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CENTRE OF INDIAN TRADE UNIONS

WORKING COMMITTEE MEETING

SHIMLA

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PRESIDENTIAL ADDRESS



Dear Comrades,

This meeting of our Working Committee is being held today five months after our all-India Conference at Kochi held from 20th to 26th April, 1997. This Conference made comprehensive review of the work done during the period after the 8th Conference and took stock of the national and international developments, besides formulating the immediate tasks ahead. Therefore, we need to take note of the developments in national, international arena and review the work done during the last five months. This is being presented in the General Secretary's report, except the international part which I wish to deal briefly in my Presidential address.

This year the nation is celebrating the 50th year of our independence. The struggle for freedom from the foreign rule, developed into a mighty force through various streams and forms which the imperialist rulers could no longer resist achieved victory in 1947. The working class of the country played its role in the struggle for freedom together with others which nobody can cover up. Let us pay our respectful homage to the memory of those who laid their precious lives in braving gallows, bullets of police and military and those who suffered indescribable repression who are no more with us in this glorious struggle.

The 30th anniversary of the martyrdom of the Cuban legendary revolutionary leader Comrade Ernesto Che Guevara is being celebrated not only in Cuba but also world wide including India. Comrade Che was murdered by the CIA trained commandos on the 9th of October, 1967 at the La Higuera village in Bolivia. The great contribution made by Com. Che in the Cuban revolution and his struggle against injustice and social oppression outside made him the symbol of revolutionary action, a great revolutionary hero. His memory is an inspiration for the revolutionaries world over. The Cuban people today are engaged in a fierce struggle to uphold the socialist path of development and freedom from US imperialism. We must enthusiastically join in the Che memory celebrations being held in various parts of our country, which needs no special stress. We must also demand that the United States should withdraw their blockade against socialist Cuba and to stop encouraging armed gangs to intrude into the Cuban territory.

Developing Tensions

The Clinton administration is continuing its air land and sea blockades of Iraq attempting to overthrow its government by strangling the Iraqi people. Of late, the United State's aircraft carriers and war ships have been sent to gulf area alleging that the Iraqi troops violated the 'no flight zone' in the southern parts. This increased US military presence has created increased tension in the gulf region. The government of Iran demanded that American military forces should be withdrawn, so that peace in these area can be restored and warned that any military action by the US forces will be countered by the Iranian forces. The Iraqi government dismissed this threat with contempt though the reason given out by US is 'Iraqi violations'. The fact is that they are more worried about the Iranian developments.

The two million Iranian gas field development contract entered into between the Iranian government and the oil companies of France, Russia and Malaysia has enraged USA and they demanded that the French and other companies should not cooperate with Iran which, according to USA, is helping terrorism. The USA is threatening to impose the application of sanctions under "the Lybia and Iran Sanctions Act" (D Amato Law) to impose penalties on these foreign companies doing energy business with Iran. This Act was passed in United States last year to pressurise Europe to fall in line with US policies on Iran. Here we find that just like the "Burtons law" was used for blockade of Cuba, another US law is sought to be imposed on companies which are doing business with Iran. France is determined to isolate United States mustering support from other European powers.

The European powers generally resent this United State's 'D Amato Law' which mandates sanctions against companies investing more than 20 million dollars in a year in Iran's energy sector. France has taken the lead in challenging this policy in the gulf which is known as 'Dual Containment' which tries to impose financial quarantine on regimes of Iran and Iraq. The French do not agree with this unilateral US prohibition

against Iran in the name of alleged terrorist activity which has no legal basis in the international law. The present pushing up of tension in this area has another connotation. The new government which came to power in Iran after the last general elections takes a liberal view on the erstwhile government's policy of obscurantism and also they tries to take comparatively progressive step in building Arabian unity and defusing tension between Iran and Iraq. In case this attempt gains currency, the American military interference in this region will be resisted jointly by the total Arab world, which means, the early end of American dominance in this oil rich area, and the American arm's trade too will be very badly affected. That is the hidden reason for this new offensive.

Israel

The United States at present is encouraging the Israeli government authorities not to abide by the peace agreement signed in forming the Palestinian state for which they were the mediators. As per this agreement, Palestinian free state has to emerge in 1999 which also the United States is not keen to implement. It is reported that the United States have decided to shift their policy in a high level meeting in which President Clinton was present. They decided to support the Israeli demand that Mr. Arafat should launch an all out offensive against those Palestinians who opposed the OSLO agreement in the name of fighting terrorism, which is part of the shift in their middle east policy. Arafat refusing to fall in line with this demand arranged a Palestine Unity Conference in Gaza. The participants included the Left forces such as Popular Front for the liberation of Palestine and Islamic organisations including Hamas and Islamic Jihad. Thus the Palestinians are getting ready to meet the offensive of Israel. The coming days we will see that the U S will give signal for an all out war against Palestinians by the Israelis.

NATO

The NATO expansion is being faced with new troubles. The expenditure involved for the expanded NATO for the next decade is said to be over 35 billion dollars. The United States wants that the new entrants and the other European powers should bear the major part of this expenditure. The Americans share cannot be more than 2 billions. The European powers, Germany, Britain, France and Netherland are not willing to cooperate with the United States. The American Congress, at the same time, insists that United States cannot bear this "burden". Thus, the NATO expansion plan is facing difficulties. The new French government also take the position that they will not join the European command till proper arrangements are made to ensure them equal powers in the European NATO setup.

The Threat of UN Sanctions Against Congo

The US big business thought that the new Laurent Kabila government would be desperately in search for capital to rebuild Congo's economic infrastructure left in shambles by the 32 years of Mobutu regime and could dictate terms to him. They were also expecting that the new government will privatise everything including the state mining company, Gecamines. Therefore, inspite of the repeated large scale killings, the United States, refrained from making this as an issue of human rights violation.

But to their surprise indications are that President Kabila may be attempting to exercise some independence and some right to self-determination over the internal affairs of his country despite the pressure of Western imperialist powers, especially the US. President Kabila has taken the stand that the 14 billion dollar debt to imperialist banks accrued under the Mobutu regime, the new Congolese government cannot be held responsible. The banks are retaliating by withholding new loans to the government.

Kabila has taken up his case to the rest of Africa and a number of African leaders pledged some short-term financial support without any strings attached to help rebuild Congo. These leaders represented Uganda, Rwanda, Zimbabwe, Zambia, Namibia, Mozambique, Eritrea and Central African Republic. Kabila met President Nelson Mandela in South Africa to establish closer relations and economic cooperation. This type of solidarity is one way of showing appreciation for President Kabila's role in ousting Mobutu, who was not only despised by the terribly impoverished Congolese people but by the African peoples as a whole. Mobutu's downfall was celebrated throughout Africa and most of the world.

But now the US government has woken up with the developing realities in Congo is raising hue and cry of “human rights violations” and trying to use the UN intervention in Congo, which is being resisted by the President saying that it can only be done under the conditions made by his government. Not agreeing with this, the UN Security General, Kafi Annan, is threatening punitive actions against Congo. One cannot forget that the UN was used by the US and other imperialist powers to crush the Lumumba government during 1960s. They have assassinated Lumumba and brought the notorious Mobutu in power. The same drama the US and other imperialist powers are dreaming to repeat in Congo with the threat of UN punity sanctions. The difference today is that African nationalism is far more developed and the same cannot be easily repeated.

Bosnia

In Bosnia, the US military and US led NATO forces have increased their repression against the Sarbian population. The dateline fixed for withdrawing the United State’s forces from Bosnia is by June 1998 which seems to be impossible since the confrontation in Bosnia is not under control. The peace keeping forces under NATO, as stated above, is using big repression against the people denying all the basic rights American military forces have conducted. Two weeks long bombing campaign which destroyed large part of Bosnia, both civilian and military targets. Inspite of this peace in Bosnia is still illusory. The increasing expenditure for the NATO operations in Bosnia is also causing dissension in American Congress besides loss of American lives. However, the American military might is being used indiscriminately against the people and the prospect of finding any solution is still not in sight in Bosnia.

World Economy

We have noted in our 9th conference the developments in the world economy, the slower growth, developing inequalities, increasing unemployment and poverty are the major symptoms we were pointing out based on authentic available reports of the World Bank and the UN Human Development statistics. The trend is again explained by the latest report, 1997 published last month by the United Nations Conference on Trade and Development (UNCTAD) which has not only confirmed the above facts but also brought out new datas to show that the socalled policy of globalisation and liberalisation is not automatically going to end in human prosperity. On the contrary, the result is negation of human progress. The report stated that “the rich have gained everywhere and not just in comparison to the poorest sections of the society. Also this has led to the ‘hallowing out’ of the middle class that has become a prominent feature of income distribution in many developing and developed nations”. It also stated that “the finances is gaining an upper hand over the industry and ‘rentiers over investors’ and as a result trading in existing assets has often become more lucrative than creating wealth through new investments. The rising interest charges have eaten into business revenues, corporate re-structuring, labour shedding and wage repression have become the order of the day in much of the developed as well as part of the developing world”.

The report also highlighted the growing wage gap between skilled and unskilled labours which is developing into a global problem. Contrary to the much current economic thinking, the increased global competition does not automatically bring faster growth and development, nor do growth and development automatically bring about a reduction in inequality”.

There is no economic law which will make developing economies converge automatically towards the income levels of the developed countries, if they merely open the economy. Rather than the “Big Bang” approach widely adopted in recent years in many parts of the world, UNCTAD urges a carefully phased liberalisation into world economy.

The report said that the world economy has settled down to an average rate of growth of around 3 per cent per annum, about 2 per centage points lower than that achieved during the ‘Golden Age’ of 1950-1973. Such a relatively modest rate could solve neither the North’s labour market problems nor the South’s poverty problem. The increased concentration of national income in the hands of a few has not been accompanied by higher investment and faster growth.

The report criticises the notion that, “faced with globalisation forces, policy-makers in developing world might have lost their room to pursue development goals actively” and said that “their role is as important as ever since growth and income distribution depend on how profits are managed”.

A whole range of economic formulations are made in this report which needs closer examination. This report which narrating the experience of liberalisation stated that: “the asymmetries of globalisation, is the fact that liberalisation of the world economy has proceeded so far in ‘a lop-sided way that tends to prejudice the growth prospects of developing countries by discriminating against areas in which they could achieve comparative advantage’.”

A warning is given in the report that, “global efforts to help developing countries could still come to nothing if the slowdown in economic growth in the North is not reversed. A return to faster growth and policies of full employment is not only a pre-requisite for resolving the twin evils of high unemployment and increasing wage inequality in the North, but is also essential for defusing the threat of a popular backlash against globalisation, which might put the gains of global economic integration at risk.”

Thus they are worried about the political backlash. About this the World Economic Forum managing director, Claude Samadga said recently that “if this backlash is not addressed we will be heading for big troubles at both national and international levels.”

The New Development

Within the general stagnation that has gripped the advanced capitalist countries there is uneven development which was not expected earlier. The vibrant Economies of Japan and Germany are in the midst of unprecedented crisis with sagging growth rates, rising and high unemployment, and threatened currencies. While Britain and United States with sick economies in the past have lower and even slightly declining unemployment rates, higher GDP growth than the OECD average, and strong currencies. The reason for this phenomenon has its links with internationally mobile finance capital.

Many countries of South and South Eastern Asia which were considered to be models for the third world countries which had remarkably high growth rate for the last several years are now in the midst of deep crisis. Linked with capital flights reluctance of fresh capital flow into the region and the weakening of currencies. This is true not only of Thailand, Malaysia and Philippines but also of even South Korea as well. In other words, the type of fate that had over taken Mexico a few years ago is now threatening even the ‘Dynamic’ economies of South East Asia.

The success of east Asian economies was based on the imposition of strict controls over capital flows into or out of their economies, which implied, first, an active role for the State and, secondly, a degree of subordination of financial interests to manufacturing-trading interests. Of late, however, they have been lifting controls over capital flows, which has brought their economies into the ambit of speculative capital movements. This basic fact, combined with specific local happenings, the unwillingness of international capital to finance trade deficit etc., has led pressure on the east Asian currencies, which has reacted back on their growth rates by giving rise to deflationary policies. What is happening even in economies which, till now, were being held up as ‘models’ of development shows that exposing one’s economy to international financial speculation. Which in essence is what ‘liberalisation’ entails, leads both to deflation-engendered stagnation and to loss of sovereignty.

The IMF and the World Bank working both directly as well as through the ‘liberalisation’ lobby in India are, however, pushing India precisely in this direction.

The annual meeting of the World Bank

It is important to note the latest decisions of the IMF-World Bank annual meeting held in Hongkong during the last week of September. In this meeting a decision was taken to expand the conditionalities of World Bank and IMF, corruption and good governance of the third world countries. The World Bank and IMF conditionalities hitherto was confined to economy. But now they wish to expand it with ‘corruption and good governance’ of the third world, which means that they are going directly to intervene in the internal

jurisdiction of the third world governments which will abrogate the sovereignty of these countries. The IMF has already suspended operation in Kenya alleging concern over corruption and also in Congo and Nigeria for the same reason. The question of handling corruption is the duty of the concerned government but now it is sought to be taken over by the IMF and World Bank. Thus, for the imperialist collective, the World Bank and IMF is becoming an apparatus for intervening in the internal affairs of independent states curtailing their independence. This is a new stage in the development of these organisations.

The Asian countries, Thailand, Singapore and Indonesia complained about the World Bank and IMF only functioning under the dictates of US and are not helping them properly. The Japanese proposal to institute a fund of 100 billion dollars to help the Asian countries in distress has been summarily rejected by IMF and World Bank saying that this idea is risky. That means, the IMF and the World Bank do not want an independent economic agency to help these developing countries in the Asian region, though Japan has their own interests in making this proposal.

Changing Employment Pattern

The unemployment in the developed countries is on the increase except marginal decline in Britain and USA where the economy has picked up a little. The permanent jobs in industries are being drastically cut and being replaced with part timers and temporary workers. Getting greater production from fewer workers by creating more temporary jobs and low paid workers has become the new pattern for higher profits. Since 1993, 22 million such jobs are created in USA. The proportion of part-time workers in US is said to be 18%, while in European countries it is very much higher. In France, out of the new postings, 66% are temporary or contract labour that last for less than one year. In Spain, it is 90% and only 10% gets permanent jobs. In Netherland, it is 37%, in Germany too the new openings are mainly filled up with temporary and casual workers. All the temporary and part-time workers get lesser emoluments than the permanent workers and they are squeezed out of job at the sweet will of the management.

Because of this a two-tier economy is developing in industries. The older workers who effectively have full time jobs and younger workers who are having only work for one year or less and forced to shift wherever openings are there. About 11% of all jobs in France and 30% of the jobs in Spain is filled up with temporary workers. This trend is there more or less in all the developed countries in Europe. In each of the industries, better paid permanent employees and a set of workers with less emoluments working for short period without any protection for work is also there. This in turn disrupts the unity of the workers and weakening the trade unions. In the name of flexibility of jobs, all the existing labour laws are being watered down. In Germany and other countries serious attempts are being made to increase the working time of the workers by various methods in the name of making economy competitive.

Against the reduction of the workforce and the curtailing of existing privileges, many strikes and other actions have taken place during these period in many countries, including United States. The details of which I do not wish to narrate. However, the changing mood of the US workers needs to be noted.

Steel Workers' Strike

The recent two big strike battles led to victory has had electrifying effect among the US workers. The 45,000 strong Wheeling Pitsberg Steel Corporation workers went on strike in October 1996 and continued for ten months till August 1997. Succeeded in getting 99% of the demands they have raised. Wage increase, annual bonus, pensions, medical expenses during the period of strike forcing the management to withdraw their proposal for the dismissal of 200 workers etc. All the usual strike breaking methods were used by the employers including spending multi million dollars for anti-strike propaganda. But in these ten months, union never had to deal with black legs and strike breakers. Large amounts were contributed by the workers for helping the strikes. 2 million dollars were collected within a week. 97% of the total workers voted for the strike. The union leadership stood firm in bringing the strike to victory. Mr. George Becker, the president of the United Steel Workers Union of America said rightly that the struggle waged by steel workers is a model for others. However, they are in an upbeat mood.

United Parcel Services Strike

The other was the strike of 1,85,000 workers of the United Parcel Service. This was the big organised national action of workers in the last two decades. This was a well-prepared organised strike. The demands included mainly of low paid workers and temporary jobs, pension, job security and issue of safety etc which are the common demands of American workers. This company was earning profits exploiting their workforce. All the facilities company had in 50 states were paralysed by the strike. The employers did all they can to disrupt the strike. Finally had to climb down to agree with the unions demand and settled the strike. Though the strike caused direct public inconvenience, the people sided with the workers. The AFL-CIO organised collection of 10 million dollars a week strike fund from unions throughout the country. This reflected the solidarity for the strike in United States. The firm position taken by the trade union leadership and the organisational unity, they could build together with the militant mood of the workers forced the employers to come down. The victory of this strike has enthused the US workers in a big way.

The Developing Struggle Against NAFTA

A study report on the experience of the working of the North American Free Trade Agreement (NAFTA) titled '*The Failed Agreement*' NAFTA at three years has been published on June 20th which gives a detailed assessment of its working. The Clinton administration is trying to extend the agreement. A new "fast track" legislation is sought to be passed which will give rights to the government to negotiate trade agreements with other countries. The US Congress can either pass or reject this but cannot amend.

Against the continuation of this agreement, the workers in United States are moving for big agitations. The big business of the country has come out to mobilise support for the passing of this legislation and for the extension of NAFTA. The chief executive officers of the big corporations — Boeing, Caterpillar, Chrysler, General Motors — TRA incorporated have pledged to spend 1,00,000 dollars each to ensure the voice of the business community is heard. They called upon other 35 companies to raise fund to the tune of 3 million dollars for this purpose.

On the other side, the trade unions' economic specialists and others have started a big campaign against it. The facts marshalled by the 'Failed Experiment Report' is being used as a propaganda tool. According to opinion polls, 54% of the people of US are against the continuation of this agreement. Only the big multinational corporations reaped huge profits for the last three years from this agreement. The report states: "4,00,000 jobs were lost in USA because of the introduction of NAFTA policies, in USA and in Mexico its effects was devastating. 2 million jobs have been lost. 20,000 small business have been destroyed. In Canada heavy loss of employment and wage reduction was the effect of this policy". The only beneficiaries are the big business. Their profits were soaring, while the people and the workers were losing heavily.

The trade unions are planning big agitation against NAFTA which has serious political implications. One side, the big business and administration and the other side workers and the people at large. They are trying to ordinate this struggle with Mexican Canadian trade unions. This I need not say is an important development.

The point to be stressed is that the working class in general is under attack and put to greater strain and economic difficulties. They are trying to meet the offensive through strike actions with varying degree of success and they are moving politically too. In the recently held elections in many countries the workers were voting for a change. The conservative party has been defeated and labour party was voted to power in Britain. In France, the front of socialists and Communists were came to power. The even increasing unemployment was the major issue. In Italy too, the ruling party has been defeated and a new coalition has come to power. In the former socialist countries too, the new political formation getting elected and improving political support. The people's resentment is being reflected in these changes though many of the government which came to power is continuing the very same policies with only marginal changes.

Conclusion

Comrades,

Before I conclude, I wish to draw your attention to the propaganda being unleashed by the bourgeois media and their 'experts' about the virtues of the World Bank-IMF dictated economic policies. Also they are directly attacking the attempts of the working class to safeguard their hard earned privileges and for the betterment of their daily life. We cannot forget the recent campaign launched by them against the Central Government employees pay hike agreements. The total results of the globalised market economy is known to us and needs no explanation here.

Therefore, we have to take suitable measures to strengthen our efforts to bring out sufficient propaganda materials on each issue in a planned manner. Every union must take this job seriously.

Finally, let me congratulate our Himachal Pradesh State CITU for arranging this Working Committee in Shimla.

With these words I conclude.

E Balanandan
President