



THE WORKING CLASS

MONTHLY JOURNAL OF THE CITU

The Economic Survey And The Budget

The Economic Survey (1975-76) and the Budget Papers presented during the current session of Parliament throw some light on the present critical phase of the Indian economy. It gives latest available data on various aspects of economy to enable us to understand in which direction it is moving.

The Survey while noting the slow rate of economic growth in the country stated, "The rate of growth of national income during the Fourth Plan averaged only 3.3 per cent. According to the 'Quick Estimates' of national income for 1974-75 prepared by the Central Statistical organisation, the rate of growth was only 0.2 per cent". If per capita national income is taken into account the condition would be seen in more glaring manner. The annual growth rate was only 0.3 per cent during the Third Plan while it stood at 1.2 per cent during the Fourth Plan. During 1974-75 the per capita national income showed a decline by 1.9 per cent. The Index numbers of per capita national income taking 1960-61 as the base year given in the Economic Survey are as follows :

Year	Per capita national income	Index Number
1970-71	351.8	115.1
1971-72	350.2	114.6
1972-73	337.6	110.5
1973-74	347.2	113.6
1974-75	341.4	111.7

The first Plan stressed the objective of doubling the per capita national income in real terms in 25 years. Now the period is coming to an end but the per capita national income rose by only about 12 per cent.

As a result of this slow rate of growth the per capita net availability of essential consumption goods have either remained stationary or declined during the last 15 years. The following data given by the Economic Survey makes this point clear :

	1960 61	1974-75
Cereals (ounces)	14.10	13 18
Pulses (,)	2.43	1.47
	<hr/>	<hr/>
	16.53	14.65
	<hr/>	<hr/>
Edible Oil (Kgs)	3.2	3.2
Vanaspati (,)	0.8	0.6
Cotton Cloth (Mt.)	13.8	12.9

The Survey therefore notes, "If the rate of growth of the economy is to be stabilised at a level close to 5.5-6 per cent, industrial production will have to grow more than twice as fast in the last ten years". (Page 53)

The Finance Minister in his Budget speech admitted that, "It is no doubt true that currently some industries are faced with inadequate demand."

Despite slow rate of growth the economy is now experiencing what is known as "fall in demand", shorn of verbiage it means people have no money to buy the commodities and therefore there is no offtake of goods from the market. Normally the Economic Survey publishes a statement stating the position of stocks of various important commodities. In this issue the statement is not published, yet the fact remains that huge stocks of unsold goods are lying with the manufacturers. The textile industry, it is reported in the press, has a stock equivalent to 4 months production. The stock with Coal India Ltd. is also reported to be about 8 million

tonnes which is stated to be highest ever held at the pit head. In steel and aluminium industry also excessive stocks are being reported while in Cement industry the earlier scarcity conditions no more exist. All this phenomenon arises not because of substantially higher growth of production but due to lack of demand mainly due to reduction in construction activity in the country.

The real reason for "fall in demand" is the reduction in the purchasing power of the people.

While the domestic market is on the decline export markets are given more and more emphasis. The old slogan "produce or perish" is now being substituted by a new slogan "export or perish". Naturally we have to export at a less price and at times even at a loss. This raises the problem of export subsidy. The Finance Minister in his Budget Speech while reviewing the last year's performance stated, "Because of recessionary conditions prevailing in international markets, it became necessary to intensify export promotion measures. As a result, expenditure on export promotion scheme is expected to exceed the Original Budget Estimates of Rs. 88 crores by Rs. 71 crores" (Part A—Page 10). In the 1976-77 budget the Finance Minister has therefore provided Rs. 190.50 crores on account of foreign trade and export promotion.

However, the earnings by way of higher exports have been swept away by still higher prices of imported commodities. As the Economic Survey noted, "...the value of India's total imports during 1974-75 at Rs. 4468.1 crores was higher by 51.2 per cent as compared with 1973-74 level of Rs. 2955.4 crores. The steep increase in the value of India's imports during 1974-75 was principally the result of continuance of inflationary conditions abroad and the high prices of our major imports which offset by a wide margin the gain from higher realisation on exports" (Page 42). The survey underlining the unfavourable balance of trade position of the country stated, "According to revised series of index numbers compiled by the DGCIRS (Director General of Commercial Intelligence and Statistics) with 1968.69 as base whereas overall unit value of index of our imports rose by 73 per cent in 1974-75, the rise in the unit

value index of our exports was only about 25 per cent. The import quantum indices in the same series show an overall decline of 12.3 per cent in the volume of imports during 1974-75".

The foreign trade deficit during 1973-74 was as high as Rs. 908.7 crores and in first 8 months of 1974-75 it exceeded Rs. 1100 crores. The deficit has mainly to be covered through foreign loans or grants. The gross external borrowings which were visualised at Rs. 928.47 in the last year's budget are likely to be Rs. 1206.14 crores in the current budget. If the payments are deducted from this amount then the next external borrowings would rise from Rs. 612.69 crores to Rs. 814.85 crores between the last and the current budget. The Government had also to depend on Rs. 136.85 crores of grants as well as Rs. 60.65 crores of commodity grant assistance during the current budget. Over and above this there is a provision of Rs. 150 crores of oil credits and Rs. 178 crores of deposits of assistance from Iran. Taking all this together over 25 per cent of our capital receipts of Rs. 4422.51 crores depend on foreign loans and doles. It is in this context that the Finance Minister's announcement of rise in plan outlay by 31.6 per cent during the current year should be viewed.

The external indebtedness further increases the country's liability of repayment of loans. As pointed out by the survey, India's debt service requirements were Rs. 450 crores during 1970-71 which increased to Rs. 479 crores in 1971-72 and to Rs. 507 crores in 1972-73. During the year 1973-74 they further shot up to Rs. 595 crores while in 1974-75 they reached Rs. 626 crores. During the Budget year it is estimated to be of the order of Rs. 700 crores. Government, therefore, has to borrow more money in order to repay the debts. Apart from the fact that it reduces the net aid received, it also imposes a crushing burden on the economy and leads to drain of national resources. Already 20-25 per cent of India's annual export earnings are eaten up by debt servicing obligations. And yet the survey observes, "the flows of external assistance are as yet nowhere near the levels necessary for meeting the essential requirements of countries like India and this reinforces the need for continued

efforts to promote exports for maintaining external viability" (Page 50).

A peculiar feature of the external aid is that the PL 480 food assistance wheats was stopped during 1971-72 has now been resumed thanks to the efforts made by the Government of India to improve relations with U.S. The 1975-76 Budget, therefore, provided Rs. 98 crores of PL 480 food assistance from the U.S.

All these facts should be kept in mind while considering the declared goal of building a self-reliant economy in India.

The external and internal debt is growing up at an alarming rate. The Explanatory Memorandum: General Budget 1976-77 has given the present indebtedness as follows :

	(Rs. in crores)	
	As on 31.3.76	As on 31.3.77
Internal Debt	13,349.59	14,294.45
External Debt	7,101.65	7,926.52
Total	20,451.24	22,220.97

This does not include the amount received under the small saving scheme and the Provident Funds etc. The Budget Memorandum estimated the total liabilities of the Government of India by the end of March 1977 at Rs. 33,102.16 crores. The Government will have to pay Rs. 1351.86 crores by way of interest charges alone towards this liability. If the quantum of amortisation of these loans is taken into account it would indeed reach a staggering figure.

Rs. 480 crores are recovered by the Centre from loans to the State Governments and about Rs. 208 crores from the railway finances. From the public sector undertakings the major chunk of Rs. 190.0 crores is received through the surpluses of Reserve Bank of India and Rs. 4.50 crores are realised out of the profits of the Nationalised Banks. Dividend from public undertakings and other investments come to only Rs. 24.14 crores while the investments in these undertakings are Rs. 5019.18 crores according to the Budget Memorandum.

The much advertised scheme of voluntary disclosure has not yielded bonds of more than Rs. 40 crores during 1975-76. On these bonds the Government would pay 5½ per cent interest half

yearly. Only 5 per cent of the declared income of 2½ per cent of the declared wealth had to be deposited in Government securities in addition to the taxation. After all the cost of converting black money into white was not very heavy.

After resorting to reckless use of job killing devices in the name of introduction of modern technology the Government has now apparently realised the need of labour intensive techniques. In a Note on "Strategy for Intergreted Rural Development" by C. Subramaniam Finance Minister, which was circulated among the Budget papers, we find the following extract :

"Let us recall in this connection that roughly 50 per cent of cement, paper and fertilizers and about 16 per cent of hydro-elctric power produced in Mainland China come from comparatively small sized, decentralised and locally operated units. Even while recognising the very fundamental differences in the socio-political systems of China and India, there is a lesson to be learnt here, which we can ill-afford to ignore (Page 14).

This admission, though important, does not appear to have been adequately assimilated because job killing devices still form a dominant form of growth of industries in India. As Shri C. Subramaniam himself stated, "Manufacturing plants are typically thought of in large sizes in our country, without regard to either ease of operation or the demands on the infra-structure. The process adopted in manufacture also tend to be more mechanised and automatic than are justified with reference to either the unemployed work-force or our ability to produce or service machines" (Page 14). The point to be noted here is that these decisions have been imposed on us by the collaborators and aid-givers who still continue to have their say with serious consequences to the Indian economy.

The Central point of the Budget is stated by the Finance Minister thus, "our economic policies must assist in promoting the growth of investment and savings. Later in my speech I shall describe the manner in which our tax system is being adopted to facilitate this outcome". To add to the savings the rates of income tax have been reduced to some extent. Despite this reduction the expected revenue is more since the expectation is that part of the

General Strike In Ceylon In Support Of Govt. Press Workers

The working class of Ceylon responded massively to the call of a General Strike on February 20 given by the Joint Council of T.U. Organisation (JCTUO) of Ceylon in support of the striking Government Press workers. The Ceylon Federation of Labour, Government Clerical Servants' Union and Plantation Unions all constituents of the JCTUO lent solid support to the strike call. As a result of the general strike, the entire country came to a vir-

tual standstill as buses, trains etc. stopped plying, production stopped at factories and plantations estates and all work stopped at the Government offices, mercantile offices and municipal corporations.

The workers of Government Press are on strike in protest against the dismissal of a worker for participation in a token strike. The token strike was organised by the Press workers against the corrupt practices and

mismanagement in the Govt. Press by the Minister concerned. Despite repression, and attempts at disruption through blacklegs the Press workers remain solidly united and determined to continue the strike till victory.

The JCTUO will meet shortly to decide on the next step. Meanwhile the Ceylon Federation of Labour and Government Clerical Servants' Union have called upon their members to continue with go-slow in all sections and boycott of the Ministry and institutions with which the Minister R. S. Perera is associated.

money which was earlier going "black" may become "white". There have been some concessions in Corporate taxes also and the excise duty for additional production has been reduced. Durable consumer goods like T. V., refrigerator, air-conditioner, fan etc. whose stocks were mounting high will now get some relief in taxation so that the manufacturers may be able to sell some more of their goods. The reduction in excise duty on motor cars is also meant to serve the same purpose. A new system of investment allowance has been introduced in the Budget. As stated by the Finance Minister, "The investment allowance will be allowed at the rate of 25 per cent of the cost of acquisition of new machinery and plant installed after 31st March 1976 in industries currently qualifying for initial depreciation. I also propose to extend the list of qualifying industries by including eight other priority or export-oriented industries."

Concessions have also been given in wealth tax on the ground that "the prevailing high rates of wealth tax provided a powerful incentive for undervaluation and wide spread evasion of taxes". System of taxation of foreign companies and taxation on interest payment has also been modified. The custom duty and excise duty has been adjusted to suit the requirements of additional investment.

The duty on garment manufacturers has been abolished to boost their exports. The duty on textile cloth has been modified in order to improve the offtake of standard cloth accumulated with the textile mills.

While the major benefits of the relief will be enjoyed by the industrial houses the working class will be asked to deposit half of the additional DA compulsory with the Reserve Bank for one more year. The Budget for 1976-77 has already taken into account a net capital receipt of Rs. 480 crores of borrowing from the Reserve Bank against accruals under the extended schemes for compulsory deposits. There is no protection given to the rural producer who is facing crisis due to fall in prices of agricultural commodities making agricultural operation uneconomic for them. Distress sales of such commodities are also being reported in the press. The Budget while providing Rs. 193.72 crores on Police, has allotted almost the same amount on education i.e Rs, 193.90 crores. Does not education deserve a better treatment, one may ask.

The Budget further has shown an uncovered deficit of Rs. 320 crores, Though the last year's budget provided for a deficit of Rs. 247 crores the revised estimate was Rs. 490 crores. There is no reason why this year's budget should not be the visualised budget. As the Finance Minister himself noted that "there is an inherent element of unpredictability in the course of economic activity". This also justifies the apprehension

The Budget proposal thus brings cheers to the investors and manufacturers which is clearly vilible from their reaction. But for the working class and the poor people it merely gives lip-sympathy without much needed relief.

Thirty Years Of Vietnamese Trade Unions

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[Continued from previous issue]

Signature of Geneva Accord

Immediately after the signature of the Geneva Agreement on the cease-fire and peace settlement in Viet Nam (July 1974) the General Confederation of Workers led the struggle of the trade unions for the defence of industrial enterprises and public services, against transfer of machinery and tools, of files and documents and against the forced evacuation of the population towards the south, against sacking of workers and refusal to pay their salaries. Thus CGT has made an important contribution to the take-over of urban centres, to the return to normal life, to the restoration of production in those localities.

During those 9 years of resistance, despite difficulties and privations, the working class and the unions always accomplished their missions in a praiseworthy manner. Together with the entire people and its armed forces, they have taken active part in people and its armed forces, they have taken active part in contribution to the glorious victory of Dien Bien Phu.

This victory has foiled the aims of the old colonialism: French imperialism, and has forced it to sign the Geneva

Accord of July 1954 on Viet Nam, by which it undertook to respect the independence, sovereignty, unity and territorial integrity of Viet Nam.

The building up defences of the socialist North

In July 1954, peace had been re-established. In May 1955, North Vietnam, north of the 17th parallel, had been completely liberated. In the overwhelming enthusiasm generated by the striking victory, the working class and the population of the North started on a new task: to rebuild the country devastated by a long war.

Difficulties were indeed numerous and enormous: one-tenth of the arable land had been abandoned because of lack of water for irrigation or because it had been turned into no man's land by the enemy; industry and handicraft were paralysed or receding, more than 500 km. of railway tracks i. e. 5/6 of the railway network of the North at the time, were totally destroyed; unemployment hit more than 100,000 workers in the city etc.

At the beginning of 1956, the Second Conference of the Trade Union cadres for the whole North took place. In following the line of the Workers Party and of the Government regarding

the rebuilding of the economy, the Conference defined as follows the task of the unions: "to engage themselves deeply in production, to place production at the centre of their preoccupations, to carry on educating the working masses and to bring them to intensify the campaign for patriotic emulation in order to accomplish and to overfulfil the state Plan, and at the same time, to promote the struggle for national reunification."

In order to accomplish these tasks, the unions gave particular attention to raising the level of workers and employees on all planes while doing their best to consolidate their organisations, especially the base trade unions. During the three years of economic restoration—1955—57, the organised workers, in many emulation campaigns, which resulted in the restoration of almost all the communications, in the restarting of activities in the industrial enterprises, and in the building up of 15 new enterprises, thus making industrial production reach the pre-war level.

To prepare a balance-sheet of the movement of emulation which was boiling up in all the base units, and to stimulate further and with greater force the enthusiasm of workers and employees, the CGT organised in collaboration with relevant state organisations, a National Festival of Heroes of Work and of Meritorious Workers of the movement of emulation among manual and intellectual workers. At this festival, seventeen wor-

kers were given the glorious title of Hero of Work, and 912 others the qualification of elite workers, on an all-nation basis.

Animated by a new ardour, the workers strove with effort to accomplish the Three Years Plan (1958-60) for development and transformation of the economy and of cultural elevation. In 1955, the state industrial enterprises in North Viet Nam numbered 81, including 45 in the Central sector, and 36 regional industries. In 1960, this figure rose to 1012. The proportion of industrial and handicraft production in the total value of national production increased from 16.9% in 1955, to 41.3% in 1960.

After carrying out agrarian reform, agriculture has been collectivised. Private capitalist industry and commerce have also been transformed in a socialist way. Thus the exploitation of man by man, which had lasted for thousands of years, have practically been abolished.

After the economic development, the standard of living, both materially and culturally, has gone up progressively for the working class and toiling masses. Unemployment in the cities, heritage of the colonialist regime, has been practically abolished. Illiteracy has been liquidated. The number of students in general education, high education and adult education during the school year 1960-61, rose to 4,587,000 i. e. 1/3 of the total population of the North.

Parallel with the upswing in economic and cultural development, the trade union movement too has gone through a new development. End 1960, the number of unionist in North Vietnam was 36,000, collected in 2000 base unions, and led by the dozens of thousands of active trade unionists, full time and volunteer. Deriving strength from their own tradition of struggle and their own work-experience, and drawing on the trade union experience of brother Socialist Countries, the Vietnamese Unions started to make their action felt, and started to play their role towards the Vietnamese Working Class as a school for ideological education, education for the management of the economy and the state, and as a school of communism.

The Third National Congress of the Vietnamese Workers Party, held in September 1960, has defined as follows the General line of North Vietnam, during the time of transition to Socialism. "Unite the whole People, kindle patriotism and exalt their traditions of heroism in struggle, tenacity in work, while reinforcing solidarity with socialist brother countries, to take the North quickly, impetuously and firmly towards Socialism, to build in it a life of wellbeing and happiness, to consolidate it, to make out of it a stronghold in the struggle for the peaceful reunification of the country, to contribute to reinforce the socialist camp to defend peace in South-East Asia and in the world".

On the basis of the historic resolution of the Party Congress in February 1961, the Second National Trade Union Congress defined as follows the task of the Vietnamese trade unionists: "Unite, organise, educate the mass of workers and employees, develop revolutionary spirit, make them conscious that they are now the master, develop the active faculties of the masses, to make the masses acquire rapidly the avant garde technique in order to realise victoriously socialist industrialisation and in the near future to fulfil completely and before time, the First Five Year Plan, make North Vietnam progress quickly, powerfully and surely towards socialism and to make it a solid base for the struggle for the peaceful reunification of the motherland".

Following the resolution of this National Trade Union Congress, the trade Unions at different levels started the movement of patriotic emulation among the masses in order to fulfil before time the First Five Year Plan.

An enthusiastic and vast movement of emulation sprang to title a movement for obtaining the little of "Socialist Work Brigade" the essential content of which was rationalisation of production, betterment of technique and the creation of the new socialist man.

This movement made an important contribution to the fulfilment of the First Five Year Plan (1961-65). If one compares the figures of the year 1965 with

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Railway Board On Railwaymen's Strike

Along with the Railway Budget papers submitted to Parliament in the second week of March, the Railway Board presented Annual Report for 1974-75. The Report referred on several occasions the strike of the Railway employees organised in May 1974 and gives the assessment of the strike by the Railway Board on various aspects. We are giving below the major observations of the Board for information of our readers.

The first Chapter "Review and Prospects" begins with these observations, "1974-75 was a momentous one for the Indian Railways in more than one sense. The year began with disturbed industrial relations culminating in the nationwide railwaymen's strike in May 1974, but ended with Railways finding their feet once again" (Para 3). It reminds the readers on the same page, "At the risk of repetition, it may be mentioned that the strike in May 1974, had its effect on railway traffic and finances".

The chapter on Planned Development noted, "The year under review (1974-75) was the first year of the Fifth Five Year Plan. The Railway Budget resented to Parliament in February, 1974 had envisaged that during the year, Railways would lift 217 million tonnes of freight traffic. However, on account of the countrywide strike of railwaymen in May 1974, and its after effects in the earlier part of

the year itself it became apparent that it would not be possible to achieve this target. It was in this background that the supplementary Railway Budget presented to Parliament in September 1974, revised the freight traffic anticipations to 197 million tonnes." (Page 6)

Regarding the traffic trend the Report pointed out, "For the first time since 1952-53, passenger traffic showed downward trend during the year, mainly due to Railway strike in May 1974 and its after effects. During the strike bound month alone Railways lost 110 million passengers and, unlike freight traffic, the scope of recovery of passenger traffic once lost is limited. Even with traffic levels picking up later on in the year, Railways ended the year with 2,429 million passengers—8.46 per cents less compared to the previous year. The drop in the nonsuburban traffic was more pronounced—13.2 per cent, against 4.45 per cent in the case of suburban traffic." (Page 7). It further continued, "The inter-city traffic carried by fast mail and express trains went down by 15.8 per cent as compared to last year" (page 7).

The Report later on referred to frequency and speed of services and stated, "More double-tracking and increased dieselisation/electrification would have enabled Railways to run faster train services at more frequent intervals but for the disruptions caused by extraneous

factors like railwaymen's strike, students and other public agitations. The average number of passenger trains run daily was therefore 473 less and the average speed of non-suburban train remained almost at the level of 1973-74 while that of suburban trains dropped slightly" (Page 8).

Regarding the punctuality of trains the Report said, "The punctuality of mail and express trains, however, declined on the broad gauge to 68 per cent from 71 in the previous year, mainly because of cancellation and regulations of a number of trains due to the railwaymen's strike and its after-effects, including the shortage of coal etc." (page 10)

While mentioning the freight forwarder scheme the Report underlined, "Freight forwarder scheme for freight traffic was in operation between 66 pairs of stations as against 56 in 1973-74. The number of wagons loaded under the scheme, however, declined from 15,414 in 1973-74 to 12,867 and the earning from 3.98 Crores to Rs. 3.86 crores. The set-back was mainly due to Railwaymen's strike of May 1974 and its after-effects, drop in production resulting from power cuts in several states, and dull market conditions". (page 15).

Analysing the financial results of the railways the Report further noted, "with the set-back to Railway operations due to the railwaymen's strike in May 1974 and the enormous strain on working expenses resulting from an

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Railway Budget—Between the Lines

While presenting the Railway Budget in Parliament on 10th March last, the Railway Minister as usual painted an optimistic picture and claimed "a series of record-breaking performances". Viewed in the background of the present state of the economy, which the Indian Railways Year Book 1974-75 describes as a state of "semi-stagnation" and the Railway Ministry itself characterises as "by no means spectacular", the claim appears to be untenable. An analysis of the performance of the Railways during 1974-75 reveals the true state of affairs.

The route kilometres, for instance, increased by only 67 Km. during 1974-75. In fact the additions to total route kilometers since 1950-51 amounts to less than 7000 Km., which constitutes mainly of doubling of some tracks laid down before independence.

Again, it has been claimed that there has been a substantial rise in the goods traffic, particularly in Coal, Steel and Cement. ... The stocks of these items precisely, have accumulated to an unprecedented level and the managements having no place to store them at the plant site have despatched them to stock-yards etc. The supplies in these materials today are out-stripping the demand and there is a cry for increasing export. Hence, the Railway Ministry should have made some introspection before claiming spectacular achievements. With

the condition of Indian economy in the grips of a recession, with increasing lay-offs, lock out and closures in factories, it is evident that the demand is going down and the railways are likely to go in the red.

The Railway Minister admitted that the Railways will "fall short of the dividend obligation to the General Revenue by 187.87 crores". With the social burdens fixed at Rs. 165.19 Crores according to the Indian Railways Year Book 1974-75, it appears that in our country the railway finances are being used as an additional source of tax revenue while in advanced capitalist countries the railways are treated as "Public Utility Service" and subsidies are granted.

The fact that after a steep rise in fare and freight rates only a year and half back, a proposal to increase freight rates to the extent of anticipated yield of Rs. 87.35 crores during 1976, shows that the railway economy has not stabilised as claimed.

The railway employees are the lowest paid workers in the organised sector of the country.

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In 1974-75 alone nearly 12,500 Kilo litres of additional diesel oil was consumed in the railways while use of coal was reduced though we have enough of coal.

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Besides the railways have imported Rs. 71 crores worth of equipment and stores registering a rise of 11 crores over last year.

Although 15 percent of the Steam Locomotives, 7.4 percent of passenger carriages and 6.6 percent of wagons are overaged, they are still being used causing serious accidents on the one hand and glut in Wagon building and Steel industries on the other. A report from Durgapur Steel Plant says that wheels manufactured by them are not being taken delivery of by the Railways causing serious concern over future production. The Wagon Building industry is seriously handicapped due to shortfall in orders placed by the Railways. There has been 53,308 total casualties and 36,813 have sustained injuries in accidents during the past 15 years. The Railway Board seems to have abdicated their responsibility to the travelling public. Total casualties per million passengers originating, which was 0.05 in 1972-73, has jumped more than three-fold to 0.16 in the year 1974-75. With increased expenses for Protection Force in the railways, the gross amount of compensation paid during 1974-75 was to the tune of 14.65 crores which was Rs. 1.03 crores more than last year.

On the proposal for increase in freight charges, the Chambers of Commerce and Industry said that it would increase the prices.

... ..
As far as railwaymen are
(See Page 12)

Major Industrial Disputes

During July-Nov. 1975

State/ Establishment	Strike/ Lockout	Duration	Loss of Mandays (000)	State/ Establishment	Strike/ Lockout	Duration	Loss of Mandays (000)
Bihar				Dewar's Garage Indus-tries (P) Ltd., Calcutta**	L	24.10.75 to Nov. end +	64.4
Incandescent Foundry Adityapur, Jamshedpur**	S/L	19.1.74 to August end +	59.9	Bengal Potteries Ltd., Calcutta**	S/L	14.6.75 to Nov. end +	406.0
Gujarat				Bengal Potteries Ltd. (Factory No 2) Calcutta**	S/L	6.10.75 to Nov. end +	81.0
Priya Laxmi Mills, Baroda**	L	23.4.75 to Oct. end +	360.6	Calcutta Chemical Co. Ltd., Calcutta**	L	31.5.75 to 19.8.75	102.0
Kerala				India Foils Ltd., Kamarhati (24. Pgs)** Industrial Plants Ltd., Howrah**	L	23.5.75 to 21.8.75	107.8
Travancore Rayons Ltd., Perumbavoor, Cannanore**	S	4.1.75 to 11.7.75	292.3	Industrial Plants Ltd., Howrah**	L	23.5.75 to Nov. end +	72.0
Maharashtra				Metal Box Co. of India Ltd., Calcutta**	L	6.7.75 to 29.9.75	288.0
Indian Airlines Bombay*	L	24.11.75 to Nov. end +	360.2	Orient Gen. Industries, Calcutta-54**	L	12.6.75 to 17.9.75	132.8
Orissa				Orient Gen. Industries B. T. Road, Calcutta**	L	14.6.75 to Nov. end +	140.0
B. T. Mills, Jharsuguda**	S/L	17.2.75 to 12.7.75	219.9	Steel Rolling Mills of Hindustan (P) Ltd., Calcutta**	S	23.3.75 to 14.8.75	61.0
Tamilnadu				Bird & Co. (Process Engg. Division) Dakhindari**	L	23.9.75 to 17.11.75	61.6
The South India Viscose Ltd., Sirumugai**	S/L	19.4.75 to 15.7.75	112.3	Eastern Spinning Mills, Barasat.**	L	27.8.75 to Nov. end +	109.2
State-wide General Strike	S	24.10.75	67.9	Orient Metal & Engg. Industries, Agarpara.**	S/L	5.7.75 to Sept. end +	59.2
Uttar Pradesh				* Public Sector. ** Private Sector. S=Strike L=Lock-out. + Later information not available.			
J. K. Manufacturing Ltd., Kanpur**	L	26.5.75 to 15.7.75	98.6	All disputes involving a time-loss of 50,000 or more man-days in the period under review or since the beginning of the dispute are classified as major disputes.			
Laxmi Ratan Cotton Mills, Kanpur**	L	10.5.75 to Nov. 75	337.5				
Western India Match Co. Ltd, Bareilly**	S	15.3.75 to 4.7.75	130.9				
U P. Co-operative Mills, Etawa**	L	7.7.75 to Nov. end +	148.8				
West Bengal							
Kesoram Rayon, Nayasarai; Hooghly**	S	10.2.75 to 4.8.75	476.8				

Again On The Meaning Of "Industry"

The examination of the question whether an undertaking is an industry or not has unnecessarily been taking the time of the Courts since 1960, the year when the case of the State of Bombay v. The Hospital Mazdoor Sabha (1) was decided. Thereafter the question has periodically cropped up before the Supreme Court and sometimes the meaning of the word 'industry' in section 2 (j) of the Industrial Disputes Act has been widened and some times narrowed. It has been a see saw movement causing uncertainty in law and resulting in tremendous wastage of public time and no less public funds. To an appreciable extent, the uncertainty has been adding to the discontent of working people who are not sure of their position in law.

But all this could have been avoided if the Government were a little vigilant. They could have made necessary amendments in the Act to allay all doubts on the subject. The Government of the day have become acutely aware of the need for legal aid to the poor. It will not be disputed that the working people are among the poor and require to be given legal aid. The best legal aid, however, for them would be to remove the uncertainties which plague them in pursuit of legal relief, enabling them to know the law and thus sparing them wastage of labour and time in pursuing untenable remedies.

In the latest addition in the field, the decision in the case of the Workmen of Indian Standards Institution v. The Management of Indian Standards Institution (2), Justice Bhagwati himself laments the position, "This question has continually baffled and perplexed the Courts in our country. There have been various judicial ventures in this rather volatile area of the law... judicial efforts has been ultimately reduced merely to evolving tests by reference to characteristics regarded as essential for constituting an activity as an industry...these tests have not been uniform.....Sometimes they have been liberally conceived, sometimes narrowly..."

The variable interpretation given of the word, industry, has created confusion in the High Courts and among the Industrial Tribunals. An unfortunate judgement in this respect is that delivered by a Division Bench of the Madhya Pradesh High Court in the case of Ajit Singh v. State Industrial Court, Indore (Misc. Petition no. 681 of 1973) following an earlier decision in the case of Jamul Cement Works, Jamul v. President, State Industrial Court (3).

The Madhya Pradesh Industrial Relations Act of 1960, was applied by a notification dated 31 December 1960 to the undertakings in the industries specified in the said Act. In the case of Ajit Singh as well as in the earlier case of Jamul Cement

Works, the question was whether the provisions of that Act applied to Construction Departments. It was not disputed that they applied if these departments could be placed under the item 16, namely, Engineering. The Court also held that 'Engineering' includes 'civil engineering' and construction work. But then the Court proceeded to consider whether the construction departments could be termed undertakings in the 'industry' of Engineering. In other words, they paused to deliberate whether the Construction Department of, say, the Bhilai Steel Plant, which was the issue in the case of Ajit Singh (supra), was an industry or not.

The Court may have been misled by the decision of the Supreme Court in the case of Madras Gymkhana Club Employees Union v. Management of the Madras Gymkhana Club (4), because both in that case and the case of Safdarjung Hospital v. K. S. Sethi (5) there seems to be an indication that some kind of profit motive was essential to constitute an industry. In any event, Mr. Justice Alagiriswami of the Supreme Court extracted similar principles from those decisions in his dissenting judgement in the case of the Workmen of Indian Standards Institution v. The Management of Indian Standards Institution (supra). He said, "The idea behind these decisions could be crystallised thus: Even where a trade, business, undertaking, manufacture or calling of employers results in production of material goods

or rendering of material services, such an undertaking engaged in trade, business, manufacture or calling of employers will not be an industry if it is run on charitable principles or is run by Government or local body as part of its duty. In other words, whenever an undertaking is engaged in activity which is not done with a view to exploit it in a trading or commercial sense but for public interest and without any profit motive or in the form of social service or in the form of activity intended to benefit the general public it will not be an industry".

On the same principles, the Madhya Pradesh High Court decided that the Construction Department of Bhilai Steel Plant was not an industry. The reasons given are as follows: "Messrs. Hindusthan Steel Ltd. is not carrying on any trade or business in building constructions or other constructional activities. The industry that is being run is that of manufacture of iron and steel. Whatever construction work is carried on is for providing services or facilities to its employees. It is on 'no profit basis'..." (Ajit Singh v. State Industrial Court—supra)

We are sure, however, that the High Court of Madhya Pradesh would have come to a different decision if they had the opportunity of looking at the latest majority decision of the Supreme Court in Workmen of Indian Standards Institutions v. the Management of the Indian Standards Institution (supra). There a deviation has

been made from the earlier decisions in the Gymkhana or the Safdarjung Hospital cases (supra), though ostensibly as a result of interpretation of the judgements in those cases.

Justice Bhagwati came to the following findings :

'In order that an activity may be regarded as an undertaking analogous to trade or business, it must be organised or arranged in a manner in which trade or business is generally organised or arranged. It must not be casual nor must it be for oneself nor for pleasure. And it must rest on co-operation between employers and employees who associate together with a view to production, sale or distribution of material goods or material services. It is entirely irrelevant whether or not there is profit motive or investment of capital in such activity. Even without these two features an activity can be an undertaking analogous to trade or business. It is also immaterial that its objects are charitable or that it does not make profits or, even where profits are made, they are not distributed amongst the members...or that its activity is subsidised by the Government. Again it is not necessary that the employer must always be a private individual...It also makes no difference that the material services rendered by the undertaking are in public interest..."

Arun Prakash Chatterjee

- 1) AIR 1960 SC 610 :
(1960) 2 SCR 866
- 2) AIR 1976 SC 145 :
1976 Lab IC 137

Why High Absenteeism in Coal Mines?

Ramdulari Sinha while inaugurating one day Seminar on absenteeism in coal mining industry in Dhanbad on 17 March admitted that high rate of absenteeism in coal mines was due to various factors like bad working and living conditions of coal miners, lack of entertainment facilities, suspensions, lock-outs and sickness. Her admission of suspensions as one of the main causes is significant because this was one of the complaints the trade unions were making.

One of the INTUC leaders who spoke in the Seminar stated that no proper evaluation has been made of the serious nature of the coal miners hazardous and back-breaking jobs.

The Economic Times reported on 18 March, "According to the Director of the Labour Bureau of Simla, the absenteeism rate was the highest in mines which were below the ground and lowest on those above the ground. In between came absenteeism in open cast working. The maximum absenteeism rate among coalminers was in April and May each year and the minimum in the latter half. Between 1960 and 1974, the rate was 13.7 per cent."

The effort of the authorities to improve the conditions of workers however are only symbolic. They prefer to resort to suspensions instead of taking quick steps to settle the grievances of the workers.

- 3) 1968 MPLJ 95
- 4) AIR 1968 SC 554 :
1968 Lab IC 547
- 5) AIR 1970 SC 1407 :
1970 Lab IC 117

Railway Budget—Between The Lines

(From Page 8)

concerned, the budget does not bring anything to them. Some time before the budget, a leader of the Loco Running Staff Association submitted a memorandum to the Prime Minister setting out in detail how the assurances given to them have not been fulfilled and how their workload is being increased, forcing them to work in violation of safety rules. The victimisation of railway workers for May 1974 strike has not been withdrawn while a new offensive in the shape of premature retirement is on.

All these go to show that the unalloyed optimism and self-glorification of the Railway Ministry is not wholly warranted by facts. This was aptly pinpointed by Samar Mukherjee, M.P. in his speech in Parliament when he said,

“If you see the speeches of the Railway Ministers every year, you will find the same optimism, but now the Railway Minister has expressed confidence in ‘a new image of the Railways emerging from the mists of the past’. There were no references of this mist in the earlier speeches of the Railway Ministers. Then from where has this mist come now? What I want to say is, you are still in the mist and there is no possibility of Railways coming out of it in the near future, because the condition of Indian economy is such that it is now in the mist of recession.”

Railway Board On Railwaymen's Strike

(From Page 7)

all-round increase in staff and material costs, the operating ratio stood at 93.54 per cent and the net revenue amounted to only Rs. 73.64 crores (1.79 per cent of the capital at charge)”. (page 18)

On the question of industrial relations the Report observed, “A majority of the railwaymen reaffirmed their faith in the well established and accepted path of negotiated settlement, as is evident from the fact that out of 14 lakhs of employees, only 5.91 lakhs were drawn into strike” (page 21). It further stated, “The total number of man days lost during the year 1974 75 owing to agitations, wild cat strikes, etc reached a staggering figure of 15.82 millions mostly on account of the Railwaymen's strike of May 1974 (page 21).

Thirty Years Of Vietnamese Trade Unions

(From Page 6)

those of 1960 the total social production is found to have increased by 52.9% (84.6% for industry, 34% for agriculture and forestry, 72.1% for base construction). The proportion of industrial production in the total social production rose from 33.5% to 40.5%. The proportion of the socialist sector in the economy rose from 66.6% to 90.1%. The average national

For Attention of all Unions Affiliated to CITU

It is hoped that all unions have received Circular No: 2/76 dated 23. 2. 76 and are making arrangements for submission of annual returns and remittance of affiliations fees and Subscription for “The Working Class”.

Some unions have sent money orders without specifying the year and their membership. As a result it is not known whether the Subscription for “The Working Class” is also included in the amount. Some unions have sent the affiliation fee only. This is causing delay in issue of receipts and clearance of accounts.

All Unions are therefore, requested to give their full postal address as well as the year and membership in the M. O. coupons clearly to enable the Central Office to issue proper receipts.

P. Ramamurti
General Secretary.

income per head increased by 21.3%.

With the development of the national economy, the standard of living, material and cultural of the toiling masses took another step forward. The individual fund of consumption for the people in 1965 rose by 53% compared to the one in 1960.

[To be continued.]

Tamil Nadu News Letter

1. The N.G.O. representatives met the Governor's advisers on 16th March and explained to them their longstanding demands for D.A. as per Central Staff and withdrawal of victimisation orders issued on N.G.O's.

2. The own Union Building of E.I.T. & S.F. Limited Labour Union (C.I.T.U.) at Nellikuppam was opened by Comrade P. Ramamurti in a function on January 31st. This Union Office was attacked and sealed by the rival Union, anti-socials, Management and Police in 1973. The Union fought the case under the Presidentship of C. Govindarajan and the seal was removed. The function was attended by over 10,000 persons.

3. In a memorandum to the State Govt. the CITU has urged on the authorities to take over the management of Kaveri Mills at Pudukottai where over 1200 workers are employed. The Mill is under lock-out for inefficiency of the management for over a month and it is the only Mill in the Taluk.

4. In a Circular dated 1st March 1976 through press, the State Committee of CITU appealed to all affiliated Unions to inform them the details of (1) Closures (2) Victimisations (3) Jay-offs (4) Retrenchments (5) Repressions. The Committee proposes to submit memorandum to State and Central authorities on the same.

5. Effective from 3rd March the Tamilnadu Government has fixed minimum wage for Agricultural workers as detailed below :

Workers with their own agricultural instruments and oxen	Rs. 9/-
Only Labour	Rs. 5/-
For work in field other than ploughing, harvesting	Rs. 5/-
For children	Rs. 3/-
Dairy farm labourers	Rs. 5/-
Under age workers	Rs. 3/-

Working Hours

Ploughing	5 hours.
Other Workers	7 hours.

6. The Madurai Textile workers Sangh (CITU) has submitted a memorandum on the problems of Powerloom workers to the Dist. Revenue authorities on 8th March. The Memorandum demands implementation of D. A. rules, Minimum Wages Act and others in the interest of 1,800 powerloom workers in the district.

Demand For Nationalisation of Matirn Light Railways in Bihar

A deputation of the Bihar Martin's Light Railwaymen's Union recently met the Railway Minister, Labour Minister and Dy. Minister for Railways to apprise them of the hardships of the employees and passengers due to mismanagement of the Arrah-Sasaram and Fatwa-Islampur Railways run by the Martin & Burn Co. Samar Mukherjee M. P. was present at the meetings.

The deputation presented a memorandum to the Ministers and demanded immediate steps for the take-over of the Railways by the Central Govt. so that the railways may be run in a better way and regular payment to the workers and employees is ensured. The Minister have agreed to look into the matter.

Karnataka News Letter

The women plantation workers of Karnataka, numbering about 1 lakh, are denied equal wages in spite of the legislation passed a few months back. In Karnataka, wages are fixed on time rate basis. In a recent agreement with the management concluded on 15.7.1975, the words 'men' and 'women' disappeared and instead Grade I and II appeared, which was not signed by CITU Unions. In accordance with the agreement Grade I wages are paid to men and Grade II to women. The management, in anticipation of the equal wage legislation, did the trick to deprive the women workers of the equal wage. Therefore, in spite of the legislation, women workers continue to suffer as they did so long, getting low wages.

The Karnataka Provincial Plantation Worker's Union has sent a memorandum protesting against this manouvre of the management to the Government of Karnataka, Social Welfare and Labour Department, as well as to Shri Raghunatha Reddy, Union Minister for Labour requesting their intervention.

Karnataka is the main producer of coffee in India and according to the Coffee Act, Coffee growers are to sell their product to the Coffee Board only. Coffee Board pays at the same rate to all coffee growers throughout the country, and Karnataka earns more profit than any other coffee growing State. There is no reason therefore, why the workers and specially women workers should not get higher wages than any other State. The workers are very much agitated on this issue and pressing the State Government for issuing the minimum wages notification as early as possible.

The Government and IISCO have prepared schemes for rehabilitation of families of the victims. Several workers have contributed one day's wages to rehabilitate these unfortunate families. However, for the workers killed after the Chasnala disaster the compensation and relief is just token. Is it because they died in small groups and public reaction is not so sharp? Some are asking. Trade Unions have already demanded that families of all mine workers who died after Chasnala should also be equally compensated and jobs should be provided to the dependents.

Meanwhile news has appeared in the Press that Central Mining Research Station (CMRS) had earlier warned the Management about the danger of disaster five months ago. As reported in Hindustan Times dated 19 February, "The report of the model study which apprehended inundation was submitted in August, 1975 to IISCO owners of the colliery who had commissioned CMRS to investigate the possibility of sliding and ascertain the minimum barrier size to be left against the water-logged workings."

CITU Union Wins

In the Credit Society Elections held on 6th March '76 the nominees of H. S. E. U. (CITU) Durgapur secured 71 seats out of 72. Details will be published in next issue.

Com. Gerald Pereira

Com. Gerald Pereira, Secretary of the Goa State Committees of the CPI (M) and CITU, and President of the Water Transport Workers' Federation of India, passed away at Vasco-da-Gama on March 4, 1976 after a prolonged illness.

An outstanding and popular leader of the working class in Goa, Com. Gerald was one of the pioneers of the working class movement in the State. He took a prominent part in the struggle for liberation of Goa from colonial rule. After liberation, he organised the waterfront, engineering and mine workers of Goa and a number of big T.U. struggles were fought in the early sixties under his leadership. He participated in the historic Goa Convention which led to the foundation of CITU in 1970. Under his dynamic leadership, the Goa Unit of the CITU grew from strength to strength and developed into the militant Trade Union Centre in the State. His death is a great blow to the working class and CITU in Goa.

The CITU and "The Working Class" join the working class and people of Goa in paying homage to his memory and conveying sincere condolences to his bereaved family.

Shri S. S. Prasad, Chief Inspector of mines in India in an article "The Greatest Man-Killer in Coal Mines—Fall of Roof and Sides" has stated "More than 50% of the fatalities as well as number of fatal accidents in coal mines are due to fall of roof and sides" and "60 per cent of the fatal accidents by fall of roof and sides is due to lapses, carelessness non-vigilance by the supervisory control personnel". He further notes, "Nearly 50% of the accidents in depillaring areas is due to the concentration for higher output". He concluded, ".....it is unfortunate that proper priority has not been allotted to end the greatest man-killers in mines."

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CITU's Statement before the Chasnala Court of Enquiry will be published in the next issue. Editor

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