



# THE WORKING CLASS

MONTHLY JOURNAL OF THE CITU

## Call of the National Convention All India General Strike and Hartal on September 29

□ P.K.GANGULY

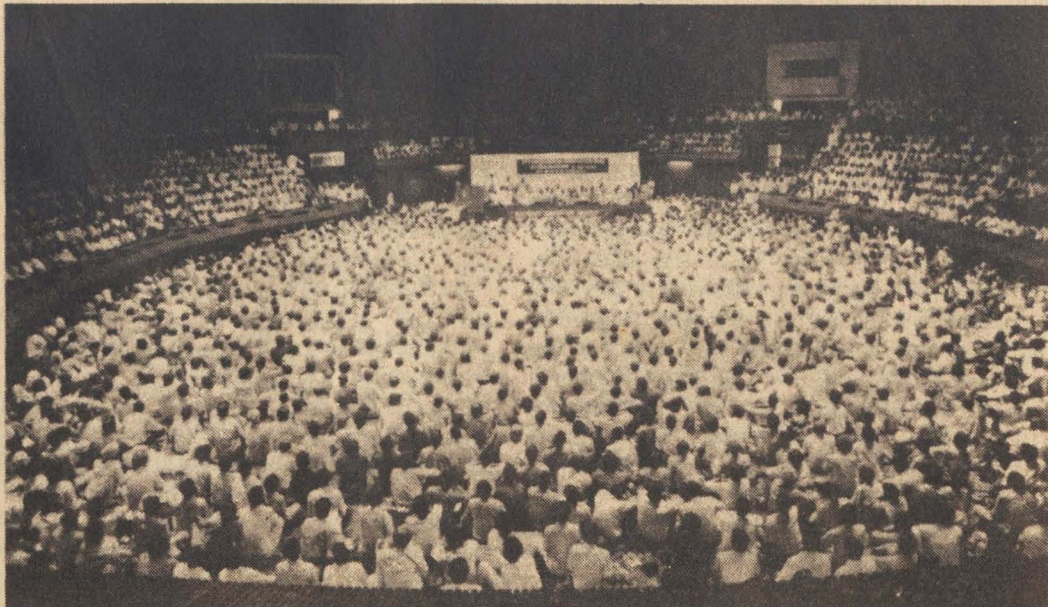
The 2nd National Convention organised by the National Platform of Mass Organisations called for an all India General Strike and Hartal on September 29, 1994 against the economic policies of the government and the GATT agreement.

The Convention which was attended by over 7,000 delegates from all parts of country, was decidedly the most massive one in recent history. The delegates represented the industrial workers and employees from the Central Trade Unions, a large number of National Federations, Public Sector Workers and Officers, Private Sector workers, the peasantry, agricultural workers, students, youths, women, cultural groups etc. The large number in which each section was represented, showed that the National Platform which was constituted in the 15th April 1993 Convention, had further enlarged itself and also cemented the unity amongst the different mass organisations. The vast gathering of the peasantry and agricultural workers gave further boost to the process of developing a fighting alliance of the workers and the peasants. It also showed how

peasantry and the agricultural workers were amongst the worst hits by the GATT agreement and developed the urge to fight against its ill effects in agriculture. The other sections like the students, youth and women were equally affected and concerned because of the bleak future ahead of them due to the economic policies.

So far as the workers and employees are concerned, their representations were naturally massive, cutting across all affiliations, because of the growing closures and sickness and the forced VRS imposed by the government in pursuance of the IMF prescribed policies.

The convention was conducted by a presidium consisting of E. Balanandan, President, (CITU); B.D. Joshi, Secretary, (AITUC); A.D. Nagpal, Secretary, (HMS); Prasanta Dasgupta, General Secretary, (TUCC); Sadhana Chowdhury, (AIMSS); Sunit Chopra, Jt. Gen. Secreacy, (AIWU); Bhogendra Jha, (AIKS); Vimala Farooqi, President (NFIW); Jogeswar Gope, (AICCTU); Harish Sharma, Jt. Secretary, (BEFI); Sudhir Kumar, Jt. Gen. Secretary,



A SECTION OF THE DELEGATES

(FMRAI); Brinda Karat, General Secretary (AIDWA); Girijeswar Singh, Secretary (UTUC-LS); Ramakant Pandey, president (FWFI); Hakum Singh, (AIPCC); Prem Prakash Sharma (AIYF); Lal Bahadur Singh, (AIDYO); Y. Venkatesh Rao, President (SFI); V. Venkataramaiah, Rytre Collie Sangham, M.S. Upadhyaya (AIIEA); Sushil Bhattacharjee (UTUC).

The draft declaration of the convention was circulated in English and Hindi. 32 delegates participated in the discussion. Among them were M.K. Pandhe (CITU), A.B. Bardhan (AITUC), Umaraomal Purohit (HMS), DD Shastri(TUCC), Sunil Sen Gupta(UTUC); Ashuthosh Banerjee (UTUC-LS); N.K. Sukla (Kisan Sabha), Bhan Singh (BKMU), Muhamad Salim (DYFI), Sukumol Sen ( State Govt. Employees), V.K. Patole (IFTU), Depankar Bhattacharya (AICCTU), Brinda Karat (AIDWA), J P Choubey (AIRF) N.S. Bhangu (AIREC), Vimala Farooqui (NFIW), R.K. Ganguly (Defence Federation), Mahadevan (JAF, Bangalore), N.M. Sundaram (AIIEA), Ramankutty (Confederation of Central Government Employees), Rabindra Nath Roy (AISF), V.Y. Kadam (ACEU), Ando (Co-ordination Committee, Nagaland) etc.

Delegates from the trade unions spoke in one voice regarding their experience of the implementation of the Exit Policy. Thousands are being thrown out jobless. Tens of thousands are on the verge of being thrown out due to sickness of units, hundreds of which are being referred to BIFR for liquidation. The VRS had come as a new offensive in the name of retrenchment. The Public Sector is being dismantled in a systematic way. They narrated how important PSUs in the vital sectors of economy and the symbol of self reliance were being made sick or being privatised through dis-investment. They also spoke out how in this manner the country was being led through a process of de-indigenisation and de-industrialisation.

The delegates drew attention to the galloping unemployment in the country which was the direct result of the new economic policies. They pointed out that the urban unemployment which grew to about 38 million, was being aggravated due to lakhs of joblessness created due to closures both in the organised sector, as well as in the unorganised and small scale sector of industries. It was estimated that with the growing backlog of unemployment, the total urban unemployment in the country may reach the colossal figure of above 94 millions by the turn of the century. Added to this was the teeming millions of unemployment in the rural sector which has grown from 70 million to 80 million during the period. Such a huge figure of unemployment in the country was bound to smash the national economy. It will be the end result of the IMF prescriptions and the GATT agreement.

The peasantry and the agricultural workers

showed their anger against the GATT agreement. They denounced the agreement which has allowed the multinationals access to the Intellectual Property Rights over seeds, which will curtail the country's self-sufficiency in food production and further compel the government to import up to 5 percent of the food requirements from abroad. It will further force the country to produce only what the MNCs will like to purchase at prices dictated by them only. As a fallout of the agreement the plight of the peasantry, the bulk of which are landless agricultural workers or peasants, will further deteriorate due to the refusal of the government to carry forward any genuine re-distributive land reforms. They showed their anger against the withdrawal of credit facilities and subsidies given to the peasantry for irrigation water, electricity and fertilisers and other inputs. With the cost of agricultural products rising and prices of all essential commodities spiralling, millions of small peasants and agricultural workers are being pushed down the poverty line and made jobless. Even the most vital demands like minimum wage and a central legislation for the agricultural workers are being rejected summarily.

The question of price rise of all commodities was pinpointed by almost all the speakers from each section. They pointed out that while prices rose unhindered, the government submitting to the pressure of World Bank/IMF continuously imposed administered price rise in all essential commodities including even rice and wheat, the two most staple food of the people. The Government came under particular hammering due to the racketeering in sugar price, which grew to unprecedented heights. They accused the government for consciously dismantling the Public Distribution System step by step, reducing the subsidies under World Bank pressure. This had made the life of the common people more miserably.

Atrocities on women was another point which was brought forward vociferously by the speakers. They narrated the growing instances of such atrocities and the deteriorating conditions of the working women in all industries. Students and youth in the same manner assailed the government's education policy and the employment policy which have made their future further bleak.

The Convention was held in the background of the offensives, which growingly took the character of neo-colonial offensives and an attempt by the imperialist countries to recolonise India and undermine its sovereignty. The government of course had been forced to take cognizance of the mounting struggles of the Mass Organisations during the period. The two countrywide industrial strikes, the Bharat Bandh, the earlier one million strong rally and most particularly the pitched battle which occurred on 5th April, followed by the protest actions,

on 15th April were recorded as land marks in the united struggle of the Mass Organisations against these policies. But the Government still remained committed to the IMF, World Bank and GATT, (now the new World Trade Organisations (WTO)), defying all public opinion and struggles of the toiling millions of the country. The participants therefore were in high mood to further intensify the struggle and give it a more militant character. The speakers took the challenge and expressed their determination to draw the battle lines.

The Declaration and the action programme were therefore accepted with thundering slogans for making the 29th September countrywide general strike and Hartal a grand success in all nook and corners of the country. The General Strike and Hartal on September 29 preceded by a campaign week, torch light procession and countrywide Rail Roko, complemented and supplemented by the Civil Disobedience Movement being launched by the Left Parties from August 16 to September 9, is bound to give a new turn to the struggle, giving it the shape of a people's movement against the economic policies and the GATT agreement.

### DECLARATION

1. This National Convention organised by the National Platform of Mass Organisations warmly congratulates the workers, peasants, agricultural workers, students, youth, women, cultural groups and other democratic and patriotic sections of the people for their massive protest actions on April 5 against the IMF prescribed economic policies and the Dunkel Draft, followed by observance of April 15 as the Black Day against signing of the GATT agreement by the Government of India in defiance of public opinion.

2. The Convention condemns the Government for signing the diabolical GATT Agreement which is a complete sell out of national interests and provides for unhindered loot of the Indian people by the multinational companies in collaboration with Indian monopoly capital.

3. The new World Trade Organisation (WTO) which replaces the GATT, will help further consolidating imperialist economic dominance over the people of India and other third world countries. The new GATT agreement will allow access to the transnationals into the vital agricultural, financial and service sectors. It gives a foothold to the transnationals to Intellectual Property Rights over seeds and other areas, which will finally curtail our food self-sufficiency, forcing us to import 3 to 5 per cent of our food requirements. It will hit hard the pharmaceutical industry in particular, and escalate the prices of all essential and life saving drugs beyond the reach of the people. It will undermine indigenous research and development and lead to all

round deindustrialisation of the country.

4. Although the massive countrywide protest actions since the last three years have slowed down the economic reforms, the Government has refused to reverse the reforms and is going ahead with the anti-national and anti-people policies by ruthlessly suppressing the democratic struggles.

5. During the three years urban registered unemployment in the country has grown from 3 crore 40 lakhs to three crore 80 lakhs affecting all sections of people. Even without official pronouncement, the Exit Policy is being implemented in a widespread manner. There will be an additional unemployment of about one crore twenty lakhs due to outright closures only. Over and above this, about 30 lakh workers are being affected by sickness of units, which has increased to over 4 lakhs. Lakhs of jobs are going to be killed in the name of restructuring, indiscriminate introduction of computers and rationalisation.

6. Rural unemployment has grown from 7 to 8 crores. The plight of the small and poor peasants and landless agricultural workers continues to deteriorate due to the refusal of the Central Govt to carry forward genuine redistribution of land. Under the new policy the subsidies given to peasantry for fertilizer, electricity and water as well as credit facilities are being withdrawn. Middle and small peasants are put to greater hardship and are being thrown out from agriculture and join the unemployed, substantially increasing the number of people below the poverty line.

7. Similarly, the agricultural workers, whose number is continuously rising, are refused minimum wages or regular employment, humane working and living conditions and social security. Despite repeated demands, the Govt is refusing to enact a central legislation as recommended by Rural Labour Commission. Social oppression of the vast section of Scheduled Castes and Scheduled Tribes continues to mount. The new policies will further increase disparities in the countryside.

8. The public sector is being dismantled systematically. While the sick units are being referred to BIFR for liquidation, the profit making PSUs are being privatised by disinvestment. Indian monopolists and multinationals are being allowed to enter all sectors of economy including the vital sectors like banks, insurance, power, telecommunications, airlines, railways, defence, etc. The various sectors of economy are opened up for foreign investment in such an extensive manner, reducing the customs duty on imported goods and increasing the excise duty on indigenous products, that it led to a section of the Indian industrialists expressing discontent over the preferential treatment given to the transnationals.

9. The new economic policy is leading to winding up of various schemes particularly in the states.

Thousands of employees are being rendered surplus and being retrenched. While thousands of vacancies in the Govt Departments are being abolished, the ban on recruitment continues.

10. As a result of sustained opposition, the Central Govt has not been able to bring in the retrograde Industrial Relations Bill, yet it has not retraced from its move to introduce the Bill, which will put trade union movement into straight jacket and curb the right to strike. The non-implementation of Welfare Labour Laws in the country has made the matter worse for the workers. The new recognition rules for the Govt employees' unions will hit their freedom of association.

11. The prices of all commodities have sky rocketted during the period. In the last one year only, the inflation rate has gone up from 7 to 12 per cent. There has been virtual collapse of public distribution system all over the country. To please the IMF, the Govt has imposed administered price rise in the most essential commodities like rice, sugar and wheat. The tall claims made about the decreasing of budgetary deficits did not materialise. The claim being made about comfortable foreign exchange reserves is also a temporary phenomena due to huge borrowings from the IMF. The international and domestic racketeers in sugar have garnered Rs 3000 crores in which several Union Ministers are involved. It resulted in raising the price of sugar to unprecedented heights. The hike in petrol, diesel, LPG, Coal, Steel, fertilisers, railway freights and fares and the Budget proposals have caused all round rise in prices of all essential commodities which have worsened the living standards of the common people.

12. Women are among the worst sufferers under the new economic policies. The number of women job seekers is increasing steadily. Not to speak of gaining equal rights in employment and wages at par with their male counterparts, they are the first victims of retrenchment due to closure of industries and rationalisation. The Govt has launched an attack on their maternity benefits in the name of containing population growth and using dangerous contraceptives. The atrocities on women like rape, molestation, dowry deaths, etc have further increased.

13. The future of students and youth has become further bleak due to sickness and closure of industries and reduction of employment potential. The new elitist education policy which seeks to train only a handful of technical personnel to serve the purpose of the monopolists is only hindering the aspirations for jobs and education for all. Higher education is being made affordable only by the rich, while privatisation of education is in full swing. The number of educated unemployment has also increased phenomenally.

14. With the growing entry of transnationals in all sectors of economy and trade there has been a growing infiltration of decadent Western culture with glorification of sex, violence, crime and religious fundamentalism in the Govt controlled electronic media, which is causing serious impact on the young generation. The Indian cultural groups and artists are legitimately fighting against this growing menace

15. In the above background of deteriorating economic situation and growing offensives on all sections of toiling people, this National Convention reiterates the Charter of Demands raised by the National Convention of 15th April, 1993 and calls upon all sections of workers, peasants, agricultural workers, students, youth, women and the democratic and patriotic sections of the people to consolidate the unity achieved through the struggles and to develop the National Platform of Mass Organisations at all levels, and further intensify united actions by launching the following countrywide programmes:

#### **Action Programme:**

1. Extend full support to All India Dharna before Prime Minister's House on June 22 and the All India strike of Central Public Sector Workers on July 14 called by the Committee of Public Sector Trade Unions. Demonstrations should be held on the day expressing solidarity to the strike.

2. Staterwise, Districtwise, Industrywise and section wise conventions to be completed by middle of August, 1994.

3. Observe a National Protest Week from August 3 to 9 against the economic policies. Each day should be observed by each section highlighting their demands in relation to the NEP and GATT as follows:

3rd August - Workers and Employees

4th August - Students

5th August - Youth

6th August - Women

7th August - Cultural Groups

8th August - Agricultural Workers

9th August - Peasants

Solidarity should be expressed by all other mass organisations to each section each day.

4. All India Rail Roko on September 20

5. Countrywide Torch Light processions on September 2

6. One day countywide General Strike and Hartal on September 29, 1994.

16. The Convention appeals to all sections of the people in the country to rise to the occasion and join this great struggle to preserve the self-reliance of the country and democratic rights of the people. pa

# Public Sector Workers' Rally Condemns Govt Policy on Public Sector

The public sector workers from all over the country staged massive demonstration and dharna in the capital at the call of Committee of Public Sector Trade Unions (CPSTU), the apex body of the public sector workers to protest against Government of India's policy on public sector and its negative attitude towards revival of the sick public sector units. Workers from the various public sector units from all over the country have participated in the rally at Jantar Mantar.

As per decision of the CPSTU in its meeting held on 26-27th May 1994, the dharna was supposed to be held at Golmehi Chowk near Prime Minister's residence. But permission for holding dharna at Gomethi Chowk has been denied by the police authority. The CPSTU strongly condemns such denial of permission which tantamounts to denial of basic democratic right of expression.

The rally was addressed by Central Trade Union leaders and various leaders of the public sector trade unions namely E Balanandan and M K Pandhe, President and General Secretary of CITU respectively, A B Bardhan, General Secretary, AITUC, K.L Mahendra, Secretary AITUC, and H Mahadevan JAF, Bangalore, Ramakant Pandey, president FWFI, Jamuna Prasad Shastri, HMS, Jibon Roy, MP, etc

The speakers in the rally while condemning Govt of India's policy on public sector, reiterated the decision of public sector unions to go on for nationwide strike on 14th July 1994.

At the end the rally moved in procession from Jantar Mantar Park and courted arrest by defying prohibitory cordon. Around 875 workers courted arrest of which 25 were women workers.

From the rally a delegation of leaders went to Prime Minister's residence to submit the memorandum, as per appointment fixed previously through police. But surprisingly enough PM Secretariat stated that there was no previous intimation. The delegation refused to submit memorandum with the Secretariat. The CPSTU strongly condemns such undemocratic behaviour by the PM Secretariat and called upon the unions to send protest telegrams to PM, on the matter. The text of the memorandum is given below for the press:

To  
Shri P V Narasimha Rao Prime Minister of India  
New Delhi

Sub: Memorandum on behalf of Committee of Public Sector Trade Unions on sickness on public sector units.

Dear Sir, The Committee of Public Sector Trade Unions comprising of the trade unions of Public Sector Workers through out the country in its meeting held on 26-27th May at New Delhi have decided to draw your attention to seek your intervention on the burning problem of revival of sick public sector units through this rally on 22nd June 1994. The CPSTU urges upon you to take note of repeated declaration and announcement by the Government of India itself at various forums that the revival of the sick public sector units is the motto of Government's industrial policy and not their closure/liquidation.

1.0 But the situation on the ground is altogether different. Around 58 public sector units have been declared sick and more than 40 units have been referred to BIFR. The moment a unit is referred to BIFR, in most of the cases, it is being denied of credit facility by the Nationalised Banks and Financial Institutions, made to starve of supply of raw materials and other basic inputs and pushed towards further losses. It is at the instance of Central Government, the Banks are refusing to extend credit to many of the sick PSUs even to procure basic raw materials to keep the plant running, pushing towards inevitable suspension of operation and aggravation of losses.

2.0 On the other hand, in the BIFR hearings the representatives of the concerned Administrative Ministry and/or deptt have been taking a stand of refusing to act as a promoter thereby blocking the possibility of revival of the concerned sick units and pushing them towards liquidation. Till date, of all the public sector units referred to BIFR, not a single case of revival of the sick unit has come through although in a number of cases show cause notices for winding up has been issued by the BIFR.

3.0 Banks/FIs are refusing to extend concessional rates of interests to sick PSUs, as applicable under RBI guidelines to sick industrial units during preparation of revival packages for PSUs thus making the rehabilitation process more difficult.

4.0 The CPSTU seeks to impress upon that most of the sick public sector units were taken over from private sector because of mismanagement and lack of modernisation. After taking over the units, the Government did not take any measure to modernise/revamp these units so as to ensure full capacity utilisation. In such a situation, it is thoroughly unfair on the part of the Central Government to disown its responsibility to act as promoter for revival of the sick units and push them towards closure/liquidation endangering the livelihood of lakhs of workers.

5.0 The CPSTU is of the firm opinion that it is the organised refusal of concerned administrative ministries to act as a promoter and share responsibility for revival, that stood in the way of revival of the sick public sector units and such stand of the government is totally inconsistent with its much publicised repeated announcement in various forums that the govt policy is aimed at revival of the sick units and not their closure/liquidation.

6.0 The CPSTU also seeks to bring to your notice that even the still healthy public sector units are threatened with imminent sickness because of a policy of deliberate discrimination and faulty planning by various Govt departments in the matter of placement of orders. There are many public sector units, which were set up by the Govt of India and huge capacity was created only to cater for various govt deptts., viz railways, telecom and the like. Most of those public sector units are now being compelled to cutdown their level of operation owing to sudden refusal of the concerned deptts to place order with those PSUs inspite of their proven ability to supply at competitive rates. There are many cases in which the public sector units are discriminated in the matter of orders and multinational companies are favoured. BHEL's case is a classic example where cheaper power plant equipments are being ignored on the plea of suppliers credit.

7.0 Such an attitude of the Govt of India is also acting havoc resulting in low capacity utilisation and consequent financial losses, pushing even still non-sick companies to chronic sickness. The whole of wagon Industry including private manufacturing units are facing threats of closure because of sudden drastic cut in order of wagons from railways. Electronics and telecom equipment industries are also facing the severe wrath of such discrimination.

8.0 The CPSTU also regrets to note that the special Tripartite committee under the chairmanship of Hon'ble Labour Minister formed as per your directive for the revival of sick industry, has proved to be a damp squib. BIFR is taking decisions without taking into consideration the recommendations of the tripartite Committee. Assurance of the govt that

joint packages prepared by the management and unions would be acceptable and the BIFR will be called upon to give a formal approval, has also been equally a non-starter. Not a single such package has till now got an approval. On the other hand the managements are discouraged/advised by the concerned ministries not to go for such joint packages with TUs.

9.0 In case of healthy profit making PSUs, govt stand is equally perplexing. The shares are being disinvested at random. But not a single pie is being ploughed back to the public sector for their improvement. While reduction in plan allocation for further investment in public sector being apparently the govt's main thrust, **there appears to be only two options before the PSUs---natural death through BIFR for sick units and privatisation of healthy profitable units through disinvestment and/or other means.**

10. The rally of the public sector workers expresses their strong resentment over the situation described above and the government's attitude towards public sector as a whole. It expresses its firm commitment to public sector and declares its readiness to extend all support to any move to strengthen public sector network and at the same time expresses its firm resolve to defend public sector at any cost.

11. The workers sincerely urge upon the Prime Minister of India to appreciate the gravity of the situation and intervene so that **(1) Govt shares the responsibility for revival of sick public sector units (2) public sector units are not discriminated in the matter of orders and are regularly fed with orders to ensure full capacity utilisation and (3) disinvestment of shares of PSUs is stopped (4) public sector units are not starved of funds for purchase of raw materials (5) liabilities are written off for those undertakings which are showing cash profits at current level of operations but are showing losses due to loan repayments and interest on past liabilities (6) Govt should permit the public sector managements to work out viability proposals jointly with the trade unions, in the interest of the country's economy and all concerned.**

With regards,

Yours faithfully,

K L Mahendra	M K Pandhe	Jamuna Prasad Shastri
AITUC	CITU	HMS
H Mahadevan	Ch Madhusudana Rao	
Joint Action Front	Public Sector Coordination	
Bangalore	Committee, Hyderabad	
Jibon Roy, MP	Dipankar Mukherjee, MP	

# Declaration Adopted in Extended Meeting of CPSTU

The extended meeting of Committee of public Sector Trade Unions in its two-day session held on 26th-27th May 1994, at New Delhi called upon the public sector workers to prepare for nationwide struggle against the anti-people anti-worker and anti-public sector policies of the Government of India.

The meeting was attended by 103 delegates from most of the public sector industries all over the country. A presidium consisting of H. Mahadevan (AITUC), V B Cherian (CITU), R.K. Samantrai (HMS) Michael Fernandes (JAF, Bangalore) and M B S Varaprasad (Hyderabad, PSU Coordination Committee) conducted the deliberations of the meeting.

The CPSTU took serious note of the increasing sickness of public sector units threatening the job security of more than a million workers, and stressed the need for united action for revival of the sick units. The meeting observed that the consistent refusal of Govt of India to act as a promoter in revival package was leading to liquidation of those sick public sector units. And further, the deliberate discrimination by the Govt of India and various Govt depts against the public sector units, and starving the PSUs of regular orders was further pushing them towards gradual closure..

The meeting expressed serious concern over the non settlement of long pending wage revision for the public sector workers, due to guidelines of Deptt of public enterprises. The meeting also noted the sinister move to attempt unit level separate settlements which would seriously affect the pattern of National level wage settlement.

The inordinate delay in finalisation of the Dearness Allowance rates and the pension scheme for public sector employees was causing strong resentment among the workers. The demand of removal of all ceilings on bonus payment for workers and raising of exemption limit for income tax payment were still unresolved inspite of repeated assurance of the govt

CPSTU expressed alarm over the continuance of the move for privatisation of the public sector through disinvestment and various other forms. Serious concern was expressed over the increased offloading of jobs to contractors in most of the public sector units.

It is only the consistent struggle of 23 lakh public sector workers throughout the country against the detrimental policy of the government that can defeat the design of the Govt of India to deny just economic demands of the public sector workers and also force Govt to take immediate steps for revival of sick public sector units in the country.

The CPSTU noted the call for a strike on 14th July 1994 given by the INTUC on the demands highlighted by the joint platform of CPSTU. It therefore appealed to INTUC and all other trade unions for a joint preparation of the strike action. The CPSTU therefore called upon all the trade unions in public sector to mobilise workers on the following pressing demands of public sector workers.

## **Demands**

1. Oppose the drive for privatisation of public sector units and disinvestment of public sector shares.
2. The Govt. of India must come forward to help the revival packages of the sick public sector units.
3. Oppose discriminatory role of the Govt of India against the public sector units to bolster the private sector and multinational companies on the plea of generating competition, and denial and of orders to various public sector units by the govt depts.
4. Scrap of DPE guidelines to ensure immediate conclusion of wage revision in public sector.
5. Finalisation of DA slab rates to ensure full neutralization at all levels in consultation with the trade unions.
6. Amendment of Bonus Act to ensure removal of all ceilings on bonus payment to the workers.
7. Raise the exemption limit of Income Tax Act.
8. Ensure implementation of Pension through joint contribution of both workers and mangement.
9. Abolition of contract system in PSUs and regularisation of contract workers.

The meeting appealed to all the workers in public sector to implement the following phased programme of action:

## **Action Programme:**

1. One day strike throughout the public sector on 14th July, 1994. Strike notices to be served on 28th June 1994 in all PSUs by holding joint demonstrations.
2. Dharna before the PM's house at New Delhi demanding Govt's active participation in revival of sick PSUs and protection of public sector undertakings on 22nd June 1994.
3. A National Workshop on sickness in public sector in July 1994.
4. National seminars on Disinvestment and offering public sector shares to workers.
5. In order to make the programme a total success intensive campaign should be organised during June 1994.
6. Demand Week from 28th June to 4th July 1994 to be observed to popularise these demands.

# National Consultation on IISCO Modernisation

Two days' National Consultation on IISCO modernisation was held on June 16 and 17 at the SCOPE convention centre, New Delhi.

The Consultation was inaugurated by the prominent economist Dr. Arun Ghosh and was attended by 102 delegates representing the five Central Trade Unions i.e. INTUC, AITUC, BMS, HMS and CITU, and Save IISCO Committee and the IISCO Officers' Association. Chandra Sekhar Mukherjee, veteran T.U. leader of IISCO presided over the consultation.

The consultation adopted the following Declaration:

## DECLARATION

The two-day session of the National Consultation on Modernisation of Indian Iron & Steel Co Ltd., Burnpur held on 16- 17 June 1994 at New Delhi expresses its firm opinion after extensive deliberations that modernisation of IISCO can be done by SAIL if the Government of India permits the management and urges upon the Government of India for taking necessary steps in that direction.

The deliberation clearly indicates that the move for privatisation of IISCO militates against the interest of the country and the public sector steel making network as a whole and the overall interest of the industry and national economy.

This National Consultation organised by the Central Trade Unions viz AITUC, BMS, CITU, HMS and INTUC and their affiliate unions in the Steel Industry, the SAVE IISCO Committee and IISCO Officers' Association also

- expresses its gratefulness to Dr Arun Ghosh, ex- Member, Planning Commission, for a very elucidating contribution on the Steel Industry as also on the significant role of IISCO in the history of Steel Industry in India.
- notes the massive united support by all the trade unions in the Steel Industry towards the revival/ modernisation of IISCO.
- expresses serious concern at the most heinous negligence meted out by the Central Government to IISCO after taking over the company 22 years back.
- condemns the attitude of the Steel Ministry to hand over such a steel plant to a private sector instead of putting it at the right place as promised by them during take-over.
- appreciates the role of the Members of Parliament in the Standing Committee and

also in the Joint Consultative Committee for their support for revival of IISCO within public sector frame work and welcomes the recommendation of the Parliamentary Standing Committee on Industry for evolving of alternatives to privatisation of IISCO for its urgent modernisation through tripartite consultation.

- appreciates Resolution of the West Bengal Assembly against the privatisation of IISCO and for working of IISCO through SAIL.
- takes note of the initiative taken by the Labour Minister in calling the Special Tripartite Industrial Committee to discuss IISCO, matters wherein it was agreed that a techno economic viability scheme for IISCO to be evolved jointly by the trade unions and SAIL management be placed before the Tripartite Committee for further consideration.
- is surprised that inspite of the assurances in the Tripartite Committee for a gainful dialogue over the modernisation of IISCO, no meeting was convened by SAIL and so far as the information goes, the Steel Ministry inspite of being party to above decision has not yet officially advised SAIL to start the process of interaction with the trade unions to evolve a viability scheme.
- notes that the representatives of trade unions have unresolvedly reiterated their fullest cooperation for the rehabilitation of IISCO, including financial/equity participation.
- would like to know first the plan of the Steel Ministry for modernisation of IISCO, the manner, the methodology, the period and all other related matters.
- demands that a viable modernisation package be drawn up by SAIL in consultation with MECON, DASTURCO and other expert agencies, to be implemented in phases.
- urges upon that SAIL should be given at least the same rights and facilities and the freedom to mobilise resources as agreed upon by the government in case of M/s Mukand Ltd
- suggests that all loan and interest liabilities of IISCO be waived (almost similar concessions was granted by the

government to M/s Mukand in the matter of loan from SAIL and SDF)

proposes that IISCO should be taken as a whole including the plant, the Kultiworks, the mines including chiria mines and all its assets for a realistic assessment of its potential for revival and its resource generating capacity and prospect. It demands revaluation of entire assets of IISCO at current price to assess its real strength.

suggests that the savings arising out of discontinuance of Steel Development Fund(SDF) and EEPC fund(to be effective from next year) should be diverted for funding initial phase of modernisation.

points out that the proceeds of disinvestment of shares of SAIL should be reinvested for modernisation of IISCO, instead of meeting the revenue expenditure.

seeks to draw the attention of SAIL and the government of India to the Memorandum of Understanding signed between SAIL management and all the trade unions of IISCO in 1989 for modernisation of IISCO within SAIL framework to which workers fulfilled their commitment.

urges upon the SAIL and the government that steps must be taken on urgent basis so that the Agreement of 1989 is fully honoured by the SAIL management and the Government.

expresses its preparedness to consider any viable proposal for modernisation of IISCO either by the Government or by SAIL.

strongly condemns the move of the Steel Ministry to refer IISCO or a part of it to BIFR and demands that in view of the ongoing process in Special Tripartite Committee reference to BIFR be withdrawn.

makes it clear that IISCO and all its assets and liabilities were merged through an Act of Parliament, in the SAIL; and therefore, IISCO or any of its units cannot be separately subjected to any reference to BIFR, etc.

appreciates several messages that have come from different personalities expressing their support and sympathy to the case of IISCO workers.

expresses that in case of financial contribution by the workers, such a contribution would not be limited only to the employees of IISCO, but workers in the Steel Industry would also contribute towards that end.

hopes that the Government will realise the gravity of the situation as IISCO is fast losing its fidelity due to 22 years of gross negligence and arrogant indifference by the authorities.

appreciates that inspite of such a situation, the IISCO employees have fulfilled the targets, eliminated the cash loss in recent months against such heavy odds which manifests the height of dedication of its skilled workforce. Added to this are its strategic location, rich and captive source of raw materials and other natural advantages which if complemented with properly planned investment would ensure highest possible return among all the steel plants. In that sense IISCO merits highest priority in the matter of investment for modernisation.

makes it clear that IISCO cannot be taken in isolation and the cause of IISCO is the cause of working class of India as it will be a light-post for such a situation in other industries.

calls upon the Labour Minister to convene Tripartite Industrial Committee meeting on IISCO at the earliest possible

takes note of several proposals for the modernisation of IISCO which were discussed in the consultation and it was decided that all those projects be forwarded to the Government for consideration. The Consultation suggests that a proper Expert Committee should examine all the proposals alongwith representatives of Labour to sort out a gainful conclusion.

The session decides to carry the message of united struggle of the steel workers at the grass root level and hold similar joint sessions and conventions in all the plants.

This national session calls upon the steel workers and the working class in general to act unitedly to stall privatisation of IISCO at all cost and ensure its modernisation within public sector frame work.

Sd/-	Sd/-	Sd/-
Gopeswar	M.K. Pandhe	Raj Kishore Samantrai
Gen. Sec.	Gen. Sec.	Vice President
INTUC	CITU	HMS

Sd/-	Sd/-	Sd/-
B.D. Joshi,	R.K. Mishra,	D.K. Palit
Dy. Gen. Sec.	Vice President	IISCO Officers
AITUC	BMS	Association.

# NATIONAL CONVENTION ON POWER SECTOR

A national convention was jointly organised at Delhi on June 23 by the All India Power Engineers' Federation (AIPEF), Electricity Employees Federation of India (EEFI), All India Federation of Electricity Employees (AIFEE) and National Confederation of Officers Associations (NCOA) at the Constitution Club, New Delhi.

The Convention declared its opposition to the Government's current policy of inviting foreign investors "on terms which would be ruinous to the Indian power sector." It warned the Government that if these policies are not reversed, the engineers and employees will take recourse to all democratic methods to defeat these policies.

In an appeal, the Convention urged the Prime Minister to re-examine the current policy of inviting foreign investment. The policy of offering special incentives to the foreign investments to set up power stations was a serious onslaught on the Indian power sector, the appeal said.

A presidium consisting of the leaders of the four organisations were constituted and leaders from all the States spoke on the draft presented before the convention in the form of a letter to the Prime Minister. The draft was unanimously accepted and the action programme suggested was agreed to.

## APPEAL TO THE PRIME MINISTER

We, the power engineers and employees in the power sector appeal to you to re-examine the current policy of the Union Power Ministry of inviting foreign investments in the power sector on terms, which will bankrupt the country. The recent policy of offering special incentives to the foreign investments to set up power stations is a serious onslaught on the Indian power sector. The foreign investors are being offered incentives like guaranteed returns on inflated capital costs, higher electricity prices denominated in foreign currency, imported fuel, and an assured minimum offtake well beyond the current average load factor of the grid. And this high cost power is being forced on the State Electricity Boards (SEBs) effectively pushing them further towards ruin.

The criticism of Government policies have been across the board-- eminent power engineers, economists, journalists, policy planners and now even members of the Planning Commission. They have pointed out the disastrous effect of these policies on the existing electricity sector and the entire economy. All this has drawn only a polemical response from the Government without any serious attempt to address the issues raised.

It has been shown that the cost of power projects proposed by the foreign investors are approximately 60 to 80% higher than the current cost of power

plants. The inflated capital costs help the foreign investors in reaping much higher profits as the returns on capital costs are guaranteed--in other words higher the capital costs higher the returns that the investors make. Further, it is strange that there are no tendering procedures for projects involving thousands of crores when such procedures are followed even in the smallest of Government contracts.

The price per unit of power as a result of adding such high cost power will go up many times. The cost of such power to the consumer will be at least Rs 4.00. At present industrial tariff is used to subsidise the domestic consumer and the agricultural sector. The current policy will mean drastic revisions of tariff to accommodate the foreign investor owned power. Even after this, the SEBs will continue to be in the red while the foreign investors are assured of guaranteed profits.

It has been pointed out that for adding at most 5,000 MW in the next five to six years, the outflow of foreign exchange will be of the order of Rs 15,000 crore and the loss to the SEBs will be of the order of Rs 10,000 crore. This can be contrasted to the expected inflow of resources due to inviting foreign investors. The Dhanbol Combined Cycle (ENRON) plant and Jegrupadu (GVK Industries) have shown that actual foreign investments are not more than 30% of the total investments. Therefore, for adding 5,000 MW, the capital inflow over 5 years will be about Rs 8,000 crore. In other words for the benefit of at most 2,000 crore inflow of additional capital per year, we are committing the country to a net annual outflow of Rs 15,000 crore. In the name of augmenting our scarce capital resources, a deliberate fraud is being committed on the Indian people. To compound this massive fraud, a further measure of importing gas for the power sector in place of indigenously available coal is now sought to be advanced. It seems to matter little to the powers that be that the country will be bankrupted in the near future as a result of these policies.

The new policies are designed to push the current installed base of 77,000 MW into sickness for adding only another 5,000 MW. The SEBs will be rendered bankrupt in order to pay for the high cost power from the foreign investor owned power stations. Then, in lieu of electricity dues, the SEB power plants can be "sold" to such foreign investors. That this is no imagination can be seen from the negotiations that are already being carried out for Ib Valley State I (2\*210 MW) by AES Transpower who are building Ib Valley State II (2\*210 MW). The piecemeal dismantling of the SEBs will be done after the SEBs are bankrupted first through the current policy. The current policy is designed therefore as the step--bankrupting of the SEBs--for the goal of "privatising" the existing power sector.

Another consequence of high cost power is that it will push up the cost of products all round-agricultural and industrial- which in turn will have an adverse impact on our market competitiveness internationally, a consequence we can ill afford under the current environment. This is especially unfortunate, as Indian power equipment, as shown by Federation of BHEL Executives Associations, can generate power at 50% cost of what the power multinationals are demanding. If such exorbitant concessions are given to the power multinationals, not only will the consumers be fleeced, but our indigenous power equipment manufacturing sector set up at enormous cost will also face ruination. Thus, from a country self-reliant in power equipment manufacture today, we will be driven to a state of total dependence on power multinationals for our power needs. Therefore, this policy will lead to deindustrialisation of India and is anti-national.

The electricity employees of the country--whether they are engineers, technicians or workers--have a vital stake in the health of the electricity sector. A policy designed to bankrupt this sector will have to be fought tooth and nail as it strikes at the very roots of this nation. The engineers, employees and workers will unitedly oppose such a policy to safeguard the nation and will be forced to resort to all democratic

measures if the Government does not change this policy. We appeal to you as the leader of the Government and a patriot to re-examine the policy and reverse it in the national interest.

### **Action Programme for Reversing Government's current policy**

The power policies of the Government need to be reversed to save the power sector. The current policies of the Government will push up the power costs to unacceptable levels and will lead to the destruction of both the electricity sector and the power equipment manufacturing sector. To prevent such a disaster from taking place, the following action programme has been chalked out.

1. During the month of July and August, a month long joint campaign will be conducted by the constituent organisations. In this month long campaign meetings, dharnas, distribution of leaflets, etc will be organised.

2. The campaign will culminate in a mass protest day on August 25th. On this day Statewide rallies will be held all over India. It will be called National Protest Day against Current Power Policy.

3. Further Action Programme will be drawn up after the above campaign.

## **An Encouraging Form of Mass Education "Impact of New Policy In Power Sector"**

### **— MOBILE EXHIBITION**

K.S.E.B. Officers Association has organised Visual Education Programme of mobile documentary exhibition viz "the new policy in power sector", mainly concentrating on Kerala. In it, the impact of environmental fundamentalism is explained and vividly shows its adverse consequences on our development. The content is mainly based on the paper brought out by the Apex Committee of Trade Unions and officers organisation in power sector after its three day workshop at Delhi. The visuals are colourful paintings, charts, graphs, enlarged clippings, cartoons and manuscripts on hard boards. 360' x 8' area is required to display the exhibits.

The exhibition which started on 12th of June 1993 has covered 12 district headquarters and the proposed Pooyamkutty Project area. It is taking 5 to 7 days to cover a station. At some places, the last dates of exhibition has been extended for few more days, on public request and considering the increasing number of spectators. From 9 AM to 9 PM, the exhibits are explained to the visitors by experts of Officers Association and Workers of Workers Association (CITU) and at some places Electricity Workers Federation (AITUC) too. More than 3 lakhs of people saw this exhibition. At least 50% of them

interacted with the volunteers, explaining the exhibits. 10,000 booklets, which explains with facts and figures, the deep and long standing consequences of these policies were also sold and distributed during these exhibitions.

The exhibition attracted the media of the state. They have given big coverage. Even Dooradarshan and Askashavani were forced to give some prime time for this, is a rare phenomenon. They have showed few views of the exhibition stall and exhibits. All most all the news papers including English dailies wrote special write-ups, about the exhibition. The press coverage was good.

Together with this nearly 150 corner meetings were also held as part of the campaign along with the exhibition giving detailed explanation on the policy impacts. Eminent personalities from different walks of life including some of the Ministers were attracted to view the exhibition.

This new experiment is worthwhile to be copied to other campaigns also like that of "adverse consequences of GATT " etc. However the Electricity organisations are planning to bring this Exhibition with English and Hindi titles for All India publicity with appropriate enlargements.

# More About the Debate on Confederation of Trade Unions

□ M.K. PANDHE

The resolution adopted by the Patna Conference of AITUC held in March, 1994 on trade union unity advocated the formation of a single trade union centre in the country. The need for organisational unity of the working class cannot be exaggerated, but merely expressing a desire for such a unity cannot automatically lead to formation of a single trade union centre in the country.

As a matter of fact almost every trade union centre in the country has accepted the concept of formation of a single T.U. centre in the country. Yet why the formation of a single trade union centre is not being achieved? The question requires some in-depth study of the problems involved in such a unity.

We are making an attempt here to point some of the issues which act as hindrance in the trade union unity. There is to evolve common approach to tackle these questions so that the unity would be a lasting unity. An unprincipled or opportunist unity may appear easy to achieve but it will remain a temporary unity and may develop cracks soon after formation of such a centre.

The following issues need to evolve common approach within the trade union movement.

## 1. Democratic functioning of trade unions

Many of trade unions in the country do not function democratically. Some of them are pocket boroughs of some individual leaders. This would be a great stumbling block in merger of local unions. Hence, democratic functioning of trade unions is an essential pre-requisite of unification in the trade unions. How to achieve this, needs evolving common approach within the trade union movement. Since merger of central trade unions without merger of local unions would be meaningless, this aspect needs proper emphasis if we are serious about unification.

## 2. Loyalty of trade unions to the working class:

Many trade unions are secretly in league with the management and do not protect the interest of the working class. These unions do not participate in trade union struggles and immensely harm the cause of the working class. They sign settlements unfavourable to the workers and do not consult the

workers on issues facing the working class. The united movement of the working class has to find out ways and means of ensuring loyalty of trade unions towards the workers.

## 3. The problem of Anti Social Elements

The prevalence of Anti-social elements in the trade union movement is a phenomenon which cannot be ignored to-day. Several mafias operating in the coal mining belt are trade union leaders and these mafias are spreading in other industries also. The ghastly murder of V.G. Gopal, Vice President of INTUC is openly being considered as an insider's job. The recent developments in RMMS, Bombay clearly indicate the role of anti-social elements to suit the interests of a textile tycoon. How to weed out such elements from the trade union movement will be an important question, which requires working out common understanding within the trade union movement for resolution.

## 4. Combating Erroneous Tendencies in the T.U. Movement:

There are certain erroneous tendencies emerging within the trade unions which need to be combatted jointly by the united movement of the working class. The prevalent corruption within the trade union movement, careerism and bureaucratism are eating away the vitals of the movement. These tendencies will not allow proper unification of the movement in the country.

The CITU has been making sincere efforts to correct its organisational deficiencies. However, there is need for an all India debate on the organisational problems with a view to evolving a common approach to these problems.

## 5. Evolving Common Political Approach:

An attempt is being made in the country to build a non-political trade union movement. If the working class does not participate in the political struggle, then the capitalist class will have its supremacy in deciding all issues relating to political policies facing the country. The trade union movement therefore cannot be non-political movement. However, when

all the political forces come together, then the policy acceptable to all will become the political policy of the trade union movement.

We cannot therefore accept unification of trade union movement on the understanding of building non-political trade union movement. However, when several political trends work together, it may become possible to evolve common political approach by the trade union movement and hence the trade unions cannot become adjuncts of a political party.

The CITU has therefore advocated the idea of the Confederation of Trade Unions, because it can play an important role in working out common approach to problems which to-day divide the trade union movement. The confederation concept therefore paves the way for unification of the trade union movement. The CITU believes that through proper dialogue within the T.U. movement it may be possible to find out the method of bringing into practice the concept of the confederation.

The Sponsoring Committee of Indian Trade Unions is a united front of several organisations for common struggles. However it has a limited purpose of working out tactics of trade union movement. A confederation will be a body that will go into the aspects of organisational consolidation of the working class. It would evolve common policy including approach towards organisational matters. It would thus be a higher form of organisation than the Sponsoring Committee, directed towards organisational unity of the Working Class.

A.B. Bardhan, General Secretary of the AITUC has spelt out these ideas in a clear form when he presented a paper 14 years ago on the occasion of the Birth Centenary celebration of N.M. Joshi.

Bardhan said "To proceed towards unity from the existing reality, the First important step- a step which life itself, which the practice of the day to day movement has brought forward, is to take initiative for joint actions to organise common united actions for workers belonging to different unions, different industrial federations and trade union centres at whatever level possible..."

"The second possible and practical step is to go ahead with frequent joint meetings, consultations and dialogues for levelling out differences of opinion and determining areas of agreement on problems facing the workers and tactics to be pursued for solving them..."

Bardhan continued, "The third step which can be taken in the coming days and which in **no longer a distant perspective** is to move for setting up a confederation of as many central trade organisations and industrial federations as are willing to come together. **The time is ripe for it.** Such a step has already been proposed. The point is to carefully prepare the ground for it. Mutual confidence in organisational unity is being achieved through a series of joint mass actions and propagation of commonly accepted views. **If the leadership listens to the voice of the masses and pays need to their interests, if it learns to rise above its petty and narrow interests which are in any case rarely served in conditions of disunity, then this is not very difficult.** The last vestiges of reservation can be overcome, and the seemingly impassible hurdles can be crossed". (Emphasis added)

(National seminar on V.M. Joshi and the Trade Union Movement, Bombay, 10-12 April, 1980)

This was stated soon after Com. B.T. Ranadive announced this in the Madras conference of CITU in 1979.

During the last 14 years the first two steps visualized above have already been taken and naturally the third proposal given by Bardhan is now on the agenda.

I distinctly remembered, during the condolence meeting of Com. B.T. Ranadive at V.B. Patel House lawns, Chaturanan Mishra while speaking, mentioned that the best homage that could be paid to the memory of Com. B.T. Ranadive was to form a Confederation of Indian Trade Unions. Several persons who attended it have heard along with me the statement made by the prominent AITUC leader.

It is not the purpose of writing these lines to score a point over each other but to make sincere efforts to find out areas of agreement in consolidating the unity of the working class to a higher level. I do not think it is difficult to find a solution if all make efforts without any grudge and prejudice.

As a participant in the above seminar I welcomed the proposals given by Bardhan. When these lines were written by him, he was only a member of the General Council of AITUC. Now he is the General Secretary of the organisation. He has opportunity to implement what he advocated 14 years ago. I felt he was certainly expressing the feelings of the rank and file members of the AITUC.

# All India Coal Workers Federation Call Protest Week (May 15th-20th Observed in Singareni Collieries)

In response to the call given by AICWF, protest week was observed in Singareni collieries in different regions.

In Bellampall Area, in divisions Bellampell, Mandamarri, Ramakrishnapur and Srirampur, around 350 kms. not carrying the blazing sun from B-zone to GM office and submitted a memorandum to the divisional GM Sri K.V.Rao. The Union delegation was represented by Com. P. Raja Rao, General Secretary, Com. Satyanarayana, Secretary and Com TNV Raman. S. Raja Gopal, PSR B Mahendra etc. In the meeting held before GM office. Com. P. Raja Rao explained the issues to the workers which was followed by interesting songs by Andhra Praja Natya Mandali troop.

In Ramagundam Area, all 5 divisions workers took out a procession for stadium grounds to Godavarikhan GM Office. In the blazing sun, about 250 workers participated in 2 1/2 kms. long procession. memorandums were submitted to the GM of Godavarikhan. Ist division, Sri D.P. Garg, Ramagundam II division GM Sri Bomma Reddy, Ramagundam V division GM Sri Madhu Sudhan Rao

150 cycles and 50 two wheelers along with attractive banners, flags and placards. The procession was led by union General Secretary Com. P Raja Rao, Secretaries Con Ch. Narayana Reddy, Com. S.Satyanarayana and Division leaders Com. R. Kesava Reddy, T. Raja Reddy, Narahari Rajeswar Rao etc. Songs by Praja Natya Mandali troop was a special attraction to the procession.

In Kothagudam area, 100 workers took out a procession by cycles to Illendu GM office and submitted memorandum on 16.5.91 on 17.5.94 in Mangaru memorandum was submitted by a procession of 150 workers. In Rudranpur division, memorandum was submitted to GM on 19.5.94.

During this protest week, many meetings were organised at pit level and departmental level and thousands of workers were explained about the negative impact of New Economic policies to workers and the country as a whole. In total 1000 workers participated in procession including 60 women workers.

## CITU Condemns Banning of Electricity Employees Strike By Up Government

Com. E. Balanandan, M.P, President of CITU issued the following Statement:-

The Centre of Indian Trade Unions condemns the Government of Uttar Pradesh for banning the strike of the employees of UP State Electricity Board, which is scheduled to commence from June 15 midnight.

It is to be noted that the call for the strike has been given not for any economic demands of the employees. but as a protest against privatisation of electricity generation. The privatisation step taken by the Government in the power industry will lead to stoppage of all projects taken up by the Government and handing them over the private parties including distribution.

Privatisation in the power industry will lead to an exorbitant enhancement of the power tariff to the tune of over Rs.5/- per unit. This will put the common people to great hardship, further pauperise the peasantry and also hamper the industries.

The strike call against privatisation therefore has been given in the interest of the common people and the nation as a whole.

The CITU demands immediate lifting of the ban on the strike. It extends full support to the electricity employees for their decision to go on the strike despite the ban and calls upon all unions in the power industry and CITU State Committee to raise their voice of protest against the ban and express solidarity in support of the strike.

## FACTS YET TO COME IN FOCUS

□ SWADESH DEV ROYE

Ever since the introduction of Fund-Bank dictated Economic Policies by the Narasimha Rao Govt. the question of subsidy on fertilizers has been occupying the pages of news papers quite frequently. According to the Economic Memorandum submitted by the Govt. to the IMF in the middle of 1991, subsidy on fertilizers was to be completely eliminated.

So far the Govt. has decontrolled the prices of phosphatic and potassic fertilizers, withdrawn subsidy from these two varieties substantially and increased the selling price of urea.

### SUBSIDY SHOULD CONTINUE

In order to ensure supply of fertilizers to the poor farmers at reasonable and affordable prices and at the same time to keep foodgrains prices low and within the reach of the economically weaker sections and to attain the national goal of building and sustaining self-reliance in foodgrains production subsidy on fertilizers must continue.

While the continuance of subsidy for attaining and sustaining the above noted objectives cannot be a matter of controversy, the defective method of calculation and mode of payment of subsidy have rightly invited serious criticism from different quarters.

The aim of this discussion is to bring into focus as to how some operators of the industry, particularly in the private sector, have been mastering the support of the policy makers in siphoning away public money by unscrupulously utilising the loopholes of the norms for fixation of 'Retention Price'.

### HOW SUBSIDY CAME INTO EXISTENCE

Till November, 1977, there was no need to subsidise the domestic production. On the contrary, in early seventies, in the wake of oil crisis, the cost of imported fertilizers increased abnormally. Hence for maintaining parity between the indigenous production and imported fertilizers, the indigenous industry had to pay a cess known as 'Fertilizer pool Equalisation charge' (FPEC).

As per report of 'Marathe Committee' Government introduced subsidy on fertilizers under a scheme called Retention price scheme in November, 1977. According to the scheme subsidy is the difference between Retention Price fixed for various fertilizers produced by different manufacturers on the basis of prescribed norms and the net realisation (consumer price minus dealers' margin) available from selling the product to the farmers at the fixed price. The Retention Price

Scheme is administered by the Fertilizer Industry Coordination Committee(FICC) under the Deptt. of Fertilizers.

### RETENTION PRICE SCHEME

Retention Price for nitrogenous and phosphatic fertilizers is fixed product-wise and plant-wise. It takes into account the cost of variable inputs, conversion cost, selling expenses and capital related charges. Variable cost includes the cost of feedstock, utilities, such as water, electricity and steam and packing material. Conversion cost consists of salary and wages, contract labour, chemicals and consumables, repairs and maintenance, catalysts and overheads. Capital related charges consist of return on networth, interest on borrowed funds and depreciation on fixed assets.

### RETENTION PRICE NORMS FAVOURABLE TO CAPITAL INTENSIVE PLANTS

The Retention Price Norms fixed by the Government is heavily tilted in favour of the new generation capitalintensive plants. Because, the level of investment and financial pattern (Debt Equity Ratio) have a direct bearing on the capital related charges viz., depreciation, interest on loan and return on net worth (post tax 12%). According to the Department of Fertilizers, in the case of new fertilizer plants the capital related charges relating to the cost of plant and machinery range between 29% and 41% of the retention price, whereas in the case of old plants the variation is between 2% and 26%. Thus, the higher the capital investment of a plant, the higher is the profit margin in absolute terms. The new generation plants under the guise of technology come up with higher cost. The Secretary of DoF could not deny the incidence of over capitalisation of new plants out of the motive for higher retention price. He said 'In the nature of things, when we go into the capital cost of every unit, there is certain tendency to be little extravagant on the capital investments...As a general proposition, this is true.'

Further, to take undue advantage of the capital related charge, the possibility of over invoicing the consignments for imported plants and machineries to fictitiously show higher capital investment by the private operators cannot be ruled out. The Committee of the Parliament on Fertilizer Pricing(CPFP) in their report have noted 'The Committee find that the working of FICC has also come in for criticism in the Report(No.1 of 1992) of the CAG of India wherein it has been stated that FICC

did not independently verify cost data which forms the very basis for fixation of retention prices and also the fact that FICC has no system of effective internal check."

### **HIDDEN CAPACITY**

Capacity utilisation is yet another factor for fixing retention price which is deceitfully utilised by the plants, commissioned after the introduction of Retention Price scheme.

According to norms fixed by the Government the minimum capacity utilisation of a plant has to be 80% to get the minimum benefit of Retention Price. However, for capacity utilisation beyond 80%, extra advantage is available to the manufacturers. Now under this provision the new generation plants are cheating the government. They Commission a higher capacity plant but declare lesser capacity, maintain some hidden capacity and show the actual capacity utilisation much beyond 100% of the declared capacity and take the benefit of higher capacity utilisation which is an out and out fraud. Some units are even recording 135% capacity utilisation! The Secretary of Department of Fertilizers is on record to have said, "The possibility of units trying to understate their capacity to get advantage is very much there. We are aware of it..." Thus it is clear that all concerned including the government is aware of the cheating of some fertilizer companies but no action has been taken to stop that!

### **OTHER ADVANTAGES**

Apart from the aforementioned factors, the new generation plants have other advantages in so far as Retention Price is concerned. For instance, because of availability of most modern technology, they are able to derive advantages in the matter of consumption norms, energy efficiency, on-stream days and other variable and conversion cost.

### **OLD GENERATION PLANTS NEGLECTED**

Thus, the old generation Fertilizer Plants have been the victim since their technology, vintage, feedstock, location etc. have not been taken into consideration while fixing Retention Price norms. It is unfortunate that the Government did not consider it necessary to fix practically achievable consumption norms of Retention Price for these plants. It is a mystery as to how same norms have been fixed for the plants established in the late sixties and early seventies with unproven first generation indigenous technology and the new plants established with world class most modern tested technology.

It is worthwhile to note that all the old plants are in the public sector and most of the new plants are in the private sector. The old Public Sector plants not only did not get any subsidy upto 1977 rather they had to pay to the Government to subsidise the imported fertilizer in the name of "pool equilisation

charge". On the other hand, the private sector mainly entered the fertilizer industry only after the introduction of Retention Price scheme. It is on record that "the RPS announced (by the Govt.) had an eye on and special appeal for attracting investment in the private sector,"

### **HEAVEN AND HELL DIFFERENCE**

The result of the irrational practice of applying same yardstick on two unequals has been that there is heaven and hell difference in the Retention Price of the old plants and new plants. For example, the retention price for the oldest gas based public sector Namrup -II plant of HFC has been fixed by the Government at Rs. 2,672.00 per tone and that of the gas based private sector plants of Nagarjuna Fertilizers, the Chambal Fertilizers of the Birlas and the Babrala Fertilizers of the Tatas, the Retention Price has been fixed by the Government at Rs. 9,262 and Rs.9,500 respectively. Thus according to the peculiar norms, the Namrup factory is not getting any subsidy from the Government rather paying back to the Government @ Rs.30/- per tonne since its Retention Price is less than selling price. On the other hand the above noted private sector plants are getting subsidy from the Government @ Rs.6,870.00 per tonne! With the current hike in the price of urea there will be slight variation in the figures.

It is astonishing to note that even after appreciating the necessity for higher rate of Retention Price for the old units no remedial step has been taken by the Government. The Secretary of the DEA told the PCFP " I think,....retention price system must be rationalised so that the old units get the priority to get a higher rate of retention price to pay for modernisation etc. And I think that may be the best way of solving the problem..."

### **CANARD AGAINST OLD PLANTS:**

The allegation of the Government that the old plants are inefficient and uneconomic for operation is nothing but deliberately spread canard. From the Retention Price figures noted above it is clear that there is an inbuilt mechanism in the norms for Retention Price to make the old public sector units economically unviable! It is strange that the Government is paying daily Rs.4.01 crores as subsidy to the above noted three private sector plants and refusing to revamp the public sector plants of Hindustan Fertilizer Corporation (HFC) and Fertilizer Corporation of Indian (FCI) on the plea of non-availability of fund!

While the new generation plants are reaping undue benefit from undeclared hidden capacity, the old plants are suffering from unrealistic and unachievable name-plate rated capacity. Same is the situation for consumption norms for various raw

materials including utilities. The capital structure of HFC is yet another vital factor in turning the company sick. It has been estimated that if according to the recommendations of the Government appointed High Power Committee the HFC plants capacity is de-rated, consumption norms are changed and capital base is restructured, the company shall not only come out of sickness, it will become economically viable which will pave the way for modernisation of its plants.

## CONCLUSION

The foregoing issues have figured in various discussions, reports, write-ups etc. But perhaps it has, so far, not come into the focus and has not

received serious attention and consideration of those who could play vital role in saving the old public sector plants over whom the Democle's sword is hanging. The trade union movement of the industry, particularly those who are fighting to defeat the move of the Govt. to wind up the old sick units, must take up vigorous campaign on priority basis. Because a proper solution of this problem itself will go a long way to make the sick units economically viable. Further, the question of constituting a "High Power Body", as figured in the Joint Parliamentary Committee, to go into the problems and to remove the scope for manipulating the subsidy account should be popularised and pressingly pursued with the Government.

## THE LOOTING

A former Vice-Chancellor of Nagpur University has compiled a report showing wide difference between the Cost of production and Sale price of 24 articles. The cost price includes share of profit of the producer also, but not excise duty. The cost and sale price are related to the period, when the data compiled, sometime in 1992. position may be different now but lower the gap is certainly not narrowed.

Name of Article	Cost Of Production	Market Price
Match Box	00.06	00.25
Bidi	00.15	00.10
Salt (1 Kg.)	00.60	02.00
Soap(100 gm)	01.35	06.00
Cement (1 ton)	438.00	1200.00
Bicycle Tyre	09.30	32.00
Bicycle Tube	05.75	11.50
Sugar (1 Kg)	05.50	07.80

Cigarette (1)	00.03	00.60
Fan	402.00	600.00
Toothpaste(100gm)	01.00	10.25
Tooth Brush	01.60	04.50
Priya Scooter	5885.97	14000.00
Whear (1 Kg.)	02.50	04.50
Maruti Car	45000.00	120000.00
Tea (1 Kg.)	32.00	95.00
Kerosene (1 ltr.)	01.00	02.75
Diesel (1 ltr)	01.30	3.50
Petrol (1 ltr.)	01.80	18.00
LPG Cylinder	32.50	70.00
Ground nut Oil(1 Kg.)	20.35	35.00
Rice (1 Kg.)	02.75	06.00
Toor Dal (1 Kg.)	06.25	14.00
Chena Dal (1 Kg.)	05.35	13.00

(Source : Telegraph Crusader, March '94)

## CITU WINS ELECTIONS IN BEL

The CITU union came with flying colours topping the elections held at Bharat Electronics Ltd, Bangalore on 16th June to decide the negotiating status. The elections were held through secret ballot. CITU alongwith the AITUC union, which got the second position, got the negotiating status for two years. The BMS union which held the negotiating status earlier, was relegated to the last position. By virtue of this win the CITU will also become a member of the joint Action Front of Public Sector Unions in Bangalore.

The following are the results of the percentage of votes received by the unions. The number of electorate was 11,000 workers.

1. Bharat Electronics Workers Union (CITU) 38.74%
2. Bharat Electronics Employees Union (AITUC) 26.76%
3. Bharat Electronics Workers Unity Forum (Ind.) 26.5%
4. Bharat Electronics Mazdoor Sangh (BMS) 8%

# CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS

(BASE 1982 = 100)

Centre	Linking factor for Old Base			Jabalpur	297	296	6.41
	Mar.94	Apr.94					
All India	267	269	4.93	Bombay	295	299	5.12
Gudur	261	260	4.33	Nagpur	281	283	4.99
Guntur	269	274	5.60	Nasik	284	286	—
Hyderabad	251	255	5.23	Pune	288	292	—
Visakhapatnam	257	257	—	Sholapur	276	282	5.03
Warrangal	264	262	—	Barbil	260	263	5.00
Doom-Dooma				Rourkela	240	248	3.59
Tinsukia	250	247	4.05	Amritsar	254	255	5.19
Guwahati	267	272	—	Ludhiana	252	253	—
Labac-Silchar	242	247	3.96	Ajmer	270	274	5.01
Mariani-				Jaipur	258	257	5.17
Jorhat	255	255	3.95	Coimbatore	263	262	5.35
Rangapara-				Coonor	279	282	4.80
Tezpur	252	256	4.29	Madras	275	278	5.05
Jamshedpur	250	250	4.68	Madurai	268	270	5.27
Jharia	230	235	4.63	Salem	272	275	—
Kodarma	240	242	5.43	Tiruchirapally	275	276	—
Monghyr	265	256	5.29	Agra	254	255	—
Noamundi	250	250	4.58	Ghaziabad	256	257	—
Ranchi-Hatia	257	257	—	Kanpur	268	265	4.69
Ahmedabad	266	272	4.78	Saharanpur	260	260	5.06
Baroda	264	267	—	Varanasi	280	279	5.12
Bhavanagar	282	284	4.99	Asansol	248	251	4.77
Rajkot	264	267	—	Calcutta	267	270	4.74
Surat	276	280	—	Darjeeling	244	246	4.55
Faridabad	258	255	—	Durgapur	275	276	—
Yamunanagar	245	249	5.53	Haldia	277	281	—
Srinagar	258	260	5.47	Howrah	278	282	4.12
Bangalore	261	262	5.66	Jalpaiguri	240	241	4.16
Belgaum	271	273	--	Raniganj	239	243	4.40
Hubli-Dharwar	269	273	--	Chandigarh	259	260	—
Mercara	253	258	--	Delhi	284	286	4.97
Alwaye	258	265	5.19	Pondicherry	298	297	—
Mundakayam	264	267	—	Additional series of Labour Bureau			
Quilon	275	284	--	Kothagudem	259	265	3.25
Trivandrum	295	295	--	Himachal Pradesh	258	261	3.75
Bhalaghat	258	262	5.24	Bhilwara	274	277	3.20
Bhilai	238	240	3.49	Chindwara	277	277	2.59
Bhopal	279	278	5.46	Tripura	262	273	4.37
Indore	282	283	5.18	Goa	301	303	3.40

Note: Figures on old base can be obtained by multiplying the Index Number on New Base by the linking factor given and rounding off the result to nearest whole number.

--Dash denotes new centres under 1982 series.

## Transport Workers on Move

A massive rally of transport workers was held at Patiala on 17.6.94. The occasion was the open session of the 4th National Conference of All India Road Transport Workers Federation. The rally remembered the martyrs, including those working in the road transport, who fought heroically against the Khalistani terrorists and laid down their lives for the unity and integrity of the country. The wives of those martyrs were received on the stage with shouting slogans.

The meeting was conducted by a presidium consisting of Succha Singh and Amar Singh and were addressed by Md Amin, president and K K Divakaran, General Secretary of the federation, Balwant Singh, president, Punjab State Committee, CITU; Mangatram, Secretary, CPI(M), Punjab State Committee and Shyamal Chakraborty, Transport Minister, West Bengal. The speakers urged upon the workers to fight against the economic and industrial policy of Narasimha Rao Government. They condemned the "GATT Agreement" and said that it would jeopardise the self-reliance in the economy of our country. They stressed for building up of a broad based united working class movement. Referring to the Punjab situation they accused the Congress(I) in the State as well as in the Centre for not taking appropriate steps to solve the democratic and political demands of the people Punjab which was the only guarantee of peace. They also criticised the Akali Party and its leaders because they did never listen to the logic and bowed down before the extremists. The speakers greeted the Left Front Governments in West Bengal and Tripura who have declared openly that the Central Government's policy of decentralisation of passenger transport will not be implemented in their states. The speakers expressed satisfaction that despite losses the Government of west Bengal unlike other State Governments has decided not to curtail the operation of State Transport Undertakings but to expand its fleet strength. The speakers also stressed the necessity to fight against the fundamentalist forces which is only the pre-requisite for the united struggle on economic front.

### Delegate Session

The delegate session started with flag hoisting by Md Amin in the afternoon. The Conference Hall was named after Sahid Sadhu Singh, State CITU leader. The Presidium was constituted of Md Amin, Sujit Das and Venkaesharalu, Succha Singh, chairman of the Reception Committee welcomed the delegates.

Shyamal Chakraborty, Transport Minister, Government of West Bengal inaugurated the

Conference. He said that the economic and industrial policies of the Cong(I) Government at the Centre, which was framed under the pressure of IMF and World Bank are bound to undermine the economic sovereignty and independence of the country. Transport Sector was also under attack, as the Government was selling away the public sectors to private owners. He urged upon the delegates to strengthen the organisational strength of the Federation as well as the Coordination Committee of the Transport Workers comprised of the CITU, HMS, AITUC and some other independent trade unions. He also stressed the need for organising the private transport workers both in passenger and goods transport. Md.Amin in his presidential speech referred the growing united movement of the working class and the democratic masses against the economic and industrial policies of the Central Government.

K K Divakaran placed the General Secretary's report. The report reviewed the struggles of the transport workers in different parts of the country and the united struggles under the coordination committee, the advancement of organisational position and identified its weaknesses and highlighted the major tasks before the transport workers and the working class of our country. The report revealed that the total membership of the transport workers under the federation was now 1,74,000 and the federation was more or less strong in West Bengal, Kerala, Tripura, Tamilnadu and also in Punjab. Transport workers were gradually coming under the banner of the federation in States like Assam, Meghalaya, Andhra Pradesh and also in Orissa. The report has critically stated that though the militant movement was taking place through out the country, the federation was not in a position to fully capitalise to expand its bases. This was identified as a major weakness of the organisation.

The Conference was divided into four workshops (State Buses, Private and Mini Buses, Goods Transport and Auto & Taxies). In that process the majority of 419 delegates could directly participate in the discussion and shared their experiences in the struggle.

The workshops submitted concrete recommendations which would be considered and finalised in the next General Council meeting of the federation.

Five delegates from different transport organisations of Bangladesh attended the conference. Among them were M A Khan, president Bangladesh Transport Workers Federation, Roy Ramesh Chandra and A R Mia, convenor, Transport Workers Preparatory

Committee of SAARC Countries. Nikhil Mukherjee placed a credential report which revealed that the age group of the most of the participants was between 31 to 50. The Conference reiterated the decisions of the Coordination Committee for holding Zonal Convention at Allahabad, Bombay, Madras and Agartala, where other National Transport Trade Union Federations and independent unions could also participate.

The Conference also decided to accelerate the movement against the denationalisation of State Transport Undertakings. A Charter of Demand for the Private Bus Workers and Goods Transport Workers was also prepared.

### **Conference of Transport Workers of SAARC Countries**

The Conference also stressed upon the necessity of building up of the Transport Workers Federation of

SAARC countries. The federation urged upon all the Transport Workers to make the ensuing conference of the Transport Workers of the SAARC Countries to be held in Delhi in December, 1994 a success where representatives from unions of Road Transport, Water transport, Railways, and civil Aviation would participate. This would be the first time of its kind in our country.

The Conference unanimously elected the General Council consisting of 101 members, a working committee of 51 members including 17 office bearers with Md Amin as president, Shyamal Chakraborty as Working President, K K Divakaran as General Secretary, C J Joseph as Treasurer and Nikhil Mukherjee as Editor of the Voice of Federation.

## **Convention of Unorganised Sector Workers in Bihar**

The Bihar State units of ten Central Trade Unions namely, CITU, AITUC, INTUC, HMS, BMS, AICCTU, UTUC, UTUC(LS), TUCC and AICTU formed 'Bihar Shram Sangathan Manch' to fight on three issues in the state.

1. In pursuance of the demands of unorganised sector workers

2. Against closure and sickness of industries in all sector in the state and

3. For payment of arrear wages and for timely payment of wages in the State public sector, local bodies, municipalities and Government departments and against victimisations.

Under the auspices of Bihar Shram Sangathan Manch the first state level convention of workers from unorganised sector was held at Patna on 5th June 1994. About 400 delegates from different unorganised sector unions participated. Except HMS and AICTU, all other Central Trade Unions participated.

A presidium consisting of Chandi Prasad, CITU State President, INTUC State Joint General Secretary Chandra Prakash, AITUC State Secretary Ghazanfar Nawab, BMS State vice president Kumar Arjun Singh, Amrika Mahto (TUCC) UTUC State Vice President Tarakant Prakash, AICCTU State Secretary R N Thakur and UTUC State Vice President Amar Kumar Pandey conducted the proceedings.

A declaration of the convention was presented by CITU State General Secretary J S Majumdar. In support of the declaration AITUC State General Secretary Chakradhar Prasad Singh, TUCC State General Secretary, Nripendra Krishna Mahto, Amar Kumar Pandey UTUC(LS) R N Thakur (AICCTU) Chandra Prakash Singh (INTUC) Kanak Prakash (BMS) Tarakant Prakash (UTUC) and others spoke. The declaration was adopted unanimously. The convention also adopted resolution in support of joint struggle of State Road Transport Employees,

Corporation and Municipal Employees and others.

The declaration contained 6 point demands and 4 point programme including a statewide strike on 2nd August, 1994.

### **Adhoc Interim Relief to Steel Workers**

2.4 lakh steel workers of SAIL plants and offices and TISCO got adhoc interim payment ranging from Rs 155/- per month at the minimum level to maximum Rs 392/-. The tenure of the national level wage agreement for steel workers got expired long back on 31.12.91 and in spite of the consistent pressure and persuasion by the unions to commence meaningful negotiation, since last two and half years nothing did materialise. The guidelines of Department of Public Enterprises has practically bottlenecked wage negotiation in steel industry also like other public sector industries. In this background in the meeting of the National Joint Committee for steel held on 15.6.94, in the process of forceful demand by the trade unions for expediting the course of wage negotiation, management has to agree for payment of adhoc interim payment for the workers with effect from 1.1.92. Management expressed its inclination for payment of adhoc advance to workers which the trade unions flatly rejected. Instead they demanded introduction of a system of additional monthly payments as interim relief. Ultimately it was agreed that an adhoc interim monthly payment at the rate of 10% of basic pay plus fixed DA as on 1.1.92 would continue to be paid to workers with effect from 1.1.92. The trade unions in the NJCS nevertheless reiterated their demand that management must take concrete measures to expedite meaningful wage negotiation in NJCS towards a final settlement.

## CITU Calls for Solidarity actions

The Tamilnadu State Secretariat of CITU met at Madras on 21st May, called upon CITU unions to express solidarity with the contract workers of Neyveli Lignite Corporation and Textile workers in five cooperative mills in the state and others.

The Secretariat has also called upon unions to celebrate the foundation Day of CITU, on 30th May, with flag hoistings, gate meetings and hall meeting to explain the decisions of the Patna conference.

### **Neyveli Contract Workers Strike:**

More than 12,000 contract workers belonging to the industrial cooperative society and working under private contractors went on a day's strike on 3rd May in Neyveli Lignite Corporation, a central public sector undertaking. The call for the strike was given by the contract workers unions led by CITU. The 22 point demands put forward by CITU included regularisation of contract workers, equal pay for work, medical benefits, etc.

As all the efforts to reach an amicable settlement failed, CITU gave the call for strike on 3rd May. Contract workers, who are the most exploited in the present situation, whole heartedly joined the strike. Though the leaderships of other unions of regular workers were taking a different stand, all sections of regular workers supported the strike of contract workers.

As the contract workers were involved directly in production activities, the massive strike resulted in reduction of production in various departments.

Instead of understanding the feelings of the workers and justness in their demands, the management went ahead with victimisation of 47 workers belonging to the Industrial Co-operative. While they were denied employment, an office bearer of the regular workers union was suspended and its General Secretary charge sheeted.

CITU has started the next phase of campaign with protest actions against the victimisations and also in support of the demands. Gate meetings and hunger strikes were organised. A massive rally was held on 14th May, which was addressed by T.K. Rangarajan, General Secretary of state CITU.

### **Textile Workers Strike**

More than 2000 workers in 5 Co-operative mills are on strike from 14th March. These workers had gone on strike along with other Textile mill workers demanding settlement of charter of demands on the basis of the settlement reached in Coimbatore. In the

other mills, the issue was settled but in these five mills, the management, refused to give wages at par with other mills.

Workers conducted many struggles, including Rastha Roko and many were remanded. One day fast was organised in Madras by CITU led Textile Workers Federation on 9th May. As the adamant attitude of the management, which is under the direct control of the State Government, is continuing all the Trade Unions are planning to intensify the struggle.

In the mean while, nearly 50,000 workers of the small and medium spinning mills, which have spindleage of less than 11,000 have decided to go on strike from 13th June. Talks on wage revision have not yielded any results. The strike has been called by the Joint Action Committee consisting of all major unions.

CITU union in Coimbatore District organised a massive demonstration of workers from small and medium mills in front of the employers organisation on 19th May. CITU leaders including K. Ramani and M. Nanjappan addressed the workers.

### **Auto Rikshaw Workers Conference:**

A meeting of the representatives of Auto-Rikshaw workers union in the state has decided to organise a state level conference in the last of July to co-ordinate the activities of Auto Rikshaw workers in the state.

### **Beedi Workers struggle:**

The Secretariate of the Tamilnadu Beedi Workers Federation has decided to conduct state wide demonstrations on 23rd June in support of various demands of Beedi Workers, as chartered by the recently concluded state conference of the federation. This decision was taken in the first meeting of the newly elected secretariate which was held on 22nd May in Madras.

### **Trade Union Classes**

Central Organisation of Tamilnadu Electricity Employees (CITU) organised two day trade union classes in 8 Centers in the State on 14th and 15th May. More than 800 workers leaders participated in the classes.

### **Solidarity demonstrations:**

State Transport Workers belonging to CITU held demonstrations all over the state on 24th May, expressing solidarity with the state wide strike of Kerala State Road Transport Corporation Workers. The call for the demonstration was given by the Tamilnadu State Transport Employees Federation (CITU).

# Now We Can Buy Bullshit

□ P. Sainath

(Whatever the doubting Thomases may say, cowdung has come to be associated with the Indian ethos. The foreign concepts of welfare state, socialism, distributive justice et al and blinded in Indian government of the severe erosion in maintaining the purity of Indian ethos. Fortunately, the breeze of liberalisation has swept away much of this burden and the government has acted with exemplary alacrity in arranging large scale import of cowdung and bullshit (Some quantity of pignose may be ignored) as a cathartic exercise.

It is not only ironical, but reprehensible that totally neglecting our internal resources, which can meet our requirements if properly harnessed, the Narasimha Rao Government is going ahead to import such huge toxic dump wasting valuable foreign exchange.

The piece from P. Sainath, the noted researcher and columnist, first published in *Nutan Savera* dated April 17-23, 1994 throws some interesting light on the marvels that are about to land in India and the bliss it would be for the country.--- Editor)

"I think the economic logic of dumping behind dumping a load of toxic waste in the lowest wage countries is impeccable and we should face up to that"

That was the chief economist of the World Bank, Lawrence Summers, speaking in 1991. Mr. Summers is no longer the bank's chief economist, but his plans have come quite true. All the western countries have stepped up their export of poisonous wastes to poor third world nations. But India takes the lead in one respect, among the poor nations. This nation, with the largest population of cattle in the world, is going to import millions of tons of cow dung and pig shit each year.

Indian companies have shown "keen interest" in joint ventures with a Dutch company, Seaswan B.V. based at Wassenaar in The Netherlands, to bring seven to 10 million tons of dung each year to India. The logic of Indian companies has always been confusing. After three years of chanting the mantras of liberalisation, they have begun to learn the hard way that things are not going too well. Still, they are yet to realise the links between their hardships and the new economic policies.

But why on earth do the Dutch want to export cow dung and pig shit?

**Because much of the country we all The Netherlands lies below the sea level. As a result, the cattle dung and pig shit in that country pose a serious problem to that country as they have been seeping into its ground water reserves and**

contaminating that water. The contamination

is made even worse by a simple fact: the cattle and pigs of these European countries are fed on diet which includes a lot of chemicals aimed enhancing their productivity. Theremidue of these chemicals makes their excreta even more poisonous and harmful. For years, the Dutch government has been battling with this problem. Now they have found a way out: follow the World Bank's advice and export it to low wage countries. All it requires is some corrupt or stupid officials and policy-makers. India has an abundance of both.

## Bullshit 2

This is by no means the first instance of its kind. Some countries had begun this process even before Mr. Summers' advice, as NGOs in both Europe and India have pointed out. For instance, material put out by both the Greenpeace Organisation and also the Public Interest Research Group of India show that:

- \* Germany, the world's largest exporter of hazardous wastes, exported 4,847,000 tons of dangerous wastes to India in 1989.
- \* In 1992, Canada exported a million kilogrammes of lead waste to India. Canada also shipped 392,326 kg of ash and residue containing mainly zinc, 19,275 kg of polystyrene waste and 23,000 kg of other plastic waste to India in 1992.
- \* Pepsi Cola has been exporting plastic waste from California to Madras and Bombay. In 1992, Pepsi shipped over 7,000 tons of plastic scrap to India.

But importing bullshit is clearly a new

development. The feedstock given to cattle and pigs in European nations is so full of chemicals and so dangerous that attempts to export it to African countries have met with strong protests. So where better to send it to than India, land of Rao and Manmohan, where any atrocity can be committed in the name of liberalisation?

### **Bullshit 3**

So the Dutch companies came up with this idea and got it approved by the Dutch ministry of agriculture which might even end up giving the companies subsidy-- after all, aren't they solving a major national problem (so what if it's solved at the expense of port Indians).

The loan is to collect the manure in depots near rivers and canals in the Dutch Rijn and Maas delta area and transport it from there in barges to Rotterdam where it will be stored in tanks. At the Maasvlakte, a terminal with a storage capacity of 5,00,000 tons is to be built. The Dutch, incidentally, will first extract whatever biogas there is in the manure before exporting it to India. Then huge tankers will

take 21 days to reach Kandla port from where the cowhit will be taken to different locations in Gujarat for drying. Once the dung is dried, it will be sold to Indian markets.

According to the Public Interest Research Group (PIRG), Seaswan Co., will establish the Dung Energy and Fertilizer Company (DEFECO) which will look after the business. EID Parry, in India, is keen to link up. It has shown interest in investing in the holdings of DEFECO. More corporate houses in India are likely to get into the act. To make it all sound very friendly to the environment, the whole product is to be called ENVIRODUNG.

The investments needed are close to \$420 million for a yearly capacity of 6 million tons. Who will finance this? Farmers in the Netherlands, naturally. In India, says the PIRG, the investment to import ENVIRODUNG is estimated to be US\$150 millions. It will create no more than a pathetic 150 jobs locally. But, of course, where such deals take place, some officials will make a lot of money. All in the name of liberalisation. ENDS

## **Amended Gratuity Act**

(Increase in the quantum of gratuity to workers/employees has been a long standing demand of trade unions and formed part of struggles for increases in wages and retiral benefits. In several instances, the maximum amount admissible of Rs 50,000 proved a stumbling block. The demand for abolishing the ceiling was raised in the Parliament over and over again.

The struggle has since triumphed and the ceiling by an amendment of the Payment of Gratuity Act has since been raised to Rs one lakh.

Reproduced below the Amendment Act for general information: — Ed)

MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (Legislative Department)

New Delhi, the 24th May, 1994/Jyaishta 3, 1916(Saka)

The following Act of Parliament received the assent of the President on the 24th May, 1994, and is hereby published for general information:-

THE PAYMENT OF GRATUITY (AMENDMENT) ACT, 1994 No.34 OF 1994

(24th May 1994)

An Act further to amend the Payment of Gratuity Act, 1972.

Be it enacted by Parliament in the Forty fifth Year of the Republic of India as follows:

1. This Act may be called the Payment of Gratuity (Amendment) Act 1994

2. In Section 2 of the Payment of Gratuity Act, 1972 (hereinafter referred to as the principal Act), in clause (e)

(a) the words, "not exceeding two thousand and five hundred rupees per mensem, or such higher amount as the Central Government may, having regard to the general level of wages by notification, specify," shall be omitted:

b) Explanation shall be omitted.

3. In Section 4 of the principal Act,-

(a) in sub-section (3) for the words "fifty thousands" the words "one lakh" shall be substituted.

b) sub-section (7) shall be omitted.

4. In Section 11 of the principal Act, in sub-section (2) for the words "Presidency Magistrate or a Magistrate of the first class." the words "Metropolitan Magistrate or a Judicial Magistrate of the first class" shall be substituted

K L MOHANPURIA  
Secy to the Govt of India

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## **CITU Protests Blockading of Trade Union Office at Russia by The Govt.**

**THE CITU VOICED ITS PROTEST AGAINST THE BLOCKADING OF OFFICE OF  
THE MOSCOW CITY TRADE UNION FEDERATION AND MOSCOW DISTRICT  
TRADE UNION COUNCIL AFFILIATED TO FEDERATION OF INDEPENDENT TRADE  
UNIONS OF RUSSIA THROUGH A LETTER ISSUED TO V CHERNOMYRDIN,  
CHAINMAN GOVT OF THE RUSSIAN FEDERATION ON 4.6.94**

**FOLLOWING IS THE FULL TEXT OF THE LETTER;**

**DATE 5-6-1994**

V.Chromyrdin, Chairman, Government of the  
Russia, Federation, Moscow, Russia.

We are deeply shocked to learn that the police  
have blocked the headquarters of the Moscow City  
Trade Unions Federation and the Moscow District  
Trade Union Council affiliated to the Federation of  
Independent Trade Unions of Russia (FITUR) on 25th  
and 26th May and prevented the members of the staff  
as well as trade union visitors from entering in the  
premises.

We strongly record our protest at the behaviour  
of the Moscow police who have baltantly resorted to  
the supresion of trade union and democratic rights of  
workers to carry normal day to day union activities.

These repressive measures are being taken by  
the police when the real standard of living of the  
working class is declaining rapidly and  
unemployment is on the rise. The Government action  
is therefore one attempt to supress the legitimate  
struggles of the working class to protect their working  
and living conditions.

We therefore demand that the Government of  
Russia should withdraw the blockade of the T.U.  
offices in Moscow and the T.U. should be allowed to  
carry their normal activities without any hindrance  
from the police.

We hope. your Govt. will take note of the strong  
feelings of the Indian working class on this subject.

Thanking you,

Yours faithfully,

Sd/-  
(M K PANDHE)  
General Secretary

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**BOOK POST**