

**8th ALL INDIA CONFERENCE**

*of*

**CENTRE OF INDIAN TRADE UNIONS**

***DOCUMENTS***

**B.T. RANADIVE NAGAR,  
PATNA  
3-7 March, 1994**



- 5th March 1994** : Time schedule same as above
- 6th March 1994** : Delegates to be divided into commissions to consider the Discussion Papers
- 7th March 1994** :
- |                  |  |
|------------------|--|
| 9.30 to 11.00 :  | Commissions to finalise Report   |
| 11.00 to 11.30 : | Tea Break  |
| 11.30 to 1.30 :  | Plenary session - Adoption of Reports of the Commissions   |
| 1.30 to 3.30 :   | Lunch Break  |
| 3.30 to 6.00 :   | Reply to the Debate by the General Secretary. Adoption of the General Secretary's Report Adoption of statement of Accounts |
| 6.00 to 6.30 :   | Election of New General Council and Office Bearers   |
| 6.30 to 7.00 :   | Tea Break  |
| 7.00 to 7.30 :   | Election of new Working Committee by the new General Council   |
|                  | Summing up speech by the President   |

**PRESIDENTIAL  
ADDRESS**

# PRESIDENTIAL ADDRESS

□ E.Balanandan

Dear comrades and guests,

Our 7th Conference has been held at Calcutta from 13-17th February, 1991. The period under review, up to this 8th conference, was a period of breath taking events at the international and national arena and also a period of hectic activities by the trade union movement in the country, the details of which are dealt with in the General Secretary's report. I wish to confine myself to certain issues only.

Before I begin, let us pay our homage to the memory of our comrades who passed away during this period. Our Vice Presidents Com Manoranjan Roy and Com Kamal Sarkar, the outstanding leaders of the Indian trade union movement and several others who made invaluable contributions to the development of our organisation are no more with us today. I also pay homage to the memory of our comrades who had to lay down their lives during the course of several struggles for protecting the interests of the working class and the people. Internationally too several outstanding leaders has left us during this period. Their memory will remain with us for ever. We pay our homage in the memory of all of them and pledge ourselves that we will continue the struggle which they were carrying on for attaining the cherished goal upheld by them.

I need not say that the set back suffered by socialism in Eastern Europe and Soviet Union was a world shaking event. This has been referred to by Com.Jyoti Basu in his presidential address in our 7th Conference. At that time drastic changes had taken place only in Eastern Europe. But the development in the Soviet Union was also disturbing. However, now the socialist system is no more in these countries and they have fallen into capitalist ambit. For the time being this drastically changed the balance of forces on a world scale in favour of imperialism. They are now boasting that socialism is dead and capitalism is the only system sustainable for human development.

The powerful Soviet Union had always been a guarantor of international equilibrium and a reliable ally of all the weaker nations against imperialist pressure and attacks. The collapse of it has sent shudders around the world and the working-class world over lost in them the socialist model which they were upholding in their fight against capitalism. The trade union movement of our country was also attracted to the gains of socialism in the Soviet Union wherein the workingclass had achieved unheard of rights, the right to work, free education, free health care, housing, social security, equal rights for women etc. So also the trade union cannot forget the fact that the backward Russia became one of the industrialised nations in the world in a very short span of time and took admirable lead and made incomparable sacrifices in the 2nd world war for defeating the facist forces from world domination.

The Soviet Union becoming a world power changed the balance of forces in the world and it became a staunch ally of liberation movemnts and the movements for national freedom including ours. Also it is a fact that the big industrialised powers denied us technical and financial assistance for building a national infrastructure industry and the Soviet Union came forward which broke the ice and paved the way for our industrial development.

Therefore, the set back to socialism was likely to have adverse impact on the trade union movement in our country. However, the experience after the set back amply proved within the short span of time the superiority of socialism and the aggressive nature of imperialism and the falsity of the claim that "capitalism is the answer".

The crisis and the dangerous war in the Persian Gulf, the civil war in erstwhile Yugoslavia, the crisis in Afghanistan, the intervention in Somalia, etc and the transformation of the UN and other international organisations becoming the tools of the US, lack of interest on the plight of the developing world, have all demonstrated to the world the dangerous course imperialism will take in the future. Practically America dictates terms on every aspect of economic and political life of all the nations today - always with the sole motive of subserving its own naked commercial and military interests - in the name of "the new world order".

After the set back suffered by socialism there is no barriers for the imperialists to stop them from marauding and plundering the thrid world as they willed, using new forms of colonial exploitation. Capitalism is emboldened as never before to intensify

its attack on the working class of all nations. A fierce attack is on on the working and living conditions of the workers and the rights earned by them through centuries of struggle and sacrifices.

US imperialism is trying to impose their supremacy in all matters infringing the sovereignty and freedom of nations and is at work to provide for a global regime of political, economic and military dictatorship.

The US were keeping their military bases world over and they have built up the NATO military set up in Europe all in the name of Soviet threat. Now after the dismemberment of Soviet Union and the set back suffered by socialism no such argument of threat is valid. However, instead of dismantling the military establishments world over and the NATO set up, the US administration is finding one alibi or other to keep up the military bases and to keep American forces intact, in some cases with nominal reduction. Now a new bogey is being floated that fascist forces are raising their head in Russia under the leadership of Mr Zhirnovsky which is not only a threat to Russia but to the entire Europe. The latest discussions in the summit in Moscow and Brussels and the understanding reached between the East European countries with Mr Boris Yeltsin and Mr Bill Clinton is that NATO will remain with new partnership for Eastern European countries and in due course opening will be made for Russia too. Mr Bill Clinton could reach an agreement with Ukraine for the destruction of the left over nuclear arms and make them agree to sign NPT. This way the US is trying to bring in Mr Boris Yeltsin as a junior partner in their grand design. The NATO is to set up a joint "peace keeping force" to be kept in different sensitive regions in order to intervene whenever exigency arises. Thus the United State's planning to make Russia a U S backyard for raw materials and brain power also is gaining ground since Mr Boris Yeltsin is forced to rely on U S largesses for clinging to power, consequent of his increasing isolation from the Russian people.

In West Asia even after the inhuman attack against Iraq the blockade against them is being continued by the US to continue tension in these oil rich part of the world to maintain their military establishments in a big way in order to keep these areas under their sphere of domination.

In Latin America and the Carribean area several devices are used to continue US economic domination while keeping their military superiority to keep them under submission.

Every step is being taken by the US to subjugate socialist Cuba including espionage, blackmailing and the economic blockade, which is being continued inspite of the United Nation's resolutions with the threat of military intervention.

In the name of establishing a nuclear weapon free world the Americans while keeping nuclear weapons in huge quantities which can destroy the world several times are insisting that nobody else can keep nuclear weapons, nor nuclear facilities even for development. All the other countries are being pressurised to sign the Nuclear Non Proliferation Treaty including India.

The threat against North Korea is increasing and the American Administration has now declared that they will go to war with North Korea if they do not agree to destroy the alleged nuclear set up. They are supporting Pakistan in their unsustainable claim for Kashmir, and of late in favour of plebiscite to make Kashmir an independent state!

The US is apprehensive about the cooperation of Asian countries especially the improving of friendly relations with China and India. They are taking political, financial and other steps to keep the countries of South Asia apart from effectively joining hands against US domination.

However, we cannot miss the point that India, a big country in the world next only to China has a pivotal place in the US global strategy.

For the last 2-3 years the industrialised capitalist world is in the grip of the most prolonged if not the deepest recession that has known in the last 60 years. The industrial production and the economic growth of all the developed capitalist countries are stagnant or showing only marginal increase in some cases. "The world Economic Outlook 1993" has given the following figures about the GDP of developed capitalist countries.

## OVERVIEW OF THE WORLD ECONOMIC OUTLOOK PROJECTIONS

(Annual Percentage Change Unless Otherwise Noted)

Current

Projections

	1991	1992	1993
World Output	0.6	1.7	2.2
Industrial countries	0.5	1.7	1.1
United States	-0.7	2.6	2.7
Japan	4.0	1.3	-0.1
Germany	1.7	1.9	-1.6
France	0.7	1.4	-1.0
Italy	1.3	0.9	0.3
United Kingdom	-2.2	-0.5	1.8
Canada	1.7	0.7	2.6

For the last 3 years many of the industrialised countries have shown a negative growth. In US in 1993 some improvement is seen ie 2.7 per cent. In Japan, Germany, France, the biggest capitalist countries, the growth is negative. UK has got a growth of only 1.8%.

The unemployment rate in all the developed capitalist countries are on the increase. Even though in the US some modest improvement in the economy is registered, still the employment situation has not improved. In Germany it has crossed to 12% and in France also it is 12% and is expected to increase further. In

the EC countries the total unemployment is 17 millions and is expected to cross 20 millions by the middle of this year. In other developed capitalist countries including Japan unemployment is on the increase. Many industrial giants are in crisis and lakhs and lakhs of workers are being sent out of employment. Many of them are trying to shift their manufacturing process to low wage areas. The General Motors, IBM, etc are all in deep crisis. In Japan alone 2.35 million worker's jobs are under threat due to the crisis which has affected 60% of the industries. The remedy sought to be implemented is more modernization by the introduction of high technology which mean further reduction of employment. There is only minimal scope for the unemployed workers to get back to work in these developed capitalist countries. All the developed capitalist countries are now launching an offensive against the worker's income, to start with an attack on the welfare system, which comes to nearly 1/3 or 1/4 of the total wages. Not only wage reduction is proposed, permanency of employment is being taken away together with the legal rights enjoyed by the working class. Now instead of permanent workers, the trend is that the employment becomes temporary and casual with lesser wages and privileges, etc. Thus the high-tech societies of the capitalist world "which is supposed to be the model for a sustainable system of human progress" is showing its ugly face. The working class and the toiling millions are being put to indescribable miseries in these countries. The cultural degradation, ethnic strifes, dangerous gangsterism, etc are on the increase with frightening speed. The conditions in Russia and the erstwhile socialist countries are extremely pitiable. They now themselves have experienced the truth about the myth of capitalist paradise.

The trade unions in these countries are forced to lead big working class strikes which I do not wish to deal in detail. Those of them who had the notion that within the framework of the capitalism system they can ensure better life for the working class through collective bargaining is getting disillusioned and they are unable to suggest a way out.

The economic crisis which is haunting developed countries have forced them to enter fierce battles for markets. The United States, Japan and Germany are trying to build up their own spheres of influence for marketing their goods. These developed nations, are trying to capture markets in the third world countries using the mechanism of IMF, World Bank, and GATT among other things.

The European Economic Community, the NAFTA, the ASEAN, APEC etc are all part of the same process but, however, the attempt to develop spheres of influence also brings into open tensions among these countries. The latest is seen in the attempt by Mr Bill Clinton's visit to Japan to have discussions with the Japanese Prime Minister Mr Morihiro Hosokawa for finding a way out to reduce the Japanese trade surplus of 50 billion dollars on the 12th of February '94. America wanted Japan to set targets for the import of US goods like cars, auto parts, medical telecom equipments and also opening up of Japan's insurance Sector But the talks have failed and US has now threatened retaliatory action against Japan.

The GATT negotiations which went on for over 7 years was one of the areas where the tension between these countries went on continuously and finally the other countries had to succumb before American pressure and initialled for a settlement on the 15 of December, 1993. It goes against the interest of the third world in a big way. As per the agreement there should not be any discrimination for foreign capital investment in any countries. Also the agreement covers agricultural products too.

Foreign multinationals will now be able to exercise control over the new seeds and plant varieties which are in our agricultural sector invoking the patent laws. They can intervene in any field of our activity - viz machine building, pharmaceuticals and other manufacturing sectors, research and development, banking, insurance, and other sectors of our economy. Trade restrictions will be imposed at their will to our disadvantage. In short the strategy at work is to ensure full freedom for the foreign multinationals while imposing restrictions on the government. The Govt of India is succumbing to this increasingly.

The imperialist powers are using their new technological might for the very same purpose. The World Bank and IMF are the other instruments in this design.

Therefore, the trade unions should properly understand the pernicious machinations being pursued by US imperialism for world domination using the cover of the so called "New World Order".

I need not stress the importance of fighting back this new imperialist offensive by the trade unions by mobilizing all the patriotic forces.

We are being fed daily with the success stories of the new economic policies being

pursued by the Govt under the world bank and IMF dictated policies by the media and the press. They are for implementing these policies of liberalization and globalisation in toto with topmost speed unmindful of the consequences. The facts and experience presents altogether a different scenario. The latest example is the dose of "benefits" which are being showered on the people by way of pre-budget "gifts" by the government. The administered price rise imposed on rice, wheat, sugar, petrol and diesel and cooking gas makes people's life miserable. Through this an additional annual burden of about Rs.6000 crores is to be imposed on our people. The price hikes in petrol and diesel will jack up the cost of goods and services in various sectors. The increase in freight and fare charges in the railway budget has put a burden of around Rs.1000/- crores on the people. Increase in the fare and freight charges of the two airlines are also in the offing. Added to these will be the burden which will be heaped on the people by the new budget proposals. This also is being justified in the name of economic strain. However, this huge burden of price rise will not reflect in the doctored price index.

The Parliament is taken for granted. They did not wait for including this proposals in the budget for parliamentary scrutiny. No wonder under Congress (I) raj this has become a model to heap huge burdens on the people just before the budget and the parliament is being made only a decorative apparatus. This is also evident from the ordinance being issued for handing over of mineral wealth to private hands, foreign and Indian. Same is the case with the Air India and the Indian Airlines. Now let us see what exactly happened to our economy in general for the last 3 years i e 1991-92 to 1993-94.

1. The average annual growth rates of agriculture, industry and the GNP were much lower than that of the Seventh Plan period.
2. The average rate of inflation was also higher comparing with the 7th plan period.
3. The total indebtedness, internal and external of the Govt of India considerably increased in absolute terms though there has been a marginal increase in terms of percentage of the GDP from 56.73% during the 7th Plan to 56.93%.
4. The gross fiscal deficit in absolute terms in 1993-94 is likely to be higher

than ever before in percentage terms also which will be much higher than what was promised in the 1993-94 budget.

(These assessment is made by the noted economist Mr Bhanu Pratap Singh in his article in the Frontline Vol.II No.4).

These irrefutable facts disproves the claims being made by the Govt that our economy is growing faster. The available production figures for 1993-94 has many a disturbing features. During the 1st 6 months of 1993 the general index for industrial production index shows a rise of 1.6%. The manufacturing sector improved only by .6% which is lowest in the last 40 years. Mining has declined by 1.1% while the electricity generation went up by 8.6%. Special note is to be made that the capital goods production has shown a decline of 8% compared to last year. The crude oil production has come down to 2.8%. Fertilizers (Nitrogenous) came down by 1.7%. The growth of agricultural production is expected to grow is by 2.3% for the year 1993-94 while it was 5% last year. As per the quick estimation of the Central Statistical Organisation the GDP for the year 1993-94 will be 3.8% while the last year figures was 4%. Therefore the last 3 years period of the so called New Economic Policy did not help to improve our economic situation. Instead it had adverse impact on our economy. The latest available position is as under:-

Index Numbers Industrial Production (1980-81 = 100)	1989-90	1990-91	1991-92	1992-93	1993-94 (October)
General Index	8.6	8.4	-0.2	1.6	1.7
Mining & Quarrying	6.3	4.5	-0.4	1.7	-0.3
Manufacturing	0.6	9.1	-1.8	0.9	0.7
Electricity	10.8	7.8	8.5	4.9	8.7

A cursory look at the results of the various policies being pushed through in the name of these new policies will show that the very essentials of our economy and polity are being seriously endangered.

As a prelude to opening up for the foreign multinational corporations all the restrictive laws existing in the country like Foreign Exchange Regulation Act,

Monopolies and Restrictive Trade Practices Act, The Industries Development and Registration Act, etc, have been relaxed and the doors were opened to them. Foreign equity holdings can now be automatically enlarged from 40 to 51% for which there is no need of Govt permission and even consent of the existing share holders of a company . It is also possible now to form a 100% foreign equity holding company with all necessary facilities for transferring profits and repatriation to foreign countries without any limit.

The national priority of giving the public sector the commanding height of our economy has been reversed and the public sector is being treated as the enemy No.1 to be done away with with maximum speed has become the immediate objective. The World Bank has given the prescription that out of 244 central public sector companies 82 should be closed down. 92 has been identified as sick and out of which 58 as very seriously sick. The 8 lakh workers who are employed in these institutions face the threat of being thrown out from employment. The way out suggested is to close down these companies and to make the process easy the workers should be shown the way for "exit" using the ploy of the National Renewal Fund. The working class of the country sensing the danger had tried to resist them by organising national protest actions of various kinds including 2 general strike and a Bundh during the last 2 years. The first strike was on 29.11.91 and the second one on 16.6.92 and the bundh has been organized on September 9, 1993, mobilizing all the mass organisations who are opposed to these policies besides the trade unions. But inspite of this protest by the people and the working-class the govt is taking the course decided by the World Bank zealously, the details of which are given in the General Secretary's report. However, I wish to draw your attention to certain issues of importance only.

Let us see what the Govt is doing in the basic sectors of our economy. In the name of resource crunch the Govt is handing over already proven and explored oil reserves by the ONGC to foreign multinationals. The ONGC's cost of oil extraction is around 5 or 6 dollars per barrel, whereas the international price of oil varies from 16 to 18 dollars per barrel. This is the price the government is offering to the private investors, that too in foreign exchange for the oil to be produced from the oil facilities proven ONGC's cost.

Recently the engineers and technicians of ONGC went on one day strike. They were protesting against the discriminatory policy of Govt of India against ONGC and asked why should private and foreign companies be paid 18 dollars a barrel when

ONGC is paid just a pittance. They pointed out that if the rates offered to them is given to ONGC, it will flush with funds sufficient to finance two or three times its current investment proposals. The Govt is keen to convert it into a company and sell the shares to foreign investors.

India is producing low cost oil through the largest company established under public sector and it is highly profitable even while supplying oil to the govt at a nominal rate as shown above. The result of the new policy would be that the petroleum prices will go up 2 or 3 fold and will have adverse impact on our products in many sectors the cost of which will automatically increase and a high cost economy will be the result besides losing the advantage of our products to compete in the market. Our foreign exchange liability will enormously increase. The huge facilities we have built up under the ONGC will go waste including the skilled workers and the technical and scientific personnel besides increasing foreign dependency. There is no need to say that it goes against our national interest.

In the name of resource crunch power sector is open to foreign multinationals with the guarantee of 16% return on investments and with a sovereign guarantee from the govt of India. Many agreements are being signed by the State electricity boards with the foreign multinationals. The Maharashtra Electricity Board has entered into a contract with ENTRON, a US company for a project envisaging 2015 MW of power generation in 2 phases. The actual investment plan is 9053 crores. The investment per MW in this project comes to Rs.4.4 crores as against Rs.1.6 to 2 crores per MW envisaged in the Eighth Plan for units of comparable size. Maharashtra Electricity Board has agreed to buy power from the 1st phase at Rs.2.39 per unit and Rs.2.44 for the 2nd phase. Adding the distribution and transmission costs the unit cost will not be less than Rs.4. Presently the consumers of Maharashtra are paying an average of Rs.1/- per unit. It is to be revised to abnormal levels when the new multinational project comes into production. So the electricity cost is going to be increased by atleast two fold. This example gives in the nutshell the direction of the new policies which is being implemented in the power sector. Another fact to be noted is that the infrastructural facility which we have established in BHEL which could produce power at 1/3 of the cost is going to be dismantled. BHEL, a giant company with 48,000 employees including officers and men could produce quality power machines which can compete effectively in the world market is being starved of orders while the multinational corporations are given a red carpet welcome.

The wonderful part of it is that in capitalist economy for investments, risk of loss is also there. But in this case the multinationals have gains and gains only. This is how Manmohanomics work in our country - losses are nationalised and profits are privatised!

National Thermal Power Corporation, another company now operating successfully in power generation will also face the same fate as that of BHEL. The Power Engineering in the private sector too have to face the adverse impact of this preferential treatment being given to the foreign multinationals.

The high cost power will have an adverse impact on our industry and agriculture. The price of coal is being jacked up. The high cost energy, oil, power and coal, together will work havoc and unleash a process of deindustrialisation which is a ready on.

The newspaper manufacturing industry which is best in quality, productivity, and profitability like the Hindustan Paper Corporation unit in Kerala is facing danger of closure because of the liberalized import policy.

Many units of Hindustan Fertilizer Corporation is already closed and the units of Phosphatic Fertilizers are facing serious crisis, since the fertilizer imports are liberalized and due to the slashing of subsidies. The Phosphatic Fertilizer DAP is dumped into India at less than the parent company's domestic cost ie 160 to 170 dollars per ton while the domestic cost obtaining in their country (USA) is about 265 dollars. All the 14 units engaged in the production of phosphatic fertilizers are facing crisis and the danger of closure unless the import policy is changed and the required steps taken to stop dumping.

The preference now being given to the nitrogenous fertilizers will seriously damage Indian soils and lead to unintended depletion of nutrients. The Science Congress held in Jaipur in January underscore this view. This has also been pointed out by the fertilizer unions in a memorandum to the Prime Minister . They also showed the existing per hectare subsidy rates in the developed capitalist countries comparing with our own which is as under:-

### Per Hectare subsidy in U S Dollars.

India	USA	EC	Japan
4.3	148.5	238.4	259.1

The succumbing to world bank dictates on the question of farm subsidies amounts to facilitate their attempt to scuttle our agriculture production. In short the total impact of these policies would be that India becoming a possible competitor in the world market for agricultural produce including food grains would be reversed and our production will go down so that we will eventually become dependent on imports for our food needs too.

Capital goods production in India is sought to be crippled in many ways. The bulk of our capital goods and intermediate goods manufacturing is in the public sector. Today our public sector units can build power houses, refineries and fertilizer plants etc. from "concept to commissioning". The free entrance to the foreign multinationals with special considerations by the govt; the frantic efforts for foreign investments direct or through tie ups together with the negative approach in providing public financial assistance to our own public sector units close the circuit of "operation scuttle". Imports of capital goods are growing while internal production is drastically coming down. The latest figure of decline in the capital goods industry till september was 8.6%. and as per the latest report it crossed 10%.

The captians of Indian industries who are in the field of capital goods production and who are still the big supporters of the policy of globalisation have of late found that they are discriminated viz a viz foreign multinational corporations in many ways and they demanded that the govt should ensure "level playing ground" for them. They have also pointed out that the duty concessions given to finished capital goods is going against the Indian manufacturers. **Also they are coming to realise the adverse impact of foreign take overs and the change of attitude of TNCs.**

Let me quote from the article published in Business Today October 7-21-93 to illustrate their view. **"The head of the Thapar Group, Lalit Mohan Thapar admits " I am afraid that many of us who were initially all for liberalization did not**

understand what it really meant".....the transnationals is aggressively buying up Indian companies and brands..... Most transnationals are insisting that they be given majority equity stakes and management control. If they wish to continue in a joint venture, most Indian businessmen are discovering that they have no option but to play second fiddle to their foreign partners..... Technology is one, since transnationals are increasingly unwilling to part with state of the art technology even for a fee. They want ownership and in most cases, that means a majority stake. .... Several foreign companies will choose not to manufacture locally, but to import directly into the country. This poses a different kind of threat, since joint ventures for marketing and distribution may have to be set up and not for manufacturing.... The threat from multinationals is greater where issues like brand building, investment in research and development, and investments in infrastructure...." Thus the capital goods industry which is the mainstay in industrial development is being scuttled as noted above which has very serious consequences on the total development of India as an independent nation.

The MNCs list of priorities include the telecom and financial sector for which the govt is out to make all the facilities. Our telecom industry today has 70 lakh phones connected which is the largest in the third world. The growth rate in this sector is 17% per annum with a potential for raising it to 20%. There has been considerable technological improvement also in this sector. The switching circuits designed and produced indigenously has been proved successful. Production units like Indian Telephone Industries (ITI), Hindustan Cables, Hindustan Telephones etc is established to meet the developing needs of this sector. However, now all the value added services are being given to private sector which goes against the financial interest of this sector. The Mahanagar Telephone Nigam Ltd has already disinvested 31% of their shares to private interests and the attempt now is to take this industry out of the Department of Telecommunications and to organise 3 or 4 corporations as a prelude to privatisation. The foreign multinataionals are allowed in various areas . The biggest world cartels in the telecom industries are now coming to India like AT & T, for grabbing this sector.

The total result would be that this crucial sector of communication which has vital bearing on our defence too is going to be handed over to foreign multinationals.

This will lead to steep rise in cost for the consumers and the telephones will become out of bounds for our vast rural areas, besides loss of employment for many thousands.

In the name of increasing efficiency and profitability the public sector banks are going to be restructured. They are going to be opened up for the foreign and Indian private sector. The role played by the foreign banks in the "securities scam" did not deter them from this course. The growth of the banking industry in India was due to the confidence created among the people and investors that their investment is safe, contrary to the private sector which had to face occasional crisis at investor's cost. However, since the social objective of developing the backward areas and rendering a helping hand to the poorer sections and mobilising resources for our development etc is being changed. Sway of foreign banks are being allowed. Rural network of banks are to be closed. To facilitate this banking laws amendments are being pushed through.

Insurance sector is one which serve the interest of our development. The huge surplus they make are being utilized for the different plan projects and other activities for our development in the country. The returns on investments, the assets, the life fund, reserves and profits and other financial indices do not cast any doubt on the financial soundness of LIC and GIC. There is absolutely no case or valid reason to increase the equity of the LIC and GIC. The general insurance premium in the country is the lowest in the world. The only reason seems to be to transfer this to private hands.

I do not wish to go into the details of other sectors. Sickness is growing in industries especially in the small scale sector and in our traditional industries like textile, jute, coir, etc wherein millions of workers earn a living. There are new threats for the jobs of millions who are employed today in other sectors and the specter of ever growing unemployment.

A process of deindustrialisation is on and a set of new policies are being implemented. **The transnational corporations are being enthusiastically welcomed in to the country in many cases with special preference over the national capital.**

**The TNCs are not ready to part with latest technology. They are insisting for controlling shares or control through joint ventures while not showing interest to carry on the production process inside the country and are also not interested in development of R & D, still they are being allowed to enter all sectors of economy. Serious attempts are on to destroy what we have built for the past years. Such a perilous situation never arose in the post independence period.**

The trade union's response has been mentioned earlier. Besides national strike actions industrywide united actions against these policies are on the increase. The crisis have forced the workers and even the officers in many cases to move jointly to protect their employment and industry. The trend of growing unity of trade unions inspite of organisational and political difference needs to be applauded. I should also make a mention that efforts are on to break the growing united struggle of the working class by certain weak trade union leaders to go out of the struggle mid- way or to stay away from united actions. But since the attacks are all embracing this can be exposed and defeated. United struggle mobilising all the trade unions and mass organisations should further be developed and strengthened.

The situation also calls for the strengthening of the CITU. The idea of confederation which we have been projecting should be stressed again and ways and means have to be found out for fructifying it. To have common industrywise federations which we have stressed must be taken as a serious job. The struggle for unity remains the uppermost task today since the intensity of the attack is on the increase. So I once again appeal to all the trade unions to hold aloft the flag of unity and fight back this offensive not only to protect our own interest but also to protect our national sovereignty and independence.

Before I conclude let me bring to your notice certain other disturbing features which should not be lost sight of by the trade unions. The demolition of Babri Masjid was facilitated by the inaction and passive attitude of the Govt at the Centre which opened the way for communal clashes throughout the country and threatened the very fabric of national unity. Even today they are not taking correct attitude and taking steps to find a solution to these problems. Casteism is also raising its head in a way which is also threatening the unity of the people, especially the workingclass.

The Govt of India has not uttered a word about the direct intervention of Mr Clinton in the internal affairs of the country by openly supporting the untenable arguments of the Govt of Pakistan.

The trade unions should oppose this week kneed attitude of the Govt of India and very strongly express our collective protest against US Govt's interference, in our internal affairs.

Allow me, comrades, to thank the Bihar State Committee of the CITU on your behalf for making magnificent arrangements for the successful conduct of our conference in this historic city, Patna. With these words I conclude.

REPORT OF THE  
GENERAL SECRETARY

# REPORT OF THE GENERAL SECRETARY

## REPORT OF THE GENERAL SECRETARY

At the outset, we must pay tribute to several outstanding leaders who have left  
after the last conference. Com. Manoranjan Roy, vice president, CITU who became  
his last on 15th June 1992 was one of the most outstanding leaders in the Indian  
trade union movement. In his passing away, we have lost a great pillar who was  
shouldering important responsibilities till the end of his life. Com. Kumar Basko,  
another vice president of the CITU who was a stalwart of the trade union movement  
and played a notable role in the workers movement in West Bengal, passed away on  
14th June, 1992. He had contributed a great deal in strengthening the CITU in  
Bengal and outside.

We have lost two of Working Committee members, Com. Jitendra Sahas (West  
Bengal) and Com. O. J. Joseph (Kerala). Five of our General Council members, Com.  
A. D. Shastri (Maharashtra), Com. K. George (Andhra), Com. Swapan Bose (West  
Bengal), Com. Bhag Singh Bajaj (Punjab) and Mohan Sharma (Madhya Pradesh) have  
departed from us. Com. Biren Dutta, former General Secretary of the Tripura State  
Committee of CITU and our Working Committee member, Com. K. B. Sengupta,  
our All India Coal Workers' Federation, Dr. A. B. Sawam, Vice President,  
Maharashtra State Committee of CITU and Com. S. K. Bhoi, vice president, Orissa  
State Committee of CITU are no more with us. Com. Anandam Nayudu, a member

# REPORT OF THE GENERAL SECRETARY

Dear Comrades,

We are meeting 3 years after our 7th Conference held in Calcutta from 13th to 17th February, 1991. In this period, several significant developments in national and international situation have taken place which have far reaching impact on our movement and future course of action. The 8th Conference of the CITU, therefore, has got several important tasks to achieve in the days to come.

## HOMAGE

2. At the outset, we must pay homage to several outstanding leaders who have left us after the last conference. Com. Manoranjan Roy, vice president, CITU who breathed his last on 13th June, 1992 was one of the most outstanding leaders in the Indian trade union movement. In his passing away, we have lost a great pillar who was shouldering important responsibilities till the end of his life. Com. Kamal Sarkar, another vice president of the CITU, who was a stalwart of the trade union movement and played a notable role in jute workers movement in West Bengal, passed away on 9th June, 1992. He had contributed a great deal in strengthening the CITU in West Bengal and outside.

3. We have lost two of Working Committee members, Com. Jamini Saha (West Bengal) and Com. O J Joseph (Kerala). Five of our General Council members, viz Com. A D Shastri (Maharashtra), Com. K George (Andhra), Com. Swapan Bose (West Bengal), Com. Bhag Singh Sajjan (Punjab) and Motilal Sharma (Madhya Pradesh) have departed from us. Com. Biren Dutta, former General Secretary of the Tripura State Committee of CITU and our Working Committee member, Com. J K Bose, Secretary of our All India Coal Workers' Federation, Dr A B Sawant, Vice President, Maharashtra State Committee of CITU and Com. S K Bisoi, vice president, Orissa State Committee of CITU are no more with us. Com. Anandan Nambiar, a notable

leader of Railway workers and former member of our Working Committee and an able Parliamentarian is also no more with us.

4. Several important leaders of revolutionary movement are no more with us. Notable among them are Com.M Basavapunniah, Member of the Polit Bureau, CPI(M), Com.Satwant Singh, Com. J. Cheema, Com. Achintya Bhattacharya, both Members of the Central Committee of the CPI(M) are no more with us. Three outstanding revolutionaries in West Bengal, Com.Prabhas Roy, Com.Ganesh Ghosh, Com.Sukumar Sengupta have departed from us.

5. Com.Abdulla Rasool, outstanding leader of the All India Kisan Sabha, Com.P K Kunjachan, General Secretary, All India Agricultural Workers Union, Com.M K Kelu, veteran kisan leader from Kerala, and Com.Janaki Amma, a veteran leader of the democratic women's movement in Tamilnadu have breathed their last in this period.

6. Several other important trade union leaders in India have left us since the last Conference. Notable among them are Com.S A Dange, freedom fighter and long time General Secretary of AITUC, Com.T N Siddhanta, Secretary, AITUC, Com.Balachandra Trivedi, Vice President, AITUC, Com.Samerendra Kundu, vice president, HMS, Com.KM Mathew, General Secretary, All India Defence Employees Federation, Com.Bhau Phatak, HMS leader in Motor Transport Industry and Com.Paritosh Banerjee, leader of the AIRF are no more with us. Shri V G Gopal, vice president, INTUC and Shri Bindeswari Dubey, former president of INTUC are no more with us.

7. In this period, Shri Rajiv Gandhi, former Prime Minister and Congress(I) president, was assassinated by LTTE extremists on 21st May, 1991. Com.Bishwanath Mukherjee, a well known freedom fighter and CPI leader, notable film directors, Shri Satyajit Ray and Utpal Dutt, INA hero Col P K Saigal have passed away in this period. We express our deep sense of sorrow at the passing away of these leaders.

8. In the international field, the gruesome murder of Com.Kris Hani, general secretary, South African Communist Party and ANC leader by right wing extremist gave rise to wave of condemnation throughout the world. The well known ANC leader, Com.Oliver Tambo died on the eve of the successful negotiated settlement of South Africa. Com.Ibrahim Zakaria, President of the World Federation of Trade

Unions, who played a notable role in WFTU for decades passed away in this period. Comrade Andrei Gromyko, a notable Soviet Statesman and former foreign minister of USSR died in this period. Comrades Madan Bhandari and Jeeva Raj Ashrit two prominent leaders of Communist Party of Nepal(UML) died on 16th May 1993 in a mysterious car accident. We pay our homage to these valiant leaders.

Several martyrs have laid their lives during working class struggles during the last three years. Notable among them were the Dala Cement martyrs who were shot dead by the UP police while opposing the privatisation of Public Sector Cement Plant. 17 workers of Banarahat tea plantation in West Bengal were brutally killed by the INTUC gangsters on 15th June, 1993. Nearly 20 workers were shot dead by the police of BJP government of Madhya Pradesh in Bhilai on 1st July,1992. Five workers of Nellimarla were killed in police firing in Andhra when they were demanding lifting of the lockout, 2 leading brick klin workers of Haryana died in police firing during agitation for higher wages. Several comrades in Punjab, Tripura, West Bengal, Bihar and Kerala were killed during working class and peasant struggles and we pay our respectful homage to these martyrs.

9. We must also remember the thousands of innocent people who died in Earthquake in Maharashtra in Khillari in Latur district in one of the biggest such tragedies in the country. During the nationwide communal riots which broke out after the 6th December,1992 demolition of Babri Masjid by the communal gangsters many have perished while facing the assassins dagger. This killing have brought shame to our country in the whole world. We must pay our condolences in the passing away of the victims of the communal carnage on the soil of our country.

10. While paying homage to the departed leaders and martyrs let us take a pledge to carry forward with determination the unfinished task they left before us till the achievement of our cherished goal.

## **CHANGING INTERNATIONAL SCENARIO**

11. International situation changed considerably since our last Conference. Dismantling of socialism in USSR and Eastern European countries altered the balance of class forces in the world arena resulting in the working class movement suffering a severe set back. These developments have shocked the workers all over the world who are wondering how despite providing jobs for all, free medical

treatment and educational facilities, housing, pension, paid annual leave for all workers, they failed to rise to the defence of socialism.

12. The protagonists of capitalism state that this was due to failure of the socialist system itself and hence socialism could not advance faster. They therefore advocate that the capitalist system is the final stage of human civilisation and try to confuse the working class all over the world. It is therefore necessary to explain to the workers why socialist system collapsed after existence for such a long time.

13. One must note that it was not the failure of socialist system but the distortions in building socialism that led to these developments. Socialist system cannot advance without preparing the working class ideologically to fight for socialist values and higher economic growth for sustained improvement of the living standards of the masses. Use of modern technology in consumer goods industry for the advancement of socialism, involvement of workers more effectively in enhancement of production and productivity to ensure sustained improvement in the standard of living were neglected in later stages of building socialism. Lack of socialist consciousness disarmed the working class in the struggle for socialist progress, despite the spectacular achievements made in the early days.

14. Socialism cannot progress without democracy. Over the period of years the state apparatus, Communist Party and the trade unions became victims of bureaucracy. The voice of the working class could not get properly reflected in these fora and they became divorced from the masses. Thus those who were given the responsibility of building socialism, themselves deviated from the system. Attempts were made to save socialism at a very late stage. However, the emasculated working class could not rise against the enemies of socialism which ultimately resulted in dismantling of socialism itself. It is, therefore, necessary to study further how the working class lost its position as a vanguard in building socialism. This would enable us to draw proper lessons for the future development of socialism in the world.

15. However, the working class gradually began to realise the gravity of the situation when the rights won under socialism were taken away one by one. Inflation went sky high and the standard of living deteriorated. The market economy meant privatisation, high profits for the monopolies and consequent price rise. Closure of factories on a large scale and growing unemployment became the order of the day. Naturally the resistance to the deteriorating conditions began emerging in all the

former socialist countries. Trade unions with red flags started coming forward to defend the interest of the working class. Strikes and demonstrations became common day to day occurrence despite police repression and brutalities. May Day rallies are being organised on a massive scale in all these countries. Like phoenix the spirit of socialism will rise again.

16. When the pontiffs of capitalism are singing cirtues of the system, the conditions of leading capitalist vountries are presenting a gloomy picture. The unemployment has reached unprecedented level while the industrial production is either stagnant or showing a declining trend.

17. A total of 36 million people are out of work in the 24 member states of the Organisation of Economic Co-operation and Development(OECD). In the European Community alone the unemployment figure is currently 20 million. And according to the assesment of OECD's General Secretariat a further rise is apprehended in the near future. Moreover, the researchers of recovery of Europe made a forecast of 2.5 per cent growth during 1993. However, the latest revised estimates indicate that the overall output is likely to fall by 0.5 per cent.

18. The European Monetary system has developed several cracks and is unable to function smoothly and tension within the system became so great that Great Britain and Italy left the exchange rate mechanism while Spain and Portugal had to devalue their currencies. The economists ascribe this to uneven development of different countries within the system. The conflict of interest continue to rise which led to official spokesmen from France openly accusing Germany of selfish behaviour towards partners. All these developments have posed probelms for the proposed Economic and Monetary Union agreed in the Maastricht Treaty. Lay-offs and closures have gone up substantially in most of the advanced capitalist countries. Despite spectacular advance in technologies the decadent social system is unable to absorb it for the eliminaion of poverty on the globe. On the contrary the system can thrive only on increasing pauperisation of the population of the third world countries.

19. The global market economy has given rise to new transnational Mafia gangs all over the capitalist world which have been "sociologically" accepted as economic partners. The international drug cartels control to-day the largest commodity trade accounting for \$ 250-300 billion i.e. more than the oil trade in the world. What is

more dangerous is that the drug cartels are closely linked with clandestine trade in armaments which have bolstered terrorism all over the world.

## **THE NEW WORLD SCENE**

20. The set back to socialism has been a boon to capitalism and US imperialism has become more aggressive in an unipolar world. It started behaving like international policeman and reckless intervention in other countries internal affairs has become a routine affair. The aggressive role of US in Iraq is well known wherein it has resorted to using the forum of UNO to achieve its aggressive designs. The economic blockade of Iraq has literally starved its population of essential commodities. US intervention in Angola and Somalia, its shameless defiance of UN resolution against economic blockade of Cuba, its repeated threats to Latin American countries, US machinations in Yugoslavia, its intervention in Somalia, its open support to Pakistan on Kashmir issue, its diabolical designs against North Korea through nuclear blackmail, its so-called concern over human rights in China are some of the recent examples. The danger from religious fundamentalists in Algeria continue to cause anxiety in our minds.

21. The World Bank and the IMF, imperialist agencies of neo colonialism, have been emboldened to impose more rigorous conditionalities on the third world countries.

22. The exploitation of the third world countries has reached scandalous proportions. The total indebtedness of the third world countries has reached a colossal figure of \$ 1.3 trillion.(\$1300 billion). The export of profits from the third world countries to advanced capitalist countries every year comes to over \$200 billion. If the liability of interest payment is added to this amount the third world countries are injecting more funds to the advanced capitalist countries than what they are getting in the form of loan and aid.

23. The backmailing tactics of U.S.imperialists have reached their heights when the U.S. Government blatantly tried to take action against India for the deal with former Soviet Union regarding the Cryogenic rocket technology. U.S. Government also threatened India with action by resorting to the devices of super 301 and special 301 by insisting that India should privatise the insurance industry and open it for the multi-national corporations.

24. The imperialists have strengthened their efforts to get through the Dunkel Draft seeking to increase the exploitation of the economies of the third world countries through the mechanism of capturing their markets destroying their industrial base. It is therefore extremely important for the trade union movement to strengthen international cooperation among the third world countries so that the attempts for imposition of the so called "New Economic Order" by the international monopoly capital is defeated squarely.

### **SOME POSITIVE DEVELOPMENTS**

25. Despite offensive by imperialist forces all round the globe, democratic forces are advancing in several parts of the world. Success was achieved by African National Congress in forcing the forces of apartheid to take a retreat and accept in principle the rule of the majority of the population without any racial discrimination is a major development in this regard. However attempts to sabotage any progress are being made by the reactionaries and need for vigilance against them is extremely important. The revolt of the peasants of Zapata (Mexico) against NAFTA is a shining example of people's resistance against imperialist machinations. Success of Chedi Jagan in Guyana, defeat of conservative party in Canada and some countries of Western Europe including Greece, Italy, emergence of the forces of resistance in Eastern Europe and Russia against privatisation and capitalist market economy have also been positive features in the present world arena. In Poland, Lithuania etc. the leftists have won the elections. It is only through international cooperation that the progressive forces can emerge stronger.

26. The period since the last CITU conference also witnessed intensified struggles of the people against dictatorial regimes in Nepal and Bangladesh and the democratic movement succeeded in restoration of democracy. Communists and leftists in Nepal won sizeable number of seats. In Pakistan, the military dictatorship suffered a set back and the new government has been formed on the basis of the will of the people. In Philippines the dictatorial regime was thrown out by the people and elections were held. The anti-imperialist movement the in process was strengthened in that country. The events in Srilanka are still causing concern and bloodshed is continuing un-abated.

27. The advance made by socialist countries viz China, North Korea, Vietnam and Cuba in socialist construction despite difficulties is a matter of pride for us and they

continue to record progress by adhering to the revolutionary doctrine which immensely helps us in our struggle to defend socialism all over the world.

28. The growing friendly relations between India and China as well as progress in the talks on the border dispute will considerably ease the tension in the northern frontier of our country which will immensely help both the countries.

## **THE NATIONAL SITUATION**

29. The Seventh Conference sharply attacked the policies of Chandra Shekhar Govt. which was in power at the mercy of the Congress (I) party. The Conference gave a call for nationwide campaign demanding resignation of Chandra Shekhar Government which failed to tackle any national or international problem. Before our campaign could get any momentum the Government collapsed due to withdrawal of the support by the Congress(I) party.

30. During the Parliamentary elections, the secular opposition parties could not forge united approach which only helped the Congress party. The BJP resorted to the vicious communal propoganda and tried to divide voters on religious lines. In the midst of election process the assasination of Rajiv Gandhi shocked the nation but Congress party utilised this for electoral advantage.

31. The Congress party emerged as the largest single party but failed to get clear majority. The BJP formed Govts in states in Madhya pradesh, Rajasthan, Himachal Pradesh and U.P. This has only increased the threat to national unity and integrity. The Janata Dal achieved success in Bihar and Orissa. In Tripura due to terror tactics and rigging Congress party won votes. The left front in W.Bengal was elected fourth time while in Kerala due to sympathy wave in south the Congress party led UDF could get slender majority in the state.

32. The Congress party, despite hung Parliament, came to power in the centre and a new situation emerged in the country.

33. The Indian economy was on the verge of bankruptcy and country's foreign exchange reserves reached the lowest ever level. The new Congress Government led by Narasimha Rao went to IMF with a begging bowl for loan to bail out the Indian economy. Taking full advantage of the situation, the World Bank and the IMF

imposed conditionalities while offering loan and the Government of India surrendered before all dictates of the IMF. Accordingly, Rupee was devalued in two instalments to the tune of 22 per cent. 43 tonnes of gold was sent abroad which only created scare in the country. The economy was deregulated, MRTP was virtually scrapped, licensing was abolished. The big business houses and multinationals were given all concessions to tighten their stranglehold over the Indian economy. In the name of curbing deficit financing all development programmes were partially or fully scrapped, subsidies were either reduced or withdrawn. World Bank and IMF were given all access to budgetary exercise reducing the national sovereignty into a hollow shell.

34. In the name of encouraging investment, the Government gave tax concession to industries and imposed heavier burdens on the common people. The new gold policy helped speculators and gold smugglers. Instead of mopping up black money for national development open encouragement was given to allow black money to enter share market. The value of rupee in international market came down after introduction of convertibility of the rupee. Big business houses were given full permission to enter small scale sector of the economy.

35. The public sector was worst hit by these policies. The privatisation of public sector was made the national objective. The sick public sector units were deprived of all subsidies and SICA was amended to refer all the sick public sector units to BIFR. The wellrun units in public sector whose shares were offered to the private sector had to face acute difficulties. Core sector of economy was offered to the private sector including multinational companies giving up the national objective of building a self-reliant economy.

36. The IMF was assured by the government to introduce Exit Policy, accepting right of employer in throwing out workers on streets at his sweet will.

37. Govt. of India introduced import liberalisation and opened floodgates of Indian economy to goods produced by multi-national companies. To facilitate the process further import duties were slashed to the detriment of Indian industries.

38. The World Bank and the IMF got whatever they wanted and with every instalment of new loan new conditions were imposed and Narasimha Rao Government succumbed to the dictates of the IMF.

## THREAT TO INDIA'S SOVEREIGNTY

39. The experience of the last two and a half years has convincingly proved that the new economic policies pursued by the Narasimha Rao Government at the Centre have posed a serious threat to India's self reliance and economic sovereignty.

40. Industrial production during 1991-92 showed a decline while during 1992-93 it increased by 1.4% only. The estimated increase in industrial production during 1993-94 is likely to be of the order of 2.4 per cent. The manufacturing sector is thus showing a stagnant character and in some sectors there has been actual decline in production. With growth of population of 2.4 per cent per annum in the country, the per capita consumption of several industrial goods has declined, indicating increase in the poverty level of the mass of people of India.

41. Regarding our exports, they actually declined in terms of dollars during 1991-92. They stood at \$18.1 billion in 1990-91 but reduced to \$17.9 in 1991-92. Because of devaluation. In spite of the devaluation of Rupees our export did not Pickup. As a result of devaluation of Rupees, the loot by the advanced capitalist countries has increased phenomenally. It should also be noted that India had to sell at much less price its products in order to boost exports. India has been charged in US for selling its goods at dumping prices. India's trade balance which was Rs 10,640 crores deficit during 1990-91 came down to Rs 3,809 crores deficit in 1991-92. The deficit however again shot up to Rs 9,572 crores! The Govt of India is now trying to export more commodities at cheaper prices in order to meet the deficit. If we cannot sell more, then the country will have to borrow more money from the IMF. The country has thus entered a vicious circle and it is difficult to come out of it. About 90 per cent of our exports are primary commodities and the IMF wants to keep this character of the economy perpetually.

42. When there is acute recession in advanced capitalist countries and production in some branches is being curtailed, these countries are frantically in search of markets. India being the second largest populated country in the world with the 10 crores strong middle class income group, is looked upon as a potential market for the consumer goods from the advanced capitalist countries. They are pressurising the Govt of India to reduce the import duties further so that the imports from these countries can flood our market. With superior technology and larger financial base the multinational companies have a comparative advantage over Indian products and

can easily dislodge Indian products from our own market. One cannot ignore the fact that some of the multinational companies have a bigger budget than the Government of India itself. Under such circumstances the talk of competition with foreign goods is only a ploy to open our market for the multinational companies. Despite its harmful effects on our economy, the Government of India is accepting these humiliating conditions because its capacity to resist imperialist pressure is dwindling very fast.

43. Since the advanced capitalist countries are in dire need of market they are selling goods in India by resorting to dumping. However, the govt is unable to use anti-dumping regulations and assert its right to check unfair competition.

44. Despite the talk of globalisation, the advanced capitalist countries are forming regional groups to compete with each other. European Economic Community, ASEAN and NAFTA are these regional groupings who are fighting among themselves to capture the world market. India is being used as a major battle ground by these groups in their trade war. Indian companies are left with no alternative but to find a foreign collaborator to survive. The proposed merger of Hindustan Lever and TOMCO, merger of some Godrej Units with Proctor and Gamble, proposal to merge Malhotra Group with Gillete, take over of Parle's interests by Coca Cola group are only some example which indicate how the things are likely to take shape. Many Indian companies are negotiating deals of becoming junior partners of multinational companies.

45. The multinational companies, inspite of offering of several concessions by the Govt are pressing for more concessions to ensure higher profitability. Though the govt offered 16 percent guaranteed return to foreign investors in power generation units, they are still reluctant to come and asking for more benefits that would further lead to substantial hikes of tariff for the electricity. They are confident to get whatever they want because Dr Manmohan Singh, India's Finance Minister is willing to give them for merely asking for the concession.

46. The sickness in the Indian industrial undertakings is growing at a faster rate. According to ASSOCHAM, the total number of sick units has reached a record figure of 4 lakh 7 thousands. The bank funds locked up in these units are estimated to be about Rs 30,000 crores! Many of these sick units can be made viable if the Govt of India comes forward to work out a proper package in cooperation with the trade

unions. Unless the govt protects some of the units from unfair competition from big business houses, no viable package can be created. Introduction of market economy always strengthens the growth of monopoly houses at the cost of small scale and traditional industries. Most of the sick industries would face closure rendering lakhs of workers jobless. The demands of the employers to delete section 25(0) of the Industrial Disputes Act is only to facilitate the process of closure. Multinational companies are already pressing the Govt of India to give statutory recognition to the Exit Policy, which accepts employers unbridled right to close down the unit at his sweet will.

47. The deregulation of industries has led to large number of industrialists entering in the economic activity where the profits are the maximum. This has led to creation of large unutilised capacity in industries since the market is limited. It has led to uneven development of regions increasing regional disparities. According to the data available with the Ministry of Industry during the last 2 years the pattern of new investment was as follows. Western India 39%, Northern-26%, Southern-19%, Eastern- 15%. It is also observed that even within a particular region industries are mainly developing around ports where export-import problems are easier to tackle. This process will lead to unbalanced growth of different regions and backward regions will not get adequate opportunities to develop new industrial units.

48. Withdrawal of all restrictions on growth of monopoly houses has opened the channels of growth of monopoly houses. The small scale industries organisations have already expressed their strong feelings about the adverse impact on this sector after the introduction of the new economic policies.

49. The recent statement by the so-called Bombay club where the leading industrialists have pointed out the competitive advantages given by the Govt of India to the foreign capitalists and have demanded similar concessions to them.

### **The Disinvestment Scam**

50. The World Bank in its report has stated that direct participation by the private sector in disinvestment proceedings has been 'limited' and needs to be encouraged through more flexible action arrangements and allowing foreign investors participation. It is to be noted that such observation has been made even after disinvestment of the shares of more than 30 profit making public sector units in the

basic and strategic sectors. The Bank has been demanding more strategic approach to PSE disinvestment, including outright sale of units. Thus the intention behind disinvestment of the profit making public sector units in the coming days is not difficult to imagine. The commitment in the process of disinvestment compares well with the 'Harshad Mehta episode'. The ground price of the shares had been fixed much below the market price under different notions.

51. Shares of SAIL, Hindustan Zinc, NALCO, IPCL, Cochin Refineries, Andrew Yule, National Fertilizers, FACT and many others were listed for disinvestment without announcing any formal decision by the Govt of India. The CAG has noted that 71% of the total bundles were sold on the basis of single bid. The disinvested shares have been allowed to change hands swiftly without keeping any track of it. It has been reported in the press that the Allahabad Bank bought a bundle on February 10, 1992 at a cost of Rs 13.12 crores which changed hand twice and reached the notorious City Bank and that too on behalf of a 'fiduciary' at a cost of Rs 38.81 crores. As per the CAG report the loss only on account of lowering down of ground price has been Rs 3,442 crores!

52. Similar is the situation in the matter of gifting out public sector units to the private capital. The IISCO privatisation move is a shocking case. The giant premier public sector steel company's total asset including its land, township, captive mines, etc at current market rate would be somewhere Rs 12,000 crores. Now ignoring this reality shamelessly it has been decided by the Govt that the present equity of IISCO would be devalued from Rs 392 crores to Rs 134 crores and M/s Mukund Iron has been offered outright purchase of 75% of such devalued shares. The cost of said 75% equity shall be treated as loan to Mukund Iron by SAIL at concessional rate of interest to be paid in instalments!

53. The Malhotra Committee has shamelessly recommended privatisation of insurance companies as demanded by the IMF which would open up yet another avenue of exploitation by foreign insurance companies.

54. The Narsimhan Committee has already recommended privatisation of Banking industry and more concessions to foreign banks to capture larger bank deposits on Indian soil. The so called 'uneconomic branches' have been marked for closure resulting in probable loss of jobs to over a lakh of bank employees.

## **BIFR and the Sick Public Sector Units:**

55. A powerful campaign has been launched today by the vested interest against the employees of sick public sector undertakings holding them responsible for the sickness of their respective units. Here it would be pertinent to list some important causes of the sickness. Many units have become sick mainly due to technical reasons. At the inception stage itself wrong technology was imposed on them by the govt being influenced by the multinational companies and subsequently no technological upgradation was done. Thus technological obsolescence is the cause of sickness of many of such units. Various modernisation and techno-economic plans for many units of different sectors have remained unimplemented for years together. The amount of loss shown against these units are also not the true picture rather the reflection of accounting jugglery. The administrative problems including corruption are there for everyone to see.

56. The public sector units referred to the BIFR are almost certain to be liquidated or may be privatised unless the trade unions defeat the game. The Govt as promoter of these units are flatly refusing to invest a single paisa for their rehabilitation. Even the schemes submitted by the employees are not accepted by the BIFR for want of financial support. In the hearing of cases, the BIFR is openly advocating in most cases the policy of the Govt and advancing the cause of closure of the sick units without seriously considering whether the units can be made economically viable by making even modest investment.

57. The World Bank is quoted by the press to have said "to deal expeditiously with the sick PSEs." It has also directed to increase 'the number of benches at BIFR and granting the BIFR powers of liquidation.' Thus it is clear that the Goswami Committee appointed by the Govt to suggest amendment of the SICA has echoed the tune set by the World Bank and has recommended that for 'setting up 'fast track' tribunals for quickening the 'winding up' process in respect of the sick companies.' Some of the dangerous recommendations of the committee are "drastic anti-worker amendments of ID Act, SICA and other laws relating to the operation of BIFR, the aim being to do away with all the available protection for the workers and clear the path for quick retrenchment of workers and closure of sick units. Even severe restrictions have been recommended for imposition in the process of submission of rehabilitation plans.

## **The Exit Policy and NRF**

58. A study of the World Bank has noted that out of 244 public sector undertakings, 82 should be closed down. The use of National Renewal Fund has been referred in this regard. Further, while 98 PSUs have been identified as sick, the number of chronically sick is 58. The number of employees employed directly with these sick units are nearly 8 lakh. Further, it must be noted that the danger of retrenchment is not for the employees of sick units only. With the entry of private sector in the profit making units through different process and the demand of the employers to grant them the authority to hire and fire, the axe of retrenchment is likely to fall on this category of employees also. To assess the whole size of this problem of retrenchment, the number of temporary, casual contract labour should also be taken into consideration.

59. Despite opposition of the entire trade union movement, the Govt is adamant on the question of National Renewal Fund. It is extremely condemnable that the Government is ready to provide fund for closure of sick units and retrenchment of the employees but refuse necessary capital for rehabilitation of the sick units even in cases where the money involved is much less. Even the Chief Executives of the public sector units have been told by the government that their performance in spending fund for the VRS would be monitored.

60. By now it has become quite clear that the Special Industrial Tripartite Committees received absolutely raw deals from the government or for that matter they did not take them seriously and made a mockery of tripartism. The Special Tripartite Committee met only thrice ever since its formation despite declaration by the govt that the meetings would be held at regular interval. On the other hand only two meetings of the Industrial Tripartite Committees were held irregularly. But the most reprehensible act of the government is that it did not implement the decisions of the committees and conspicuously violated the assurances. This is applicable even in the cases of recorded decisions. The Union Labour Minister has assured to the delegations of trade unions several times but still did not call any meeting of the committees with regular frequency.

61. While the government is pleading 'resource crunch' when the question of finding money for the revival of sick-units come to the fore, its revenue deficit is allowed to increase year by year. As against Rs 16,262 crores in 1991-92, the revenue deficit in

1992-93 was Rs 16,733 crore.

62. The trade union movement will have to encounter the problem of unemployment to a great extent. The struggle to protect the jobs of the workers and against closures and sickness would assume serious importance. The CITU should initiate the struggle for right to work and employment generation which alone will protect the interest of workers.

63. In the Bhubaneswar Working Committee meeting it was decided to hold a convention of workers in sick units both in public and private sectors. The Sponsoring Committee and CPSTU have already decided to hold such a convention. However, no such convention could be organised so far which has adversely affected the movement of workers in sick and closed units.

64. The question of price rise has also assumed serious proportions in the recent past. Since the commencement of the new economic policies the prices have increased by about 17 per cent in the last two and a half years which is adversely affecting the standard of living of the masses. The recent pre-budget hike in prices of foodgrains, LPG gas, petrol and diesel, sugar has imposed crushing burdens on the common people. When the conference will be meeting, Railway Budget as well as the general budget would have been presented to Parliament imposing further hardship on the people of our country. The struggle against rising prices should form an important aspect in our activities so that resistance to the government's policies can be further strengthened.

65. The acceptance of Dunkel Proposals by the Government of India despite public protests all over India will seriously hit India's economic independence. While the prices of drugs and agricultural inputs will go up, the multinational companies will be able to intensify the loot of the Indian people.

## **NATIONWIDE CAMPAIGN AGAINST THE NEW ECONOMIC POLICIES**

66. The National Campaign Committee (NCC) of Trade Unions which was spearheading the united movement of the working class was involved in the crisis after the announcement of the new economic policies by the Narasimha Rao Government. The BMS developed cold feet in building joint actions against these

policies as a result of which the NCC in its meeting in July 1991 could not adopt a programme of action against the new economic policies. It had therefore only given a call for campaigning among the workers. Therefore, the non-BMS Trade Unions took up the programme of direct struggle against the economic policies of the Govt. of India. It is under these circumstances that the Sponsoring Committee of Trade Unions came into existence to chalk out and implement programme of direct actions against the economic policies of the Govt. of India.

67. The first National Convention organised by Central Trade Unions held on 13th August 1991 gave a call for one day countrywide protest strike and a massive convention was planned in New Delhi on 17th September, 1991. One day before that, on 16th September, 1991, a Convention of Public Sector workers was also held in Delhi. Both the Conventions gave the call for nationwide strike on 29th November, 1991 to protest against the economic policies of the Govt. of India. The BMS did not participate in this action. The preparations for this strike evoked good response by the workers of all over the country and according to estimates more than 1,25,00,000 workers participated in the strike action.

68. One of the notable features in this period was that officers organisations also joined this Sponsoring Committee to resist these policies. It must be noted that apart from the Central Trade Unions, several industrywise federations of Bank Employees, Insurance employees, Defence workers, Central and State Government employees, Airlines employees have participated in this action in a big way. The Sponsoring Committee continued its programme of direct action throughout the country. One of the weaknesses was that the Railway workers' movement which participated in the conventions and rallies did not join the strike action. The Sponsoring Committee after intensified campaign gave another call for one day strike on 16th June, 1992 which was bigger than the previous call clearly indicating the growing discontent among the mass of workers. It is estimated that more than 1.5 crore workers participated in this strike action in comparison with 1.25 crore in the previous action. The unity that was built up in countrywide action received tremendous response even from those organisations which were not formally in the Sponsoring Committee. Noting the growing discontent of the workers throughout the country the Sponsoring Committee gave a call for massive demonstration before the Parliament on 25th November, 1992 which was the biggest ever rally held in the Boat Club lawns. It is estimated that one million workers participated in the rally, which gave a call for broadening the joint movement by involving the mass organisations of peasants,

agricultural workers, students, youth, women, scientists, artists etc so that a still bigger and powerful movement can be unleashed against these policies. The rally also gave a call for organising one day Bharat Bandh so that a powerful voice of all mass organisations is reverberated all over the country. The rally also noted the danger of rising communalism in the wake of threat of demolition of Babri Masjid by RSS-VHP-BJP combine and called upon the working class to campaign against the evil designs of communal and divisive forces in the country.

69. Though the demolition of Babri Masjid and the outbreak of communal riots throughout the country caused a serious setback to the struggle against the economic policies, the deteriorating living conditions of the people created favourable atmosphere for holding a National Convention of all mass organisations. Therefore on 15th April, 1993, a massive Convention was held in the Talkatora Stadium in New Delhi which was attended by over 7000 delegates representing several mass organisations. The conventions decided to create a National Platform of Mass Organisations against Economic Policies of the Central Government and against Communalism and to carry forward the struggle. The Convention adopted a phased programme of action including mass courting arrest on 19th August, 1993 and one day industrial strike and Bharat Bandh on 9th September, 1993. As a preparatory step to this programme series of conventions were organised through out the country and more than 10 lakh people participated in the mass courting arrest programme organised in the post independent period in the country.

70. This programme created a very favourable atmosphere for successful organisation of Bharat Bandh. The 9th September Bharat Bandh was unprecedented. In West Bengal, Bihar, Kerala, Tripura, Tamil Nadu and Karnataka good Bandhs were organised while near total or partial bandhs were organised in other parts of the country. Even in States like Gujarat, where the united movement was very weak, better impact was felt by the industrial strike and bandh action. Strike in P&T, Telecom, Income Tax and Audit was extremely good while more than 50 lakhs State Government employees joined the strike action. The Railway employees, however, remained away from the strike action. The employees in the Banking Industry, Insurance sector, Defence industry, Airlines, Fertilizer factories, Coal mines etc., organised good strikes while unorganised workers joined the action in a bigger way than in the previous actions.

71. In Steel industry, going after a successful convention at Calcutta on 4th August

1993, the INTUC and BMS unions joined the strike on 7th September opposing privatisation of IISCO and the policy of disinvestment in Public Sector Undertakings. Peasants, students, youth, women in several parts of our country were mobilised to make the Bandh call a successful action. Despite the Government propaganda through Electronic media and keeping in account that the Congress and BJP opposed the action, the 9th September Bharat Bandh was successful since millions of people supported the bandh action which only indicated the growing discontent among the general public in the country. When the GATT Chief Peter Sutherland visited Delhi on 28th October 1993 the National Platform decided to organise protest demonstration in Co-operation with the National Working Group on Patent Rights. A good demonstration was organised before Parliament and a 15 member delegation met, Pranab Mukherjee, the Union Commerce Minister and protested at the visit of Peter Sutherland. The programme of observation of one week from 3rd to 9th December 1994 against the Dunkel proposals also received good response all over the country. In Delhi alone, more than 5000 people courted arrests along with 32 Members of Parliament. After reviewing the developments the National Platform of Mass Organisations has chalked out programme of series of Conventions, organise Jathas, Rallies and demonstrations throughout the county, to be culminated in holding of rallies at State Capitals and massive demonstrations before Parliament on 5th April, 1994. The CITU unions must gear up their activities so that this programme is also implemented successfully in all corners of the country.

72. Since the living conditions of the people are deteriorating very fast, people want to have more militant actions. We have to find out new methods of physical resistance to these policies in order to reverse the process of implementation of the IMF dictates. The struggles that we launched so far have resulted in slowing down the process of the so called reforms. However, we have to organise much powerful struggles so that the process can be reversed. We have to find out suitable higher forms of struggle taking into consideration the consciousness of the people. I have no doubt that the CITU unions will rise to the occasion and face the challenges created by the new economic policies of the Narasimha Rao Government.

## **MACHINATIONS OF COMMUNAL AND DIVISIVE FORCES**

Comrades,

73. While the working class and the people of India are engaged in the grim struggle

against the economic policies of the Government of India, the communal and divisive forces had been hitting at the very basis of the unity and integrity of the country. These forces have been diverting the attention of the people from the real issues facing the country and trying to sow seeds of disunity among the different sections of communities in India.

74. The communal forces led by RSS, BJP VHP combine have been vociferous by spreading hatred against minorities particularly against Muslims all over the country. They have been rousing Hindu chauvinism with an eye on winning elections and ultimate objective of capturing power at the centre. It is a matter of concern for us that a section of the working class has fallen victims to their propaganda adversely affecting the unity of our class. The Muslim, Sikh and Christian fundamentalists have also been active in rousing religious chauvinism among the people. All the fundamentalist forces are using popular discontent in the country to achieve their nefarious game.

The Narasimha Rao Government instead of fighting against these forces is compromising and surrendering before them. Events that led to demolition of Babri Masjid on 6 December 1992 have clearly proved that if the Government of India had been serious to protect Babri Masjid it would have taken firm action against the Hindu Chauvinists who openly declared that the Masjid would be demolished by them. The Central Government had enough powers to prevent huge mob gathering on the spot and to dismiss the BJP Government committed to construct a temple at the site of Babri Masjid. The Government of India's complicity could be clearly seen from the fact that the army intervened only after complete destruction of the Masjid and a temporary structure of a new temple was constructed at the site. When the Masjid was being demolished the Indian army was watching as a silent spectator from a distance of 3 kilometres only. The army came to the scene only when the Karsevaks left the site in a victorious mood!

75. The communal holocaust that engulfed several parts of the country after the demolition of Babri Masjid have once again focused the failure of the Congress Governments to take firm action against the communal forces. The half hearted measures taken by the central govt. have only added fuel to the fire. It is reported that in many congress ruled states even police participated in the carnage of minority population. The banning of the RSS did not hit them at all and they were openly functioning and preaching communal hatred against Muslims. The manner in which

Religion Bill was brought in parliament and ultimately withdrawn had only strengthened the hands of these forces. The Government of India was equating BJP with other secular opposition parties. When the Govt. banned BJP rally at Boat Club it also banned the rally of the secular opposition parties against communalism. In Maharashtra, the state govt. did not take action against stir of Shiv sena hoodlums who were openly attacking Muslims and non-Maharashtrians.

76. The people of M.P, Rajasthan, U.P. and H.P. have seen from their experience the character of the BJP led Governments, in these states. All the promises given by this party to the working class and the people in these states were thrown in the dust bin after assuming power. Naturally the party got isolated from the people. Hence, despite the attempt to play Hindutwa platform the party could not muster any support and it was routed in U.P., H.P. and M.P. However this should not make us feel complacent, since the communal ideology is still deep rooted in the minds of a section of the people. The RSS is determined to carry forward its evil designs and there is need to carry forward sustained campaign against their ideology so that they can be squarely defeated by the democratic masses of the country.

77. Kashmir continues to be a hotbed of secessionist activity with all moral and material support available from Pakistan. Recent statements of US President Clinton has brought to the fore the imperialist design in Kashmir. Though the Hazaratbal Shrine crisis has been diffused to some extent, the crisis situation continues. The Government of India does not try to find a political solution to the problem by ensuring proper autonomy to Kashmir. The problem can never be solved if the Government of India relies only on the administrative measures and army action.

78. There has been some improvement in the situation in Punjab but the Congress Government is still looking at the question only from the point of view of party interest and did not make any effort to find out a political solution to the Punjab problem on the basis of Rajiv Longowal accord. Though the extremists are getting isolated from the people their activities have not been totally stopped and they still continue to receive support from the imperialist agencies.

79. The situation in Assam continues to be grim with the terrorist and separatist elements being still active despite disintegration of forces behind the so called Assam agitation. The Bodoland agitation took violent form which culminated in Bongaigaon

massacre by the Bodo Security Forces which claimed 30 lives, rendered about 35 thousand people homeless and property worth crores of rupees was destroyed. Despite agreement for autonomous state, the Saikia government is not taking prompt measures and resorting to dilatory tactics to suit the partisan interests.

80. The problem of ULFA militants is still dogging Assam state. The Congress party is making a show of fighting them but is also having a secret deal with them to suit partisan interests. The ULFA extremists have a large supply of arms with them and have connections with other terrorist group in North Eastern India. The present volatile situation is becoming more complicated with foreign hand playing a dirty game of destabilising Indian situation.

81. Under these circumstances, there is urgent need that the trade union movement must carry forward the struggle against communal and divisive forces with more determination. The BJP is frantically trying to emerge as a national alternative to Congress and attempting to gain ground by using anti-Congress sentiments of the people. We must not allow this situation to continue and for that purpose left democratic, patriotic and secular forces must be mobilised on a wider scale than before so that people see a real alternative to Congress and not swayed by the BJP or the divisive forces propaganda.

82. Though the Trade Union movement in India has stood firmly against communal and divisive forces still more could have been done to meet the challenging situation. The call for signature campaign given by the Rashtriya Ekta Abhiyan was an important occasion to approach broader masses in the campaign against communalism. However, we did not fully utilise it since we collected signatures less in number than our membership. When the INTUC supported the call it was a great opportunity to approach larger section of the people but we did not utilise it to the fullest extent. It is also necessary to note that during communal riots whatever role we have played is appreciated by many but still our role was symbolic considering the magnitude of the problem posed by the communal forces. It is the working class and the democratic movement which alone can create confidence amongst the minorities because they are the real secular force in the country. Hence, the CITU should see that our unions play more and more active role in the struggle against communalism so that we can wipe out the virus of communalism from the Indian soil.

83. Our comrades in Punjab have consistently carried on the struggle against Sikh fundamentalist and Khalisatani elements which created good impact among the workers. Though we had to lose many of our valuable comrades in this struggle their blood did not go in vain. Our comrades in Assam and Tripura had to give relentless fight against the divisive forces through out the period. However, we have to intensify our efforts so that they are not allowed to sabotage the unity and integrity of the country.

### **THE MOVEMENT OF PUBLIC SECTOR WORKERS:**

84. The Committee of Public Sector Trade Unions (CPSTU) has been launching various agitational and action programmes from time to time on the question of industrial sickness in PSU, denigration of public sector by the Govt and the economic issues of the PSU employees. On 12th September '92 the extended meeting of the CPSTU was held at New Delhi which chalked out phased programmes of agitation including half-an hour's strike by the public sector employees throughout the country. On 3rd and 4th December '92 the extended meeting of CPSTU was held at Hyderabad which decided a longdrawn programme of action including a 72 hours strike by the public sector workers all over the country on 20-22 April '93. The BMS however later on withdrew from the commitment and walked out of the CPSTU. Moreover the INTUC declared a strike on 19th March '93 on similar issues. The CPSTU had appealed to the INTUC to fix a common date for the strike but in vain. There was no preparations for the strike and ultimately it was withdrawn on 16th March '93 on the assurance of the Govt that the rate of DA would be raised to Rs.2 from Rs. 1.65 per point as recommended by the Tripartite DA Committee. This move of the INTUC had the sabotaging effect on the CPSTU called strike as well. Some of the constituents of the CPSTU did not give strike notices and ultimately the strike action by the CPSTU had to be deferred after some more demands were conceded by the Union Labour Minister.

85. On 15th and 16th July '93 a national seminar was organised by the CPSTU at New Delhi on the impact of new economic policy on public sector. It was addressed by the CMD/Director of many leading public sector undertakings like SAIL, Coal India, NTPC, CEL, NDMC etc. Other distinguished speakers in the seminar included Dr Davison Bodhoo, Ex-IMF official and Dr. Arun Ghosh a noted Indian economist. INTUC General Secretary Shri Gopeshwar also addressed the seminar. The national seminar on self-reliance in oil industry held at New Delhi on 1st and

2nd September '93 underlined how our initiative helps in tackling the problems of public sector.

86. The last extended meeting of the CPSTU was held at Calcutta on 6th November 1993 which called upon the PSU employees to prepare for bigger mass actions against dismantling of public sector. It decided to observe phased programmes of action the notable of which were a national protest day on 7th December against the proposed IR bill and national protest week from 3rd to 9th December '93 culminating in a rally on 9th December '93 against the Dunkel proposals and in defence of national sovereignty. In this context the organisation and functioning of the CPSTU needs further strengthening so that it can effectively steer the battle of the public sector employees.

87. It has become our regular practice that the meetings of the CPSTU precede by meeting of our Co-ordination Committee in order to formulate our stand on the issues before the succeeding CPSTU meeting. Well planned and more frequent meetings of the Co-ordination Committee has to be organised for quickly addressing the issues emerging fast. Many important tasks of the Committee are going at default mainly due to shortage of comrades at the centre. In view of my responsibilities, it has been decided that Comrade Jibon Roy would function as the Convenor of the Coordination Committee of Public Sector Unions.

88. The last wage settlements in almost all the major PSEs have expired by the end of 1991. But wage negotiations were banned by the Department of Public Enterprises(DPE) with the approval of the Prime Minister. However, the Government admittedly had to yield to the pressure of agitation including strike notice served by the public sector workers and ultimately the ban had to be withdrawn. But due to the impractical, and arbitrary guidelines of the DPE the wage negotiations could not take off meaningfully. The trade unions voiced strong protest against the guidelines.

89. The new guidelines under consideration by the Govt. visualise that the maximum percentage of wage increase shall be fixed at 19% and the period of settlement shall be five years. The prerequisite from the management would not be profit but some dividend being declared. The other conditions are no budgetary support for wage increase, no automatic increase in administered price due to wage increase etc.

90. The unprecedented delay in the wage settlement has caused serious resentment amongst the employees. However, some industries have already given Interim Relief in the shape of ad hoc lump sum advance. Depending on the progress of the wage negotiations under the new guidelines the trade union movement shall have to take position on the issue in the coming days.

91. In this connection it is necessary to note that the workers in the sick units are obviously not that much agitated on this issue since they are faced with the problem of their survival. In this situation we have to combine the struggle for higher wages in well run units with the struggle to overcome the sickness of these industry which alone will help us in unifying the movement.

92. The question of DA for the employees of central PSEs has partially been settled with the introduction of Rs.2.00 per point of Variable DA from 1.1.1992. The slab system of VDA has been accepted by the Govt in principle. The issue has been delayed because of the different stand taken by the BMS. Ultimately the same has been finalised and a joint unanimous proposal has been submitted to the Govt. on 22nd Nov. '93. Now we have to bring pressure on the Government of India to convene a early meeting of the Tripartite Committee on DA in public sector.

## **Struggle of Unorganised Workers**

Comrades,

93. We have been making efforts to extend our activities among the unorganised sector of industries which constitutes about 85% of the work force in India. We have been able to organise workers in various unorganised sectors of industries, such as beedi, construction, handloom, powerloom, brick kiln, stone quarry, tanneries, chemicals, garment industry etc. Struggles are being waged in various states and also on all India scale in pursuance of a 22 point charter of demands formulated in the Kanpur General Council Meeting in 1990. The first all India convention was organised by our All India Coordination Committee of Unorganised Workers at Panihati, West Bengal. A coordination committee of the unorganised workers was formed during the 7th Conference of CITU. The Panihari convention held on 1-3 November 1992 gave a call for All India strike to press the 22-point demands of the workers in this neglected sector. The strike was successfully organised independently by the CITU on 14th July, 1993, the first of its type in the country. The strike was

102. The Union Ministry of Labour in its proposal to Cabinet have proposed raising of ceilings of eligibility to Rs.3500 and entitlement to Rs.2500 is also not being accepted by the Government which is evoking strong reaction among the mass of workers. The proposal of the Labour Ministry may give some relief to the workers but would not solve the problems since a large number of workers have gone above the ceiling of Rs.3500. The solution therefore lies in removing the ceilings altogether.

103. There is also need to change the present available surplus formula which is heavily loaded in favour of the employers. The present system of set-on and set off as well as the concept of prior charges is only reducing the quantum of bonus to the workers. The very fact that in several private and public sector industries settlements had been reached providing bonus higher than the formula provided in the Act shows the fallacy of the present formula. Therefore the T.U. should demand payment of onus to the workers on the basis of calculation of gross profit. Moreover, the system of balance sheet calculations give lot of scope to the employers to manipulate it and deprive bonus to the workers. The law provides that the bonus of proving the balance sheet wrong is on th T.U.s while earlier provision was that the T.U.s had right to challenge the balnce sheet and employers had to prove that their claim is correct.

104. The minimum bonus of 8.33 per cent is prevailing for more than a decade and there is urgent need to raise upwards the payment of Minimum Bonus. During the Bonus Review Committee proceedings, the CITU demanded that minimum bonus should be raised to 10 per cent and ceiling of 20 per cent should be removed. However, no progress is being made in this regard. The CITU should therefore, campaign on this question among the mass of workers so that united movement in India could be built up to achieve necessary improvement in the workers right to bonus.

### **ATTACK ON TU RIGHTS**

105. One of the serious impact of the new economic policy on the working class is the growing attack on TU Rights. The World Bank and the IMF is pressurising the Government of India about the urgency of suppressing the TU movement in India to ensure "industrial peace" for the multinational companies. The Ambassadors of advanced capitalist countries as well as leaders of the trade delegations visiting India

have stressed the need for changes in the labour laws to ensure "free" flow of foreign capital in India. Instead of protesting at the gross interference in the internal affairs of India the Government of India is shamelessly assuring them that their dictates would be implemented. Repeated announcements have been made through the press to give legislative sanction to the Exit Policy.

The New Industrial Relations Bill is also seeking more restrictions on workers' right to strike and other forms of TU struggles. Restrictions are sought to be imposed on TU leaders limiting their associations with unions and prohibiting them from even contesting if they are involved in criminal cases. Most of the clauses of the old Industrial Relations Bill are being brought once again. Though due to the pressure of the TU movement in India the question has been delayed but the govt is likely to bring the Bill in the budget session of Parliament. The TU movement will have to fight the Bill with all its might so that the Govt is not allowed to get away with the suppression of TU right in the country.

## **DISCUSSION ON ORGANISATIONAL REPORT**

106. Our achievements in building a nation wide unity of the working class to fight the new economic policies cannot be consolidated if our weakness in organisation are not properly rectified at an early date. Over a period of year while we were engrossed in our day to day activity, the task of building the organisation got neglected and erroneous tendencies cropped up in the organisation. By a casual discussion on organisation the matter could not be sorted out and therefore the Nagpur meeting of the general council strongly felt the need for a separate discussion in depth on our organisational lapses. Two meetings of the working committee and one of the General Council were exclusively devoted to the discussion on the draft report on organisation. There was state level discussions in several states before it was finalised in Bhubaneshwar meeting of the working committee.

107. The Report on organisation made attempt to underline the organisational perspective and our weaknesses in that context. It highlights the shortcomings in the functioning of the CITU centre, State Committees, District Committee and industrywise federations while pointing out the defects in the democratic functioning of the trade unions. It deals at length with the question of development of cadres, T.U. education and research, work among working women and CITU journals. In the end the report deals with the question of unification of the T.U. movement and

lays down certain immediate tasks we have to implement to overcome the organizational shortcomings.

108. The Centre published the report in Hindi while most of the state committees have taken steps to translate it in other regional languages. Though there has been good debate all over India on this question and some awareness about our organisational lapses has been created, it must be noted that we have yet to see the tangible results about improvement in the organisation. The State Committees have to prepare detailed report self-critically examining the state of organisation in totality in the respective state and periodically monitor the implementation of tasks laid down in the report. Systematic follow up action is necessary at all levels, otherwise there is likelihood of a tendency to pay lip sympathy to Report without taking any concrete action to implement it, may emerge. This will defeat the purpose of preparing the Report itself. The functioning of the industrywise Federations need indepth discussion. Some federations have already taken decision to go into the question in detail and prepare a self critical report on organisation.

109. Though the CITU centre decided to hold a meeting of the leaders of Hindi speaking state committees and prepare a plan of activities to strengthen the work of CITU in these states, it was not possible to do so due to several difficulties. After this conference, this task should be taken on a priority basis.

110. In this conference a special commission has been constituted to discuss the question of organisation and will deliberate at length about our organisational lapses so that steps can be taken to build a vibrant organisation of the working class in the forthcoming days.

111. The CITU centre has reviewed the job division in the central headquarters and certain shortcomings in the previous decisions were noted. The secretariat has taken decisions to overcome these shortcomings and work according to priorities fixed to implement the decisions. Steps to ensure proper check up of the implementation of the decisions are being taken so that the centre can monitor the implementation of the tasks on the organisational front more effectively.

## **OUR WORK AMONG WORKING WOMEN**

112. The CITU of late has been giving more importance for work among working

women. The Report on organisation highlighted the task on the working women's front and pinpointed some of our weaknesses.

116. The All India Co-ordination Committee of Working Women had been holding its meetings regularly. However, the participation of the members is not consistent. Some State Committees have taken up this work seriously while others are not understanding the importance of this work. Many unions, where women's employment is large have not yet formed women's sub-committee to strengthen our work among this strata. Without activities in local unions state co-ordination committees will not be able to function effectively.

114. We have made some improvement in our work among Anganwadi workers. However, compared to the size of their employment our membership is small. We have to expand our activities in states where we have no units so that we can strengthen our work in this sector. Though as a result of our efforts paltry monetary benefits were sanctioned to them, their living conditions continue to be bad and some movement should be launched to improve their lot. The unity we have achieved in the movement of Anganwadi workers can be strengthened for this purpose.

115. Training of women activists is important for development of women cadres on this front. The Coordination Committee therefore held its first TU class for women activists in Hyderabad from 23rd to 25th July 1993. About 40 women activists participated and by and large it was successful.

116. Our work among the women activists in middle class employees is making some headway but our weakness in the unorganised sector continues. Since the employees in this sector are one of the largest chunk of women workforce in India, CITU decided to give special emphasis to this sector. To strengthen our work among unorganised workers our activities among working women should be properly expanded.

117. An all India convention of working women will be held on the eve of the CITU Conference at Patna on 2nd March 1994. The convention will take positive steps to improve our work among working women. A special commission on working women will also identify concrete measures to be taken to overcome the weakness in our work among working women. To expand CITU membership we should make efforts

to increase our membership among working women also.

## **STRUGGLE FOR CONSOLIDATION OF TU UNITY**

118. The remarkable TU unity built in the country during the relentless struggles that we have launched in the recent past needs to be further strengthened. A further consolidation of this movement has become an urgent task to make our resistance struggles more effective.

119. In today's situation, on issues, we have been able to unify the entire class as in case of IISCO workers struggle against disinvestment and privatisation. Similarly, against the move of the government to close down 42 mills of the National Textile Corporation and throw-out over 70,000 workers, a Joint Action Committee has been formed with INTUC, BMS and other trade union. The all India Convention organised by this Joint Action Committee has given a call for joint rally of these mill workers at Delhi on May 5. The unity achieved by the railway employees movement along with central services and defence employees resulted in Central Government giving some concessions but several demands raised have yet to be settled which requires strengthening of the unity and adopting a path of united struggles.

120. In the Bhubaneswar meeting of the Working Committee we have discussed the question of formation of one union in one industry. Since the urge for unity is growing among the rank and file workers of all affiliations, the demand for one union in one industry has been brought on the agenda. We have correctly emphasised the aspects of democratic functioning of trade unions and the need for trade unions' loyalty to the working class interests. We have also explained our readiness to form common industrywise federations if these aspects are properly agreed upon by all the constituent organisations.

121. In the last Conference, we had emphasised the popularisation of the concept of Confederation of Indian Trade Unions from our own platform so that favourable atmosphere is created all over the country in favour of constitution of such a Confederation.

122. To counterpose our slogan of confederation certain central TU organisations have given the slogan of immediate merger of all the Central TUs to form a single national TU Centre. However, taking into account the ground reality today there is

need to establish unity about the trade union poliices on various issues facing the working class. This can be achieved only through the formation of a Confederation. A successful working of the Confederation will pave the way of formation of a single national trade union centre in the country.

123. It must be noted that our unions have not done sufficient work to popularise our concept of Confederation of trade Unions. Several industrywise independent federations will welcome this concept because they will be able to join the Confederation of United TU movement. it is necessary to organise a national dialogue with all the Central TUs in the country.

124. As a modest beginning towards a debate on TU unity in the country, the CITU Centre organised a National Symposium on Issues before TU unity in Delhi on 20th December 1993 on the occasion of 89th Birth Anniversary of Com.B T Ranadive. I am happy to note that all central trade unions have participated in the symposium. It is hoped that this debate will help in the process of development and consolidation of TU unity in the country.

125. Similar attempts should be made all over the country by various committees of the CITU, wherever possible industry level dialogue can also be initiated by our industrywise federations.

126. We must utilise the favourable situation developing in the direction of building all in unity of the working class. This unity is highly essential if the working class has to play a leading role in the present situation in our country.

## **BTR MEMORIAL TRUST**

127. As decided by the last Conference to construct a fitting memorial to our founder President and teacher Com.B T Ranadive the CITU has called upon all the members and sympathisers of CITU to contribute one day's wage to the B T R Memorial Fund. A B T Ranadive Memorial Trust has already been formed with Com.Samar Mukherjee as the chairman. However, the response for the collection has not been upto the mark. We have so far been able to collect about Rs 15 lakhs, while the cost of the memorial will exceed Rs 2 crores. We have to make serious efforts to collect the fund so that the Memorial is constructed as soon as possible. It is proposed to have a good library. TU school and research institute in the Memorial. A land has

been allotted by the Ministry of Urban development but certain hurdles are to be overcome to get the possession of the land. Efforts are being made to sort out the matter so that the possession of the land is given to the thrust as soon as possible.

## **OUR INTERNATIONAL RELATIONS**

Comrades,

128. It is a matter of happiness for us that our international relations are increasing rapidly and we are developing fraternal relations with more and more organisations. In present day international situation when there is urgent need for development of common front against U.S. imperialist machinations, these growing relations help us to play more crucial role in the common struggle of the working class.

129. We have been giving topmost priority in strengthening the bonds of friendship with socialist countries. At the invitation of All China Federation of Trade Unions we had sent three delegations to China since the last conference. This enabled us to know more about the present situation in China and its drive for socialist construction. Since the last 2 years the ACFTU has been convening Asian seminars on problems of development. This helps in exchange of views and experiences and enriches the understanding among the trade unions in Asian countries. We participated in both the seminars and benefitted from its outcome. When I had an occasion to visit China to attend the Asian Safety Council meeting in September 1992 I had extensive discussions with the leadership of Chinese trade unions on problems of trade union movement in different countries. A three member high power delegation from China led by Comrade Zhang Dinghua, Vice Chairman ACFTU visited India at the joint invitation by the Central trade unions in the early part of 1993. The delegation had detailed discussions with all the major trade unions in India which helped in strengthening the friendship between Indian and Chinese trade unions. Earlier Mrs.(Dr) Kotnis led a 3 member delegation to India in December 1992 which was hosted by CITU and a joint reception was given to her by all the Central TUs in India.

130. The visit of Comrade Joaquin Bernal, Head of the International Department, CTC(Cuba) in early November 1993 was successful since he was welcomed by all the central trade union organisations. He could effectively explain how Cuba was

fighting heroically despite U.S. black-mail. In Calcutta good programme was organised by the West Bengal State Committee.

131. Our relations with Vietnam and Korean Trade Union have further improved and we are in touch with their organisations from time to time.

132. Kilusang Mayo Uno (KMU) of Philippines is organising International Solidarity Affair every year on the occasion of May Day. In 1992 and 1993 we could participate in the programme and express solidarity with that organisation in its struggle against U.S. imperialism.

133. Our relations with Australian Council of Trade Unions have developed considerably in this period. Six member delegation which included two cultural activists attended Indian Oceanic Conference of Trade Unions held in Perth in Australia in December 1992 which opposed the conditionalities of IMF and World Bank. Comrade Chittabrata Mazumdar participated in a meeting of the Co-ordination Committee held in Kualalumpur in September 1993 to monitor the implementation of the outcome of the meeting. A two member delegation from Australian trade unions visited India and had discussions with CITU in Bombay, Delhi, Dhanbad and Calcutta. The next Conference of the Indian Ocean region will be held in October 1994 and India has been allotted 4 seats.

133.A four member delegation from Congress of South African Trade Unions (COSATU) paid a visit to India in May 1993. It was sponsored by CTUC and the delegation visited several centres where they were welcomed by all central TUs. We would organise a good reception to the delegation which was attended by all the central trade unions. A heavy duty photo copier was presented to ANC office at Delhi on behalf of Indian Trade Union Committee Against Apartheid.

133. CITU sent a three member delegation to Bangladesh in November 1993 to participate in the conference of Agricultural workers union. The delegation held discussions with central TUs there and strengthened our friendly relations.

134. We received delegation from Federation of Independent Trade Unions of Russia during 1991 and a delegation from Uzbekistan and Kazhakstan. It was agreed to develop fraternal relations between CITU and the three organisations. A joint delegation visited Uzbekistan and Kazakstan in 1993 in which CITU participated.

136. At the invitation of General Federation of Trade Unions of Iraq we sent a three member delegation to express solidarity with the working class and the people of Iraq against U.S. machinations. The delegation was well received everywhere it went in its short stay. It had friendly talks to the leaders of T.U. movement in Amman on their way.

138. A three members delegaiton from General Federation of Nepalese Trade Unions (GEFONT) visited India in 1993 and had detailed discussion on mutual co-operation. Vimal Ranadive and J.S. Muzumdar participated in the ILO seminar at Kathmandu in 1993 when they met GEFONT leaders and held discussions with them on mutual co-operation. Committee for Asian women(CAW) convened a workshop of women Trade Unionists in Nepal in second half of 1993 and CITU sent one representative to participate in it.

139. M.K. pandhe participated in the Third conference of International Miners Organisation held at Algiers on 9-12 May 1993. He was elected on the Executive Committee of the IMO. He also participated in the Fifth meeting of the Asian Planners on Employment held in Bangkok on 30-31 November 1993. He was nominated by the National Safety Council to the meeting of the Asian Co-ordination Committee of Safety Council held at Xian in September 1992.

140. S.W. Subasinghe, General Secretary, Ceylon Federation of Trade Unions had a detailed discussion with CITU leaders when he visited India in 1992.

141. Head of the International Deptt. of CGT, France visited India in 1992 and held discussions with CITU leaders regarding mutual co-operation. The CGT has been expressing solidarity support to various struggles of the Indian workers. It has sent 1000 through the CITU towards the relief of earth quake victims of Maharashtra. Some other local unions in France, Italy, Greece and Denmark have expressed support to working class struggles in India.

142. Our co-operation with Commonwealth Trade Union Council has increased in the recent past. We had several workshops on training methodologies in Co-operation with CTUC. We also had programmes on impact of new technology and health hazards of workers. Several unions in U.K. have been keeping contact with CITU from time to time.

43. Our fraternal relation with ZENROREN and MINKOROREN of Japan have been regularly growing. After reopening of the WFTU office at Delhi, we have regular contacts with WFTU office in India. Com. Zharikov, General Secretary, WFTU when visited India in 1991 had discussions with us on strengthening our co-operation.

144. The participation of several delegations from all over the world in this conference only reflects the growing bonds of friendship with fraternal T.U. organisations. We cherish these relations and wish to further strengthen them in days to come. In the present international situation these relations inspire us and create confidence in our mind that the working class movement all over the world will come to the forefront once again with new vigour and glory. The slogan 'working men of all land unite' will continue to underline our common heritage and struggle!

145. To strengthen these fraternal bonds of friendship, we should further strengthen our International Department at the centre so that we can pay more attention to the developing international solidarity all over the world. After this conference we should take it up as one of our priority tasks!

## **FORWARD TO BIGGER CLASS BATTLES!**

Comrades,

146. During the last three years we had conducted several nationwide campaigns and struggles against the antinational economic policies of Narasimha Rao Government and against communal and divisive forces. In these struggles, working class is gradually coming forward to play a leading role in the movement. However, there is stupendous task lying before us if we have to defend the self reliance and unity and integrity of the country.

147. As the sweep of our movement becomes stronger and wider the movement is bound to grow to a higher form. This cannot be accomplished without overcoming the weaknesses arising out of the role of the vacillations of the movement. Through perseverance we must do everything to overcome the weaknesses of vacillations. We should not allow them to succumb to the pressure of the capitalist onslaughts. The positive feature of the situation is that rank and files of all affiliations want a determined struggles. We must use this opportunity to strengthen the struggle to the

broadest possible extent. The successful telecom strike from 7th December 1993 and the all India Coal strike by CITU alone on 31st January 1994 which was joined by overwhelming majority of workers including workers of other affiliations are some notable examples in this regard. The nationwide strike of Bank employees against privatisation on 17th February 1994 is also a shining example of prevailing spirit of unity among the working class and salaried employees.

148. We have to give more emphasis to the worker peasant alliance. It should no more remain as a mere slogan with us but through forging close unity with the Kisan organisations the united movement of the working class must take concrete steps to strengthen class struggles both in urban and rural areas. Without mobilisation of millions of peasants the struggle will not assume more militant character. Special emphasis has to be given to develop closer co-operation with agricultural workers organisations. The women, student and youth movement can also play a vital role in defeating the economic policies of the Govt. of India and giving rebuff to the communal and divisive forces.

149. Through in-depth discussion in commissions, which we are planning in this conference, it would be possible to work out concrete measures we have to take in strengthening our movement. I am sure when we conclude this conference we will be able to prepare a definite directive to chalk out our future programme of activities.

150. Spectacular response given by the masses of our country to the call for massive demonstrations in all the states clearly indicates the radicalisation of the people. All our activists will have to plunge into immediate action in all corners of the country and prepare for a powerful demonstration of all toiling masses of the country on 5th April as per call of National platform of Mass Organisations.

151. When we are engaged in the big task, we should not ignore the fact that the VHP obscurantists are planning to create new wave of communalism by giving a threat to construct Ram Temple almost in the same time that we would be planning our massive demonstration of popular unity. Hence there is urgent need for redoubling our vigilance in the matter.

152. After 5th April the National Platform will have to prepare for another round of bigger struggle. The process will have to continue till the Govt. of India's policies are

squarely defeated.

Comrades,

153. Let us accept the challenges posed by the ruling classes and the obscurantist forces in the country. The masses which are reeling under the pre budget imposition of price rise will be more bitter after the railway budget and the General budget. They will have no alternative but to resist these policies that drastically bring down their living standards. What they require is correct leadership and strong organisation to show the path of struggle.

154. The National Platform of Mass Organisation has the capacity to mobilise masses in a nationwide common struggle. Let us prepare ourself well in the forthcoming struggle so that we can effectively play our role in this noble task.

M.K. PANDHE  
General Secretary  
CITU

- \* ***Long live working clas Unity!***
- \* ***Long live the unity of working class, peasnats, students, youths, women, intellectuals in the common struggle against New Economic policies and communalism!***
- \* ***Long live the struggle against imperialism and multi-national companies and against dictates of World Bank and the IMF!***
- \* ***Long live CITU!***
- \* ***Working men of all lands unite!***

M.K. PANDHE,  
General Secretary,  
CITU