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All India Demands Day



COUNTRYWIDE DEMONSTRATION ON AUGUST 20

VIVA CHAVEZ!

It is big rebuff to the US imperialist conspiracy. It's a big slap as well on George Bush. The Venezuelan people did it for the second time. They rubbed the face of the big private oil-barons of Venezuela and other big capitalists who joined hands with Bush to topple the popularly elected President Hugo Chavez for the second time.

Hugo Chavez got elected President of Venezuela for the first time in 1998 by securing 52% votes. It had been a decisive victory. He declared his commitment to radical land-reform in the country, democratization of the country's constitution and expanded rights to toiling people of the country and started acting on those lines. In 2000, Chavez was re-elected President even by a bigger margin securing 59% vote defeating the US ploy in collaboration with the oil barons, and capitalist media to defame and defeat him in the election. On being elected, Chavez raised his voice against the muscle flexing of the US Administration and its indirect interference in the country's economic and political governance and denied to go by their dictates on the issue of North American Free Trade Agreement and other issues.

The imperialist powers and the US in particular realized that Chavez cannot be tackled democratically. Hence the operation coup-de-Ta in Chilean style was resorted to. The Petroleum is the life line of Venezuelan economy. The Oil

barons and big industry-owners themselves went on strikes and tried to cripple the economy. And in that background with the US authority operating behind the scene a military coup was organized with the held of a section of the armed forces in 2002 and dethrone Chavez and took him under custody. Thereafter what had happened in Venezuela was never witnessed anywhere in the world. It had been a heroic and militant demonstration of peoples' power who brought Chavez to country's Presidency. The people in terms of several lakhs took on the street, captured the Presidential palace and created such a situation in the country that Hugo Chavez has to be brought back to the Presidential throne from the prison.

But the matter did not end their since there can never be any end of the shamelessness and barbarity of the forces of capital married with imperialist interests. Even after reinstatement of Chavez, the oil-barons and industrialists continued their sabotaging activity through continuous strike with the desire to push the economy and the governance to the point of collapse. But mass of the people did not allow that to happen. They took on to the street, foiled the strike engineered by the mill-owners and their agent provocateur and forced the so called leaders of the strike groomed by the mill-owners-imperialist combine to leave the country. Parallely, conspiracies were again hatched to organize military coup and also to assassinate President Chavez but in vain. In this background a mass signature campaign was organized by the capitalists demanding Chavez's resignation and fresh referendum. But again they failed to collect the requisite numbers. But Hugo Chavez accepted the challenge and despite there being no constitutional compulsion on his part ordered referendum for deciding his presidency again. And People brought him back to power, again by a decisive margin of about 59% votes.

These are nothing new. What is new is Chavez's victory is a testimony to the fact. The Latin American people, Venezuelan people in particular are raising their voice against these neoliberal imperialist designs

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THE WORKING CLASS

CITU MONTHLY

SEPTEMBER 2004

BUSINESS AS USUAL

by UNNY



Courtesy: The Indian Express

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EDITORIAL

UPA GOVERNMENT MUST ACT FAST !

The Prime Minister, Manmohan Singh, in his maiden address to the nation from the Red Fort, on the occasion of 58th Independence Day, said that he had more promises to keep than any more to make. But the actions of his Government till now, do not create confidence, particularly among the working class, about the sincerity of his Government to keep promises made - not just by the Congress during the elections, but in the National Common Minimum Programme, adopted by the Government after coming to power. Going ahead with the decision to privatise the airports and other profit making PSUs, FDI hike in the insurance, telecom and civil aviation sectors, the reduction in the EPF etc are pointers to this.

The countrywide massive mobilisation of workers and employees August 20, 2004, observing the All India Demands Day, has manifested the resolve of the working people to resist these moves. The UPA Government has to seriously reconsider its stubborn refusal to consider upward revision of the administered interest rate, particularly on Special Deposit Scheme, which has resulted in further reduction of EPF interest to 8.5 per cent.

The UPA regime must realise that there is need to roll back the hike in FDI cap in civil aviation, insurance and telecom sectors. The tactics of not pursuing insurance sector FDI hike, because of problems of getting the parliamentary nod, and going ahead with administratively feasible hikes in other two sectors, will only mean that the government does not act on logic but on expediency.

Apart from FDI hike in civil aviation, the proposed privatisation of airports under the pretext of private-public partnership in modernisation of Delhi and Mumbai airports under the Airport Authority of India must also be rescinded. The clearance given by the NDA regime for building a private sector greenfield airport in Bangalore and similar one proposed for Hyderabad also need to be revisited.

While staying with the NCMP commitment not to privatise profit making public sector units, the UPA government would do well to reopen the past cases of privatisation under the NDA regime, particularly those cases where scams and gross irregularities have surfaced. Centaur Hotel, BALCO etc deals are glaring examples. It is more than a hundred days since the UPA government took office. People's patience is running out. They want the change in government at the centre to manifest in change in the economic and budgetary policies as well.

Unless the UPA government remedies the situation fast, it is likely that the NDA forces will derive a political mileage to exploit the resentment among the workers and the people.

COUNTRYWIDE DEMONSTRATION ON AUGUST 20

As decided jointly by the Central Trade Unions and All India Employees Federations the working people all over the country held massive demonstration on 20th August in all the states and industrial centers to protest against the reduction in interest rate on PF, against the decision to enhance FDI cap in Insurance Civil Aviation and Telecom, the move to privatize Airports, dereservation of 85 items from the list of small scale sector and other anti-workers measures of the Govt. The countrywide demonstration also highlighted the urgent demands of the toiling people viz., comprehensive legislation to ensure employment protection and social security benefits for the workers in the unorganized sector and agricultural sector, revival of sick PSUs, proper enforcement of labour laws pertaining to minimum wages, social security etc., clearance of statutory dues of the workers, and urgent steps to address the problems of the traditional sector industries among others.

20th August 2004 witnessed massive response of the toiling people to the call of All India Demands Day. In the country's capital at New Delhi, demonstration was held at Patel Chawk at Parliament Street which was attended by the industrial workers and employees from Delhi and around. The rally was addressed by M K Pandhe, President CITU, D L Sachdeva (AITUC), Harbhajan Singh (HMS), Achintya Sinha (UTUC-LS), Aboni Roy (UTUC) and Swapan Mukherjee (AICCTU). Pandhe asserted that the UPA Govt must honour the mandate of the people in the last election, refrain from the anti-workers and anti-people measures and take the message sought to be given by the working class through observance of the All India Demands Day. We may have to intensify the action if the Govt does not retrace its anti-worker steps including strike action in the days to come and we must prepare for the same, Pandhe asserted. On the same day, the Indira Gandhi International Airport witnessed a massive demonstration of the Airport workers called by Joint Forum of Airport Employees against privatization which comprised of both the

workers and officers' associations. The Airport workers rally was addressed by Tapan Sen, Secretary CITU, Sunil Khan MP(LS), Dr Chandrakala Pandey MP(RS) and M K Ghosal, Convenor of the Joint Forum.

Reports received from Various parts of the country revealed that almost all the districts of the country witnessed massive demonstrations, rally, procession etc on 20th August 2004.

In Punjab, rally was held before all the district headquarters in the State. The demonstrations at Chandigarh and Ludhiana in particular have drawn several thousands of workers and employees from all sectors.

In Himachal, dharna was held in front of the office of District Collectorate at Shimla by the central Trade Unions and the Employees organisations jointly. The rally was addressed by Jagat Ram, Treasurer, CITU besides others. Also, several Hydel Project sites in the state have witnessed massive demonstrations.

In Haryana, more than thousands took part in demonstration in Hissar. Rallies were organized in other districts of the state as well which received good response. In Uttranchal reports of demonstration were received from the State capital at Dehradun and Haridwar. Reports have also been received about demonstrations/rallies organized in several districts of Rajasthan including the state capital at Jaipur.

In West Bengal, Kolkata witnessed several thousands strong joint demonstration at Rani Rasmoni Road which was addressed by Shyamal Chakraborty and Kali Ghosh, the President and General Secretary, WB state CITU, Ranajit Guha (AITUC), Ashok Ghosh (UTUC), Lalita Prasad (HMS) besides others. Demonstration and processions were also held in all the district headquarters, Tea Gardens, steel and coal townships and other industrial centers in the state. Reports of statewide observance of All India Demands Day through demonstrations/rally, processions, dharna etc were also received Andhra Pradesh, Tamilnadu, Karnataka and Kerala.

THE CALL FOR UNITED ACTION

Seven Central Trade Union Organisations viz. CITU, AITUC, HMS, AICCTU, TUCC, UTUC, UTUC-LS, together with over forty all India Federations of employees and workers of various sectors, met in New Delhi on August 5, 2004 and gave a call for a countrywide action programme of joint mobilisation on August 20, 2004, which will be observed as 'All India Demands Day'. The text of the joint statement is reproduced hereunder:

The joint meeting of Central Trade Union Organisations and All India Federations/Associations held on 5th August 2004 in the office of UTUC at New Delhi, reiterated the demands raised by the joint meeting of Central Trade Unions on 12th July urging the UPA regime to seriously reconsider its approach on the following issues and make appropriate changes in the union budget 2004-05:

1. Re-examine the decision on maintaining the interest rate on Special Deposit Scheme (SDS), GPF and PPF, which was reduced from 12% to 8% by the NDA regime in successive years. Fixing the interest rate at 8% will push the rate of interest on Employees Provident Fund further down. Therefore, interest rate on SDS requires upward revision, keeping in view the united demand of the trade union movement since April 2002 for restoration of the same to 12 per cent.
2. Make adequate budgetary allocations for extending social security for the workers in the unorganised and agricultural sectors, along with steps for early passage of requisite legislations for these sections, on the lines suggested by the CTUOs. Ensure effective enforcement of all labour laws in respect of minimum wages, social security benefits etc in all sectors (including contract workers).
3. Scrap decision for enhancing FDI cap for telecom, civil aviation and insurance sectors, which will result in foreign finance capital securing a total grip over these sectors of the economy thereby jeopardising national security and economy.
4. Scrap the decision on de-reservation of 85 items from the list earmarked for small-scale sector. Provide concessional credit to the small scale and tiny sectors.
5. Withdraw the taxation on perquisites/welfare benefits and of the employees during 2001-02 and the present proposal to subject the terminal benefits of social security scheme to taxation.
6. Expedite steps for revival of the sick public sector units, which are potentially viable, within the PSU framework and make adequate provisions therefor. No dilution of government stake in banks and other financial institutions.
7. Clear all unpaid wages and statutory dues of the workers in all PSUs.

We also demand of the Government to take urgent steps to address and resolve the crisis in the labour intensive traditional sector industries like jute, coir, tea, rubber, cashew, beedi, handloom etc.

This meeting records our total opposition to the hike in the prices of petrol, diesel and cooking gas, announced twice within a span of less than a month, which has imposed further burdens on the people and will have a spiraling effect on prices of essential commodities. We demand of the government to revisit the duty structure on oil prices with a view roll back of the burden imposed on the people.

This joint meeting of Central Trade Unions and All India Employees Federations calls upon the workers and employees all over the country irrespective of affiliations to observe "National Demands Day" on August 20, 2004 to press for the above burning issues through countrywide joint mobilizations.

The statement was signed by Swapan Mukherjee (AICCTU), Gurudas Dasgupta (AITUC), Tapan Sen (CITU), R.A. Mital (HMS), G.Devarajan (TUCC), Aboni Roy (UTUC) and Krishna Chakraborti (UTUC-LS).

WTO MEET AT GENEVA, A RETREAT FROM CANCUN

Tapan Sen

Much euphoria is generated over the outcome of the recently concluded General Council session of WTO at Geneva. The "framework agreement" drawn thereat is claimed as a big victory for the developing countries, particularly for India.

But, the "Framework Agreement" appears to be full of sound and fury signifying little, and in some cases, nothing.

First, the Framework Agreement at Geneva has done nothing more than setting the agenda for the talks in the next round of Ministerial meet and the devils will be in details. One may recall, in the eight year long multilateral negotiation in GATT level, which resulted in the formation of WTO, the rich nations initially started with liberal promises for drastic reduction in their agricultural subsidies and more concessions to developing countries to set the ball rolling; but, the post-WTO world has seen subsidies by the rich countries zooming to still higher levels than it was eight years ago. Hence, nothing to cheer about now, let us see what transpires finally.

ASSURANCE ALONE

Second, the 'commitments' by the developed countries' block for reduction of agricultural subsidies means virtually "no change" in the situation.

The Framework Agreement requires the rich countries to do away with export subsidies in

agriculture and also substantially reduce the domestic support to their farmers. These are general statements. In specific, the framework agreement requires a minimal 20 per cent reduction in such agricultural supports in the very first year and throughout the implementation period. It is to be noted here that the 20 per cent reduction would be calculated not on the level of actual subsidies presently being given but on a much higher level they are eligible or authorised to give as per present WTO arrangements.

What these 'commitments' mean in reality? If we examine the subsidy situation in the European Union's (EU), there no reduction at all in their agricultural subsidies in totality. In fact, the permissible limits of agricultural subsidy under different heads in the developed countries have been pegged very high as compared to actual level of subsidies. This has given the rich countries such a big cushion enabling them to make liberal commitments for reduction from the permissible level, without actually undergoing any real reduction. Presently in the European Union the permissible subsidy under different heads is 101.6 billion Euros. But, actual subsidies as at present are 78.1 billion Euros only. Hence, the EU is not required to make any change in its subsidy level; rather, it will still have elbow room to increase the

subsidy level around 3 billion Euros more. The same story will repeat in the case of other rich and developed countries as well! True, there are areas where the framework agreement is comparatively more specific in reduction of agricultural subsidy by the developed countries. But, it has also kept suitable exit-routes for them to escape or evade their obligations. These exit routes are provided by the vagueness in deciding the total value of production and the provision of flexibility in implementation of the cap. The agreement reads: "... some flexibility will be provided on a basis to be agreed to ensure that such a member is not called to make a wholly disproportionate cut." Added to this escape route is the provision to keep the 'green-box' subsidy measures untouched, a point conceded by the developing countries. (Green Box pertains to subsidies, which are permissible and are not targeted at products but include direct income support for farmers that is not related to production levels or prices.) It is possible for the developed countries to make such income-support under Green Box, giving their agricultural exporters a competitive advantage both in domestic and the world market vis-à-vis the exports from the developing countries, without linking with production and price. They can, at the same time, avoid scrutiny by the WTO

dispute settlement mechanism. Thus, the developed countries can manipulate the quantum of support, without having to reduce them by suitably restructuring the same. Therefore, the advantage in agricultural trade for the developing countries being expected from the framework agreement is destined to be a mirage in the ultimate analysis.

GET NOTHING

But, even before giving any concession in reality, the developed countries have been able to wrest substantive concessions from the developing countries, by way of increased market access, both agricultural and non-agricultural, substantial non-linear tariff reductions and inclusion of trade facilitation in the agenda for next round negotiation. The only positive thing is that the framework agreement dropped the other three contentious issues of the Doha Round viz., Investment, Competition Policy and Government Procurement from the agenda.

It is also being claimed that there has been major gains in form of the right of "Special and Differential Treatment" (S&D) for the developing countries in terms of quantum of tariff reduction, tariff rate quota expansion, longer implementation period, identifying and categorising number of products as special products, based on criteria of food security, livelihood security and rural development needs etc. In this, the developed countries also enjoy similar

rights, which will more than neutralise the advantage expected by the developing countries.

As we see from Indian experience, the Government of India has already withdrawn all quantitative restrictions on imports, much before the outer date (2005) provided under the WTO treaty. Same has been the scenario in most of the developing economies.

So far as tariff reduction is concerned, the average level of tariff in the developing countries including India is higher than that of the developed countries. Hence, they have to make a bigger cut in their tariff both for agricultural and non-agricultural products under 'non linear tariff reduction'. On the other hand, commitment for increased non-agricultural market access (NAMA) and accompanying tariff cut will quicken up the pace of marginalisation and closure of domestic industries, erosion of domestic manufacturing base. The Trade facilitation measures pushed in the agenda by the developed countries is aimed at easing out all procedural controls, checks and examinations of the merchandise, before their entry and to practically replace the mechanism of physical checks and controls by so called system of "relying on self compliance." "The proposed measures would involve huge cost for the developing countries, much more than the benefits gained from trade (The Economic and Political Weekly)."

G-20 UNITY WEAKENED

The framework agreement at

Geneva and the manner it had been arrived at through negotiation between "Five Interested Parties" (FIPs) can no way be construed as advance from the last Cancun round. Rather, in many respects it reflects a reversal. The Cancun round witnessed towering united resistance within the WTO forum by the developing countries led by South Africa, China, Brazil, India and other African and Latin American countries. There has been a visible break in such unity in action by the developing countries in Geneva. Prior to Geneva meet, the developed countries and the US in particular succeeded in distancing Brazil from the G-20 group. By the time the Geneva meet began, India also joined Brazil in the group of "FIP" promoted by USA, European Union and Australia, breaking with G-20 group.

Thus, in reality, Geneva signifies a retreat from Cancun stage.

The weakening of G-20 unity of developing nations through creation of FIP is a matter of concern. Both India and Brazil must reconsider their stance in this regard. FIP exercise could not gain anything substantive for the developing nations in real terms, but the chinks in the armour of unity of the developing nations may prove injurious for the interests of the developing countries. The Cancun spirit of united resistance to the imperialist powers' design must be restored. This is not impossible even now.

IS THE DEMAND FOR 12 PER CENT UNJUSTIFIABLE?**W.R.VARADA RAJAN**

The Government of India, particularly the Ministry of Finance, has been arguing that even maintaining the interest rate of 9.5 per cent on Employees' Provident Fund (EPF) is not possible - not to speak of acceding to the demand for hiking it up to 12 per cent. The reforms lobby in the media also vehemently advocates that in the present scenario of falling interest rates the gap between the EPF interest rate and the market rate is unsustainable.

Does this line of reasoning hold water?

First, this line of reasoning betrays a woeful lack of understanding the distinction between social security funds and funds mobilised by the capital market and banking sector.

Second, the social security funds comprise compulsorily mandated savings and or neither optional nor tradable in the market. Even the investment of accumulations in the EPF is directed by the Government and there is no scope for the EPF Trustees to augment the return on the corpus.

Third, out of the total corpus of the EPFO of over Rs. 128,000 crores as on March 31, 2004, three fourths of that was invested in a Special Deposit Scheme with the Government that gives a return of only 8 per cent. The Government's refusal to hike it any further is the main factors contributing to the present impasse.

Here we quote from an editorial that appeared in The Hindu on August 13, 2004:

"However, those who are opposed to the reduced yield have a point or two in their favour. The task of providing a safety net to the vulnerable sections of society need not come at the expense of the organised workforce. EPF and similar schemes have never been operated on purely commercial lines. The Government has had the benefit of using vast sums of employees' money over long periods and can justify paying a premium interest on that even if the issue is addressed from the standpoint of the market mechanism. In a general

sense employees do not have access to their provident funds except for certain pre-defined purposes. That is why the comparison of the administered yield on EPF with the market-determined interest on, say, bank deposits is not appropriate. Besides, recent inflation trends show that real returns from the administered schemes have come down sharply."

On August 11, The Hindu Business Line in an editorial quoted the former RBI Governor, Dr C. Rangarajan, as having said recently that real interest rates should at the very minimum be positive and for a country that hopes to grow at 7-8 per cent, it ought to be higher than for countries that target 2.5-3 per cent growth.

The editorial also commented on the runaway inflation that the economy is currently witnessing: "The announcement of a sharply higher inflation rate last Friday - 7.52 per cent for the week ended July 24 against 6.52 per cent for the previous week - has inevitably revived the debate over the real interest rate - that is, the nominal rate adjusted for inflation. The need to protect investors in bank deposits and other fixed-income securities from the vagaries of inflation has been felt for long. The issue has come into sharp focus with the wholesale price index (WPI) flaring up recently. Since the effects of the rising global oil prices have not been captured by the WPI index, the inflation news can only get gloomier. All this should prompt policy measures to ameliorate the concerns of the savers but, unfortunately, the focus has been almost exclusively from the point of view of the bank borrowers. At a time when official statistics convincingly establish that a wide segment of savers, especially those who have put money in bank fixed deposits, is getting a negative return, there should be concern from the point of view of the macroeconomy as a well. Sooner than is realised, the deleterious consequences of such a serious disincentive to the savings class will be felt. A tendency towards taking unacceptable risks in personal investment decisions might emerge"

It is these realities on the ground that are being pushed beneath the carpet to deny the rightful claims of the working people for a real rate of return on their life-term savings.

Why this?

The Central Government's internal debt has been registering manifold increases over the years but the cost of borrowing has registered a massive dip in the from 11.84 per cent in 1998-99 to 5.74 per cent in 2003 -04, alongside a near-doubling of average maturities to 14.94 years. This is at the cost of small savings community and social security funds.

Even the Task Force on Social Security constituted by the NDA regime in its report during 1999 had emphasised:

"An interest rate may be divided into two components:

- a real rate of return which represents the payment which the lender receives for the use of his money, and
- a rate of return which compensates the lender for inflation."

The present inflation even in terms of wholesale price index has already crossed 7.5 per cent (nearing 8 per cent). The inflation, if measured in terms of consumer price index will be much higher. The 8.5 per cent rate of interest, as decided by the majority in the CBT, EPF, will not compensate the workers against the inflation and result in their getting a negative real rate of return. Surely, this is not the way to provide a safety net for the workers in their old age.

Therefore, the persistent reluctance on the part of the Government to address the question of evolving a transparent formula for inflation indexed real rate of return on social security funds defies logic.

We can look at this from three different angles. The real rate of return on social security funds in the OECD countries is around 4.5 per cent. The Bank Rate prescribed by the Reserve bank of India is 6 per cent. (The Prime Lending Rate of commercial banks is far above that). The rate of GDP growth is claimed to be any where between 6 to 8 per cent. If any of these is taken to be the

real rate of return over the current level of inflation, the demand for 12 per cent interest rate cannot be faulted as most justified.

And there is a further argument based on a sensitivity analysis of the average balances in the accounts of the EPF subscribers put out by the EPF Organisation that 85 per cent of the EPF members have a balance of less than Rs. 20000. In fact, it is pointed out, that the average balance in their accounts is only Rs. 3133. So, the real beneficiaries of any hike in interest rate on EPF, it is argued, are only the 'rich' among the EPF subscribers!

The EPF Act and the Scheme there under provide for a single interest rate only for all EPF subscribers. Moreover, the low average balance in the EPF accounts of a vast majority of workers is because of the fact that they are forced to withdraw moneys from their accounts for specified contingencies marriage of self or children, hospitalisation, housing or during period of lock out etc. Again, the diversion of 8.33 per cent from out of the employers' contribution to the Pension Scheme has also contributed to the low accumulated balances. These low-end subscribers are unable to meet their current family expenses and forced to borrow from moneylenders at exorbitant rates. Withdrawals from EPF balances only serve as a small relief from this heavy interest burden. These realities are to be reckoned.

When it comes to taxation of incomes, personal or corporate, even when the Income Tax Act provides for differential rates of taxation, the same reforms lobby vehemently argues that even for the top end taxpayers the rate should be kept minimal. The recent Kelkar Task Force report recommends that any income over Rs. 4 lakh should be taxed only at a uniform rate of 30 per cent, whether the income is just Rs. 5 lakh or even Rs. 50 crore! This obsession with lowering the tax rates to promote voluntary compliance in the hope of augmenting government revenues is 'justified' and it is a 'sin' to offer a uniform rate of interest to all the EPF subscribers! Such nonsense cannot be countenanced.

DISCOMFORTING ASPECTS OF PRIVATISATION

Replying to a discussion in Rajya Sabha on Centaur Hotel privatisation deal, the Finance Minister, P. Chidambaram posed the question: "How was this hotel privatised? Was it done in a fair and transparent manner leaving little room for doubt? And, assuming that some legitimate doubts arose, could they be clarified in the space of a few minutes?" He opined that *the best way to resolve these doubts would, perhaps, be not to answer them, but to agree that an inquiry will be conducted on them.* Nevertheless, he answered some of the questions. Here are excerpts from his speech, giving a chronology of events:

"The Disinvestment Commission recommended disinvestments of the hotels of the Hotel Corporation of India (HCI) in December 1997. On 3rd November, 1998, the Air India Board constituted a Sub-committee on Disinvestment and a gentleman by name Ajit B. Kelkar, happens to be a member of the Sub-committee. On the 10th December, 1998, the Sub-Committee decides to disinvest the hotels of the HCI and decides to appoint a consultant. On the next day, the Air India Board is reconstituted, and Ajit Kelkar ceases to be a member of the Board.

By June, 2000, the Air India executes a Global Advisory Agreement with M/s Jardine Fleming Securities Limited. On the 5th September, 2000, a new company called the Tulip Hospitality Services Limited, THSL, was incorporated. On the 11th and 12th October, 2000, advertisements were issued by Air India inviting Expressions of Interest, and the last date was 31st October, 2000. By the 16th of February, 2001, amongst the 20 bidders, three were found ineligible, 16 withdrew, leaving only one bidder, and this bidder was M/s Tulip Star Hotels Limited. The Tulip Hospitality Services Limited is a subsidiary of the Tulip Star Hotels Limited.

Air India appoints a valuer to value the hotels. It is a company known as M/s Kanti Kararnsey & Co.

On the 10th of September, 2001, the Minister of Civil Aviation proposes that the remaining process of disinvestment should be taken over by the Ministry of Disinvestment. On the 19th of September, 2001, the Minister of Disinvestment actually takes over the process, constitutes an Inter-Ministerial Group (IMG). This was done, as per the records, in anticipation of Government approval, and Government approval comes 8 days later on the 27th of September, 2001. The valuation report is received by the secretaries in the two Ministries on the 6th of November, 2001. The valuation report encloses the Asset Valuation Report by M/s Kanti Kararnsey & Co. and they have valued the assets at two values, namely Reinstatement Value as on 31st May, 2001 at Rs. 246.50 crores and the appreciated value as on 31st May, 2001 as Rs. 214.14 crores.

The asset valuation is presumably considered by the global advisors and the global advisors have given their report. This report is considered by the valuation committee two days later on the 8th of November, 2001. ...what the global advisors said was that the asset valuation method result must be adjusted; and the adjusted value of Centaur, Juhu Beach, was put as Rs. 134 crores. How did these two values of Rs. 246 crore and and for what reasons to Rs. 134 crore? Then, the Advisers say, "If you want one value, we are giving the value as Rs. 101.60 crore." That is how the reserve price came to be fixed as Rs. 101.60 Crore.

The IMG accepted the recommendations on 9th of November. The same day, on 9th of November, the CGD accepted it. And the very next day, the Cabinet Committee on Disinvestment approved the bid for Rs. 153 crore .. and said, "21st of December, 2001 is the last date. Pay 10 per cent of the bid amount and deposit the balance of 90 per cent in escrow account".

On 19th December, 2001, two days before the last date, THSL sought extension of time up to

15th of February, 2002. The Minister granted extension up to 31st January, 2002. That was the first extension granted. The bidder was told, "you should pay a non-refundable amount of Rs. 15.30 crores on or before 31st of December, 2001 and all other agreements must be executed and the balance should be paid in escrow account before the extended date of 31.1.2002." On the 31st of December, 1991, that is the deadline fixed for payment of Rs.15.30 crores, he (the bidder) deposits a cheque of Rs.15.30 crores, but stipulates a condition that the cheque can be encashed by the Hotel Corporation only after execution of the agreement to sell. The advisors respond to him saying, "Your condition is not acceptable."

On 8th January, the file was submitted for invoking the bank guarantee. On 31st of January, Kelkar, according to the records, holds a meeting with the Minister of Disinvestment. Next day, on the 1st February, 2002, the Minister orders that the guarantee be invoked by the 4th of February 2002 unless the bidder fulfils the requirement by that date.

On the 6th of February, 2002, the representative of the bidder meets the Secretary, Disinvestment. It was decided that the bidder would pay Rs. 5.30 crores by the 15th of February, pay Rs. 10 crores by the 1st of March and execute Escrow Agreement and pay the balance by the 10th of March.

The bidder had to deposit Rs. 5.30 crores by the 15th of February, 2002. The bidder failed to deposit Rs. 5.30 Crores on the 15th of February, 2002. On the 18th of February, 2002 they deposited Rs. 5.30 crores. The department of Disinvestment says, 'Reiterate all the conditions that have been imposed on 6th of February, namely three conditions'. They have fulfilled only one after some delay. On the 20th of February, the file is submitted again for invoking the bank guarantee for failure to conform to the three conditions stipulated earlier. On 21st of February, the Minister, Disinvestment, orders once again invoking the bank guarantee, notice is served on the company.

And Air India is required to proceed with invoking

the bank guarantee. Therefore, there are two orders for invoking the bank guarantee. The first order was made on 1st February, and the second order was made on 21st February.

The very next day, Kelkar meets the Minister and assures the Minister that he would bring all the bankers who have agreed to finance him. On 23rd, Minister met the bankers. It was decided that the transaction would be completed by 9th March, 2002, and the letter for invoking the bank guarantee was withdrawn. *Now, I do not find any reasons recorded in the file as to why the decision to invoke the bank guarantee was withdrawn.*

On 9th March, 2002, the date fixed for all this to happen - the Managing Director, Hotel Corporation of India, raises the question of interest on delayed payment. *It appears that on 11th March, 2002, it was decided that at the official level that interest need not be charged and this decision has been conveyed to the Managing Director, Hotel Corporation of India.*

On 11th March, 2002, the transaction was concluded. On 27th March, 2002, the Cabinet Committee ratified it. And, on 31st May, 2002, the transaction is completed and the hotel is handed over.

My discomfort arises from the fact ... that prudence dictates that you do not pursue a single bidder transaction.

The second matter of discomfort is valuation. I, am not able to reconcile the valuation by the asset valuer which gives a reinstatement valuation of Rs.246 crores, a depreciation valuation of Rs. 214 crores, then the global advisor's adjusted valuation of rs.134 crores and then the reserve price fixed at the median DCF. My third discomfort arises, ...from the indulgence granted to this gentleman by not invoking the bank guarantee, which was ordered twice; and, by granting repeated extensions.

I don't think the situation was so desperate that one had to pursue a single-bid transaction, not invoke the bank guarantee, which was ordered twice, grant extensions on three occasions, and somehow close the transaction in an unusual

(Cont. on page 13)

FRAUDULENT SALE OF CENTAUR HOTEL

Dipankar Mukherjee

"Is that sufficient cause to sell off a public asset and effect the sale in a manner that is nothing sort of downright scandalous? And what of Arun Shourie, a man who built his reputation as a public crusader?

... The ball in your court, Mr Shourie." This challenge was thrown to Shourie; the crusader in Outlook dated July 19, 2004 on the issue of fraudulent sale of Centaur Hotel, Juhu Beach (CHJB), Mumbai. The issue came up in parliament but the crusader chose to remain silent till date. Why this silence from the habitual tale-twister?

THE SALE OF

A look at the chronological events leading to the sale of 6 acre 371 room CHJB, a 5 star hotel owned by Hotel Corporation of India, a subsidiary of Air India, explains the silence.

Ajit B Kerkar was a member of Air India Board and also a member of Board of Sub Committee on Disinvestment of the Hotel Corporation of India Ltd (HCI), which took the decision to sell Centaur Hotel. In the minutes of the meeting of Air India Board held on December 10, 1998, it was mentioned that the main objective of disinvestments in HCI was to meet Air India's requirement of funds though CHJB was earning profit till that time. Table 1 shows the year wise profit of CHJB.

It was only in the year 2000-2001, when the disinvestments

process was initiated the hotel started incurring losses.

Table 1	
Year	Net Profit (Rs in Crore)
1994-95	5.97
1995-96	26.48
1996-97	19.69
1997-98	7.48
1998-99	4.88
1999-2000	4.05

Kerkar changed his role from a seller to a buyer when he as the Chairman of one Tulip Hospitality Services Pvt Ltd made the bid for buying CHJB in October 2000 and more interestingly this seller-cum-buyer became the only bidder in the final sale bid. Air India vide its letter dated 21.11.2001 informed Kerkar and his Tulip

Hospitality Services Pvt Ltd (THSPL) that its financial bid for Rs153 crore has been accepted. THSPL was to make arrangement for payment of this amount within a maximum stipulated period of 30 days as per the terms of the Bank guarantee submitted by THSPL as a part of the financial bid.

Thus the last date for payment of Rs 153 crore was 20.12.2001 failing which the bank guarantee was to be encashed and the deal was to be treated as cancelled. However, when the payment was not made, instead of terminating the deal and forfeiting the bank guarantee, extension was unduly granted to THSPL on one pretext or other. In a letter

dated 28.12.2001, Shourie wrote to the minister of civil aviation stating that the validity period of Bank guarantee is up to 31.03.2002 and he hoped to resolve the issue before this. This was an usual Shourian way of

confusing and covering up the violation of the transaction which mandated the purchase deal to be finalised by 20.12.2001 failing which the transaction was to be cancelled.

As a matter of fact, on 22.02.2002 a group of officials of Air India and Hotel Corporation of India had proceeded to Delhi and visited Bank of Rajasthan Ltd with the specific objective of encashing the bank guarantee, but they were asked by the ministry of disinvestment not to pursue the same. The very next day, i.e on 23.02.02, disinvestment ministry intervened to help THSPL to arrange the requisite fund. THSPL having an authorised share capital of hardly Rs 5.05 crore could not manage Rs. 153 crore and hence it was the much maligned public sector banks who had to dole out this public money to finance sale of public assets. Shourie arranged the meeting in his office on 23.2.2002 between the bankers and Kerkar so that the sale agreement and the loan given by the bankers are finalised on the same day, ostensibly to ensure that the agreement to sell could precede the payment of purchase price of Rs 153

crore. How simple! Accordingly in the meeting it was decided that funding of the loans would be in the following pattern and the transaction would be finalised on 09.03.2002:

Table 2	
Bank	Amount
Bank of India	25 Crore
Union Bank of India	24 Crore
Canara Bank	25 Crore
Punjab National Bank	30 Crore
Lord Krishna Bank	10 Crore
L I C	15 Crore
U T I Bank Ltd	10 Crore
Indian Bank	10 Crore
	129.00 Crore

Subsequently the funding pattern was changed with Vijaya Bank replacing Lord Krishna Bank, LIC & UTI Bank.

So Rs 129 crore, out of 153 crore was funded by public sector banks to sell a public sector outfit. Privatisation had become a sophisticated art to cover up big fraud on public money.

POST-PRIVATISATION

“ The first thing the new management did was to close down facility restaurant like Shakahari, Pakhtoon and Haipan. Brought down the classification of the hotel from Five Star deluxe to Three Star.

◆ The foreign liquor registration was suspended

from 17.03.2002 for nonpayment of sales tax worth Rs 53.37 lakh and also transfer fee and registration fee.

◆ Employees family medical reimbursement outstanding amount reached as

◆ high as Rs 40 lakh Provident Fund, Life Insurance, Bank Loans and Tax deductions worth Rs 1.71 Crore deducted from staff salaries but not deposited to concerned authorities.

◆ Suppliers outstanding bills has reached Rs 4 crore.

◆ Taxes worth Rs 2.25 crore collected from guests have also not been deposited to the government exchequer.

◆ Continuous non payment of bank interest on loan which is going to burden the concerned banks with NPA.

◆ Notice to 510 employees on 25.06.2004 to proceed on leave prior to their release on VRS without making any payment.

THSPL is now reportedly taking steps to resell the hotel for Rs 350 crore, which means a neat profit of Rs 200 crore by Kerker and his company within 2 years without hardly any investment. Earlier the Airport Centaur Hotel in Mumbai was resold by Batra Hospitality Group for Rs 113

crore within 6 months of its purchase at a cost of Rs 83 crore. Look at the similarity! Hospitality Group, single bidder, funding by public sector banks and finally Shourie and his cronies in media applauding such fraudulent act of looting public money as great acts of economic reform! His silence on these scams is understandable. It is only an irony that members of such scam-tainted NDA government are now charging others of taint. But why is UPA government still shy of ordering a CBI probe into the sale of these two Centaur Hotels, ie Airport and Juhu Beach, in spite of the repeated demands of the Left parties based on solid documentary evidence?

This is actually a tip of the iceberg. All disinvestment deals starting from Modern Foods, BALCO, VSNL, ITDC Hotel, Jessop, etc, if inquired, would reveal the biggest scam perpetrated by the NDA government. UPA government should

immediately start the process with these two HCI Hotels in line with the CMP declaration of transparency in governance. The government should probe all such deals, and cancel the fraudulent sale agreements transacted by the earlier government, after the probe.

(Centaur Hotel - Cont. from page 11)

meeting with the bankers, who would lend as much as Rs. 109 crores to finance the transaction of Rs. 150 crores.

On the question of resale ... the agreement does not permit the resale. I would wait for the report of the CAG and take further steps especially to address some discomforting aspects, which I have mentioned.

ON RIGHT TO STRIKE

On 18-08-2004 in a Call Attention motion in the Lok Sabha, the issue of Right to Strike for the workers including the Govt employees in the background of the Supreme Court judgment on the matter was raised by the members of Parliament from various political parties. Basudeb Acharya, the leader of the CPI(M) group in Lok Sabha while dealing on the illogicality of the judgment, demanded urgent legislative action by the Central Govt to make the Right to Strike a fundamental right for all the workers and employees in the country including the Govt employees. The massive countrywide strike action by the working people of the country on 24th February highlighted this demand. He asserted that the right to strike is inalienable from the right to form Association and seek redressal of grievances and hence should be ensured as a constitutional right through appropriate legislative action in the background of recent Supreme Court judgment on the issue. Members of various political parties also expressed similar views. Demands were also raised that the Govt of India ratifies the core ILO convention no 87, and 98 and also no 151 and 154 pertaining to Rights to Freedom of Association and Collective Bargaining for the entire working people including the Govt employees.

Shri Suresh Pachauri, the Minister of State for Personnel, Public Grievances and Pensions while responding to the debate on behalf of the Govt of India stated that the industrial workers covered by the Industrial Disputes Act are entitled to right

to strike as part of their right to collective bargaining. There are certain restrictions to the same for the workers in public utility services like obligation to give 14 days' notice etc but that does not mean that workers who come under such category cannot go on strike. So far as Govt employees are concerned, the Minister narrated different provisions in the service rules of the Govt employees in respect of redressal of their grievances but did not mention anything about their right to strike, rather avoided that issue. He did not mention anything about the demand for legislation to ensure right to strike for all workers including the Govt employees.

As regards ILO Conventions no 87 and 98, the Minister while admitting that the Govt has not ratified these conventions, clearly stated that "but it does not mean that whatever decision was taken in that convention, we should not take cognizance of that decision which was taken in the convention...being a member of ILO, it is binding on the country to follow the Resolution in spirit. So we will follow the Resolution, whatever is possible. Hence India does provide an option for collective bargaining to the workers in the spirit of ILO Resolution, I can give such an assurance." On being specifically asked about the view on the Supreme Court judgment dated 6th August 2004 on right to strike, the Minister stated that "It will not be proper for me when this judgment is under review, to mention as to what would be our viewpoint."

GOVT REFUSES TO RATIFY CORE ILO CONVENTIONS

In response to the issues raised by Sunil Khan, MP, CPI(M) in Lok Sabha on 6-07-2004 under Rule 377 regarding right to strike and ratification of core Conventions of ILO, the Union Labour Minister Sis Ram Ola conveyed in writing to Sunil Khan vide his letter dated 17th August 2004 that "Please refer to Lok Sabha debate held on 6-07-

2004-matter raised under Rule 377 by you regarding need to bring in a legislation to accord Right to Strike to the employees and ratification of ILO Conventions no 87, 98, 151 and 154. Convention no 87 provides for the right of workers and employees, without any distinction to establish and join organizations of their own choosing

without any previous authorization....Convention no 98 aims to protect the exercise of the right to organize and to promote voluntary collective bargaining.

Government of India has taken a conscious decision not to ratify the Conventions no 87 and 98. The decision has been taken in consultaion with DOPT who were of the view that Government employees should not be covered under these two Conventions as they have an exceptionally high degree of job security flowing from Article 311 as compared to industrial workers.....Convention no 151 concerning Labour Relating (Public Service) is an extension of Convention no 87 &98. This also cannot be ratified for the reasons stated above. As far as Convention no 154 concerning Collective Bargaining is concerned the main hurdle in ratifying this Convention is the fact that it applies to all branches of economic activity. As the bulk

of workers in the country are either unorganized rural workers or those working in the urban informal sector, it may not be possible to extend measures for promoting collective bargaining in these sectors immediately."

Is it at all consistent with the National Common Minimum Programme (NCMP) of the UPA Govt. The NCMP says, " The UPA Govt is firmly committed to ensure the welfare and well being of all workers, particularly those in the unorganized sector who constitute 93% of our workforce." NCMP further states, " rights and benefits earned by the workers, including the right to strike according to law, will not be taken away or curtailed."

How can the Labour Minister of the same UPA Govt talk of denying the right to collective bargaining to the Unorganised sector workers, who require the right most ?

ON PAYMENT OF DUES TO PSU WORKERS

In reply to a starred question no 284 by Jibon Roy, MP(RS), the Minister of State for Heavy Industries & Public Enterprises, Shri Santosh Mohan Dev conveyed that total dues on account of wages/salary and other statutory payment stand at Rs 538.72 crore as on 30-06-2004. The Minister also conveyed that " All Possible efforts

are being made by the Govt to clear the dues to the employees in a phased manner.

In a supplementary question asked by Jibon Roy about the time frame of such clearance of dues, the Minister said that efforts will be made to clear the payments within around two months.

COMRADE HIREN MUKHERJEE

The CITU express its deep grief at the death of Comrade Hiren Mukherjee. He was aged 97. He joined the freedom struggle during his student days and became a member of the Communist Party in 1936. He was imprisoned in 1940-41 and again in 1948-49. He was elected as a member of the West Bengal Provisional Committee of the Party in 1947 and became a member of the national council of the Party in 1958. He was elected to the Lok Sabha five times between 1952 and 1971 from Kolkata North-East. He was a powerful orator, a parliamentarian and a History teacher.

Comrade Hiren Mukherjee made an important contribution to the defence of scientific socialism till he breathed his last. He died with the firm conviction of the final victory of scientific socialism.

He worked and wrote with tireless energy despite his old age and failing health. He was one of the founders of the Progressive Writers Association and the founder president of Indian People's Theatre Association (IPTA). He was also associated with some trade union organisations.

The CITU and 'The Working Class' conveys its heartfelt sympathy and condolence to his family.

BALCO : STOP SALE OF RESIDUAL GOVT SHARES!

All the central Trade Unions had opposed sale of residual 49% Govt stake in Balco to Sterlite for several reasons Balco does not mean merely the plant but also the control of huge reserve of natural resources in bauxite mines under its captive command and it would not be advisable in the national interest, to transfer the absolute control of the same to private hands. In fact the whole issue of Balco-sell-off which had been a gross under-priced sale of national asset by the NDA Govt warrants a serious re-look in all its aspects.

In reply to the questions raised in Parliament (Rajya Sabha), the Minister of State for Finance Shri S S Palanimanickam has gone on record on 17th August 2004 that the Govt is not retracting from the decision of selling the residual Govt equity in Balco to Sterlite as the same is obligatory as per the "Shareholders' Agreement" between the Govt and the Sterlite. The same minister also went to the extent of certifying the Sale-deal of Balco as transparent one citing the Supreme Court judgment.

The issue of the so called transparency of the sale-deal in BALCO will be dealt separately. Here the point is that the obligations under the "Shareholders Agreement" cannot be an one-sided affair and violation of the said Agreement by one party requires the other party, the Govt in this case, to review the whole deal and take appropriate corrective measures.

There have been several complaints regarding flagrant violations of the Shareholders' Agreement by the Sterlite in Balco on labour related matters from all the unions there which got surfaced in the meeting between the Prime Minister and all Central Trade Unions in October 2002. In this background, the-then Prime Minister, being convinced on the prima facie violation, constituted a 'Fact Finding Committee' on the matter. As confirmed by Union Labour Minister in reply to a Starred Question no 354 in Rajya Sabha on 19-08-2004, the said Fact Finding Committee was comprised of Shri Hasubhai Dave, President, BMS, Shri Sharad Patil of Employers' Federation

of India and a representative each from the Labour Ministry and Disinvestment Ministry. Shri K Chandramouli and Shri P K Basu, both Joint Secretaries represented the Ministry of Labour and Ministry of Disinvestment in the said Committee. "The terms of reference of the said Committee were to assess whether lay-off/ retrenchment had been resorted to by the concerned companies and whether there were any deviations from the Shareholders' Agreement signed by these companies (Balco and Modern Food) with the Govt of India in respect of clauses dealing with labour issues."

The Committee visited Korba plant of Balco in February 2003. Around the same time, the National dailies carried reports on serious violations on labour related clauses of the Agreement and incidence of severe labour repression in Balco stated to be expressed by the members of the said Committee.

But unfortunately the Report of the said Committee has not been submitted formally. In his reply to the same starred question no 354 in Rajya Sabha on 19th August, 2004, the Labour Minister confirmed that "the Report of the Committee has not yet been received" but skipped the most vital question-"the reason therefor". Therefore, the question arises whether at all the report was submitted and the concerned officials of the two ministries of the previous Govt were tutored not to submit the Report in connivance with the other members of the Committee or the NDA Govt hushed the Report, it being uncomfortable for the NDA Govt. It is also surprising that the President of BMS who had been a member of the said Fact Finding Committee are keeping mum on the issue despite they opposed the Balco privatization, at least officially.

But whatever may be the case, it demonstrates undesirable haste, besides being unjust, on the part of the present Govt to decide on off-loading the residual Govt equity in Balco to Sterlite on the plea of "Shareholders' Agreement" without even looking into the Report of the "Fact Finding Committee" constituted by the NDA Govt,

particularly when the terms of reference of the Committee had been precisely to look into the matter of violations of and/or deviations from the same Shareholders Agreement on labour-related issues. Why should the UPA Govt, by such hasty move of selling the residual shares of Balco become a party to the crime committed by the NDA Govt to Balco and its employees ?

Precisely on the above premises, M K Pandhe, President, CITU again wrote to Finance Minister P Chidambaram on 21st August 2004 to get the

report of the Fact Finding Committee on violation of Shareholders' Agreement in Balco submitted and scrutinized instead of indulging in undue haste to transfer the residual Govt equity in Balco to favour Sterlite. In the same line, Dipankar Mukherjee, MP also wrote to Labour Minister to ensure that the concerned officials of Labour Ministry and Deptt of Disinvestment are compelled to submit their report of the Fact Finding Committee of which the BMS President also had been a member.

EPF INTEREST RATE REDUCTION UNACCEPTABLE: CITU

After repeated adjournments, the Central Board of Trustees (CBT) of the Employees Provident Fund (EPF) met for the fourth time to decide its recommendation on the interest rate for the year 2004-05. Despite there being neither unanimity nor consensus on the issue within the CBT, the Union Minister of Labour and Chairman, CBT, Sis Ram Ola announced the decision to recommend an interim rate of 8.5 per cent.

The decision, in effect, has resulted in a further reduction in the rate of interest on Provident Fund, albeit as an interim measure, from 9.5 to 8.5 per cent. The representatives of the CITU, AITUC, HMS and UTUC-LS conveyed to the Chairman of the CBT that the decision was unacceptable and breached the cherished tradition of the CBT to take decisions only by way of consensus and not by majority. They had also recorded their dissent. Even the representatives of the BMS, which had gone along with the NDA regime in bringing down the interest rate on EPF from 12 to 9.5 per cent and that on the SDS from 12 to 8 per cent, joined the dissent.

Commenting on this development, the CITU Secretariat in a statement asserted: "This is totally unacceptable to the working people and the general trade union movement. The very fact that the Labour Minister, as part of his decision, had to urge the Finance Minister to consider raising the rate of interest on Special Deposit scheme, where almost 80 per cent of the EPF corpus remains invested, taking into account the present inflationary spiral testifies to the genuineness of the demand for upward revision of the interest rate to 12 per cent, a unanimous demand of the entire spectrum of trade unions in the country. Evidently, the Finance Ministry had stayed the Labour Minister's hands".

The CITU statement pointed out that the UPA government was expected to undo the misdeeds of the previous NDA regime, which were patently anti-worker and anti-people. But the fact that the UPA regime has chosen not only to persist with the same policies of the previous NDA government but also to effect a further downward reduction of the interest rate on EPF, is only adding credence to the growing popular perception that there had only been a change in government but not a change in governance policies. With a runaway inflation, reaching near 8 per cent, this reduction defies logic and reflects an anti-worker mindset.

The CITU statement recalled the decision, by seven Central Trade Union Organisations viz. CITU, AITUC, HMS, AICCTU, TUCC, UTUC and UTUC-LS together with over 40 federations of employees and workers in different sectors, to observe an All India Demands Day on August 20, 2004, on issues related to the budget announcements of the UPA government including the interest rate issue. The CITU called upon all workers, irrespective of affiliations, to join the countrywide action programme in a massive to register their resentment over the unjustified reduction in interest rate of EPF and other issues of concern to the trade union movement.

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ORISSA

STATE LEVEL RALLY BEFORE ASSEMBLY HOUSE

A big demonstration and Dharna was held before the Orissa State Assembly on 28th July, 2004 against anti-labour policies of the BJD-BJP govt. of Orissa. Thousands of workers from different parts of the state mostly from unorganised sector marched through the main thoroughfare of the CITU office to the Assembly till they were obstructed by armed police at

PMG square. The revision of the minimum wages @100 rupees per day, halt to privatisation state public sector units, inclusion of CITU representation to various labour advisory boards and committees, passing of social security and welfare schemes for different section of unorganized and home based workers, proper enforcement of labour laws in the state, check against police

intervention on genuine trade union activities etc. were the demands on which state level mobilization for demonstration and dharna took place. The workers at dharna were addressed by Com. Lambodar Nayak, Bishnu Mohanty, Sivaji Patnaik, Radha Raman Sarangi, Subash Singh and other CITU leaders of the state. The state leaders met in a delegation to the Chief Minister and the Labour Minister to submit demand charter.

BEEDI WORKERS DEMONSTRATION

The Beedi workers under the leadership of All Orissa Beedi Workers Federation (CITU) demonstrated before the Regional Commissioner of Cess, Bhubaneswar, against the non issue of identity cards, non-utilisation of Funds on house building grants/loans, and complete absence of treatment facilities and various local dispensaries etc. Following the demonstration a

meeting was held between the union and the Regional Commissioner who assured to take-up the issue of identity cards with the State Labour Department and the collectors of respective districts. In course of discussion it was also revealed that the state labour authority as well as the excise and revenue department of Orissa do not cooperate to identify the beedi companies, and their

agents and contractors, who get beedi rolled through 5 to 6 lakhs of beedi workers in Orissa, most of them home based and women, and from poorest section of rural and urban society, who roll beedi without identity cards. So far only 1,70,000 beedi workers have been issued identity cards as per the act but, most of the identity cards do not carry the name of the beedi companies, their agents and contractors.

Jammu and Kashmir

TU COORDINATION COMMITTEE MEETS

The Jammu and Kashmir co-ordination committee of the trade unions (JKCCTU) organised a district conference on July 20, 2004 at Town Hal, Anantnagh. Over 600 delegates attend the conference including 200

Anganwadi workers. The conference was presided over by Md. Afzal, district convenor and Manan Deva, Chairman local body employees federation welcomed the delegates Md. Maqbooi, president J&K Co-

ordination Committee of Trade Unions while inaugurating the conference said that the formation of UPA government at the centre is a positive change at the centre but cautioned the employees and workers to be vigilant and build

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consistent mobilization and pressure to achieve their demands. He criticized the Mufti's State government's anti-working class policies who has started massive job freeze and deploying casual labour in permanent areas in government departments and state

public sector units and demanded the revival of public sector, merger of 50 per cent DA with basic pay, regularization of daily wages, anganwadi workers etc. The conference was addressed by veteran trade union leaders Abdul Gani Bhatt, Hassina Sofi,

Md. Ayub, Abdul Rashid, Najer who highlighted the problems of various departments. The conference elected 31 member working committee with Md. Afzal and Md. Yusuf Paray as secretary.

GOVT EMPLOYEES TO HOLD NATIONAL CONVENTION AND MARCH TO PARLIAMENT

The National Council of All India State Government Employees' Federation held at Patna from 1st - 3rd August 2004 has decided phased preparatory programmes for countrywide mobilization on pressing demands of the employees.

It was decided to renew efforts for developing United movement of the Central and State employees and Teachers on issues common to both Central and State Employees. Accordingly after discussion with leaders of the Confederation of Central Employees, a National convention will be held at Delhi on 25th Sept. 2004 the anniversary day of the last National convention which decided for All India strike against judicial ban on Right to Strike.

1. Issues that will be decided in the convention are:

- ◆ Right to strike Govt. employees, repeal of British made slavish Govt. Servant's Conduct Rules scrapping of arbitrary and most undemocratic articles 311 2(B) and (C) of the constitution of

India which empowers the Govt. to dismiss employees without showing any reason or giving any scope of self defence.

- ◆ Stopping of downsizing, closure, privatisation and corporatisation of Govt. Depts., stopping or retrograde reports of expenditure commission. Aluwalia Committee and Rakesh Mohan Committee.

- ◆ Stopping of contract and casual appointment replacing regular appointment, cutting of economic and pension and other social security benefits and other privileges earned by employees movement.

- ◆ Immediate withdrawal of privatisation of pension by implementing a new pension scheme replacing the existing statutory pension scheme.

- ◆ For providing jobs to the jobless youths and easing Govt. functioning for benefits of the people, all vacancies of Govt. Departments should be filled up and ban on recruitment should be withdrawn.

- ◆ Reservation of 33% for women in legislature.

- ◆ Restructuring of Centre State financial relation and more devolution of funds to the states.

- ◆ Restoring interest rates of P.F. and Small Savings to its earlier rates.

- ◆ Adequate Income Tax relief should be provided to the low paid employees by restructuring the existing Income Tax slabs and rates.

The National Convention would chalk out programmes of action to realise above demands.

The meeting also decided after consultation with Central Govt. leaders that a March to Parliament programme be organised on 7th December 2004 during Winter Session of Parliament for handing over the mass petitions to Parliament demanding concrete legislative action to negate the pernicious effect of the Supreme Court judgment against the Right to Strike.

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Himachal Pradesh

JOINT TRADE UNION CONVENTION

Shimla, July 24, a massive joint trade union convention was held to oppose the anti-people MOU signed between the State Govt of HP and the Central Govt on the so called ground of fiscal discipline, which envisaged massive downsizing in Govt departments, replacement by permanent workers and employees by more and more contract and casual workers, sharp reduction in public welfare and developmental expenditure, increase in user charges of public utility services etc.

The Convention was held in Kalibari hall in Shimla which was attended by more than 350 delegates from CITU, AITUC, BMS, AND THE employees Federations of Banks, Insurance and Central and State Govt Employees. From CITU 215

delegates took part in the Convention from various parts of the State.

The Convention denounced the patently anti-people MOU adopted by the Congress led State Govt. The said MOU is aimed at reduction of employment in govt departments @ 2% per year, abolition of all the posts lying vacant for last three years, completely casualise and contractorise the workforce in class IV category, increase in user charges in health, electricity, water-supply and other public utilities through high dose of taxation, sharp reduction in all kinds of developmental and welfare expenditures etc.

The Convention was addressed by the leaders of all trade unions and federations. Among those who addressed were Kashmir Singh

Thakur, General Secretary, HP State CITU, Jagat Ram, Treasurer, HP State CITU, Jagadish Parmar (AITUC), Ashoke Purohit and Surendra Thakur, President and General Secretary of State BMS respectively, A C Chowhan (NZIEA), Prem Kumari, President, HP State Anganwadi Federation, besides others. The speakers, while demanding scrapping of the anti-people MOU, pointed out various alternative sources of resource mobilization without affecting the common people which should be resorted to by the Govt. The Convention also called upon the working class in the State and common people in general to unitedly resist the execution of the disastrous MOU through statewide united struggle.

PUNJAB

MASSIVE RALLY OF CYCLE INDUSTRY WORKERS

Ludhiana, August 15, the mass of the workers working in cycle industries observed the 58th Independence day by taking pledge to unitedly fight against the atrocity of the cycle-industry owners let loose against the workers in collusion with the State administration. The City hosts almost all the major cycle companies in the country like

Hero-Cycle, Avon, Rwalsons etc and numerous ancillaries producing spare parts, employing more than 25000 workers. The employers are flagrantly violating all labour laws, in respect of Minimum Wages, PF, ESI, industrial safety, leave etc. Complaints lodged against those violation in the labour departments produced no result as the labour department officials are in close

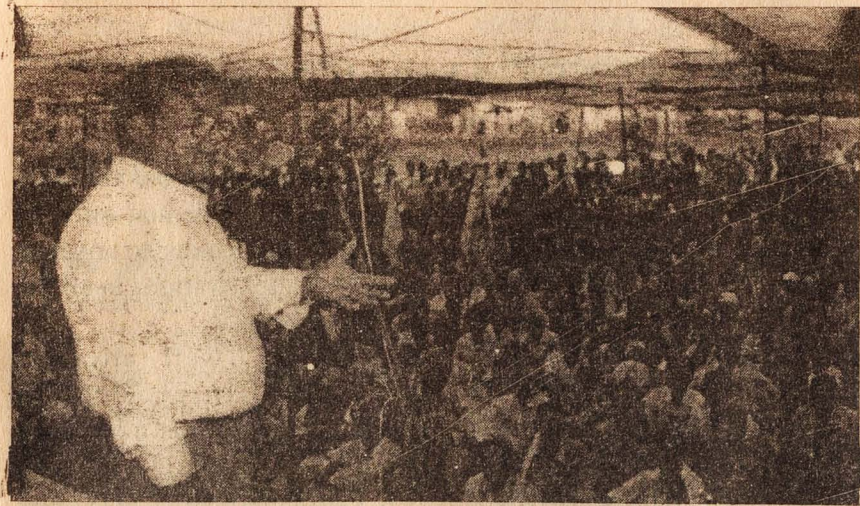
connivance with the employers are promoting those violations. Workers are being forced to work extra hours without proper remuneration as per the Factories Act. During last six months, workers enmasse joined CITU and formed Laljhanda Cycle Workers Union. The union applied for registration couple of months back but the registrar of trade

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unions in Punjab is delaying registration of the union deliberately on one pretext or the other at the instance of the Employers. Meantime, the employers, to prevent the growth of the CITU union have resorted to mass scale victimization, termination from services etc against which the workers have been resolutely fighting unitedly.

In this background, CITU decided to organize a massive rally of Cycle workers at Ludhiana on the independence day on 15th August. In order to disrupt the rally, the employers in all the major factories tried to force the workers to work on that day, organized functions in the factory with lavish arrangement of lunch, gifts etc, but nothing could prevent the workers from joining

the rally. More than 10000 workers joined the rally making all efforts of the employers to disrupt the rally a total flop. The huge rally of the workers declared their firm resolve to carry on the struggle and mount pressure on the State Govt to force it to issue the registration certificate to the CITU union. The rally also declared massive demonstration before the office of the District Collector, Ludhiana to be held on 20th August 2004 to observe the National Demands Day at the joint call of the Central Trade Unions and Federations. The rally was addressed by Jibon Roy, MP(RS), Tapan Sen, Secretary CITU, Balwant Singh, Vijay Mishra, and Raghunath Singh, the President, Working President and the General Secretary of the Punjab State CITU respectively besides the district leadership of CITU, DYFI, Kisan Sabha etc.



TRUCKERS STRIKE

TRANSPORT WORKERS SEEK REPRESENTATION IN TALKS

K.K.Divakaran, General Secretary of All India Road Transport Workers' Federation in a statement to the Press on August 22, 2004 has said: "The All India Motor Transport Congress (AITMC) has called for a nation-wide indefinite strike from August 21, 2004 against imposition of 10 per cent service tax on transporters. The strike is unwarranted and against the interests of the general public. The

truck owners are not paying statutory wages or other benefits to one crore workers in this sector. Due to this unwarranted strike, there will be disruption in the movement of essential commodities, which will result in sufferings for the common people. The government has clarified that the service tax of 10 per cent would be levied from the booking agents only and not from truck owners. Further, the government has also

proposed setting up of a committee comprising representatives of transport industry, including those from the AITMC, and the Finance Ministry. We demand that the trade union federations of transport workers also be invited for the talks in this matter and included in the proposed committee, so that the issues of the workers can also be addressed".

REPORTS & EVENTS

TRIPURA: CITU OBSERVES CAMPAIGN WEEK

In pursuance of the CITU General Council decision, the Tripura state CITU observed the countrywide campaign week from 8th to 14th August on the 10-point demands. Demonstrations, processions and mass meetings were held in all the 15 divisions in the State, in which around fifty

thousand workers and employees participated. The State also witnessed a large mobilisation of workers and employees in 21 spots covering all the 15 divisions on August 20, 2004, which was observed as 'All India Demands day.' Processions and mass meetings were held jointly by the

CITU, UTUC, AITUC, TUCC, organisations of employees in Central & State Govt., banks, insurance, telecom state undertakings and other democratic mass organisations. In all over seventy thousand workers participated.

(Report from Pijush Nag)

TAMILNADU CITU OBSERVES CAMPAIGN WEEK

CITU unions in Tamilnadu have observed the campaign week from 9th to 14th August, successfully, with participation of large number of workers. Thousands of handbills were distributed. Gate meetings and street corner meetings were held in various parts of the state. On 14th August massive demonstrations were held in some centres. State and district level leaders, along with the leaders of

unions had addressed these meetings.

As decided by the central trade unions and all India federations, massive demonstrations were held in all districts on 20th August. In Tamilnadu, the call for these demonstrations was given by a joint meeting of representatives of CITU, AITUC, HMS, AICCTU, UTUC-LS, AIIEA, AIBEA, BEFI, State and Central Govt

employees' organisations and other unions held in Chennai on 13th August. It was decided to organise massive demonstrations in all the district centres..

In Chennai, well attended demonstrations were held on 20th evening, which was addressed among others by A.K.Padmanabhan (CITU) and T.R.S. Mani (AITUC). Similar demonstrations were held in all the district centres and in Pondicherry.

(Report from A. K. PADMANABHAN)

STATE CONFERENCE OF TNMSRA

Tamilnadu Medical and Sales Representatives Association (CITU) held its 23rd state Conference in Erode from 13th to 15th August, attended by more than 400 delegates including women from all the 17 units in the State. Preparatory work for the conference had begun much earlier and the conference had to

be postponed due to general elections. Pre-conference campaigns on various issues including Drug policy and various other issues were conducted all over the State, besides Erode and surrounding areas. Jathas were organised from Nagercoil, Chennai and Pondicherry carrying CITU, TNMSRA and FMRAI flags,

which were hoisted in the conference venue, named after veteran CITU leader S.A.Thangarajan. The conference hall was named after com. E.K. Nayanar.

The open session on 13th was chaired by K.Natarajan, State President and inaugurated by A. Soundararajan, General Secretary,

REPORTS & EVENTS

Tamil Nadu CITU. C.H.Sivaraman, a senior Doctor in Erode and chairman of the reception committee welcomed the delegates. D.P. Dubey, General Secretary, FMRAI, R.Muthusundaram, General Secretary, TNGEA and Mukand Kulkarni (APMSRU) addressed. S.Gopinathan, General Secretary, submitted the report and R.Ramesh Sundar, Asst. General Secretary, submitted a special report on organisation and

movements. 41 delegates including 2 women participated in the discussion on the General Secretary report and 17 on the special report. A.K. Padmanabhan (CITU), D.P. Dubey, and R.Viwanathan, General Secretary and President of FMRAI addressed the delegates' session. The conference elected 13 member secretariat and 26 member working committee with K.Natarajan as President and

R.Gopinathan as General Secretary. A mass rally was held on 13th evening, presided over by P.Marimuthu, Asst.General Secretary, T.N. CITU and addressed by A.Soundarajan, R. Muthusudaram and R.Gopinathan. The conference concluded with calls for various struggles on people's issues and demands of medical and sales representatives and for strengthening the organisation.

(Report from A. K. PADMAÑABHAN)

Strike Threat Compelled British Airways to Agree Wage Rise

The British Airways workers decided to go for strike action from 21st August demanding wage-rise and other benefits. Strike preparation has created such impact that the management ordered stoppage of booking from 20th onwards.

After four-day long protracted negotiation with the T&G and GMB unions representing the workers in the background of strike preparation throughout the industry, the British Airways management had to finally agree to workers' demands in late night on 20th August.

Accordingly strike by British Airways workers was called off. According to early reports from the negotiations BA has agreed an 8.5% pay increase over three years as well as £1,000 payable in three lump sum payments between now and September 2006. BA had

offered bonuses to staff who cut back on sick leave, with talks centred on a way to structure this payment which avoids penalising workers who fall genuinely ill.

However, even if the BA strike is averted, Industrial relations problems are piling up as airlines struggle to cope with soaring fuel prices and cheap fares. Some 600 United Airlines staff at Heathrow are to hold a 24-hour strike next Friday.. United Airlines which has filed for bankruptcy protection in the US, has offered its staff a pay rise 0.5% over inflation. It is accused of reneging on pledges last year of a bigger increase.

Pilots at Britain's second largest full-service airline, BMI, have backed industrial action by nine to one in an unofficial ballot over a 1.5% pay offer. Talks with the management of the Derby-based airline will resume next week. In

Ireland, Aer Lingus this week announced it intended to slash 1,100 jobs from its 3,800-strong workforce to reposition itself as a "low fares airline".

On the railways, Eurostar faces a 24-hour strike by customer services representatives at Waterloo and Ashford next Saturday.

(The Guardian, 21-08-2004)

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REPORTS & EVENTS

Domestic Workers Unite and Organize to Fight

Nearly 6 lakh domestic workers work in Maharashtra in more than 18 lakh households. Domestic workers have to do various types of jobs such as cleaning utensils, washing clothes, dusting, sweeping, cooking, running small errands, disposing garbage, so on and so forth, the list is endless. They visit house after house, performing their duty from morning to evening, sometimes skipping their afternoon meal. What they get in return is a paltry sum as wages, no weekly off, no paid maternity leave, no job security, no social security benefits like pension, insurance, no medical benefits, and in many cases humiliating and insulting treatment. The process of organising domestic workers started simultaneously in

Chandrapur, Pune, Sholapur, Jalna, Nanded, Nasik, Kolhapur and Mumbai. At present it is at different stages in all these districts. It was decided to register unions of these workers at the district level in various districts in Maharashtra and then to form a co-ordination committee or federation at the state level.

In Pune, the membership surpassed the figure of 2000 and a mass convention was organised on 23rd July 2004 in Ambedkar Bhawan. Nearly 1000 workers came for the Convention from all parts of the city. Many domestic workers spoke about the conditions in which they have to work and their problems.

A procession of the domestic workers was taken to the

collectorate and a memorandum of Charter of Demands was presented to the District Collector. The workers demanded that the government should pass an act regularizing the services of domestic workers, fixing their wages and giving them job security. They demanded preparation and implementation of a welfare scheme covering medical and life insurance, a pension scheme, formation of a Board for them and allotment of BPL ration cards.

Women domestic workers, a hitherto neglected section of the toiling people, are now marching ahead, to fight for their rights, in Pune and other districts of Maharashtra.

(Report from Shubha Shamim)

BOMBAY HIGH COURT DIRECTIVE

AN UNWARRANTED INCURSION INTO DEMOCRATIC RIGHTS

The Bombay High Court pronounced a decision, on July 23, 2004, to impose a penalty of Rs 20 lakh each on two political parties for calling a BANDH last year. The CITU Secretariat in a statement issued to the press termed it as 'an unwarranted incursion into the democratic right to protest'.

It is deplorable that the Municipal Commissioner of the city had joined the Public Interest Litigation petition with an unsubstantiated allegation of a loss of Rs. 50 crore owing to the Bandh call. The trade unions and other mass organisations as well as political parties had opposed the Supreme Court order of 1997 itself. The willingness of the judiciary to accept any allegation of use of 'force' on the part of democratic organisations as an axiomatic truth and proceed to issue directives on that basis is unacceptable to the general democratic movement. It has been found that even consumer forums had started awarding 'compensation' against imaginary loss on account of collective actions by workers in some cases. It is becoming increasingly evident that judiciary in India is veering round to a position that civil and democratic rights are incompatible with the liberalisation era. The August 2003 pronouncements of the Supreme Court on the right to strike are another such instance. While the pro-active intervention of the judiciary in matters related to human rights abuses, environmental issues etc have been welcome initiatives, the interventions such as the present one by the Bombay High Court are against the basic spirit of the Indian Constitution which guarantees certain fundamental democratic rights, the right to protest being an alienable part thereof. CITU called for appropriate steps by the Government of India to undo the pernicious impact of such judicial excesses.

B T Ranadive on Casteism and Untouchability

The question is why should casteism and untouchability continue after decades of independence? Why should so little be achieved for the untouchables and tribals ?

These are the sins of the past - the sinful heritage, which the national liberation struggle could not and did not repudiate. It could not repudiate it because the national bourgeois leadership of the struggle was not interested in going to the root of the problem and uprooting it. It always adopted a time serving attitude, an attitude of mild pleadings and reforms - on the question of untouchability - as if it was only a question of proper social behaviour between individuals and castes. The leadership had no idea of the social roots of the problem and even if it had it had not the courage to seize it by the roots. The remedy lay in sweeping away the feudal and semi-feudal set up of agrarian relations. This the leadership was not prepared to do.

There was another current during the days of the national struggle which sought to divorce the struggle against caste and untouchability from the anti-imperialist struggle and from the struggle for agrarian revolution. The miserable results it has produced are there for all to see.

It will be seen that three powerful class interests - the imperialists, the landlords and the bourgeois leadership - were acting as defenders of the caste system by defending landlords and the pre-capitalist land relations.

....The problem of untouchability and in that matter casteism have to be linked, with the question of agrarian revolution. But the failure to develop a revolutionary movement in agrarian area and in the country as a whole prevented the development of a common struggle in which both Harijans and non-Harijans could participate and through which the deep gulf that separated them could be bridged. The day-to-day common struggles led by our mass organizations were insensitive to the special problems of Harijan toilers and this created indifference in the minds of these sections to the common class struggle. These weaknesses have to be overcome if this democratic section is not to act as a reservoir for the authoritarian party. The biggest obstacle is the casteism of wide sections of the mass who observe untouchability. It is because of this that the Harijan mass is alienated. ...

It is of course wrong to oppose reservation. Harijans, it must be noted, have not derived the full benefit of reservations. The main mass of Harijans - the village serfs and agricultural labourers - are totally unaffected by it. But the Harijan leaders must also note that the emancipation of Harijans will not be achieved through reservations of jobs ensured by a bourgeois-landlord government. It cannot be achieved in opposition to other toiling sections but in alliance with them in the common fight against bourgeois-landlord classes and the Congress (I) which represents them. All attempts to abolish casteism, untouchability or communalism in isolation from the present day class struggle have failed and will continue to fail.

The divisive challenge of caste and untouchability has to be defeated by the leaders of mass struggle inculcating a strong anti-caste feeling among the fighting toilers - above all among the workers in the spirit of proletarian unity and solidarity. This can be achieved by strong ideological propaganda against caste system and untouchability.

The mass organizations besides must devote special attention to the problem of untouchables, tribals and oppressed castes as part of their work to unite the oppressed. Then alone the mighty force of the united toilers will decisively strike for agrarian revolution smashing the basis of caste distinctions and serfdom of the untouchables; then alone the democratic forces will open the way to political power and rapid industrialization on the basis of socialisation of all means of production and usher in a casteless and classless society.

(From: Foreward to Caste, Class and Property Relation)

CITU Organises All India Trade Union Classes

On the occasion of the Centenary celebrations of its founder President, BT Ranadive, the CITU has decided to concentrate on providing trade union training and cadre development. Accordingly, it has decided to organise trade union classes for its activists up to the level of local unit committee members. This programme was started by organising two all India level classes for senior leaders of the CITU.

The classes were interactive, in which the facilitators presented the subject followed by interventions and inputs by the participants and conclusion by the facilitators. The subjects dealt in these sessions were 'World Capitalism today and Neo liberal Globalisation', 'Revolutionary Trade Unionism in the present day context', 'Caste and Communalism', 'CITU Organisation' and 'Present political situation and the tasks before CITU'. These were followed by an evaluation session, in which the participants frankly expressed their opinions on the classes and made some very good suggestions for improvement in the future.

The first National Class was organised in BTR Memorial, the State Committee office of the Kerala State Electricity Board Employees' Union in Thiruvananthapuram, from 6-8 August 2004. The State leadership of the Southern states of Andhra Pradesh, Karnataka, Kerala and Tamil Nadu participated in these classes, which were held in English. 57 senior leaders of CITU, including the Presidents and General Secretaries of the State Committees, participated in these classes. Seven of them were women. MK Pandhe, President of CITU, inaugurated the classes and presented the first subject 'World Capitalism and neo liberal globalisation'. Kanai Bannerjee, Secretary, CITU, made the presentations on 'Revolutionary Trade Unionism' and 'Caste and Communalism' and Hemalata, also Secretary, CITU presented 'CITU Organisation'.

The second one was held in the auditorium of BTR Bhawan, the Central headquarters of CITU, in Delhi. 60 senior leaders from the Hindi speaking States of Bihar, Chattisgarh, Delhi, Gujarat, Haryana, Himachal Pradesh, Madhya Pradesh, Maharashtra, Punjab, Uttaranchal and Uttar Pradesh participated in this class. 9 of them were women. MK Pandhe inaugurated the classes. The first session on 'World Capitalism and neo liberal globalisation' was presented by Tapan Sen, Secretary of CITU; the sessions on 'Revolutionary Trade Unionism' and 'Caste and Communalism' by Kanai Bannerjee; and Swadesh Dev Roye presented 'CITU Organisation'. Pandhe presented 'Present political situation and the tasks of CITU' in both the classes.

