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DEVROYE

WAGES AND INCOMES POLICY

WHAT IT MEANS TO THE WORKING CLASS



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Since the dawn of capitalism, it was noted that its progress accumulated misery at one pole and wealth at another. In contrast to the writers of subsequent years the writers of the earlier period saw in this gross inequality—not injustice, but a natural law, a divine dispensation ordained by God.

“The wealth of a nation corresponds with its population and its misery corresponds with its wealth. Diligence in some compels idleness in others. The poor and active are a necessary consequence of the rich and active”.

“Legal constraint (to labour) is attended with too much trouble, violence, and noise,...whereas hunger is not only a peaceable, silent, unremitted pressure, but as the most natural motive to industry and labour, it calls further the most powerful exertions”.

Commenting on these, Karl Marx said “If the Venetian Monk found in the fatal destiny that makes misery eternal, the *raison d'être* of Christian charity, calibacy, monastries and holy houses, the Protestant prebendary finds in it a pretext for condemning the laws in virtue of which the poor possessed a right to a miserable public relief”.

With the emergence of the organised working class movement and revolts, the rise of socialist thought it became impossible for the apologists of the capitalist order to declare poverty to be a natural law. They had to take note of the misery, of the mal-distribution of national income, of the total inequality involved in it and suggest remedies to rectify it. However, henceforth, consciously or unconsciously their efforts were directed to cover the fact that this misery, this inequitable

distribution is the inevitable social law of capitalist society, of the law of capitalist accumulation.

Bourgeois economists, liberal politicians, reformist labour leaders all at one time joined hands to assure the sufferers that there was nothing wrong with the capitalist order. Just some mistakes in distribution which can be corrected through state action. In the period following the post world war great reliance was placed on using the taxation machinery of the Government to effect a more equitable distribution. During the first world war drastic taxation was introduced to expropriate for the State 90 to 100% of excess profits of the industrialists. This was considered to be opening great possibilities to appropriate the surplus of the haves and to transfer it to have-nots.

However subsequent years showed that inequality continued to increase, unemployment continued to grow and rapid concentration of economic resources and power took place in the hands of monopolist giants. Inequality increased with each year. True the workers of many Western countries are enjoying a higher standard of life but it is based on the robbery of the world by the monopolists of these countries. And besides along with the increased living standards for these on work, there are lakhs and lakhs who continue to be unemployed for years living on doles for a few months and for the rest just beggary. In the recent crisis the number of unemployed in these advanced Western countries reached 14 million—and it has not gone down drastically even now. The intense period of the crisis saw nearly 10 million unemployed in the USA. The number is now officially stated to be 6 million which is considered to be an underestimation.

It is not as if the organised movement did not secure any advance in securing concessions for the workers. The provision for unemployment relief and benefit in these countries has been forced on the capitalist government. But it is a safety device to keep the system from being blown up rather than a serious measure to remedy the inequality in incomes.

All the devices of the State acting as the great leveller came to an end because it was forgotten the State represented the organised power of the capitalist class; that it would not jeopardise the basic interests of the class it represented and that it would not violate or change the basic laws of capitalist society which it is committed to defend. The taxation, and price policies, the currency and exchange policies, the financial policy all must turn to the needs of the monopolists in these countries and therefore must create growing inequalities, as is happening. All that could emerge from the hypocritical talk about eradicating poverty through redistribution of income by the State, was the bogus conception of Welfare State. It only meant that the capitalist State would spend more sums on housing, health, education etc. without basically changing the wide gaps in income between the capitalists and workers. These sums would be spent with greater zeal when economic stagnation is on, the aim being to revive industry for capitalist profits.

The fact is that all claims to cure the basic ills of capitalist society by paying attention to distribution are fake claims. For in any society the distribution of incomes as between classes as between haves and have-nots is determined by the distribution of means of production. The owners of the latter necessarily control all the surplus leaving only sufficient to satisfy the bare necessities of life—with some additional concessions when the exploited organise resistance. The distribution is decided in the process of production. Wage of the workers means the distribution allotted to him. Profit, interest, rent—the income distributed to capitalists managers, landlords. The small proprietors income is again determined by how much he is robbed of by those who handle or control the production. The tenant's distribution is determined whatever the landlord leaves him. This distribution is further modified to the detriment of the common man by official policies in relation to prices, taxation exports, imports and finance. These policies of a capitalist Government are directed to protect and strengthen the interests of the ruling classes, monopolists, capitalist, landlords and shift the

balance in incomes further towards these classes. The fact that the Government appropriates money from the capitalists also by way of taxation should not mislead anyone. The money is appropriated not by an independent interest, not by a supra-class organisation but by the organised capitalist class itself to keep its rule going. It has nothing to do with remedy the inequality of incomes.

Any one who ignores these basic realities and talks of an income and wages policy only abets the game of the exploiting classes. Such talk is intended to rouse false hopes and conceal the truth that no change in distribution of incomes as between haves and have-nots is possible unless the incomes of the class which controls the means of production are attacked, in fact unless then.

It is obvious that India with its choice of the capitalist path, its compromise with landlords and outmoded land relations should show the mal-distribution of incomes. The problem of mal-distribution drew pointed attention after the end of the first two plans. The earlier inequality of incomes was laid at the door of the British government and it was stated that under the British rule there was too little production and hence poverty. But poverty appeared to increase with the success of the first two five year plans and no explanation was forthcoming. The problem got recognition by admitting that the rich were getting richer and the poor were getting poorer.

This process was of course connected with the basic fact of Indian economy concentration of means of production in a few hands. Notwithstanding the spate of land reforms Acts, land concentration continued to be high with 6 per cent of the owners owning 36 per cent of the land. Monopoly of land was accompanied by monopoly of other resources. Monopoly of monetary resources led to usury of the worst type and the three agents-landlords, moneylenders and the traders filched no less than Rs. 1,000 crores from the peasant in some of the

earlier years. The traders exploitation was the result of the growing subjugation of the peasant to the capitalist market.

What chance had equitable distribution here. The process of distribution here, determined by the ownership of means of production, was a process of filching.

But Indian conditions produced yet another result. In India it was capitalism which was making room for itself at the expense of pre-capitalist relations and formation. The process has been extremely halting and slow inflicting the most powerful sufferings on the people. Because India is still going through the process of mass eviction of people from their means of livelihood to make way for capitalist production. The development of capitalist relations together with the taxation and inflation policies of the Government has accentuated the process of mass evictions of peasants, artisans, of separation of the small producers from the means of production. The slow growth of industry in India displaces more persons than it absorbs and only accentuates the process of separation of the producer from the means of production. This process was further intensified by the mass eviction of peasants by the landlords in the wake of the land reforms Acts.

This is why the Indian countryside has become a vast ocean of destitutes—with no income.

Inflation, wage policies, repression, manipulated living indices—all brought about reduction in the real wage of the workers—especially the vast mass in unorganised industries.

The same years saw an enormous concentration of wealth and capital in the hands of a small minority. The total assets of India's twenty large houses (besides owning assets of more than Rs. 100 crores) rose from Rs. 3,516 crores in 1972-73 to Rs. 4,966 crores in 1975-76 (41 per cent), their net worth to Rs. 2,012 crores from Rs. 1,431 crores in 1972-73—a rate of 40.6 per cent. (Ref. Economic Times)

Comparison with Crores of Rs.	1966 is still more illuminating	
	Assets in 1966	Assets in 1975-76
Birlas	458	1056
Tata	508	975
Mafatlal	93	284
Singhanian	67	224
etc.		

This growing mal distribution was not brought about by objective economic law; it was accelerated by a class design; by the need of rapid capital formation at the expense of people's livelihood. The people had to pay for promoting capitalism, and keeping in existence outmoded land relations—it is out of their meagre earnings dictated by the distribution of means of production, that the finance for the capitalist path had to be mobilised. The financial robbery involved in this was to be achieved through monstrous public taxation, deficit financing leading to inflation, public debts Indian and foreign—and export import policies. Taxation in India, instead of being an instrument of reducing inequalities of income, has become a weapon of placing vast resources in the hands of the capitalist state for the benefit of the capitalist landlord classes—a weapon of robbing the people.

To take the growth of excise duties alone its progress has been as follows :

	In crores of Rupees
1950/51	63.43
1973/74	2602
1974/75	3231
1975/76	3824
1976/77	4093
1977/78	4550

Excise on sugar increased up to 36 per cent; on cement nearly 22 per cent; on iron and steel 14.5 per cent, on cigarettes 50 per cent; on textiles 14 per cent.

The monstrous character of this taxation can be best summed up in the words of Karl Marx "Modern fiscality whose pivot is formed by taxes on the most necessary means of subsistence (thereby increasing their price), thus contains within itself the germ of automatic progression ; over taxation is not an incident but rather a principle. The destructive influence that it exercises on the conditions of labourers concerns us less, however, here than the forcible expropriation resulting from it, of peasants, artisans, and in a word, all elements of the lower middle class."

The second instrument of robbery—and thereby increasing inequality of incomes between the have and have-not classes was deficit financing which led to the super inflation of recent years. This financial instrument is nothing but indirect and invidious taxation on the meagre earnings of the people. If during the First Five Year Plan there was deficit financing of Rs. 532 crores, during the 4th Plan it rose to Rs. 2060 crores. The first budget of the Janata Government itself concealed a deficit financing of Rs. 1,000 crores. The cumulative effort of these doses of deficit financing has been a continuous rise in prices, taking ordinary means of life beyond the reach of the common man. With pulses costing Rs. 5.50 per kilo and oil costing anywhere from Rs. 11 and Rs. 15—what chance has a poor man today. What chance has distribution of income today. This however is not an accidental phenomenon. The finance for further capitalist development can be raised only by robbing the people.

In this process, intensified by the manipulation of the capitalist market—lakhs are not only forced to a reduced income, lakhs are dispossessed and reduced to the status of destitutes and pauperised.

Another instrument of ensuring mal-distribution is the system of public debt. India's foreign debt—State debt—as well as private foreign capital ensures intensified exploitation of the people this is known. But the internal public debt also

secures substantial income for them who hold this debt and this takes place at the expense of the common man. As Marx said : "The public debt becomes one of the most powerful levers of primitive accumulation. As with the stroke of an enchanter's wand, it endows barren money with the power of breeding, and this turns it into capital, without the necessity of its exposing itself to the troubles and risks inseparable from its employment in industry or even in usury. The state creditors actually give nothing away, for the sum lent is transformed into public bonds, easily negotiable, which go on functioning in their hands as so much hard cash would.... As the national debt finds its support in public resources which must cover the yearly payments for interest, etc. The modern system of taxation was the necessary complement to the system of national loans." This is how the distribution of income in India is organised. First the income of the people depends on what the owners of means of production will pay consistently with their greed for profit, apart from the concessions forced on the strength of the organised movements and secondly on what will remain of it after the capitalist state had reached it through taxation provisions, deficit financing, public debt etc. Any one who forgets these basic realities and pretends to deal with the problem of income distribution is just cheating the people. Certain professors who act as the pimps of the present order seek to confuse the issue, screen the classes involved and present it just as a problem of rectifying the incomes inequality between individuals. And certain others in the name of equality seek to reduce the incomes of these who have wrested concessions from the exploiters, to equate them with those who have not been able to advance at all.

This stagnant growth has inevitably intensified the problem of distribution, compounding the poverty and misery of the people. According to the most conservative estimates 2/3rds of the Indian people are living below poverty line. The rural areas of the country now constitute a vast ocean of destitutes—pauperised peasants and artisans deprived of all means of livelihood and unable to find gainful employment and a decent

wage. In the cities the number of unemployed—registered unemployed now exceeds 10 million with the number of educated unemployed exceeding 4 million. And the real wage standard of living of the workers and the employees have gone down. A large number of workers draw a wage below Rs. 200 per month, and is not protected by any law.

The occasional spurts in industrial and agricultural production do not lead to relaxation of misery and easing the burdens of poverty; on the contrary, they accentuate the miseries of the have-nots. The huge increase in agricultural production in 1975-76 for instance did not benefit the mass of peasants, nor did it expand the market for industrial goods—consumer goods in the rural areas. As the Economic Survey admits, "The demand for these consumer goods which could reasonably have been expected to find markets in the rural sector of the economy did not increase appreciably. While hopes were high that substantial increase in agricultural production would give an impetus to rural demand for say, textile, the fall of agricultural prices at farm level seems to have acted as an inhibiting factor.

The peasant was not only unable to buy cloth, he was unable to have a square meal despite a bumper harvest. The production of 120 million tonnes of foodgrains in 1975-76 did not abate the stark starvation in rural areas. The accumulation of foodgrains in government godowns was an expression of the inability of the mass of people to purchase two square meals a day.

Like increased agricultural production, the country could not afford increased industrial production. The rise of industrial production in 1975-76 and 1976-77 led to widespread accumulation of stocks and compulsory exports. At one time, more than a million tonnes of steels were accumulated and the government was forced to export steel at fantastically low prices. There were huge accumulation of coal also. Textile, engineering sugar and various other industries are now heavily dependent on foreign markets.

This is the situation today. The problems have to be basically tackled. But neither the Congress nor the Janata Government has any such intention.

HIGH WAGE ISLAND

THEORY OF THE INTELLECTUAL SLAVES OF MONOPOLY CAPITAL :

Faced with the crisis, the rise of inflation, and the constant working class resistance to indirect wage cuts, the Congress Government indulged in hypocritical talk about the national wages and incomes policy.

In the beginning it crudely talked only about a national wage policy and every one could understand that the working class was to be attacked. Attacked by the trade unions that the Government sought to protect the bloated incomes of the landlords, the monopolists and the capitalists, the Congress Government changed its tune and talked of "a national wages and incomes policy".

But once again, in its very formulation the Government made it clear that it had no intention to remedy the monstrous inequality of distribution of incomes between classes—monopolists, landlords and capitalists on the one hand and workers, employees, peasants and agricultural workers on the other.

The first offensive in this campaign against the earnings of the workers and employees was waged by the Planning Commission during Mrs. Indira Gandhi's regime.

HYPOCRACY UNLIMITED

Shedding lots of tears over the condition of the people living below the poverty line, expressing its determination to fight this great inequality, the Planning Commission declared that the earnings of the employees like the LIC and Bank employees constituted a high wage island and could not be tolerated.

The intellectual slaves of the capitalist class could hardly find any other inequality. They did not notice the contrast between the monstrous incomes of the big landlords and the low wage of agricultural workers who worked for them; nor the contrast between the tens of millions of rupees income

of the capitalist and the wages of his worker; nor thought about the contrast between the income of the Bank and LIC employees and the incomes of the director and super-directors of these organisations.

They descended upon the earnings of the employee, compared thus with the earnings of those living below the poverty line and declared them to be too high.

The hypocritical, falsified and unjust character of the high-wage island cry is obvious. Its class-meaning-an excuse to lower the wage bill of the capitalist class-is quite clear. If these people were really guided by a desire to lower income disparities they would have pointed their accusing finger at the monopolists, at the Tatas, Birlas and Mafatlals or the big landlords and traders and contrasted their incomes with those of the workers, employees, agricultural workers and those living below the poverty line. But their urge for fighting inequality stood paralysed before the incomes of the tycoons.

WHO IS RESPONSIBLE FOR RURAL POVERTY ?

It would appear from the reference to the agricultural workers or those living below the poverty line as if the employees are responsible for their condition. There is no doubt that millions in our country, more than 75 per cent of the people in the rural areas, are living below poverty line, eking out a miserable existence. Their sufferings and misery are so prolonged and intense that had they been organised and conscious, the bourgeois-landlord system would have been overthrown long ago.

Who is responsible for their plight ? The bourgeois-landlord rulers of the country, the Congress party which led their rule and the Planning Commission experts who supported this iniquitous class system. Who is responsible for the fact that even the minimum wage legislation for agricultural workers, in itself a totally inadequate legislation—remains unimplemented and the worker is forced to accept any wage

from Rs. 2.50 per day to Rs. 3.50 per day ? Who is responsible for the deprivation of the small peasant who is denied a fair-price for the produce ? And who is responsible for the continued land monopoly of the landlords, for the robbery of the share-croppers and eviction of peasants.

The Congress party and the ruling classes are the criminals who should be arraigned before the bar of public opinion for forcibly keeping millions of people in abject slavery. But their spokesmen have the temerity to suggest that the wage of the employees should be lowered in the name of rural masses. The condition of the latter can be immediately improved if the land monopoly and low wages in the rural areas are smashed. The freezing of the employees' wage will not add an iota to the income of the rural masses. The savings will be grabbed by a few capitalists for "capital formation", for profit making.

The bourgeois-landlord classes and their government do not want to touch the incomes of the exploiting classes but attack the earnings of the employees. They reveal themselves as the common exploiter of the employees and the rural masses.

HOW HIGH THE ISLAND ?

High wage island indeed. How much do our employees-the clerks and others under the benign rule of the capitalists and landlords get ? It would appear from the high wage island argument as if they are flowing with milk and honey,

How many of the capitalists and landlords, directors and super-directors of the companies and corporations, business manager, traders and others are prepared to accept the same salary as the employees and work at their posts ? The perquisites sanctioned for some of them exceed many times the salaries of the employees.

And finally, are the Congress or Janata ministers prepared to accept these salaries and work at their posts remembering those who live below poverty line ? Are the members of the

Planning Commission prepared to deny themselves a rupee more than the employees' wage remembering our poor countrymen? All managerial, directoral and ministerial posts will go begging if this ceiling is imposed and besides there will be none left to look after the Planning Commission.

PURCHASING POWER OF MONEY

What are these people talking about when they refer to high wage islands? They are of course appalled by the fact that a mere clerk should get Rs. 1,000 and above in the Ram Raj of the bourgeois-landlord classes after years of service. It was sinful for a "shudra" to practice penance during the days of the great Rama. In modern times it is sinful for a clerk to have a salary of Rs. 1,000.

Have these people never heard that mere quantity of money does not mean anything? It is the purchasing power of money that decides whether the man is well-paid or ill-paid. Do they not know that prices have risen ten times since the days when Rs. 1,000 represented a good command over goods and services? With the present level of prices is the employee able to meet the minimum needs of his family? Can he educate his children properly with the rising cost of education? Can he afford to send his son or daughter to any specialised course in college or university? Can he meet any extraordinary expenditure on illness, hospitalisation or can he afford decent housing.

Between 1972 and 1976 the index of wholesale prices (base 1961-62=100) rose from 130.4 to 376.3. The all India Consumer Price Index for Industrial workers (base 1949=100) rose from 126 in 1961 to 402 in September 1977; and the Consumer Price Index numbers for urban non-manual employees (base 1960=100) rose from 103 in 1961 to 291 in June 1977, compared to 1939 the cost of living index has risen above 1200 which should show that the real wage of the employees has risen very little. It is known that only 75% of the rise in the

cost of living is neutralised so far as a large number of employees are concerned.

FRUIT OF STRUGGLE

Besides one has to remember that the present meagre scale itself has not fallen like manna from the heavens. It is the product of organised struggle waged by the employees over a number of years. It is the product of struggles in which hundreds have suffered, lost their jobs, their families were reduced to penury but they fought for others. It is the product of class struggle heroically waged by the employees. Their struggle were on an incipient effort to reduce income disparities. And what the employees have gained is part of the product of their own toil and not a gain from other peoples' labour.

Now their opponents want to penalise the organised movement, slander its efforts to raise their standard of living. But had they not fought it would have been in the same position as the rural masses in a state of slavery.

There is no doubt that every effort should be made to raise the living standards of the rural masses. The organised trade union movement and the employees fully support all measures directed against the exploitation of the rural masses. The trade unions lend full support to their organisation and struggle. It is the Congress government and the ruling classes that have attacked their struggles, their organisations, repressed them and paralysed their resistance disarming them in their fight for better conditions. Having forced a low living standard on them the representatives of the ruling classes want the employees' and workers' standard also to be lowered. It is to be noted that the attack on the most down trodden sections like the harijans continue under the Janata regime also. The landlords are not deterred by the Janata victory at the centre or in the states.

The argument of high wage island, therefore, is nothing but an excuse to reduce the employees' living standards and further extra profits for the capitalists and landlords.

ATTACK ON WORKERS' WAGE

In the advanced capitalist countries the capitalist class and its spokesmen often utilise the existence of some ill-paid sections to harp upon the inequality of incomes inside the working class and use it as an argument against the claims of the advanced trade union movement. It never entered the grey cells of these wolves that this type of inequality can be met by raising the wages of the ill-paid section.

In India, the Congress rulers soon extended the attack from the employees to all sections of organised workers. The workers wage was compared with the wage of the agricultural worker. Wage differences among workers of different regions and different industries were also used to show inequality and by implication demand a reduction in the wage of those who were earning more, as compared to others.

CHAKRAVORTY REPORT

The Sikhomay Chakravorty Report was a blatant effort in this direction. In the first place, following the lead of the Planning Commission it was silent on the question of the incomes of tycoons and landlords. It was especially dangerous to refer to the profits of the capitalists and concerns; because then it could be easily proved that corporations and industry were in a position to pay higher wages.

It made no reference to the necessity of need based wage, leave aside a living wage, for the workers but openly championed a minimum wage of not less than poverty line. Its minimum wage for a family of five was to be Rs. 200 per month in 1974. This is far below the starvation line and yet this was supposed to be an advance because many workers were getting less than this.

Besides, the real purpose of this minimum was to show that the other advanced workers were getting much more

than the minimum and therefore their wage should be reduced in the name of a national wage policy.

Two other items in the statement regarding the objective of wage policy make it quite clear. They are : "To rationalise inter-occupational, inter-industrial and inter-regional wage differentials and reduce disparities in a phased manner. (2) To eliminate progressively unjustified wage differentials between the organised and the unorganised sections."

Once again the same trick was resorted to. Compare the higher wage in organised industry with that in unorganised or in rural areas and demand reduction of the higher wage in the name of discipline, removal of unjustified differences.

The high-level island of the employees is now extended to the wages of the industrial workers and a reduction in the total wage-bill of the capitalist class is demanded to give them more profits.

CLASS CHICANERY

Of course the report does not think of eliminating disparities by raising the wages of those who get less than what the advanced workers are getting.

This was a crude piece of class chicanery which could be exposed easily because it did not even refer to the incomes of the capitalists, landlords and the like.

One may again join issues with these people on the question of disparities. Is there any concern which is paying the workers without making a profit? The workers are getting paid out of the production created out of their own toil and labour. If the spokesmen of the capitalists want disparities to be removed let them accept two principles-need-based wage for all and equal pay for equal work. This will standardise wages for equal work. But this is precisely what the capitalists do not want.

So long as they do not accept this principle, the workers will continue to fight for a need-based wage and there will be disparities. Those who are organised are able to withstand repression and are successful in their struggle will have to be given higher wages ; those who are weak in resistance will be denied their dues.

The disparity in many cases is precisely due to the fact that in many places the organised trade union movement has defeated the bosses and wrested a better wage from the employers. In other cases, the workers have been repressed or failed to unite. The latter have to be helped by the advanced sections of the movement to reach the desired wage.

The capitalists are frightened because the success of the trade union movement in wresting a higher wage level inspires the unorganised and backward sections to fight for similar conditions. This is exactly what should be. The Congress government wanted to cut this source of inspiration by launching an attack on the advanced wages under the pretext of ensuring equality in conditions.

All these however show that the trade union movement cannot properly defend itself and advance unless it matches the ideological offensive of the capitalists with its own clear class stand. It must intervene on matters of economic policies and counter the machinations of the ruling classes on each occasion.

Such questions as on Incomes and Wages policy are vital questions and trade union opinion should be fully mobilised to fight such anti-working class policies.

A CORRECT POLICY

The working class demands a correct policy on the basis of a time-bound programme for need-based wage (a) full neutralisation of rise in the cost of living and (b) equal pay for equal work. It demands minimum wage as the minimum

to be attained and calls for a policy of raising living standards above this minimum. It demands that the agricultural and other toilers should be included under this programme. The peasant should be ensured a direct income by ensuring fair price for his produce, cheap input and credit.

At the same time, it demands that the aim of a proper wages and incomes policy should be to reduce the disparity in the incomes of the exploiters and exploited classes. The raising of the standard of living of the workers and others is one part of the policy. The other is to take away the huge incomes from the exploiting class which can be best done by removing their ownership of the means of production.

JANATA PROMISES

The Janata Party in its election manifesto came very near to these principles.

Its Manifesto stated : "The Janata Party believes that economic policies should subserve the interests of workers in the agricultural and industrial sections. The Party will introduce legislations to ensure minimum wages for all categories of workers. Such minimum wages would be sufficient for the maintenance of the workers and his family".

Its national wage and price policy is based on the following : "A fair wage must be the minimum wage. A wage and price policy must ensure that income disparities are reduced. Steps will be taken to see that minimum incomes rise rapidly so that the difference between the minimum and maximum income after tax is reduced to 1 : 20. It will strive progressively to further reduce this difference to 1 : 10 within a decade by a policy of income redistribution that raise floor levels and discourage bloated incomes".

This is quite clear. No reference to high wage island, or unjustified high wages and wage differentials but a clear-cut line that the floor incomes should be raised and the bloated incomes—of the capitalists etc.—should be reduced.

DECLARATION STOWED AWAY

However it seems that the Janata Government is not prepared to follow this declaration in practice. Otherwise it would not have refused to honour the bonus agreement with the AIIEA—an agreement which was illegally annulled by the Indira Government. The Janata Government besides is solemnly committed to remove the injustices of the emergency period. The annulment of the agreement which struck at the basis of trade union negotiations was gross injustice of the period. But the Janata Government refused to rectify it and do the right thing to the employees till awarded by the Supreme Court. Why ? Because the Janata Government has the same class outlook as the Congress government on economic questions—the same class bias when faced with inflation and high prices. The finance department regards the workers' pay packet the main villain of the inflation piece ; it follows that it regards the employees' earnings as a high wage island.

At the same time the government did not hesitate to make concessions worth Rs. 200 crores to the capitalists in its first budget. It has also not hesitated to grant heavy relief to the sugar magnates by way of reduction of excise duties without reducing the price of levy sugar.

BHOOTHALINGAM COMMITTEE

That the policy makers in the Central government have every intention to go back on the clear-cut declaration of the Janata Party election manifesto is again clear from the terms of reference of the Committee on Wages and Incomes Policy (Bhoothalingam Committee). It is to be noted that the All India trade union movement is not represented on the Committee. Only a representative of the Ahmedabad Labour Organisation—close to Shri Morarji and Patel—has been taken on the Committee.

The terms of reference avoid all mention of the big incomes of the capitalists and landlords—the disparity in incomes

between the exploiters and exploited classes. The Janata Government has completely adopted the position of the Congress rulers and wants to deal only with the wage differentials etc.

Among the terms of reference of the Committee are questions relating to fixation of minimum wages, maximum wage for different categories of workers, wage differentials and criterion for determining them, linkage between wages, incomes and prices, a review of arrangements with regard to dearness allowance, etc.

Under the guise of a wage policy here is an attempt to police wages and earnings. Instead of calling for need-based wage, the term of reference demand a ceiling on wages (maximum wages). Even the notorious Indira government did not so blatantly call for a ceiling on worker's wages.

The entire effort will be to play with differentials, etc. and call for reduction of wages in the name of a wage policy. And without the least sense of shame and scruples the Finance Department excludes the incomes of the monopolists, big capitalists and landlords from the purview of the committee.

DEPARTURE NOTED

The Janata Party's statement on Economic Policy had to note this departure of its government from the accepted line and comment. "We note that the terms of reference do not expressly cover the question of minimum wage for agricultural workers and income disparities and limitation on personal consumption".

The employees and workers should be prepared in advance for the inevitable results of this outlook. The mention of "review of arrangements with regard to dearness allowance" constitute a warning that the present arrangement will be changed to the detriment of the worker's interests. Also in the Janata Party's statement of economic policy there

is a warning to the industrialists against giving bonus to the workers : "These surpluses should not be thrown away by way of indiscriminate distribution of dividends and bonuses...." The statement of policy forgets that the Janata Party had accepted bonus as deferred wage. Now like the Congress it puts bonus and dividends on the same plane.

These are forewarnings of attacks to come if the trade union movement does not exercise vigilance and use the combined strength of the employees and workers' organisations to counter the effects of reactionary policies.

TRADE UNIONS UNITED

Fortunately the trade union movement is both united and aware of its responsibilities. The trade union convention which met in New Delhi in September this year-the AIIEA had taken the initiative to call it-not only unitedly raised the demands of the workers and employees, but also clearly enunciated a wages and incomes policy on behalf of the movement. Several trade union centres led by the Janata Party members fully supported the resolution and there is no doubt there will be united opposition from the trade union movement if the Government chooses to launch attacks on workers' rights and gains secured over a number of years

This unity must be preserved and strengthened. The labour movement must stand as an indivisible force with rocklike steadiness to ward off all attacks under whatever pretext they might come. With this unity they will succeed not only in defeating fresh onslaught but also in pressing the Government to move in the desired direction.

If the mercenaries of the capitalist-landlord ruling classes wish to fight the employees and workers as a privileged class, by raising the cry of high wage islands, or high wages-the latter can counter the attack by putting forward proper incomes and wages policy directed against the exploiting classes and protecting the workers, employees, peasant and other toilers. Educa-

ting the people in this policy will strengthen the ties of the employees and the workers with the people and give the movement a broader base.

One thing should not escape notice. The reference to people living below poverty line shows that the ruling classes seek to divide the most down trodden from the organised movement in nefarious game of divide and rule. They also seek to alienate the democratic public opinion from the trade union movement by talking about the rural masses.

The need for the trade union movement to forge ties with the rural masses, to champion their demands and inspire them in their organisational efforts is now all-important. The workers and employees will not be able to defend their gains if the main rural masses continue to remain in semi-feudal misery. Full support for the movement for agrarian revolution, for ending the land monopoly of the landlords is called for in the immediate and ultimate interests of the organised trade union movement. Its fight for socialism cannot be successful without liquidating the semi-feudal land relations from which the rural masses suffer.