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PREPARE FOR COUNTRYWIDE STRIKE ACTION

A full fledged meeting of the national secretariat of CITU was held on 2-3 June 2001 at New Delhi. E. Balanandan, President, chaired the meeting. The discussions were mainly centered around the gradual emergence of all in unity in the trade union movement against the anti-national and anti-people policies of the Government of India putting the country's economy, and national interest as a whole on auction. The policies of the Govt. have also been making the life and livelihood of the common people miserable, destroying the small scale sector, sabotaging Indian agriculture, and aggravating unemployment - all at the behest of multinational capital and Indian big business as their junior partners.

The meeting noted that continuous effort for forging all in unity in the struggle against the economic policies of the Govt., both at national level and also for united action at the grass root level, has started showing results. In various sector-wise struggles, all the trade unions have already joined together in the field of action, irrespective of affiliations. During the last few months, all the trade unions including the INTUC and BMS, have been taking a unified stand of opposition against various policy declarations by the Govt. of India, including the Union budget for 2001-02.

The CITU hailed the united position of firm opposition to the Govt. policies, taken by the workers' side, at the 37th Indian Labour Conference, held on 18th-19th May, 2001. The meeting also welcomed the decisions on programmes of campaign and struggle jointly taken by all the Central Trade Unions, Viz., AITUC, BMS, CITU, HMS, INTUC, UTUC, UTUC (LS), TUCC, AICCTU and NFITU in their joint meetings held on 20th and 24th May at New Delhi, which are, inter alia, as follows:

The specific issues on which countrywide united movement have to be built up have been identified. They are:

1) Against thoughtless privatisation of profit-

making and potentially viable PSUs, including the defence sector industries.

2) Against the move of changing the labour laws in favour of the employers.

3) For immediate enactment of comprehensive legislation for agricultural workers.

4) Against removal of quantitative restrictions on import, much to the detriment of industry, agriculture and the national interest as a whole.

5) Against the policies leading to severe aggravation of joblessness and unemployment.

* Joint conventions and rallies will be held in the State capitals and industrial centres within 10th July 2001 to mobilise the working masses in the struggle on the above issues.

* On the second day of the monsoon session of Parliament, a massive joint demonstration before Parliament.

* The Central trade unions also decided to intensify the joint agitation on the above issues through countrywide trade union action and appealed to all workers to prepare for countrywide united strike action.

* The Central Trade Unions will again meet in mid-June to decide further course action, including strike.

* The Central Trade Unions welcomed the joint decision of all the federations in the defence sector for strike action against privatisation and permitting FDI in defence production. (See report in the 'Reports and Events' pages).

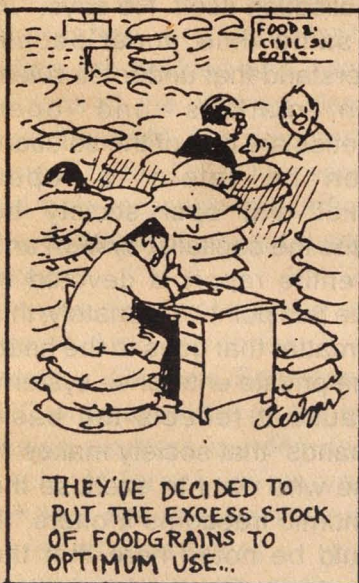
In view of the above programmes of joint movement, the meeting called upon all the CITU State Committees, industrial federations and the affiliate unions to take urgent initiative in the forthcoming period. They should involve all the trade unions at the State and industry level in holding massive united conventions, demonstrations, rallies etc., on the above issues, in the State capitals/industrial centres on priority basis. They should also carry on preparation at the grass root level for a massive countrywide united strike action against the anti-national and ruinous policies of the Vajpayee Govt.

THE WORKING CLASS

CITU MONTHLY

JULY 2001

ALL IN THE GAME



Courtesy: The Hindu

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PROBLEMS OF PLENTY, AND THE ANTI-PEOPLE MIND SET

The stock of foodgrain held in the Central pool has reached an all-time high of 510 lakh tonnes as on 1st June this year. By end-June, the stock could well go beyond 600 lakh tonnes. But, what is the quality of the mountain of grain that the Government of India is sitting over? This is what a Planning Commission document (1 May 2001) reveals:

"Low quality of foodgrains - A World Bank report (June 2000) states that half the stock of FCI is at least two years old, 30% between 2 to 4 years old, and some grain as old as 16 years."

And, what is the state of the Public Distribution System (PDS) in India? The same Planning Commission document has aptly described the pathetic situation on the ground as under:

"There is 36 per cent diversion of wheat, 31 per cent diversion of rice and 23 per cent diversion sugar from the system at the national level. The Targeted Public Distribution System (TPDS) does not seem to be working in the poorest north and northeastern States. The allocation of poorer States such as UP, Bihar and Assam was more than doubled... Yet due to poor off take by the States and even poorer actual lifting by the Below Poverty Level (BPL) families, the scheme has not made any impact on the nutrition levels in these States.

"The poor do not have cash to buy 20 kg at a time, and often they are not permitted to buy in instalments.

"Price charged exceeds the official price by 10 to 14%

"Despite the fact that consumption of the poor in India is 40% below as compared to per capita consumption of the top 10%.

"It is painful to note that with 50 million tonnes of foodgrains in the FCI godowns, more than half the children 1-5 years old in rural areas are under-nourished, with girl children suffering more severe malnutrition."

But, the anti-people mindset of the ruling elite seeks to attempt solutions differently. They want to remove sugar from PDS. They seek to shunt off food procurement to the State Governments. (Thankfully, the conference of Chief Ministers recently convened by the Prime Minister Vajpayee unanimously rejected this move). They would rather export the foodgrains, even at a loss, but would not extend subsidy to Above Poverty Level people. The carrying costs of the stocks are much more than the subsidy involved!

The riddle of 'plentiful foodgrains' on the one side and 'starvation deaths' on the other cannot be resolved, unless the anti-people governance at the Centre by the NDA is ended.

ILO CONFERENCE: 89th SESSION

M K Pandhe

The 89th Session of the International Labour Conference held in Geneva from 5th to 21st June 2001 considered at length the report of the Director General entitled "Reducing the DECENT WORK DEFICIT - A Global Challenge." "The gaps and imbalances between countries are vast and growing. In 1960 per capita GDP in the richest 20 countries was 14 times that in poorest 20 countries. By 1998 the gap has widened to 34 times". "Many countries are marginalised from the world economic system."

UNEMPLOYMENT

Referring to the serious unemployment situation, the report observed, "The employment gap is the fault line in the world today. We estimate that there are 160 million people openly unemployed in the world. Behind this stark statistic lies a sea of human misery and wasted potential. The headline figure underestimates the true extent of the tragedy, because whole families are its victims. If we consider the underemployed, the number skyrockets to at least 1 billion. 500 million new jobs will be needed over the next 10 years to absorb new entrants to the labour market.

The report estimated that 250 million children are working worldwide. The International Institute of Labour studies suggested that close to two countries out of five have serious or severe problems of freedom of association.

Regarding social protection the report stated, "Our global information is patchy, but it seems likely that only some 20 per cent of the world's workers have truly adequate social protection. In many low income countries, formal protection for old age and invalidity, or for sickness and healthcare reaches only a tiny proportion of the population. Meanwhile, 3000 people a day die as a consequence of work related accidents or disease." "Two hundred million workdays per year are now lost in the United States alone as a result of work related depression." "There are often obstacles to representation and social dialogue in export processing zones (EPZs) which account for 27 million workers worldwide".

ROLE OF IMF/ WB

The DG even made a mild criticism of the World Bank and the IMF. He said: "...the World Bank and the International Monetary Fund (IMF) which made serious errors in the 1980s by neglecting social costs of structural adjustment, have modified their macro policy stance in both developing and transition countries...They still fail to give enough importance to employment, however". The MNCs also come under attack. "Multinational enterprises are creating integrated global production system both by their direct investment and through complex chain of sub contracting. Representing the

interest of the workers in these system is faced with many difficulties."

Thus the Director General admitted serious lapses of the globalised economy "The present model of globalisation is losing support," he noted. However, he does not present an alternative to globalisation. He is keen to find a solution within the framework of globalisation itself. He says, "At the same time, most people understand that under fair rules, open markets and open societies are part of the solution. When he refers to "open market" and "open society" he means the capitalist system and the entire report is devoted to argue this point. "Ultimately, this is a matter that goes to the heart of the private enterprise system, because it reflects the basic demands that society makes of those who want to exercise the economic freedoms it offers." It should be noted here that the Director General openly attacked the socialist countries in his last year's report, which was totally unwarranted.

CRITICISM OF DG'S REPORT

K Thakkar, Vice President, BMS and worker delegate from India expressed his disagreement with the approach of Director General in his report. The BMS representative criticised the policies of globalisation and the role of IMF, World Bank and the WTO.

Sukomal Sen, General Secretary, TUI of Public

Employees also criticised the report and pointed out the growing resistance to the structural adjustment policies by the working class all over the world.

Several worker delegates from developing countries and many spokesmen of the Government severely criticised the policies of the IMF on the World Bank.

M K Pandhe, General Secretary CITU, while speaking in the general debate on the committee on Application of Labour Standards, pointed out how policies of financial globalisation are adversely affecting the working and living conditions of the working class all over the world. The proposals advanced by the DG in his report would only increase the deficit in the concept of decent work, he noted.

There was a special session on occupied Arab territories. K L Mahendra, General Secretary, AITUC while speaking on behalf of Indian workers condemned the role of Israel which was receiving full support from imperialist powers. He supported the struggle of the Arab people for vacating all occupied Arab territories by Israel.

There was a special discussion in the Plenary Session on Forced Labour during the ILO conference. On behalf of Indian workers delegation M K Pandhe spoke in the discussion. He examined how forced labour is the direct outcome of poverty and destitution and pointed out that the system cannot be abolished by merely passing legislation. Eradication of

poverty and ending exploitation of workers as cheap labour is necessary to fight the evil.

Satyanarayan Jatia, Union Minister of Labour, India, noted the adverse effect of globalisation policies in India (His own NDA Government was adopting the same policies with vigour).

According to the list of ILO delegation India sent 5 ministers to the ILO conference, larger than any other country in the world. Three Labour Ministers of Gujarat, Punjab and Jharkhand, only NDA supported government were included in the conference. Here again political consideration was taken into accounts. There was deep resentment among the worker and employer delegation participating in the conference about the staying arrangements of the Government delegation in deluxe hotels while others were put in medium hotels. Perhaps this was in keeping with NDA concept of austerity in India.

The ILO session adopted a new convention concerning safety, health and working conditions for the agricultural workers. It completed the first reading of the report on the cooperative movement in different countries and suggested some possible international standards to improve their functioning. The report was finally adopted and a draft of the convention would be finalised in the next ILO conference in 2002. In the committee on Application of Labour Standards there was a discussion in depth on the survey conducted by the ILO on Night work of women in industry.

The survey Report stressed that "there is a risk of a complete deregulation of night work through the removal of all protective measures for women and the failure to replace them with a legislation offering appropriate protection to all night workers. In a discussion on the prison labour the workers representatives criticised it as a forced labour but the representatives of the governments and employers from advanced capitalist countries justified it in a shameless manner. Over \$12 billion worth goods are produced in USA alone through prison labour. The CITU while criticising the approach pointed out that USA has ratified only 11 ILO conventions excluding the core labour standards.

The ILO considered forced labour in India on 8 occasions during the last 15 years. It came up for consideration once again this year. The Government of India elaborated measures they have taken which was considered as "repetitive" by several speakers.

The CITU representative pointed out failure of the Government to take measure against poverty and generate jobs for continuation of the system. Failure to introduce land reforms as the root cause of debt bondage in the rural area. The deliberations in the ILO session underline the need for the developing countries to become more so that the orientation of the ILO and the deliberations in ILO forums is changed in favour of developing countries.

(K. Hemalata, Secretary, CITU, representing India, participated in an international workshop on "Trade Union Strategies for Promoting Labour Rights in Export Processing Zones and Factories", held in Puebla, Mexico, on 24-27 May 2001. Here is a report, by her, on the proceedings of the workshop.
- Editor)

MEXICO: WORKSHOP ON LABOUR RIGHTS IN EPZs

The workshop on "Trade Union Strategies for Promoting Labour Rights in Export Processing Zones and Factories" was organised by the American Centre for International Labour Solidarity of the AFL-CIO (American Federation of Labour- Congress of Industrial Organisations), in the Autonomous University of Puebla. 51 delegates from 14 countries in Asia, Africa and North and South Americas attended the workshop. The delegates comprised trade union activists, NGOs, academics conducting research on EPZs and activists from students' groups campaigning for workers' rights, besides representatives of the Solidarity Centre and the AFL-CIO. The workshop discussed the experiences of the delegates in organising the EPZ workers in various countries. It also focussed on the strategies to develop coordination at international level, to effectively resist the onslaught of the Multi National Corporations on the workers in the Export Processing Zones. Simultaneous translation was arranged in the plenary sessions and discussions were held in three groups divided on the basis of language - Spanish, Portugal and English. The outcome of group discussions

was reported in the plenary and again discussed.

Conditions of workers

An EPZ can be defined as an industrial zone where special incentives are given to attract foreign investment, and where imported material is processed and exported again.

Export processing zones were established in most of the developing countries to promote export led development. Many incentives are given to the entrepreneurs to attract investment into the country, like tax holidays, duty free imports and exports, infrastructural facilities etc and exemption from implementation of some labour laws and social security benefits to the workers. 27 million workers are employed in the 850 EPZs and factories throughout the world. Around 60% of the workers are women. The reports from all the countries- be it India and Sri Lanka in Asia, or South Africa and Zimbabwe in Africa, Canada in North America or Mexico, Brazil and other countries in South America - all indicate that the workers in the EPZs, are severely exploited by the employers. The employers utilise all the benefits provided by the respective Governments and flout even the minimum labour laws that are made applicable in the EPZs. The

workers have no job security. Hire and fire policy is freely applied. While the wages are slightly more than outside the zone area in some countries, in many countries, the minimum wages declared by the concerned Governments are not paid. A large number of the workers are employed on contract basis. Social welfare benefits like PF, ESI and Maternity Benefits are not implemented. Only young girls of around 18-22 years are employed and they are not allowed to marry or have children. Sexual harassment and abusive language by the supervisors is common. Though labour laws are legally applicable in the EPZs, the Government and labour officials are the least interested in ensuring their implementation. The Zone authorities are more concerned with investments than the welfare of the workers. In some countries, the employers provide boarding and the workers are kept in these boarding houses and not allowed to meet outsiders. Minimum amenities like enough water, sanitation facilities are not provided, and the houses are ill ventilated and crowded. The young women, who come mostly from distant places, are not allowed to go outside for marketing etc., freely.

'Unionisation?' 'No'

Trade unions are not tolerated in the zones, though legally unions are not banned. The slightest suspicion of any effort by the workers to get organised is met with severe repression. Their jobs are immediately terminated. Employers even resort to physical attacks. As there is big competition among the developing countries to attract foreign investment, whenever the workers start getting organised, investors frequently shift their business to countries, where the labour is cheaper and the workers are not organised. After liberalisation and increasing competition in the world market, many companies have closed down, resulting in loss of employment to a large number of workers.

Trade Union Efforts

Because of the severe repression and restrictive conditions, trade unions find it very difficult to organise the workers in the EPZs. The group discussions in the workshop revealed that unions resorted to various methods to approach the workers.

* In Sri Lanka, the Progress Union, which is organising the workers, reported that the organisers went to the boarding houses in the name of relatives of the workers and approached them while they travel to the work places in buses, and tried to talk to them and organise them.

* In South Africa, various social organisations like the youth and community organisations, the church etc., were utilised to

approach the workers.

* In Guatemala, the organisers first start working clandestinely, develop cadres and then start raising the demands, after gaining some strength.

* In Brazil, the safety committees, which are allowed, are utilised to organise the workers.

* In Dominican Republic, the union approached the women in their residential areas, formed neighbourhood committees and women's orientation committees and then tried to organise the unions through these.

* It was also reported that in some cases, mass lay offs could be avoided and some dismissed workers taken back through international pressure by international federations and through solidarity actions in the host country of the MNC etc.

The workshop felt that better results were obtained by beginning with the felt needs and concerns of the workers, focussing on their demands like working conditions, safety and health, maternity benefits, sexual harassment etc and approaching the workers where they feel most comfortable and confident.

International Coordination

All the participants in general felt that there was a need to develop coordination at the international level between the trade unions, NGOs and others working among the EPZ workers, to effectively counter the offensive of the MNCs. At the same time, it was also recognised that there were some differences among the various trade unions and the NGOs on certain issues like the inclusion of social clauses in

international trade agreements and the use of methods like sanctions etc. It was agreed that any cooperation and coordination could only be based on mutual respect for the differing viewpoints. The workshop also noted that some NGOs and research institutions collected data with various motives and workers and their unions in several countries are naturally suspicious about the role of these organisations. There was also the problem of language for communication, in the exchange of information between unions from different countries.

Considering all these limitations, it was agreed that a draft would be prepared with all the information regarding the experiences in different countries and circulated to all the participants for their comments before finalising it. The Solidarity Centre would review the workshop and discuss on the methods to develop coordination. The participants would study the activities of the MNCs operating in their countries in the EPZs, their products etc., and try to identify the minimum conditions on which to organise struggles etc. The cultural and legal conditions in each country can be analysed and the kind of initiatives and structures found to be useful may be applied in organising in other countries. The workshop also considered if some big Multinational Corporations could be targeted for developing a world wide coordinated struggle, but no decision could be taken on this.

(Expert Tax consultant S.Rajaratnam, answering readers' questions in the weekly 'TAX FORUM' column in 'The Hindu' (June, 17), had dealt with the issue of accident compensation. We reproduce the question and answer, courtesy 'The Hindu', which may be of interest to our readers as well. - Editor)

ACCIDENT COMPENSATION NOT TAXABLE

Question: My son who is an employee of a public sector enterprise met with a serious accident getting permanently disabled. He was given about Rs 2 lakhs as compensation by the employer, while retaining him in service in a lesser pay scale. His salary income during the year is less than taxable limit. Tax has been deducted by treating the compensation as taxable. We would like to be advised whether the tax deduction is correct and whether refund can be claimed from the assessing officer?

Answer: If the amount is not taxable, tax deduction cannot be right. At any rate tax having been deducted, the only remedy in case the assessee is entitled to exemption is by filing refund application with the assessing officer.

There is a case for claiming exemption on this

COMRADE S. ZIAUDDIN AHMED

Com. S. Ziauddin Ahmed, a leading figure in the bank employees' movement passed away at the age of 63 at Kolkata on 16th May, 2001, following a massive cerebral stroke.

Com. Ziauddin, popularly called Zia, was one among the founders of BEFI. He held the position of Treasurer right from the day of its inception in 1982 till the 4th Conference in 1994. Prior to foundation of BEFI he was the Assistant Treasurer of BPBEA, West Bengal Unit of AIBEA.

Com. Zia, who joined the services of Union Bank of India in 1960, was the General Secretary and the Vice-President of the Union Bank Employees Association. He was also the Treasurer of All India Union Bank Employees Federation.

Com. Ahmed was a councilor of the Kolkata Municipal Corporation, being elected in 1990. The CITU and 'The Working Class' pay homage to the memory of Com. Ziauddin Ahmed.

amount. Though the law would presume that whatever is received from the present or past employer is income, subject to deductions and exemptions provided by the law, it is possible to consider contingencies, where it may not be taxable. It is possible that the employee got the compensation because the accident occurred during the course of his employment. Whether it is so or not, the immediate cause that is legally referred to as the *causa causans* is not employment but the accident in the chain of causation. If employment were *causa sine qua non*, it could only then be taken as arising out of employment as was decided in *Hochstrasser (Inspector of Taxes) v Mayes* (1961) 42 ITR 457 (HL).

Where it is a lumpsum payment made once for all for compensating a loss suffered in a personal capacity, it could only have the character of a capital receipt. However, English law and the Indian law may require comparison. Under the English law, any profit or gain arising or accruing 'in respect of any office, employment or pension' would be taxable. The rule provides that the taxability extends to 'all salaries, fees, wages, perquisites or profits, whatsoever therefrom'. Indian law would cover similar receipts from employment. In either case the nexus should be with employment and such nexus does not arise merely because the payer is employer and the payee is employee.

While it is true that whatever received from the employer may *prima facie* have the character of receipt from employment, it is not necessarily so in every case. As pointed out by Lord Denning in this case.

"My Lords, tried by the touchstone of common sense -which is, perhaps, rather a rash test to take in a revenue matter - I regard this a plain case. No one coming fresh to it, untrammelled by cases, could regard this pound sterling 350 as a profit from the employment. Mr. Mayes did not

make a profit on the resale of the house. He made a loss. And even if he had made a profit it would not have been taxable. How, then, can his loss be taxable, simply because he has been identified against it? I can readily appreciate the case which was put in argument, namely, that if an employer, by way of reward for services agrees to indemnify his employee against his losses on the stock exchange, the payments which the employee received under the indemnity would be taxable. But that would be because the losses were his own affair and nothing to do with his employment: the payments of indemnity would there be a straight reward for services. This payment of pound sterling 350 was nothing of that kind. It was a loss which Mr Mayes incurred in consequence of his employment and his employers indemnified him against it. I cannot see that he gets any profit there from. If Mr Mayes had been injured at work and received money compensation for his injuries, no one would suggest that it was a profit from his employment. Nor so here, where all he receives is compensation for his loss".

The penultimate sentence in the English case specifically refers to the compensation for injury suffered during employment and would consider that "no one would suggest that it was a profit from his employment". Indian law can be no different. Reimbursement of medical expenses incurred abroad on a discretionary basis, when there was no exemption under the law, was still held to be not taxable by the Tribunal in *J N Sapru v ACIT* (1996) 59 ITD 240 (Cal.). It was found that the word 'perquisite' could not extend to such extraordinary payment not found in the terms of the contract. What is not receivable under the contract and what is not made available as a normal amenity available to employee cannot come under the definition of perquisite, so that one need not consider further, whether there is any exemption for the same.

Removal of a disadvantage may not by itself be construed as an advantage. The decision in *Hochstrasser's case* (supra) was relied upon. What is ordinarily a capital receipt cannot become taxable. The Tribunal also relied upon an observation in *Kanga and Palkhivala's Law and Practice of Income Tax* to the effect that Sec 17(2)(iv) is not to be construed merely literally or

grammatically so as to render tax on salaries as authorising a tax on a pure humanitarian sum. Similar view was taken in *CIT v Smt. Gira Sarabhai* (1994) 209 ITR 356 (Guj). In this case, reimbursement of medical expenses of a director was held not liable to tax, when there was no exemption for such amount in the statute for reimbursement. Referring to the Board's Circular No.32 of 1955 dated July 18, 1955, the High Court saw no difference between treatment extended by employer himself to the employee and reimbursement given to him.

The Supreme Court in *CIT v LW Russel* (1964) 53 ITR 91 (SC) held that in order that a receipt may be construed as a perquisite arising out of employment, the employee must have vested right to the same. It was for this reason that premium paid on a personal assessee, who may be entitled to the proceeds of the policy in case of accident, was held to be not taxable in *CIT v Lala Shri Dhar* (1972) 84 ITR 192 (Del). A similar view was taken in *CIT v S G Pgnatale* (1980) 124 ITR 391 (Guj) in respect of living allowance paid to a non-resident, a view recently upheld by the Supreme Court in *CIT v Goslino Mario* (2000) 241 ITR 312 (SC).

Since there is a case of treating the amount as not taxable income, a claim for exemption of the compensation should be made by the reader's son.

COMRADE M HANUMANTHA RAO

We record with deep regret the death of Com. M. Hanumantha Rao, freedom fighter and a veteran leader of the working class and democratic movement of the country at Vijayawada on 18th June, 2001. Com. MH, as he was affectionately called joined the freedom movement even when he was a student. He underwent several years of imprisonment and underground life. He was a member of the Polit Bureau of the Communist Party of India (Marxist). He was a member of the Provincial Legislature of Madras, an MLA & MLC in A.P. and MP.

The CITU and 'The Working Class' pay respectful homage to the memory of Com. MH.

A RECIPE FOR GROWTH OR INCREASING POVERTY ?

- JOSEPH STIGLITZ

The last half-century has shown that while development is possible, it is not inevitable. Countries most successful at it—those of East Asia—followed policies markedly different from the Washington Consensus...

Equality matters - and should be an explicit policy goal. Older theory taught trickle down economics: that the best way to help the poor is "to grow the economy" and growth requires inequality, it was said... In fact, the poor may not benefit from growth - or they may have to wait too long - unless growth is accompanied by anti-poverty policies. Long term growth in East Asia has demonstrated that egalitarian policies aid growth. Indonesia exposes the danger of ignoring these concerns. IMF inspired policies in Indonesia led to massive depression, then to the elimination of food and fuel subsidies at the very moment when unemployment was soaring and real wage plummeting... Compassion apart, it was bad economic policy... Economics can never be separated from social and political concerns...

Common sense, however, is often absent in policy making... It may no longer be politically correct to ignore the poor, and few nowadays openly

advocate trickle down economics. But don't be fooled ! The same people who promoted the Washington Consensus now bring "The Washington Consensus plus" paying lip service to education specially of girls. The same people who advanced "trickle down" now say "Growth is necessary and almost sufficient for poverty reduction". Behind the new rhetoric lurk the same old neo-liberal policies of unthinking liberalisation and privatisation.... Done mechanically, they increase poverty and inequality, and stymie growth.

Has privatisation delivered growth in Russia, for example ? A few oligarchs garnered billions, but they did so by stripping assets, rather than creating wealth. Russia's capital market liberalisation led to vast capital flight, not the promised flow of investment. While the State gave away nation's jewels, it could not pay pensioners their miserly allowances.

As pushed by IMF "structural adjustment programme" liberalisation was supposed to move workers from low to high productivity jobs. In all too many countries, however, it moved them from low to zero productivity jobs—unemployment. This

AIRPORTS ON SALE! TO WHOM and HOW?

"The controversy over opening up of ground handling services in international airports to private players has run into big troubles. At first, there was the issue of the Civil Aviation Ministry overlooking the security concerns. Now, the Central Vigilance Commission (CVC) has entered the scene and is looking into alleged violation of tender evaluation norms....

Moreover, it has come to light that a partner in one of the shortlisted consortia (prospective customers) owes Rs 37 crore to the Airport Authority of India Ltd(AAI) and another successful bidder is a gulf based company which employs former Pakistan airforce officers...It was pointed out that, one of the shortlisted party, Interglobe, has 30% equity participation by DNATA,.....which employs former Pakistan airforce officials and its entry into sensitive airports will be a threat to country's security.

Samarth Aviation India Ltd... one of the bidders, and topper for several airports, but has withdrawn later. But, AAI went ahead with evaluation of other bids, instead of going for a re-bid.....

The CVC guidelines were not brought to the notice of the AAI Board. Moreover, the minutes of the (board) meeting contained names of shortlisted bidders while no names were discussed by the board. The issue of letter of intent took place even before minutes were finalised.. "

(The Economic Times , 14-06-2001)

is a recipe, not for growth, but for increasing poverty..... The problem of Britain's rail privatisation and California's electricity deregulation have stripped bare the dangers of neo-liberal policies even in the best of circumstances...

The time is ripe for a new third way consensus, beyond the neo-liberal Washington pensee: a balanced view...., refusal to confuse means (like

privatisation and liberalisation) with ends, and a broader conception of those ends,— not higher GDP, not increased income for the few, but the creation of democratic, equitable and sustained growth.

(Joseph Stiglitz in Economic Times, 6-06-2001. The author is professor of Economics at Stanford University, former Chairman of the Council of Economic Advisors to President Clinton, and Chief Economist and Senior Vice President of the World Bank)

'Liberalisation has achieved little'

The former Prime Minister, S. Chandra Shekhar, today alleged that the policies of economic liberalisation initiated in 1991 at the suggestion of the World Bank and the International Monetary Fund had not resulted in any significant improvement in the 1990s over the 1980s. On the contrary, there were significant declines in important economic indices pertaining to subsidies, tax revenues, employment potential, etc.

A presentation prepared by Chandra Shekhar indicates that in most cases, Indian interests have lost out to foreign companies and that there were pressures on the Government to reduce subsidies and cut expenditure even as the percentage of subsidies have been rising in the developed countries. "A most disturbing fact is that while at the Centre there have been change of ruling political parties and their combinations —from the Congress to the United Front to the BJP (each with claims of having differing political philosophies) - each successor Government swore to carry forward the process of liberalisation. It is indeed a wonder that while political philosophies are different, economic policy frame and the direction of change is the same! Was it because of the pressure from outside India was the same and carried decisive weight?"

Giving out the growth rates in principal sectors during 1980-81 to 1990-91 and 1990-91 to 1999-2000, he said the primary sector grew by 3.4 % in the first decade and 3.2 % in the second, the secondary sector by 7 per cent and 6.8 %, in the two comparative decades and the tertiary sector by 6.7 and 7.1 %. The overall growth of the gross domestic product (GDP) was 5.6 % in the first decade and 5.7 per cent in the second. So was there growth or stagnation?

On subsidies, it says that while the share of subsidies and other transfers in total current expenditure slipped from 43 % in 1990 to 40 % in 1997 in the case of India, it increased in case of most of the developed countries. For instance, in the U.S. it rose from 50 to 60 %, in U.K. from 52 to 58 %, Australia from 56 to 61 %, Belgium from 56 to 60 % and France from 63 to 65 %.

Turning to the issue of tax to GDP ratio, Chandra Shekhar alleged that "there is a general approach by the World Bank that the rate of taxes be reduced. In line with this approach, in India the tax rates are being reduced drastically." He brought out statistics to show that the ratio of current tax revenues as a percentage of the GDP was 41.5 % in case of Belgium in 1990, which rose to 43.3 % in 1998. In case of France, the percentage went up from 37.6 to 39.2 % in the respective years, while in the U.K. it went up from 33.3 to 36.3 % and from 18 to 20.4 % in the U.S. In India, however, it dipped from 9.9 per cent in 1990 to 8.6 % in 1998.

Chandra Shekhar also listed out data to show that the marginal rate of tax was the lowest in India as compared to the rates in a few select developed countries; that the exchange rate of the rupee had declined progressively during the liberalisation phase and that the number of registered job seekers has increased considerably between 1990 and 1999.

(Courtesy: The Hindu, 19 July, 2001)

The role of Chinese Trade Unions and campaign in India

A.K.PADMANABHAN

After the removal of quantitative restrictions on import, a lot of discussions is going on about the Chinese products, which are expected to flood the Indian markets. The discussion centres on 'cheap products' and cost-effective production methods in China. While we are not going into the details of this discussion, we have to take note of a systematic, campaign on the 'Labour rights' in China going on in India at present. This is being done with a clear motive. Those who are involved in this campaign are trying to give an impression that reforms in China is a success and that they have been able to do this because there are no Labour rights in China. The message is that the rights of the workers and TUs in India should also be effectively curbed.

One of the campaigners in this group has claimed that "There are no Trade Unions in China". He goes on a vituperative campaign against Trade Unions in India alleging "In India, the environment is such that a person, who is not doing work is a union leader, he takes out rallies, pressurises factory owners by closing production". His reasoning is that since China does not have trade unions, 'They do not have any strike/agitation and the productivity of a Chinese worker is better leading to a lower production cost'. For the sake of their

campaign against Indian workers and the Trade Unions, they have unleashed a mis-information campaign about the Trade Unions in China, their rights and their activities. (Reference: an article from the Indian Employers' side by J.O. Patel, Partner, Ajantha Clock Manufacturing Co., circulated by Karnataka Employers Association).

Chinese Trade Unions

Chinese Trade Unions have a long history. They had played a historic role in the liberation of their country and continue to play a major role in defending the interests of the workers. They are also involved in various forms of economic activities. All China Federation of Trade Unions (ACFTU) has a membership of 103 million. It has strong organisations at national, provincial, municipal, county, township, neighborhood and enterprise levels.

The activities of the Chinese Trade Unions are not confined to the old enterprises. With the development of the new foreign funded enterprises, Trade Unions are being formed in all these enterprises as well.

ACFTU has been demanding that foreign funded enterprises should have unions established by the time the enterprises become operational. They are even pressing that the enterprise and the trade union should start operation simultaneously. The Chinese

Govt has been actively supporting this demand. According to a latest report of ACFTU, "4,50,000 such enterprises have already been unionised with 17 million members"!

Those of the employers in India, who claim to have visited China umpteen times in the recent period and dare to declare that there are no trade unions in China, should either speak the truth or at least check up their statements during their next visit to China!

Collective Bargaining Right
China's Trade Union Law and Labour Law lay down that the Trade Union shall bargain and sign a collective contract with the employer on behalf of the workers.

The system that is being followed is that of negotiations with the trade union representatives before a draft is prepared and then placing the draft before the plant level Workers Congress. Workers' Congress is a plant level representative body, elected by the workers. The approval of the Workers' Congress is necessary before an agreement is made.

The trade unions also have the right to inspect Labour Law enforcement.

Workers' Congress

Workers' Congress, as stated earlier, is an elected body, elected by the whole staff of an enterprise. They have wide ranging powers like reviewing

management decisions, examining and approving rules and regulations, determining important matters such as workers welfare, and appraising and supervising enterprise leaders. According to ACFTU, 3,50,000 enterprises and institutions in China have been brought under the Workers' Congress system.

Misinformation Campaign

These campaigners say that Chinese are able to produce cheaply, because there are no minimum wages! This is not at all a fact. They do have a policy which stipulates that the "Standards for the labour contract should not be below those of the collective contract". The Chinese Socialist system itself gives minimum guarantees to the workers.

Further, it is being often told in various circles that the wage level in China is much lower than that in India. This is also not a reality. A recent PSI research reveals that in China the average wage of workers and supervisors in manufacturing sector in China is significantly higher than that in India (Ranjit Shastri in *Swagat*, IA house Journal, June 2001).

The main point to be noted here is that in China, unlike India, the State has shouldered various responsibilities including social security for workers. With these responsibilities vested with the State, the overheads of enterprises are reduced and workers also need not pay for it from their wages. With such reduced overheads, and its reflections on the costs of production, the products

become cheaper.

So, when Trade Union right is ensured, Trade Unions bargain and finalise wage settlements and the total social system is such that it defends the rights of workers. The exploitative system in India can never be comparable to the system in China.

The Indian employers themselves speak about the improvements in infrastructure in China. One of them says that roads and delivery system in China is extremely good. They also speak about availability of cheap raw materials, power at the rate of Rs.2 per unit when it is Rs.4 in India. All these are having reflections on the cost of production, making the Chinese products more competitive. Who is to be blamed for such infrastructural backwardness in India? But the Indian employers lobby, instead of pointing to the correct spots of the real problem, has been turning their guns on the workers and their trade unions, as if the workers in India are responsible for all the ill effects of the system in India.

System Defends Workers

Chinese system itself defends the interests of the workers and there lies the basic reason of high productivity. The Government and the Trade Unions do not hesitate to openly speak about the problems. The modernisation and restructuring of Industries in China has, no doubt, rendered thousands of workers jobless. But the State and the Trade Unions are making all efforts to see that the displaced workers do not starve

and their interests are safeguarded. Workers are taken into confidence by the Govt. in formulating the redeployment/retraining policies and in its implementation.

Yet another important point must be kept in view here. Even if the Chinese workers have, on brief spells, to put up with some inconveniences or to suffer some sacrifices, they willingly undertake to do so. Because, their sacrifices result in making their country strong and invincible and not in fattening the bellies of their employers.

In India, the picture is just the opposite. Indian employers want the workers to 'sacrifice' endlessly only in order to pamper the capitalist greed for profit. The Govt. and the employers gang up to take on the workers and the trade unions and do not care to have even meaningful discussions with the unions on such important issues, except making sterile statements on labour being a social partner.

The aim of the employers in India in raising a hue and cry over cheap imports is becoming clear. To make the products of India cheaper, they have only one demand - amend the Labour Laws, implement a hire and fire policy and get rid of the trade unions! The Govt. and the employers lobby shamelessly gang up to eliminate labour rights. The challenge is enormous and has to be confronted by the Indian working class unitedly.

(Source: 'Chinese Trade Unions', a publication of the ACFTU and other materials.)

(The Industrial Tripartite Committee on Engineering Industry (ITCEI) met at Delhi on 28th May 2001. A.K. Padmanabhan, Secretary, CITU, participated therein. Here is a report by him. Editor)

Industrial Committee on Engineering Industry Meets

The Industrial Tripartite Committee on Engineering Industry was formed in 1991, to discuss industry specific issues. As is the practice of the Govt. at the Centre, this tripartite forum also has not been meeting. It has met only four times since its inception and the last meeting was held about 4 years back when P.A. Sangma was the Labour Minister. The Committee was reconstituted recently and this was the first meeting after its reconstitution.

DISAPPOINTING GROWTH

Munnillal, Minister of State for Labour, chaired the meeting. He welcomed the participants and observed that the Tripartite Committees should meet more often to assess the impact of reforms on industries. He stated that the engineering industry is the backbone of the manufacturing sector but the growth rate has not accelerated to the "take off stage" even after more than 50 years of independence. He also appealed for cordial employer- employee relationship.

The Secretary, Labour referred to the note circulated earlier and observed that the performance of that sector has not been good, both in the large and small scale units. He wanted the participants to use the forum to present their problems though everything could not be sorted out or solved in the meeting.. He informed that Central Trade Unions had identified a number of issues, including sickness and revival of industries, payment of statutory dues of workers, retraining, redeployment and skill upgradation of workers, dumping of products from other countries, threats from multinational corporations (MNCs) and wage revision. The Ministry of Defence, echoing the demand of the employers, had given its views on the need to amend the Contract Labour (Regulation & Abolition) Act to allow outsourcing of peripheral/non-core activities! It had also suggested amendment in the Trade Union Act to facilitate recognition of a bargaining agent and to promote collective bargaining.

CRISIS DIMENSIONS

The discussion began with the BMS representative, referring to the Globalisation policies and the resultant crisis. He said that the employers are already cheating the workers and the Govt. proposed amendments of I.D. Act and Contract Act would be disastrous. All the T.U. representatives were unanimous in their criticism of the Govt.'s liberalisation policies and the connected issues including Labour Law amendments.

The CITU representative referred to the note circulated for the meeting and said that it was hopelessly inadequate. It neither presented the true picture of the crisis nor identified the reasons thereof. While the Minister wanted the participants to speak the stark truth, the Govt. was trying to cover up the real issues. The macro-economic policies of the Govt. are responsible for the crisis in all Industries, including the Engineering Sector, as well as in Agriculture. The economic survey has noted the fall in Industrial growth as well as in the manufacturing Sector. The fall was very much notable from 14.9% in 1995-96 to 6.4 %in 2000-01. All the economic fundamentals including investments, savings, consumption, purchasing power, technological development have been weakened. Liberalisation has played havoc with the domestic industries. The experience in Tamilnadu showed that all the sectors of Engineering Industry, including the Small Scale, were facing severe crisis. No efforts have been made to look at the basic reasons.

The TUs were not against technology and Technological upgradation. It was the failure of the employers and Govt. to develop a proper policy that has resulted in severe problems. There were problems of plenty, when the consumption rates have been much less in India. Per capita steel consumption in India is only 26 Kgs, while it is 89 in a country like Egypt and world average is 149. While formulating an industrial policy, it will be futile to aim only at Exports, forgetting about the

vast market that can be developed internally. For this, the purchasing power of the people has to be increased. When sickness is growing and VRS has become the only mantra how can the internal market be developed? The problems facing the Industry can not be solved, unless there is a basic change in the policy.

The Govt. note suggested that "out sourcing, subcontracting, parallel and lease licence production may be the new practices for concentrating on core competencies of enterprising and having together managerial control over these activities". The note had, as a ritual said that care should be taken "not to result in non standard employment and work practices. But, this approach will only result in "non-standard employment and work practices".

We do not have a proper policy on technical education also to suit the present day requirements. As a country we spend a negligible amount on technical education, skill development and HRD.

EMPLOYERS' CHORUS

The employers' representatives in general wanted the Labour Law amendments to be speeded up. Many of them referred to the issue of dumping and wanted controls on imports. There was demands for 'social security net', so that they can get rid of workers without hindrance.

The representatives of small-scale sector were critical of the Govt.'s policies in various aspects. Delayed payments, even from profitable public sector, to the ancillary units are a serious problem. They also joined the other employers in demanding amendments to Labour Laws and end to 'Inspection Raj'.

GOVT. RESPONSE

Secretary, Ministry of Heavy Industry and Public Enterprises, advocated creation of an efficient industrial sector, which would also create jobs for workers. He stated that there is no blanket exposure of the Indian industry to the global market and protection of industries is still there on case to case basis. In this context he mentioned the raising of custom duty in the auto sector to 60 percent. According to him industrial sickness was rampant even before the new industrial policy was implemented in the early nineties. The Government is none the less

concerned with the problem of industrial sickness. On the question of wages due to the workers, he said, a group of Ministers are 'looking into it' so as to find a way out and assured of 'corrective steps'. He was of the opinion that closure, liquidation of some units can not be avoided. He claimed that 60,000 workers were given retraining under NRW, and 18,000 were redeployed. The Government has also focused its attention on providing self-employment opportunities as a means of redeployment of workers.

With a view to strengthening the existing safety net for workers, the Government has announced the Ashray Bima Yojna and dialogue has also been initiated with insurance companies and Provident Fund Organisation for improving the existing social security schemes."

The representative from Department of Information Technology pleaded for flexibility in hours of work for the women workers employed in export processing zones, in order to give a boost to export!

Labour Secretary, summed up, saying that there is a need to improve the competitive environment of Indian industry. However, changes brought about for this purpose will have to be discussed with the social partners and fears dispelled about the "anti-labour" nature of these changes. Strengthening of the social security net is a priority area needing immediate attention. More job opportunities should be created for workers. Laws applicable to the SSI sector needed further simplification.

Munnal concluded the meeting assuring regular meetings to be held in future.

On the whole, many issues connected with the Industry were put forth and TUs were unanimous in their views. If the past experience is recalled, this meeting does not give any hope. An official of Labour Ministry made the real point, most probably unknowingly. In her vote of thanks, she said: "Labour Ministry is only co-ordinating on these type of issues and decisions are taken elsewhere." It was a candid admission by the Labour Ministry that, in recent period, all decisions on labour matters also are not taken in Labour Ministry but "elsewhere"! We know where and why!

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JULY 25: ALL INDIA STRIKE BY GOVT. EMPLOYEES

A national convention of the State and Central Govt employees' organisations was held in New Delhi, on 27th May 2001. It decided for a countrywide strike action on 25th July 2001, to be preceded by nationwide campaign up to block-level against the anti-worker and anti-national policies of the Vajpayee Govt. and their atrocious game plan to downsize the workforce and impose conditions of slavery.

The national convention was organised jointly by All India State Govt. Employees Federation and the Confederation of Central Govt. Employees and Workers, representing a overwhelming majority of the State and Central Govt. Employees.

A presidium consisting of T R Narayanan (CGES), R L Bhattacharya (NFPE), R G Karnik (AISGEF) and Ajoy Mukhopadhyay (AISGEF) conducted the Convention.

S K Vyas, secretary-general, Confederation of Central Govt.

Employees and Workers, placed the draft declaration. He dwelt at length with the new situation arising out of the calculated onslaught being unleashed by the Vajpayee Govt on Govt depts. and Govt. services, by way of massive and thoughtless downsizing of workforce, desperate move for privatisation of various Govt. services, besides rampant contracterisation and casualisation. The declaration and the work-paper presented in the convention also pointed to the retrograde move of the Central Govt. to curtail various rights of the employees. The recommendations of Geethakrishnan Committee and other Govt panels exposed the game plan of the Govt. These moves, besides adversely affecting the interests of the employees and we, would also adversely affect, and in some cases discontinue, various public welfare services, impacting the common people.

Sukomal Sen, General Secretary, All India State Govt. Employees

Federation, explained the urgent necessity of coming together of the Central and State Govt. employees and workers for building up united and mighty struggles against these atrocious policies.

The Convention was greeted by M.K. Pandhe, General Secretary, CITU, K. L. Mahendra, General Secretary, AITUC, V. S. Yadav of BMS, S. C. Gaur of TUCC.

150 representatives attended the convention from all over the country. After a day long deliberations, the convention unanimously decided to observe "anti privatisation day" on 18th July 2001, through massive joint demonstration and rallies all over the country. The convention also decided to observe one-day token strike on 25th July 2001, in all the State and Central Govt. establishments throughout the country. The programmes of countrywide strike action will be preceded by joint convention of State and Central Govt. employees in all the major cities.

2 DAYS STRIKE BY DEFENCE EMPLOYEES

The All India Defence Employees Federation, Indian National Defence Workers Federation (INTUC) and Bharatiya Pratiraksha Mazdoor Sangh (BMS) held a joint meeting at New Delhi on 18-19 June, 2001.

The joint declaration adopted by the three national level organisations demanded of the Government of India:

1. To protect the interest of National Security, withdraw

immediately the decision taken by the Government of India to allow 100% private participation in Defence Production with 26% FDI.

2. To stop all types of

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corporatisation, privatisation, contractorisation in the Defence establishments.

3. Full utilisation of the capacities available in all the Defence establishments including the Ordnance Factories.

4. To stop downsizing and fill up all the existing vacancies.

The meeting also resolved that the

Defence civilian employees all over the country, numbering 5.5 lakh, will go on a countrywide 48 hours strike action starting from 6 am on 23rd July and ending at 6 am on 25th July 2001, in pursuance of the above demands.

The Central Trade Unions (CTUs) viz, the AITUC, BMS, CITU, HMS, INTUC, UTUC, UTUC(LS), AICCTU and

TUCC in a joint statement on June 20, 2001, hailed this decision as a befitting rebuff to the reckless move of the Govt. of India to throw open the doors of defence production to private sector and Foreign Direct Investment. The CTUs called upon all the trade unions to stage solidarity action on the days of strike, in all the State capitals and district centres.

ORISSA: SEMINAR ON DEVELOPMENT ISSUES

A state level seminar on "Poor Economic Development of Orissa: Measures and Remedies" was held at the Orissa State Information Centre, Bhubaneswar, on 3rd June 2001, at the initiative of Orissa State Committee of CITU.

The Seminar was attended by more than 500 participants from all walks of life and mass organisations, cutting across political affiliations. It was inaugurated by eminent economists Basudev Saha. He dealt with the problems of unbalanced development indulged in by the policies of successive Govts. at the Centre and the State. This has rendered the State of Orissa economically backward and famine-prone, despite her huge natural resources and natural advantages for economic and industrial development.

The seminar was presided over by Lambodar Nayak, President, Orissa State CITU. Bishnu

Mohanty, General Secretary of State CITU, welcomed the delegates and speakers in the Seminar. They emphasised the urgent need of collective initiative by all the mass organisations, irrespective of affiliations, for a people-centred policy for economic and industrial development of Orissa. That alone will ensure all round growth along with social and distributional equity. Other notable speakers in the seminar were eminent economists and academics like P K Das, Bijoy Bahidar, SN Sahu, and the trade union leaders like Sivaji Patnaik, Pradipta Panda MLA, Sunil Basu Roy, General Secretary, All India Coal Workers' Federation, and also Sarat Chandra Sahu, Chairman, Small Scale Industries Associations. Bimbardhar Kuar, Minister for Labour & Employment, Govt. of Orissa, also spoke at the seminar and released the Souvenir published on the occasion of the seminar.

All the speakers, while deliberating on the developmental issues in the State of Orissa, pointed to the disastrous fall out of the policies of globalisation, liberalisation and privatisation on the economy and industry. They also referred to the life and living of the mass of the common people. The industries are becoming sick, small-scale sector is facing virtual extinction, conditions of the people are growing from bad to worse and regular recurrence of famine like situation is leading to starvation deaths. Many raised serious doubts, whether any broadbased and equitable development of Orissa will, at all, be possible within the framework of ongoing liberalised policy regime and the need of the hour is to fight against the policy of globalisation.

M K Pandhe, General Secretary, CITU, in his message to the seminar, emphasised the urgent need to draw a comprehensive people-centred plan for broad-

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based development of Orissa with equity, while simultaneously

fighting against the policies of neo-liberal globalisation.

The seminar has created a good

impact among the participating organisations and the people.

TAMILNADU: STRIKE IN NEYVELI LIGNITE CORPORATION

16000 workers of Neyveli Lignite Corporation (NLC), a premier PSU in the power sector, got their wage revision through a powerful struggle.

The wage agreement in NLC expired on 31-12-96. The wage negotiation was kept pending for more than five years. The DMK affiliated LPF union, the recognised union in NLC, was reluctant to take effective struggle programme.

But, following the continuous agitation and campaign by other unions in the NLC, with CITU in the forefront, the recognised LPF union had to give a call for work-

to rule agitation from 17-05-2001 and stay-in strike from 21.5. 2001. The CITU union, in association with other non recognised unions, took the lead for implementing the action programme. There was tremendous response from the mass of the workers. The stay in strike continued from 21st May successfully, despite stiff obstacles from the management. The management sought to get an undertaking signed by workers at their entry point in the factory. The workers refused to sign the same, despite green-signal by the LPF union. This resulted in a scuffle at the gate and the CISF attacked the

workers, injuring more than 100 workers out of which 15 were hospitalised in a serious condition. This infuriated the workers. Demonstrations, hunger strike and picketing were staged on the following days. The CITU leaders, including T. K. Rengarajan, General Secretary, TN State CITU, addressed the workers.

On 26th May, the management had to come to an agreement with the recognised union giving 60% wage rise to the NLC workers and other benefits, even though the LPF union, in its charter of demands, had demanded only a 50% wage rise.

TIRUPPUR OBSERVES COMPLETE BANDH

Tiruppur, the hosiery town in Coimbatore, Tamil Nadu, observed a complete bandh on 21st June, protesting against the order of the Govt. of India, drastically reducing the duty draw back on hosiery exports. All the political parties including CPM, CPI, DMK, AIADMK, MDMK, PMK, TMC and INC gave the call for the bandh.

Govt. of India had by its order dated 1. 6. 2001 revised the duty drawback scheme. The all party meeting on 15. 6. 2001 pointed out

that this order will put a question mark on the survival of the industry. Besides reducing the uniform rate of 15 % to 5.5% to 10. 5 % on various items, the new order has drastically reduced the upper ceiling of amounts from Rs. 55 to Rs. 9 per piece. This order will create a very serious crisis for the industry which earns Rs. 5000 crore as foreign exchange to the country.

The Tiruppur exporters Association, in a memorandum to the Finance Minister, has explained

the severe repercussions on the Industry and demanded restoration of duty drawback at last year's level.

All the Trade unions including CITU, AITUC, LPF, ATP, MLF had also called upon the Govt. to revise the order.

All the Industries, Shops and all activities including transport in Tiruppur Town and suburbs came to a halt from 6 a.m. to 6. p.m on 21 St June. The Trade unions and political parties have decided to continue the struggle.

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KOLKATA : COAL WORKERS DEMONSTRATE

The employees and workers of Coal India Limited (CIL) and its subsidiaries at Kolkata and Dankuni Coal Complex held a massive demonstration on 20 June, 2001, strongly protesting against the mala fide moves of the Central Government. In the Central Budget for the year 2001-2002 the existing benefits and rights of the working people as a whole were curtailed. It is proposed to wind up/size down the Liaison, Sales &

Marketing Offices of CIL and its subsidiaries in the country as a whole and at Kolkata in particular and to wind up/ down size the Coal Controller Office as well as CMPF Office and to privatise the nationalised Coal industry.

This demonstration also strongly protested against (i) BIFR decision declaring ECL as Sick Industry; (ii) Sale of Dankuni Coal Complex to private business house; (iii) Closure of viable Coal

Mines of ECL and BCCL in the name of safety and thereby possible retrenchment of about one lakh coal workers.

This demonstration also noted that management of CIL is withdrawing unilaterally the existing benefits including leave travel benefits etc.

A memorandum was also presented to the Chairman, Coal India Ltd., by the All India Coal Workers Federation.

STRIKE IN SINGARENI COLLIERY

About one-lakh workers in Singareni Collieries in Andhra Pradesh went on a continuous strike since June 7, 2001. The workers were demanding implementation of the Sixth National Coal Wage Agreement

(NCWA-VI) from 1st July 1996 and immediate payment of arrears. The strike was complete in Singareni, as all the trade unions functioning in the colliery joined the strike. The workers continued their strike for 13 days.

The State Govt. had to intervene. On 21st June, the strike was called off after the management agreed to pay 60% of the arrears of the wage agreement by August and clear the dues of the retired employees also.

COAL TRADE UNIONS MEET THE UNION MINISTER

In the background of the strike by the Singareni Colliery workers, the Coal Minister, Syed Shahnawaz Hussain, called a meeting of the Central Trade Unions functioning in Coal Industry on 13th June 2001. The main issue was the implementation of the National Coal Wage Agreement - VI and payment of arrears from 1st July 1996.

When this agreement was signed in 1999 by all the unions except

CITU, the management never raised any problem regarding the arrears payment. CITU did not sign the agreement since the wage rise given to coal workers was paltry, compared to the rise granted in other PSUs and also to the officers in Coal industry. The mass of the coal workers rejected the said agreement and demonstrated their anger through a massive three-day strike at the call of CITU, which the workers joined

en-masse irrespective of affiliations. Following that massive strike action, the Coal management was compelled to change the earlier agreement and granted additional wage rise over and above the earlier agreement. But even after passage of one year, the payment of arrears was not made to the workers. In this background, the All India Coal Workers' Federation (CITU) had called upon the coal workers and other trade

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unions to prepare for countrywide strike action.

In the meeting with the coal Minister on 13th June, the unions demanded immediate payment of wage agreement arrears, at least before the expiry date of the agreement (30th June 2001). The CITU also demanded prompt action by the management and the Govt. for revival and revamping of ECL, BCCL and CCL. Prompt

payment of pension to the retired employees was also demanded.

The Coal India management and the coal Minister, on the other hand, stated that while payment of arrears to the retirees will be made from 15th August onwards, the payment of arrears to other coal workers will be taken up for discussion only after 20th August. Thereafter, in a most unscrupulous manner Coal India management

issued a press release on 13th evening stating that all the unions agreed to the suggestions of the minister.

S K Bakshi, Secretary CITU, wrote to the Coal Minister on 14th June 2001 pointing out the distortion and misrepresentation of facts by the Coal India press statement and reiterated the demand for payment of arrears before 30th June, 2001.

ANTI-LIBERALISATION FRONT IN UP

In UP, an Anti-Liberalisation Front of Mass Organisations was formed at a conference jointly organised by the unions of Industrial workers and other organisations of farmers, traders, small Industries and intellectuals at Buland Shahar on 5th June,

2001. This front will strive to build the joint struggles against the disastrous policies of liberalisation and globalisation. It may be recalled that at the initiative of CITU, a meeting of workers, peasants and small traders was

called on May, 6 2001, which decided to launch joint struggles. Kanai Banerjee, Secretary, CITU and Shailender Shaily addressed the conference. Surender Singh, Secretary, District CITU was elected convener of this front.

AIRPORTS/ AIR INDIA PRIVATISATION OPPOSED

All The five major Central Trade Unions in the country have jointly opposed the hectic move of the Govt. of India to privatise Air India and country's International Airports, which is seriously undermining the national security.

In a joint letter to Prime Minister on 15th June 2001, the AITUC, BMS, CITU, HMS and INTUC stated: "the Ministry of Civil Aviation is busy seeking to hand over the zealously guarded ground

handling services at the international airports to new foreign players. The decision, it is apparent, is purely on commercial consideration with no concern to national security. The Airport Authority of India has already issued letters of intent to four foreign companies and one Delhi based company. Among the foreign companies... is the Dubai based Dnata, which has set up joint ventures at four airports in Pakistan and has also employed former officials of Pakistan's Airforce".

The trade unions also pointed out that the ground services in most of the airports the World over are operated by national airlines themselves or national handling agencies. There is no reason of our country being an exception to that.

Civil Aviation Ministry's moving ahead in the matter ignoring the opposition by the unions will invite serious industrial unrest, and demanded immediate reversal of the retrograde move.

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RAIPUR: MASSIVE WORKERS RALLY

In support of the 28 month long strike by the "*hammal-reja-sillai*" workers of the rice mills of Dhamtari, a massive State level rally was organised at Raipur by the Chhattisgarh State Committee of CITU on 6th June 2001.

The workers had been on strike since 13th February 1999. The demand of the workers was nothing but implementation of 10.5% wage rise agreement, which the mill owners declined.

The State labour dept. did not take any step against the violation of the agreement. Rather, the State administration sided with the mill-owner to unleash repression on the workers and also on the solidarity activities at Dhamtari. In this background, the rally was held. Several thousand workers, including tribal and women workers, from all over the State started pouring into Raipur from 5th June night itself. They raised

slogans against the corrupt labour dept. and the unlawful activities of the mill-owners.

The rally was addressed by M K Nandy, General Secretary of State CITU besides other leaders like B Sanyal(AIIEA), P K Mukherjee, KPG Panikkar (Steel), Kameshwar Singh(Coal), Darmaraj Mahapatra, Ajitlal, A K Shukla and Sanjay Parate of Kisan Sabha.

4TH JULY: STRIKE BY BANK OFFICERS & EMPLOYEES

The United Forum of Bank Unions (UFBU), comprising nine national level organisations of employees and officers in the Banking industry, has decided to go in for a countrywide bank strike on 4th July 2001. The strike is in

protest against denial of arrears payment to the employees and officers of three Banks, viz., Indian Bank, UCO Bank and United Bank of India. The UFBU denounced the denial of arrears payment to the employees and

officers of those three banks and called upon the bank collectives to prepare for making the forthcoming strike a resounding success. CITU extends wholehearted support to the united struggle.

AFTER PRIVATISATION:

MODERN FOOD WORKERS FEEL CHEATED

The Govt. of India sold the Modern Food Industries Ltd., (MFIL) to Hindustan Lever for a song, one and half years back. A company with fifteen manufacturing units and huge landed asset in major metropolitan cities was handed over to Hindustan Lever for only Rs 104 crore. The Disinvestments Minister's pious declaration was to

make the MFIL more efficient, under the management of a MNC. Within a year of take-over by the Hindustan Lever, the MFIL was made to incur a loss of over Rs 37 crore (more than five times than the PSU days). The company sought registration as a sick company with the BIFR by the 'efficient' Hindustan Lever management.

Just prior to privatisation, the MFIL management entered into wage revision agreement with the workers unions for a period of four years. Many of the agreement provisions were not implemented, even after one and half year of signing the agreement. And now, Hindustan Lever management is using the reference to BIFR to deny the workers their dues. Plan

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is also afoot to close down some of the units, threatening the jobs of the existing employees. What the journalist turned Disinvestments Minister, who

vowed to protect the interests of the workers after privatisation, would now say about the cheating of the Modern Food workers? All the unions of the Modern Food

workers have denounced the Govt. - Hindustan Lever nexus and demanded immediate implementation of the wage-revision agreement.

HARYANA: MASSIVE DEMONSTRATION AT DHARUHERA

Thousands of workers of the Dharuhera industrial area staged a militant demonstration on 14TH June 2001, before the office of the Dy Commissioner at Rewari. They protested against the severe repression and unlawful activities of the employers, in close connivance with the district administration.

In fact, rampant termination and suspension of workers and union leaders, non-payment of wages for months together, and beatings of the workers by the gangsters deployed by the employers are almost everyday happenings in Dharuhera industrial area. The local administration, labour dept. and the police force are all acting as the employers' henchmen. In Pashupati Spinning Mill, the

employer's muscleman cum security murdered a worker, Rajkumar, at the factory gate a few months back. The murderer is still roaming in the area in broad daylight, threatening other workers. The mill owner has suspended and thrown out at least hundred workers and is not paying their subsistence allowance even. Repeated complaints with the labour dept. and local police yielded no result. Complaints against non-payment of wages to workers of Cello-Royal factory have resulted in the DSP personally threatening the complainant workers inside the factory premises with dire consequences. Same is the story in other factories as well. A *Jungle raj* is going on in

Dharuhera under the Chautala regime in Haryana.

The workers of Dharuhera assembled in thousands at Sanjay Park at Rewari and marched in procession to the office of Dy. Commissioner. They were addressed by Prabhat Singh, Vice President and Satveer Singh, General Secretary of Haryana State CITU, Khem Chand, President of District CITU besides Maha Singh (Pashupati Spinning Mill), Dhan Singh (East India Mill), Jaswant (KJ Co), Malkhan Singh (Delton), Satpal (Hyderabad Industries), Harinarayan (Rico) and others.

After the demonstration, a two day session of the Rewari District CITU was held to plan further struggles, including strike action.

ASBESTOS RELATED HAZARDS AND PROBLEMS

On the one side, there is an all round effort to improve the environmental situation and to solve the problems of occupational hazards and diseases. On the other, a systematic effort is made by the MNCs and their collaborators to

make the developing countries a dumping ground for all the hazardous industries. In the recent periods, many issues have been taken up by various organisations. (June 2001 issue of *The Working Class* carried a report on a workshop on hazards of ship breaking).

Another such issue of serious repercussions is that of the hazards caused by Asbestos. Occupational and environmental hazards connected with Asbestos have been issues of long time discussions in India also. But, in the

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recent period, while many of the developed countries have banned use of all types of Asbestos, or are phasing out its use, there has been a concerted effort to cover up the ill effects and to develop the industry in our country.

Various national and international organisations of Asbestos manufactures have been concentrating on a campaign in India in support of Asbestos usage. The **Collegium Ramazzini**, the world's leading organisation of occupational and environmental health professionals says - "Asbestos has been responsible for over 2 lakh deaths in the United States and will cause millions more deaths worldwide. "The profound tragedy of the Asbestos epidemic is that all illness and deaths related to asbestos are entirely preventable".

They also point out that safer substitute for asbestos exists and they have been introduced successfully in many nations. This has led to many nations eliminating the usage of Asbestos. In the USA, Asbestos usage has been drastically reduced. Asbestos has been banned by Sweden, Norway, Denmark, The Netherlands, Finland, Germany, Italy, Belgium, France, Austria, Poland and Saudi Arabia.

According to health professionals, all forms of Asbestos cause *asbestosis*, a progressive fibrotic disease of lungs. It can also cause lung cancer and malignant *mesothelioma*.

A leading Asbestos researcher

Julion Peto and his colleagues predict that deaths from mesothelioma among men in Western Europe will increase from just over 5000 in 1998 to 9000 by the year 2018. The predictions suggest that there will be more than half million asbestos cancer deaths in Western Europe in the next 35 years.

The **Collegium Ramazzini** has been pressing for immediate international ban on the mining and use of Asbestos, because the risks can not be controlled by technology or by regulation of work practices. There are certain exposure limits for Asbestos. These exposure limits can be achieved in United States and in few other industrialised countries. In newly industrialising countries engaged in mining manufacturing and construction, exposures are often much higher and potential for epidemics of Asbestos is greatly increased.

With the banning of Asbestos by developed countries, the health risk has shifted to the developing countries. According to experts, conditions of current asbestos use in developing countries resemble those that existed in the

industrialised countries before the dangers of asbestos were widely recognised.

With the increasing exports of commercial activities and hazards to developing countries, the responsibility of the socially conscious sections have increased. The Centre for Occupational and Environmental Health, New Delhi, headed by T.K. Joshi is doing a commendable job on this issue. A campaign is led by this organisation inside this country, and outside as well in international fora. Their relentless campaign has angered the Indian Asbestos lobby but the resistance is growing.

The efforts of the organisations of experts and professionals involved in this campaign have to be strengthened. The Govt. of India, with their liberalisation agenda has been in support of the efforts of the MNCs and their Indian collaborators to spread the Asbestos related activities in India. Trade Unions have to take up these issues of importance and expose the ill effects to save this country from being a dump-yard of hazardous industries and wastes.

(Report by A.K. Padmanabhan)

Dr. ARUN GHOSH

Renowned economist and a former member of Planning Commission, Dr. Arun Ghaosh died in New Delhi on 22nd June, 2001. He was 78.

Dr.Ghosh was widely known as an strident opponent of the neo-liberal globalisation. He played an important role through his writings and lectures.

The CITU and 'The Working Class' pay respectful homage to the memory of Dr. Ghosh.

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SOUTH KOREA: MASSIVE STRIKES IN AIRLINES

At the call of Korean Confederation of Trade Unions (KCTU), 50000 workers from 126 unions affiliated to KCTU went on an indefinite strike from 12th June against the move of the Govt. and the big business to take away thousands of jobs in the name corporate restructuring. The workers of metal, chemical, heavy industrial

companies joined the continuous strike action in a big way. The pilots grounded most of the flights of Korean Airlines. 80 percent of the flights were cancelled. The hospital workers joined the strike from 13th June and the spread of the strike is increasing every day. The striking workers in thousands patrolled the main roads of Seoul and other cities shouting slogan

against the Govt.: "Down with the Govt." and "Job-killing restructuring must stop".

The South Korean Govt. was planning a massive arrest of leaders and onslaught on the striking workers. The KCTU has called upon the workers to carry on the struggle braving all onslaught.

(Reuters)

35TH FNIC-CGT CONFERENCE IN PARIS

The 35th FNIC-CGT conference was held at Nantes, Paris from 15th to 18th May 2001. Sudhir Kumar, General Secretary, FMRAI, represented the CITU.

The conference was held at Nantes, a trading port near Paris. Around 500 delegates attended the conference including 75 foreign delegates from Cuba, China, Vietnam, Libya, Russia, East African countries, Cyprus, etc. India was represented by the CITU alone.

CGT has a membership of around 7 lakhs (i.e. 10-15% of the organised workforce). One million

workers in France earn less than 6 French Francs (about 1\$) a day. Many chemical companies pay less than the minimum wages. The Govt. is reducing social security measures and replacing them with private insurance. Companies are making profit but indulge in cut in wages. CGT has demanded to frame laws against this. On 22nd May, CGT gave a strike call to stop reduction in wages when companies are making profit.

The conference elected a new General Secretary - Jean Michel Petit. On 17th May the fraternal delegates from abroad were taken for a sightseeing tour of Nantes;

in the afternoon to "Chateaubrunt" - where 21 French people were killed by Hitler's henchmen in retaliation for insult to a German officer. Among those killed included 4 CGT leaders, communists, a doctor, a Vietnamese and others. Chateaubrunt is being maintained as a national memorial. 18th May was the concluding session and the congress closed at around 2 p.m.

Sudhir Kumar greeted the conference and also participated in the rally conducted by CGT on 22nd May, which was very colourful.

The VRS Game

Now it is the turn of Douglas Investor, the Chief Executive of the Coca-Cola Company. He led the drive to retrench one fifth of its workers through VRS or CRS. Now he has also been compelled to take VRS. Of course, unlike ordinary employees, he will get U S \$ 115,000 per month for the rest of his life and a compensation of four and a half million dollars!

ECONOMY ON RAIL ! HEADING WHERE ?

INDUSTRIAL GROWTH PLUNGES

In a massive slowdown, Industrial growth plummeted to 1.3% during March to pull down the overall growth for the fiscal 2000-01 to 4.9%, well below 6% growth targeted for the year....

As per use based classification of the index, capital goods recorded a growth of 1.4% during the fiscal, down from 6.9% in 1999-2000. Basic goods also recorded a slowdown with a 3.8% growth in 2000-01 as compared to 5.5% in the previous year while the intermediate goods growth rate fell to 4.5% from 8.8% in 1999-2000.

In March, manufacturing grew by a mere 1.6%, down from 9% in March 2000. Electricity recorded a 1.5% growth, way below a 6.7% growth in the corresponding month last year...

(Business Standard, 12-05-2001)

• THE INDUSTRIAL MALAISE

With the industrial growth continuing in doldrums through April, it seems that the manufacturing sector in India is easier to bury than praise. Over the last couple of years, concerns have been repeatedly expressed about the failure of this sector to pick up.... The latest reading of the Index of Industrial Production (IIP) for April 2001 has taken even the worst skeptics by surprise. The sector grew at a mere 2.7% over the previous April. The capital goods segment... has actually declined by 1.8%... the investors do not hold out much hope for the manufacturing sector...

(Editorial, Business Standard, 14-06-2001)

EMPLOYMENT POTENTIAL SATURATED

...the growth potential of organised sector employment in the period would be limited, the taskforce on employment opportunities, headed by the Planning Commission member, Montek Singh Ahluwalia has suggested...

In its final meeting last week, the task force observed that a distinctive feature of the employment experience in the 1990s was a deceleration in growth of employment in the organised sector... from 1.59% per annum during

the 1980s to 0.72% between 1991 and 1999...

The taskforce also observed that the share of self-employment had declined from 58.9% in 1977-78 to 52.9% in 1999-2000, with the decline occurring primarily in rural areas. This reflected displacement of marginal cultivators and their conversion into agricultural labour.

While the share of casual labour increased from 29.7% of rural employment in 1977-78 to 37.3% in 1999-2000, its share in urban employment fluctuated from 16.9% in 1987-88 to 18.3% in 1993-94...

(The Financial Express, 28-05-2001)

THROWING OUT 900 EMPLOYEES

The industry major Crompton Greaves has decided to take up cost cutting with a vengeance. With the engineering and capital goods sector still in doldrums, the LM Thapar controlled engineering company has decided to reduce its manpower by 900 over next four months....

The company's Managing director told Economic Times, "After the current round, we would be reducing our workforce by a total 3500 employees over a period of 18 months."

(The Economic Times, 13-06-2001)

DESPITE SLOWDOWN PROFITS ZOOM

The Annual results of 767 companies revealed that, while the total sales improved by 13.2%, in 2000-01, compared to last year, their gross profit rose by 18.6% and the net profit posted a growth of 27.6% on the average...

Interesting to note is that for a sizable number of companies, Gross profit improved despite a fall in total sales, and net profit grew at a higher rate than the gross profit, (courtesy the huge concessions granted to the corporate houses). For 77 companies out of the above 767, despite a decline in sales to the tune of 12.4% in aggregate, their gross profit increased by 11.1% and the net profit grew by 18.2% on the average....

(From the Report published in the Financial Express, 28-05-2001)

Consumer Price Index Numbers for Industrial Workers on base: 1982 = 100

Sr. No	Centre	Jan 2000	Feb 2001	Mar 2001	Sr. No.	Centre	Jan 2000	Feb 2001	Mar 2001
1	Gudur	437	434	436	45	Amritsar	392	392	395
2	Guntur	415	416	423	46	Ludhiana	403	399	399
3	Hyderabad	427	424	426	47	Ajmer	439	436	441
4	Visakhapatnam	433	430	439	48	Jaipur	409	408	414
5	Warangal	444	444	446	49	Chennai	479	471	470
6	D D Tinsukia	384	375	376	50	Coimbatore	436	432	432
7	Guwahati	459	457	457	51	Coonoor	431	430	429
8	Labac-Silchar	358	362	367	52	Madurai	446	445	441
9	Mariani Jorhat	413	409	409	53	Salem	441	435	431
10	Rangapara-Tezpur	393	402	403	54	Tiruchirapally	475	467	464
11	Monghyr Jamalpur	415	411	409	55	Agra	403	403	408
12	Bhilai	396	394	395	56	Ghaziabad	457	455	462
13	Kodarma	360	358	365	57	Kanpur	430	435	440
14	Jharia	358	355	359	58	Saharanpur	403	403	406
15	Noamundi	401	403	405	59	Varanasi	451	457	466
16	Ranchi-Hatia	417	416	418	60	Asansol	406	401	407
17	Ahmedabad	447	446	447	61	Kolkata	456	450	461
18	Bhavnagar	477	464	467	62	Darjeeling	386	384	380
19	Rajkot	420	419	418	63	Durgapur	481	476	486
20	Surat	448	456	458	64	Haldia	481	480	491
21	Vadodra	436	438	436	65	Howrah	500	498	501
22	Faridabad	444	448	455	66	Jalpaiguri	393	390	395
23	Yamunanagar	419	418	420	67	Raniganj	386	381	384
24	Srinagar	499	499	498	68	Chandigarh	472	473	474
25	Bangalore	431	430	429	69	Delhi	513	513	518
26	Belgaum	473	466	465	70	Pondicherry	491	480	473
27	Hubli-Dharwar	437	436	441					
28	Mercara	456	453	451					
29	Alwaye	448	449	448					
30	Mundakayam	451	450	448					
31	Quilon	456	464	463	1	Kothagudem	438	437	442
32	Thiruvananthapuram	499	500	503	2	Himachal Pradesh	440	441	443
33	Balaghat	393	392	395	3	Bhilwara	447	445	457
34	Jamshedpur	410	414	414	4	Chhindwara	420	420	419
35	Bhopal	461	469	468	5	Tripura	406	402	403
36	Indore	453	453	455	6	Goa	543	541	541
37	Jabalpur	449	446	446					
38	Mumbai	517	515	517					
39	Nagpur	477	470	467					
40	Nasik	496	487	489					
41	Pune	511	505	504					
42	Solapur	459	455	457					
43	Barbil	423	420	402					
44	Rourkela	409	409	411					
Government of India Ministry of Labour Labour Bureau Shimla - 171 004									

CTUs TO PETITION PARLIAMENT COMMITTEE

The Government of India reduced the interest rate on Employees' Provident Fund (EPF) to 9.5 % for the year 2001-2002, ignoring the unanimous recommendation of the Central Board of Trustees (CBT). Resenting this move, the five largest central trade unions (CTUs) viz., AITUC, BMS, CITU, HMS and INTUC, have decided to petition the Rajya Sabha Committee on Subordinate Legislation.

The Rajya Sabha Committee on Subordinate Legislation in their report presented to the Parliament on 1-12-2000, had made recommendations on the process of consultation between the Govt. and the CBT, EPF on this very issue, which, the TUs contend have been flouted by the Govt.

Committee's Recommendation

Ministry of Labour should call for another meeting of CBT where all the parties should be apprised of the exact position of the fund and the existing decision of 11 % interest for the year 2000-2001 is reviewed so that the consultation process is carried out.

First, the Ministry of Labour should act as the nodal agency for the Central Government and secondly, the consultation process is undergone during the meeting of the CBT itself where the Central Government is represented both by the Ministries of Labour and Finance.

The Government's views on the rate of interest should be placed unambiguously in the meeting of the CBT and this process should be treated as consultation process before the Central Government takes a final view in the matter.

The leaders of the five major Trade Unions, viz. K.L.Mahendra, (AITUC), Mukund Gore (BMS), M.K.Pandhe (CITU), A.D.Nagpal (HMS) and Chandidas Sinha (INTUC), in a statement issued on 4 JUNE, 2001, have termed this as flouting of the Parliamentary Committee recommendation and decided to seek the intervention of the Rajya Sabha Committee on Subordinate Legislation in the matter.

Trade unions' charge

No such review was carried out. Instead, the Govt. went ahead with deciding the interest rate for the year 2001-2002.

This consultation process was not followed. The CBT at its meeting held on 23-3-2001, unaiminously recommended a rate of interest of 10.25 %.

No contrary view was placed at the meeting by either the Ministry of Labour or the Ministry of Finance. But, the Govt. arbitrarily issued a notification on 8-5-2001 reducing the rate to 9.5 %.

ALL TU CONVENTIONS IN THE STATES

01.7.2001	Jaipur, Rajasthan
03.7.2001	Kochi, Kerala
08.7.2001	Panipat, Haryana
12.7.2001	Bangalore, Karnataka
14.7.2001	Chennai, Tamilnadu

Gothenburg: Massive Demonstrations Greet US President

During his first visit to Europe after becoming the US President, George W Bush faced a massive demonstration at Gothenburg, the second city of Sweden, where the European Union countries met in a summit to discuss the expansion of the European Union. The demonstration continued for about three days and nights from June 15. It was the most massive anti-US demonstration of over 25,000 people held in Sweden during the last 30 years.

The demonstration was organised jointly by various trade unions and a number of other organisations against globalisation, for the

The summit was thoroughly disrupted. Even the evening dinner had to be cancelled. Bush had to make good his escape to Poland under tight security. Wherever Bush went before and after Gothenburg like in Madrid, Brussels, Warsaw, Slovenia, etc., he had to face demonstrations.

The Gothenburg demonstration was the latest in a series of such massive protest actions by the people against the globalised economy and the WTO starting from Seattle, Prague, Nice, etc.

"Rioting and looting in Sweden, violent demonstrations in Madrid, vitriolic editorials in almost all European papers" - this is how the

There are two extreme views of globalisation. For one, it is the source of wealth and welfare. For the other it is destruction of the planet and its workers in the interests of the wealthy few and large corporations. Exchange is visible mainly in the tear-gas shrouded confrontation in Seattle, the acerbic across-the-ocean exchanges between Davos and Porte Alegre and in the protests that regularly accompany major meetings of the international financial and trade institutions.

(Director General, ILO)

protection of environment, against the US Missile Defence System, and against the domination by a few transnationals led by the USA. The demonstrators shouted slogans and carried placards and festoons with the words, "Bush Go Back", "Down with World Capitalism, "Yankee Go Back", "We Hate Bush and his Star Wars," "Tax the Rich and not the Poor," "Revolution and Not Globalisation". They expressed their hatred against the globalised economy, which created growing joblessness to benefit the USA and a few multinationals. They condemned the USA for withdrawing from the Kyoto Agreement against global warming.

The demonstrators came from adjoining countries also like Germany, Denmark and Finland, carrying pictures of Marx, Engels, Lenin, Stalin, Mao Ze Dong and Che Guavara. They assembled at the Central Park and proceeded towards the building holding the summit. For more than two days and nights there was a pitched battle with mounted police, who opened fire also. Over six hundred people were arrested and a large number severely injured including a number of policemen. Greenpeace, the international environmentalist group even scaled the high walls, surrounding the meeting house.

columnist *Vaiju Naravane* writing in '*The Hindu*' (June, 17) described the George W. Bush's first appearance on the European stage. The writer adds: "As he (Bush) propagated his ultra-liberal, anti-regulation, pro-business, free market views at the European summit in Gothenburg, police fought pitched battles against several thousand very angry young protesters who, denouncing Bush's position on everything from capital punishment and the environment to globalisation and strategic defence, went on a rampage attacking what they described as "symbols of the capitalist economy". ... European media greeted Bush's debut on the Old Continent (Europe) with headlines such as "Mr. Death Penalty", the "Toxic Texan", or the "Three B President", meaning all he swore by was baseball, barbecues and the Bible".

The next G-8 summit will be held at Genoa, Italy next month, which may again witness another massive protest action. Not only on WTO issues, but with respect to the US new Missile Defence System and its withdrawal from the Kyoto Agreement also, contradictions are developing between the USA and the European countries.

(Photos on front cover)