Union, 221
- International Federation of Trade Union, 62
- International Labour Day, 179
- International Labour Organization, 61, 63, 391-394
- International market, 245
- International relations, 317-319
- International Trade Secretariat, 177
- Iran, 380
- Iraq, 380
- Insurance, 107-9
- Jaffarbhoy, Abid Ali, 67, 74
- Jagjivan Ram, 65, 67, 251, 264, 373
- Jain, S.P., 86
- Jairamdas Daulatram, 54
- Jakarta, 228
- Jalgaon, 121-122
- Jalianwala Bagh Massacre, 35
- Jammu and Kashmir, 222, 224, 355
- Jamshedpur, 6, 35, 36, 40; Jamshedpur strike, 176-77; Jamshedpur workers, Gandhiji's intervention in, 38; Dr Rajendra Prasad mediated in, 39-40
- Jan Congress, 254, 255
- Jan Kranti Dal, 255
- Jan Sangh, 256, 275
- Janta Party, 150, 185, 206, 273, 279, 311, 315, 320, 322, 325, 327, 328, 329, 330, 331, 336, 337, 338, 345, 369
- Japan, 65
- Jayaprakash Narayan, 47, 49, 125, 301, 320
- Jayawardene, Junius, 214
- Jeejeebhoy, 139
- Jethanand, Prof Ghanshyam, 74
- Jenny, 4
- Jinnah, M. A., 15
- John, Michael, 39, 40, 67, 74, 119, 124, 177,
- Joint Board of Representatives of the Textile Labour Association, 302
- Joint Council of Action, 161-166, 167, 168
- Joint Consultative Board, 114-115
- Joint Consultative Committee, 297-298
- Joint Consultative Council, 241-243, 270-271
- Joint Consultative Machinery, National Council of, 243
- Joint Consultative scheme, 241, 242-43
- Joint Fronts, 269-270
- Joint INTUC-HMS Consultative Committee, 297
- Joint Management Committee, 157
- Joint Management Council, 152, 252
- Joint Negotiating Committee, 323, 386
- Joshi, N.M., 15, 37, 42, 46, 60
- Joshi, P.C., 100
- Joshi, S.M., 168
- Joshi Committee, 240
- Journalists, working, 129-130 (*see also* Working Journalists)
- Jute Wage Board, 139
- Jute Workers Strike in Bengal, 44
- Kairon, Pratap Singh, 250
- Kamgar Hitavardhak Sangh, 10
- Kamraj, 221, 255; Kamraj Plan, 218-219
- Kanpur, 22, 23, 108, 118, 173, 310
- Kara, Maniben, 59
- Karnataka, 209, 273, 296, 321, 359
- Karnik, V.B., 87, 168
- Karunanidhi, M.K., 272, 346
- Kashmir, 172
- Kathari, D.C., 251
- Kedgikar, R.A., 68, 73
- Kennedy, John F., assassination of, 215
- Kerala, 55, 89, 107, 121, 136, 170, 171, 179, 257, 264, 278, 295, 312,

- 346, 359; Communist Government in, 169-171; Kerala Water Transportation, 169
- Kesoram Cotton Mills, Calcutta, 269
- Khadiilkar, 287, 297, 298; Khadiilkar Formula, 202-204
- Khalistan, 371
- Kharagpur Railway Workshop, 35, 37
- Kheda farmers' struggle, 27
- Kisan Mazdoor Praja Party, 88
- Kisan Sabhas, 104
- Kotwal, Manohar, 251, 252
- Kripalani, Acharya J.B., 67, 68, 88
- Krishak Mazdoor Praja Party (KMP), 116
- Krishna Menon, 209
- Kulkarni, S.R., 353
- Kulti works, 261
- Kumardhubi, 262
- LAT, 106, 107, 122, 123, 128, 134, 139, 162, 163, 194, 201
- LIC, 368-370
- Labour, 145, 156, 208, 209, 299, 325, 333, 340, 341, 343, 348, 375, 387, 391; Agricultural labour, 103-105; as equity shareholders, 329-331; child labour, 349-350; indentured labour, 11-12, Labour Appellate Tribunal 102-162, 189; Bonus Formula, 190-192, 199; Labour Bureau; Simla, 186; Labour Cell in Planning Commission, 353; Labour Commissioner, 345; Labour Courts, 134, 237; Labour Day (Majdoor Din), 13, 23; Labour Intensive methods, 286; Labour Investigation Committee, 62; Labour of indiscriminate, 286 Labour legislations, 40-41; Labour men on Company boards 124; Labour participation in Management, 157-159, 331; Labour periodicals, 119; Labour policies, implementation of the first Five year plan, 128-129; labour practices, unfair, 367; labour's role, Nehru on, 126; Labour Relations Bill, 93; transfer of, 392
- Labour Party, 139, 243, 244
- Lahore, 26, 59
- Lajpat Rai, Lala, 15, 16, 70
- Lakdawala, K.D., 185
- Lancashire millowners, 7, 8
- Latin America, 91, 289
- Lay-off and Retrenchment Compensation, 120-121
- Leadership, 11
- League of Nations, 14
- Left Communists, 263, 266
- Legislations, Labour, 40-41
- Lenin, 381; Leninism, 381
- Life Insurance Corporation, 137, 286
- Limited Accord, 307
- Liu-Shao-Chi, 227
- Local Productivity Councils, 174
- Lockouts, 304, 320, 331
- Lokhande, N.A., 8
- Longowal, Harchand Singh; 372
- Lucknow, 90
- MISA, 317
- MRTA Act, 329
- MTUC (Malaysia), 318
- MacMahon Line, 172
- Madagaonkar, Justice, 32
- Madhya Bharat Millowners Association, 191
- Madhya Pradesh, 150, 254, 277, 345, 346, 359
- Madras, 15, 60, 107, 120, 121, 218, 267; Madras Government Press, 9; Madras Labour Union, 14; Special Industrial Tribunal, 120

- Madurai, 51, 171
 Mafatlal, Arvind, 139
 Mahalanobis, P.C., 215;
 Mahalanobis Committee, 215-
 217
 Maharajhas, 92, 97
 Maharashtra, 55, 135, 185, 209, 273,
 280, 321, 344, 346, 359
 Mahatab, Harekrushna, 67
 Majoor Mahajan, 14, 101
 Malabar, 5, 98, 136
 Malaviya, Pandit Madan Mohan, 32
 Malaviya, R.K., 251
 Malaya, 12, 98
 Management, Labour's participation
 in, 157-59, 337
 Managing Agency system, abolition
 of, 217-218
 Mandal, B.P., 266
 Man-Days Lost (1979), 344-345
 Manipur, 98
 Mao Tse-tung, 98, 226, 227, 380,
 381, 382
 Mapara, G.L., 55, 68
 Marx, Karl, 380, 381, 382; Marx-
 ism, 19, 23, 380, 381, 383;
 Marxists, 278
 Maternity protection, 393;
 Maternity Benefit Act, 107, 301
 Mathur, Prof., 139
 May Day, 178-180, 385
 Mazdoor Panchayat, 60
 McCormick Harvester Plant in
 Chicago, 178
 McMahan, 209
 Meany, George, 133, 134
 Meenakshi Mills, 118
 Meerut, 87; Conspiracy case (trial),
 21, 24
 Meghalaya, 359
 Meher, M.R., 192
 Mehta, Ashok, 67, 87, 102, 139,
 221
 Mehta, Jamnadas, 58, 59
 Mekote, G.S., 248, 250, 256
 Menon, P.M., 161
 Menon, V.K. Krishna, 180-181
 Mexico, 380
 Middle East, 91
 Militarism, Japanese, 47
 Millowners, 118; Millowners'
 Association, 9, 33
 Mines Acts, 41, 115-116
 Minimum Wages Act, 81-82, 103-
 105, 314
 Mishra, D.P., 256
 Mitra, G.M., 59
 Model Agreement to guide
 employers and labour, 153
 Modi Spinning and Weaving Mills,
 191
 Modinagar, 119, 191
 Molano, J.Z., 359
 Monopolies Enquiry Commission,
 216
 Moscow, 19, 20, 23, 24, 25, 26, 56,
 57, 58, 226, 257, 381
 Mujibur Rehman, Sheikh, 293, 294
 Mukherjee, Abhani, 19
 Mukherji, Ajoy Kumar, 255, 264,
 265
 Mukherji, Kali, 243
 Mukherji, R.K., 87
 Mukherjee, Saroj, 262
 Munnar, 169, 170
 Muslim League, 65, 136
 Muslims, 79
 Muzaffar Ahmed, 21
 Mysore, 5, 91, 257

 NATO, 379
 NCBE, 369
 NFIR (National Federation of Indian
 Railwaymen), 125, 126, 242, 247,
 248, 305
 NFITU, 302, 359, 361
 NLO, 308, 309, 359
 NTUF (National Trade Union
 Federation), 44, 46
 Nagaland, 359
 Nagasaki, 65
 Nagpur, 16, 25, 44, 60, 122, 303

- Nair, B.K., 55
 Nalgonda, 98
 Nambudiripad, E.M.S., 257
 Nanda, Gulzarilal, 27, 52, 54, 65, 67, 68, 69, 70, 74, 92, 157, 183, 210, 220, 256, 274
 Narasimha Rao, P.V., 349
 National and Departmental Council, 243
 National Apex Body, 311
 National Bank for Rural Development (NABRC), 369
 National Bipartite, 320
 National Centres, 275
 National Conference, 355
 National Convention of Working Journalists, 129
 National Council of Trade Unions, 307
 National Defence Fund, 211
 National Economic Policy, 322
 National Federation of P & T Employees, 165
 National Incomes Commission, 321
 National Labour Commission, 150, 205, 250-253, 296, 299, 304, 305, 306, 313
 National Labour Conference, 343, 359-368
 National Labour Institute, 287
 National Labour Organisation, 303
 National Medical College, 260
 National Minimum Wage, 324-325
 National Planning Commission, 92
 National Policy on Wages, Income and Prices, 323
 National Price Commission, 321, 322, 327
 National Productivity Council, 174
 National Safety Council, 238
 National Savings Certificates, 193
 National Textile Corporation, 278-280
 National Trade Union Movement, 92
 National Tribunal (s), 134, 202
 National Tripartite, 297; National Tripartite Committee, 368; National Tripartite labour conference New Delhi, 359
 National Union of Railwaymen, 10
 National Wage Commission, 321, 322
 Nationalized Bonus, 369
 Natural resources, 130
 Naxalbari (West Bengal), 269, 278
 Naxalites, 278
 Nazism, 47
 Neck, P.A., 359
 Need-Based wage, 144-146
 Negativism, policies of, 338-339
 Nehru, Jawaharlal, 25, 39, 67, 70, 78, 80, 92, 99, 123, 124, 133, 209, 213, 216, 218, 219, 383; appeal of, to labour, 167-168; last message to labour, 219-221; on labour's role, 126
 Nehru, Pandit Motilal, 15, 37
 Netherlands, 91; Netherlands Federation of Free Trade Unions (NUV), 89
 New Allenbury Works, Calcutta, 260
 New Delhi, 61
 New 20-Point Economic Programme, 356-357 (*see also* 20-Point)
 New World Economic Order, 350-351
 New Zealand, 91
 Nilaugekar, Shivaji Rao Patil, 273
 Niigiris, 5
 Nimbkar, R.S., 61
 Nixon-Maj, 294
 Non-aligned summit, 379
 North America, 91
 North-South Dialogue, 351
 Nottingham, 4
 Nuclear age, entry of India, 310
 Nutrition, 393
 Oilmen, 14
 Oldenbroek, J., 177
 Opposition parties, 257

- Organisations, 306, 307, 308, 361
 Orissa, 41, 107, 264, 273, 277, 296, 346, 359
 Oxford, 23
- PSP, 139, 166, 274, 290, 292
 Pai, Nath, 168
 Pakistan, 58, 78, 79, 93, 122, 288, 293, 370, 379; aggression of, against India, 221-226, 268; West Pakistan, 294
 Paliwal, Krishna Dutt, 74
 Pan-Pacific Trade Union Secretariat, 25
 Panch-sheel, 172
 Pandey, Kashinath, 228, 256
 Pant, G.B., 39
 Patel, Sardar Vallabhbhai, 28, 49, 54, 67, 70, 78, 79, 87, 88, 92, 97, 100
 Patil, S.K., 67, 74, 256
 Patil, Veerendra, 359
 Patnaik, J.B., 273
 Pay Commission: first, 77, 161, 164; second, 78, 138, 163-164, 241, 247; third, 284, 296
 Pay-Productivity links, 175
 Payment of Bonus Act, 196, 200, 201
 Payment of Wages Act (1936), 53
 Peace, 378-380; and disarmament, 380
 Peasants Party, 21, 22
 Peking, 123, 124, 173, 224, 242, 257
 Philadelphia Charter, 63
 Planning Commission, 92, 112, 130, 131, 221, 341, 353
 Plans, Five Year: first, 112, 128-129, 161; second, 130-133, 144, 153, 181; third, 182; fourth, 298
 Plantations, 397; Plantation Enquiry Committee for Tea Plantation, 161; Plantation Labour Act, 1951, 115; Plantation Labour Committee, tripartite, 170
 Pokhran (Rajasthan), 310
 Poland, 383
 Policies and measures, 392
 Political Bands by Trade Unions, 355-356
 Pondicherry, 208-209, 256, 273, 277
 Post and Telegraphs, 124, 248, 398
 Poverty (poor), 384, 391
 Power, shortage of, 339-340
 Power Sector, 340
 Praja Socialist Party, 88
 Pramanick, 265
 President's warning, 253-54
 Press Commission, 129
 Preventive Detention Bill, 100
 Prices, 327
 Printers' Union, 10
 Private Sector, 182, 193, 235
 Pro-Capitalist Tilt, 326
 Problems, 327-348
 Productivity Movement, 174-175: Productivity Council, 137, 175; Productivity Year (India), 239-241
 Profit-sharing, Committee on, 84-86
 Programmes of Development, 315-317
 Prohibition, 159-160
 Provident Fund, 109-112, 114, 132
 Provincialism, 364; Provincial autonomy, 50-651
 Public Sector, 124, 129, 131, 132, 228-234, 342, 358, 386-387
 Public Utility Services, 365
 Punjab, 15, 65, 98, 107, 136, 250, 256, 277, 281, 346, 359, 374; agitations in, 370-372; problem of, 384
 Quit India Movement, 40, 56, 57, 58, 59, 60, 177
 RMMS, 103, 118

- Radical Democratic Party, 59
 Railways, 5, 9, 125, 126, 248, 286, 339, 340, 398 ; Railway strike, 99, 305 ; Railwaymen and Bonus, 325
 Rajaji, 51
 Rajasthan, 107, 256, 273, 346, 359, 374
 Rajendra Prasad, Dr. mediated in Jamshedpur workers, 39-40
 Rama Rao, N.T., 273, 373
 Ramachandran, M.G., 272, 346
 Ramakrishnan, P.R., 251
 Ramamurthy, P., 257
 Ramananda Das, 251
 Ramanujam, G., 55, 68, 139, 143, 171, 173, 318
 Ranadive, B.T., 44, 97 ; Ranadive group, 98 ; Ranadive's line, 100
 Raniganj, 5 ; Raniganj Coal Fields, 261
 Rann of Kutch, 222
 Rao, Rajeshwara, 100
 Rastriya Mill Mazdoor Sangh, 101, 189
 Rath, 185
 Ratibai Colliery, 261
 Rationalisation, 153-155
 Realignment Scheme for employees of the P&T department, 124
 Recreation, 393
 Red Guards of Mao, 227
 Reddiar, O.P. Ramasami, 67
 Reddy, K.V. Raghunatha, 287, 306
 Rege, D.V., 62
 Regional Party to power, rise of, 272
 Regional pressures, 280-81
 Registrar of Cooperative Societies, 236
 Registrar of Trade Unions, 308
 Rehabilitation Industries Corporation, Rupnarainpur, 262
 Reserve Bank of India, 122
 Reuther, Walter, 134
 Revolutionary Congress Party in Bengal, 89
 Revolutionary Socialist Party in Kerala, 89
 Roy, Manabendra Nath, 18, 20, 21, 59, 60
 Royal Commission on Labour, 25, 41, 42-3, 53, 187, 250
 Royists, 58
 Rubber Wage Board, 140
 Rural Workers, Organization, of, 313-14 ;
 Rural Workers Federation, 313
 Rurh Singh, 37
 Russia, 57, 289 ; Russian trade unions, 62
 SCOPE, 359, 361
 SEATO, 222
 SI Plantation Worker's Union, 170
 SNTUC (Singapore), 318
 SOHYO (Japan), 318
 SSP, 275, 290, 292, 299
 Sachar, Bimsen, 67
 Sachar Committee, 330
 Safety system in factories, 375
 Saklatvala, Shapurji, 23
 Samla Colliery, 260
 Samyukta Socialist Party (SSP), 221
 Sa. abhai, Ambalal, 27
 Sarabhai, Anusuyaben, 13, 16, 27, 29
 Sarkaria, R.S., 355
 Sastri, Justice S. Panchapakess, 122
 Sathaye, D.P., 18
 Sathaye, V.S., 36, 37, 38
 Saurashtra, 91
 Sawant, P.K., 65
 Select Committee, 329
 Self-Government, 10
 Self-Reliance, 288
 Sen Award, 105
 Sen, B., 36

- Sen, Devan, 67-68, 74, 90, 117
 Sen, K. C., 105, 122
 Sengupta, Arjun, 233
 Sengupta, J. M., 18
 Sengupta, Purnendu Kishore, 74
 Shah, Shantilal H., 256, 257
 Shanghai, 382
 Shantilal Shah, 74
 Sharma, Bhagwat Dayal, 250, 256
 Sharma, Sqn. Ldr. Rakesh, 354
 Shastri, Harihar Nath, 68, 77, 83, 121, 125, 126
 Shastri, Lal Bahadur, 136, 195, 219, 220, 223 ; on INTUC's responsibility, 238-39
 Shastri, Rajaram, 251
 Shiva Sena, 280
 Sholapur, 44
 Shops and Establishment Act of (1939), 52
 Shukla, Ravi Shankar, 67
 Sickness in Industries, 332-333
 Sikhs, 250, 371, 373
 Sikkim, 223 ; Sikkim Sangam Parishad, 273
 Sind, 65
 Sindri Fertilizer Factory, 124
 Singh, V. P., 387
 Sinha, Mahamaya Prasad, 255, 266
 Smugglers, measures against, 317
 Social and security measures, 393
 Social economics, 156
 Social evils, 389
 Social justice, 182, 188
 Social Service League, 10
 Socialism, 99, 130, 383-84
 Socialist Party, 50, 77, 88, 221
 Socialists, 49, 88
 Soshit Dal, 266
 South Africa, 12, 215
 South Asia, 226
 South East Asia, 98, 99
 South India, 5
 Soviet Russia (*see also* Russia : USSR), 47, 48, 56, 89, 99, 226, 288 ; Soviet Trade Unions, 62
 Space Satellite SLV-3 (Shrihari (Kota), 354
 Spiritualism, 26
 Sri Lanka, people of Indian origin in, 213-215
 Sriramulu, Potti, 135
 Stalin, 380
 Standards, fall in, 267-268
 Standing Labour Committee, 62, 110, 140, 148, 195, 201, 202, 237, 238, 240, 253, 263, 275
 Standing National Wage Commission, 322
 Standing Orders Act, 328
 "Star-war", 374
 State Assembly Elections, 273
 State Government Employees, 161
 State Lotteries Gambling, nationalization of, 282
 States Reorganisation Commission, 135
 Statute Book, 283, 292
 Steel Authority of India, 232, 386
 Strikes, 72, 118, 168-69, 241, 248, 304, 305, 331, 363-364 ; B.T.S. (1950), 100-2 ; first official, 9 ; INTUC and, 282-283 ; Joint Council of Action on, 165-166 ; Strike-Ban Law, 284-85 ; Stay-in-Strikes, 267 ; why strikes, 304-305
 Strutt, Jedediah, 4, 5
 Students, 281-82 ; agitation by, 281 ; Student Union, 281
 Sub-Committee for Considering a Code of Discipline, 146, 147, 148
 Subsidised Industrial Housing Scheme, 145
 Sukarno, President, 228
 Surat, 136
 Swadeshi movement, 10
 'Swaraj', 10, 17
 Swaraj Party, 37
 Swatantra, 255, 256, 275, 290, 292

- Sweden, 380
 20-Point Programme, first, 315-317;
 New, 356-357
- TLA (Textile Labour Association, Ahmedabad), 14, 15, 27, 31, 34, 45, 52, 55, 65, 118, 123, 185, 190, 302, 303 ; AITUC on, 33-34 ; Gandhiji on, 34-35
- TUC, 69, 318
 TUCC, 309
 Talekote, 172
 Tamil Nadu, 55, 208, 214, 218, 272, 277, 281, 292, 295, 346, 355, 359
 Tamils in Sri Lanka, 213-215
 Tanzania, 380
 Tariff Board, 37
 Tashkent, 220, 238 ; Tashkent Pact, 223
 Tata, Dorab, 36
 Tata, Naval H, 251
 Tata Colliery Worker's strike in Bihar, 44
 Tata Iron and Steel Company, Jamshedpur, 35
 Tata Steel Industry, 40
 Tata Workers' Union, 40, 119, 176
 Tatas, 6
 Tea Plantation Industry, 6
 Tea Wage Board, 140
 Telengana, 98-100 ; Telengana Movement in Andhra Pradesh, 280
 Telugu Desam, 273; Telugu Desam Party 373
 Textile Enquiry Committee, 187
 Textile Federation of Saurashtra, 118
 Textile Mills, 278-280
 Textile Workers, 118
 Thana, 5
 Thomas, Gowri, 258
 Thomas, T.V., 258
 Throistle Department Workers, 14
 Tidke, N.M., 257
 Tilak, Bal Gangadhar, 10
 Tinplate Company, Jamshedpur, 39
 Tito, Marshal, 133
 Tiwari, Ganga Ram, 257
 Tiwari, N.D., 273
 Trade Disputes Act, 42, 44, 66
 Trade Unions, 65, 151, 323, 339, 364, 388-390, 399 ; membership, 102-103 ; National Council of, 306-7 ; outsiders in, 285 ; political bandhs by, 355-356 ; protection legitimate trade union activities, 366 ; Trade Unions Act, 41, 328, 362, 367 ; Trade Union (Amendment) Bill, 360 ; Trade Union Bill, 93 ; Trade Union Centres, 330, 336, 359 ; Trade Union Congress (TUC), 23, 69, 70, 318 ; Trade Union Movement, 3, 287; Trade Union National Centres, 296-297 ; Trade Union Unity, 124-126, 137-138
 Training, 372
 Transport, 340
 Travancore, 91, 136
 Tribunals, 152, 376
 Tripartite Conference, 153, 184, 285
 Tripartite Fair Wages Committee, 286
 Tripartite Task Force, 340, 341
 Tripartite Screening Committee, 286
 Tripartite Wage Board, 87
 Tripathi, K.P., 123, 133
 Trivandrum, 257
 Trusteeship, Gandhiji's philosophy of, 155-157
- UAW (United Automobile Workers Union), 289
 U.K. (*see also* Britain, England), 158, 227
 UN, 215, 224, 338, 378, 379

- UNCTAD, 276
- UP, 15, 98, 107, 273, 277, 295, 310, 339, 345, 359
- USA (*see also* America), 133, 215, 222, 223, 224, 225, 288, 293, 294, 318, 379
- USSR (*see also* Russia, Soviet Union), 56, 227, 318, 380, 381 ; Indo-USSR Treaty, 294-295 ; Union Central Council of Trade Unions of the USSR, 171
- UTUC, 87-89, 103, 148, 179, 200, 203, 270, 300, 307, 309
- Unemployment, 240, 334-335, 347 ; Unemployment Insurance, 249-50
- Unions (*see also* Trade Unions), 13-14, 170, 241 ; recognition of, 148-150 ; right of recognised, 151-153
- United Front, 256-257, 265
- United Province, 21
- Vajpayee, Atal Behari, 373
- Varadachariar, Justice S., 78
- Varma, Ram Singh Bhai, 55
- Vasavada, S.R., 68, 74, 124, 126, 136, 139, 192, 248, 251, 274, 279
- Vasisht, D., 353
- Verma, Ravindra, 328
- Vietnam, South, 288
- Violence, 331 ; violent disturbance, 98
- Vocational opportunity, 393
- Voluntary arbitration, 345
- WFTU (World Federation of Trade Unions), 62, 63, 90, 227, 289-290, 318
- WIMCO workers (*see also* Workers), 266
- Wadia, B.P., 14, 15, 300
- Wages, 344, 345, 393 ; prices and incomes policy, 321-22 ; Wage Boards, 130, 139-141, 146, 252 ; Wage freeze, 246-247, 324
- Want, War against, 391
- Warangal, 98
- Warsaw Pact Countries, 379
- 'Water frame', 4
- Watt, James, 3
- Weaker sections, 356
- Weavers' Union, 14
- Wedgewood, Col. J.C., 15
- Welfare facilities, 342
- Welfare Trust Fund, 111
- West, 5, 6, 22, 330
- West Asia, 380
- West Bengal, 77, 98, 162, 232, 243, 255, 262, 263, 264, 269, 275, 277, 278, 292, 295, 312, 344, 346, 355, 358, 359, 386
- West Indies, 91
- Whitley, J.H., 42
- Whitley-type Councils, 241
- Widows, 384
- Women employment, 8, 300, 301 ; women workers, 300, 390
- Work to Rule, 331
- Workers, 4, 7, 9, 10, 27, 29, 32, 36, 71, 72, 118, 124, 132, 133, 140, 146, 147, 154, 170, 184, 240, 242, 248, 260, 261, 280, 310, 311, 314, 387, 388, 389, 390 ; and employers, 393 ; and Peasants Party, 21, 22 ; awards for, 385-386 ; Compensations Act, 41 ; indentured labour, 11-12 ; participation of, in Management of industries, 141 ; rural workers, 313-14 ; Worker's Breach of Contract Act, 12, 41 ; Worker's Delegation to ILO, 335 ; Workers Education Scheme, 141-144 ; Workers' Union, 14 (*see also* Unions ; Trade Union)
- Working Journalists, 129-130 ; Working journalist Act of (1955), 130

- Working Party of Employers and Workers, 307
- Works Committee, 66
- World Communist Congress, 24
- World Conference of representatives of Central Trade Union Organisations, 63
- World War I, 10, 11, 14, 37 ; II, 51, 56-58, 65, 77, 81, 212, 378
- Yamunanagar, 180
- Youth (Younger generation), 281-82, 347 ; Young workers, 390 ; Youth League, 24
- Zakir Hussain, Dr., 258
- Zamindaris, abolition of, 104
- Zaveri, Diwan Bahadur, 32
- 'Zadnov Line', 98
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Indian Labour Movement

G. Ramanujam

The book presents a chronological documentation of the growth of the trade union movement in India and is an outcome of the author's intimate association with labour for well over four decades. While tracing the growth of industry and industrial relations as well as development in the political, economic and social life of the country, pertinent and relative to the trade union movement, the book lays particular emphasis on the need for a new culture in industrial relations.

Indian democracy has come of age with its firm commitment to socialism. The public sector has been assigned the commanding heights of the economy to provide the necessary infrastructure to accelerate planned socio-economic development. The country's trade union movement in order to play its role effectively needs to reshape its thinking and activities. In the mixed economy that the country has opted for, both the employers and the employees are to unlearn many things and prepare themselves to view the entire gamut of industrial relations in a new perspective.

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To the student of economic history, politics and trade unionism and to those concerned with employer-employee relations the book provides a mine of useful information.

G. Ramanujam is a founder leader of the Indian National Trade Union Congress and was its President in 1958, 1959 and 1985.

Ramanujam is the author of a number of papers, articles and books. Some of his earlier publications are: *Industrial Relations—A Point of View*; *From the Babul Tree—Story of Indian Labour*; *The Third Party and the Honey Bee—Towards a New Culture in Industrial Relations*.

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