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THE WORKING CLASS

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LONG LIVE MAY DAY 2001!



CITU DENOUNCED RETROGRADE EXIM POLICY OF THE GOVT

The Export-Import policy for the year 2001-02, recently announced by the Vajpayee Govt in the background of complete removal of all quantitative restrictions on import is going to spell disaster and ruin on Indian industries and agriculture.

The complete removal of quantitative restrictions on import without any effective mechanism to protect the interests of domestic industries and agriculture is destined to phenomenally enhance the grip and dominance of MNCs on Indian market with its ruinous impact on particularly the small scale industries, agriculture and agro-based industries and huge loss of employments. Already the crisis started looming large in dairy and poultry sector, brush-making and various food processing units, and other agro-based manufacturing, besides cycle-manufacture, small machineries etc, where cheap imports are pouring in, marginalizing the domestic producers and resulting huge loss of employment and earnings.

The obsession and misplaced optimism of the Commerce Minister regarding export prospects of Indian agriculture are neither based on reality nor in the real interest of the economy.

The experience of the entire post liberalisation revealed that despite substantial reduction of import tariff and continuous pruning of restricted list of import to bare minimum in earlier years, India's share in world export did not mark any notable increase, rather the country suffered a sharp decline in her share of export market even in the items where Indian export was traditionally dominant.

The Govt's another obsession regarding doing away with subsidies is already working to doom the prospect of competitive production in agriculture in the face of high subsidies being enjoyed by agriculture in Europe, America and other foreign countries. Moreover, given the socio-economic structure in rural India, over-emphasis on agricultural export and commercialization of the sector, will lead to increasing diversion of land

from food grains production thereby posing severe threat to food security on the one hand besides provoking the trend of further concentration of land and dislodging of small farmers from their lands for large-scale commercial farming. The poor landless agricultural labourers and the poor peasants who mostly are already below poverty line or closely hovering around will be worst hit.

Moreover, the Govt's emphasis on special economic zones and agricultural economic zones on the plea of encouraging and promoting export will be instrumental of imposing greater exploitation on both the industrial and agricultural workers.

The Exim policy of the Govt has nothing to take care of Indian industry and agriculture except statement of pious hope of imaginary benefits.

Rather, this will further aggravate the crisis in domestic industries, particularly in small scale and agro sector. Instead of improving overall export potential, the new policy would further create serious hindrance in India's coming up as exporter of manufactured products.

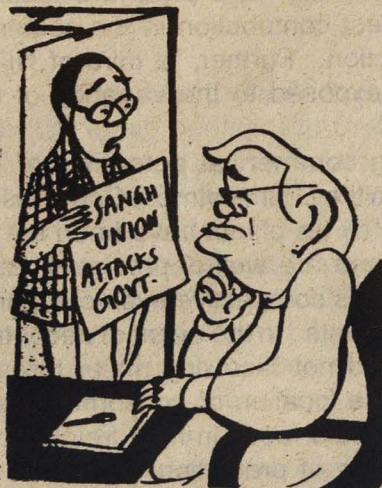
What was actually required was an in-built flexible tariff-mechanism for protection for domestic producer against fall in international prices and cheaper imports backed by high subsidy in the exporting countries. But the Govt of the day, in their anxiety not to displease their MNC/World Bank bosses did not take such step. Rather, in the face of imposition of various non-tariff barriers India's export by USA and other European countries, the Govt. preferred to remain helpless onlooker.

In totality, the current Exim policy of the Govt will further aggravate the problems of the already crisis stricken Indian Industries and agriculture and harm all sections of people in the country. CITU condemned such retrograde policy and called upon the working class and the people in general to oppose such anti-national policies.

THE WORKING CLASS

CITU MONTHLY

MAY 2001



**There's more all-party
consensus at the Balco
picket line than in
Parliament, Sir.**

Courtesy: The Indian Express

Cover Page: May Day Poster, 1965

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EDITORIAL

Warm and Revolutionary greetings of the May Day 2001 to the working class and toiling people.

May day has come this year in the face of severe attack on the rights of working people of the country with the atrocious design of imposing conditions of slavery on the working class. Employers are being given a freehand to hire and fire, and to contracturise workplace in totality. Trade Union Act is being sought to be amended to restrict and pose insurmountable hindrance to formation of trade unions and also to facilitate mass scale deregistration. Bare Minimum rights of the workers and the trade unions can no more be tolerated, nor any opposition and resistance to the so called Second Generation reform, in the process of legitimization of their crime and loot on the national economy and the people. Endless greed of the capitalist-landlord class and their stooges in the governance did not allow them to keep their apparently civilized attire and they came out with their fangs and claws thus exposing utterly barbarian face of capitalism.

Let the May day 2001 take us to this height of realization about the barbaric face of capitalism, to carry out determined resistance to the onslaught, not to allow passage to the design of slavery.

The May day this year also precedes assembly election in five States. The left front Govt and the left democratic front Govt of West Bengal and Kerala are also facing the poll. Hell bent efforts are being made both from within and abroad, by the ruling class and the pro-liberalisation lobby, backed by imperialist powers to dislodge this two progressive pro-people Govts, since they are also the important outposts of anti-liberalisation struggle in the country.

Despite all limitations and discriminatory treatments by the centre, these two Governments are making positive efforts to revive the sick industrial units, both in public (state) and private sectors contrary to centre's policy of closing them down. In the face of all round attack on the workers' rights and livelihood by the centre and many non-left ruled sates, these two left-led Governments stand erect in defending their rights championing the cause of the working class and toiling people. Even within limited powers and more limited resources, these two Governments, by their alternative pro-people policies, brought forth before the people that there are much better alternative to the Fund/ Bank brand policies of so called liberalisation.

It is the task of Indian working class in general and of those two States in particular to render wholehearted support to those two left led combines to come back to Govt. The working class also must throw their weight to ensure decisive defeat of the communal forces and the associates of BJP in other States.

On the occasion of May day 2001, let us take this realization to the widest section and pledge for a determined battle.

Another BALCO in the making:

To Oppose Privatisation **NFL Workers to Again go for two days' strike**

Swadesh Dev Roye

To stall the retrograde move of the BJP-led NDA Government to privatise the National Fertilizers Limited (NFL) through strategic disinvestment of 51% share along with transfer of complete management authority to the private party, the entire workforce of the NFL observed a total strike on 30th March, 2001 all over the company. Unfortunately, ignoring the protest of the workers, the Government is desperately going ahead with their sinister move. In the situation the NFL workers have decided to intensify the struggle and fight back the design to hand over the national asset to the private sector. In this background the NFL workers have decided to go for two days' strike throughout the company on 25-26 April 2000.

It may be recalled that the Union Cabinet Committee on Disinvestment has approved the disinvestment of 51% equity of Government of India in National Fertilizers Limited to a strategic buyer along with transfer of management control. In persuasion of the said decision the Ministry is taking steps to sell the equity.

Why NFL is the target

This is going to be the first case of complete privatisation of a major public sector fertilizer company. It is important to understand the actual reason behind targeting the NFL. The excellent performance apart, the public sector giant has inherent numerous commercial advantages. NFL has five units one each at Nangal, Bhatinda, Panipat and Vijaipur - I and Vijaipur - II with a total installed annual production capacity of 28.05 lac MTs of Urea and 3.18 lac MTs of CAN and a wide range of Industrial Products. It is the largest urea producing public sector undertaking with a share of 13.0% of the total installed capacity in the country. NFL plants are located in the states of Punjab, Haryana and MP. Now these states

together constitute half of the total urea market in the country. If considered from agronomy point of view, land under food-grain (mainly wheat and paddy) cultivation consumes large doses of urea. The three states where NFL plants are located have got the largest contribution in the country's food-grain production. Further, "a third of NFL's markets are not exposed to the vagaries of the Indian monsoon."

Noting the strong commercial potentials of the fertilizer giant even the Disinvestment Commission have had to say, "NFL's plants have been set up in the seventies and are well depreciated. As a consequence, NFL is competitive even compared to gas based fuel plants. In the event of decontrol, the company would not face any major threats, from imports as the location of consumers deep in the hinterland would result in high freight cost, thus giving a degree of protection."

The Excellent Track Record

NFL's contribution to the exchequer through dividends, taxes, excise duty etc. between the periods 1983-84 to 1998-99 has been to the tune of Rs.117100.6 lacs. NFL's total contribution to the exchequer in the last 14 years has increased manifold and the Company has paid back to the exchequer approximately two and a half times of its equity during this period. The accumulated reserves of the company is of the order of Rs.876.5 crore against a paid-up capital of Rs.490.6 crore. In the matter of return on net-worth, the Vijaipur - I plant of the company has an excellent a peak record of 29.6% with a capacity utilisation of 118.0%. The value added per employee has been increasing continuously. From 2.68 lacs in 1981-82 it has climbed up to Rs.12.35 lacs in 1998-99.

The efficiency attained in the matter of cost of production by NFL is far better than the private

sector. It may be mentioned that cost of production, the retention price and the amount of subsidy outgo are inter-related. Now the retention price of the Natural Gas (NG) based NFL's Vijaipur plant - I is Rs.4,998.00 per MT of Urea and that of Vijaipur - II is Rs.6,207.00 per MT of Urea. On the other hand, the per MT Urea retention price of NG based some of the private sector plants are as follows: Chambal Fertilizers - Rs.7,345.00, Tata Chemicals (Babrula) - Rs.7,534.00, Nagarjuna: Kakinada _ I & II - Rs.7,242.00 and Rs.9,579.00 respectively. Thus these private sector plants are drawing much more than the NFL plants from the Government on account of retention price.

The World Bank Prescription

It is very much pertinent to take note of the fact that the very concept of 'strategic disinvestment' has originated from the World Bank. In one of its 'Research Report' the World Bank has prescribed that: "If potential buyers cannot otherwise raise the funds, the enterprise can be sold in trenches (passing management control immediately to private, allowing them time to raise the funds to buy out rest of the share gradually)....with freedom to hire and fire, which is an important factor in successful management contracts."

The recommendations of the Disinvestment Commission (DC) have been formulated in the light of the above prescription of the World Bank. The 'strategic sale of share' as defined by the DC "implies sales of a substantial block of government holdings to a single party which will acquire substantial equity holding of upto 50%...."(report of the DC vo; -1 page 38). Elaborating the concept further the DC noted: "At that time (strategic sale) there will also be an agreement with such strategic partner that at a later date, within a stipulated period Government will disinvest its balance holding" (ibid Vol.IV page 6).

Thus, the Government decision to sell out 51% equity of NFL to a strategic buyer with complete management control (as has been done in the case of BALCO) is, in strict compliance with the World Bank prescription. That the Government's aim is full privatisation of NFL is evident from the recommendation of the DC: "After the induction

of a strategic buyer and completion of ongoing modernisation programmes, Government could eventually disinvest its balance holding in NFL."

The Pivotal Role of Fertilizers

Today's world-class fertilizer industry in the country with as high as 85% self-sufficiency self-reliance in urea production is the contribution of the public sector. From a humble beginning, today India is the third largest fertilizer producer in the world with an installed capacity of 192.92 lakh MT of Urea per annum. Consequent upon the dangerous shift in the public sector policy, the private sector started making inroad into the fertiliser industry also. With the total policy support from the successive central Governments the private sector has been tightening its grip over the fertilizer industry.

Now if both the retrograde decisions to privatise the NFL and to close down the plants of the Fertilizer Corporation of India (FCI) and the Hindustan Fertilizer Corporation (HFC) are implemented then the share of urea installed capacity of total public sector plants shall come down to the insignificant level of around 34.0 lakh MT or around 17% of the total urea installed capacity.

There are several important factors, which must be taken into consideration in deciding the fertilizer policy of our country. To achieve and sustain food security, fertilizer has a pivotal role. Per hectare consumption of fertilizer and production of foodgrains from the available cultivable land is still low in our country. Take the examples of our three neighbours. The per hectare consumption of fertilizer in Bangladesh: 130 Kg, Pakistan: 123 Kg, China: 262 Kg and that of India is only 95 Kg. In the matter of foodgrains production the position of the two most populous countries in the world are: China produces 507 million tonnes of foodgrains from 96 million hectares of cultivable land while India produces only 203 million tonnes of foodgrains from 142 million hectares of cultivable land. There are also many other important factors. In pushing up the foodgrains production from a mere 52 million tonnes in 1951-52 to around 200.0 million tonnes, fertilizer has paid extremely effective role. It would be pertinent to note that for every additional unit of fertilizer

Secondly the statement made by the report that 'the level of satisfaction with regard to leave arrangement is high among the employees' again does not match with their own statement regarding the mode of piece-rated/daily rated payment for more than 43% of the workers.

The report could not but admit that there is practically no social security arrangement for most of the workforce, nor there is any provisions for compensation in case of injuries/loss of limbs/life while at work. The report also observed that 96% of the workers have no legally binding contract and mode of fixing service condition is verbal and nothing laid down. The report noted that 76% employees reported that there were no formal meetings between the employers and the employees. Yet the report did not hesitate to comment that "almost all the employees were satisfied with the way they were involved in running the business". Can above observations match each other ?

The report practically brought to light that no trade

union exists in those small and micro enterprises. But it failed to note that the trade unions are not allowed to be formed in these areas. The report has mentioned the geographical locations in Northern India covered by the survey but the said survey, most surprisingly, failed to take note of the reality that even the most feeble effort of forming trade unions in these areas are promptly reacted to by immediate retrenchment measures by the employers in these sectors. None of the employers in this sector, though mostly registered, do not maintain any employment register but this aspect could not attract the attention of those making the survey, most surprisingly. And then the report made such sweeping comment that almost all the employees are satisfied with the way they are involved in running of the business. Ridiculous indeed !

Sudhir Kumar, who represented CITU in the meeting pointed out all the above discrepancies challenging the reliability of the survey-report.

WORKERS' SOLIDARITY WITH PEASANTS' STRUGGLE

The trade union movement in the country has expressed solidarity with the struggle of the peasants and agricultural workers through countrywide demonstrations on 30th March 2001. Four Peasants' and Agricultural Workers' organisations have called for countrywide picketing in front of the Govt offices against the ant-peasants policies of the Vajpayee Govt on 29th and 30th March 2001. The National Platform of Mass Organisations(NPMO) has declared support to said programme. In solidarity with the peasants' action programme, four Central Trade Unions, viz., CITU, AITUC, UTUC and TUCC decided to hold countrywide demonstration in the industrial centres on 30th March 2001.

On 30th March, workers of Delhi and adjoining area staged a demonstration in support of the peasants' and agricultural workers' demands. When The workers' procession from VP house lawn proceeded towards Krishi Bhawan, police blockaded the procession in front of Labour Ministry. Demonstration was held there and the was addressed by MK Pandhe, General Secretary CITU, NK Shukla(AIKS), Hannan Molla, MP(AIAWU), SN Sharma(AITUC), VS Nirmal(BKMU), SC Gaur(TUCC) besides others. The speakers denounced the desperate and reckless import liberalisation and withdrawal of quantitative restrictions on import by the Vajpayee Govt which has spelled disaster on agricultural sector. The speakers also demanded urgent steps by the Govt for radical land reform and enactment of a comprehensive legislation for the agricultural workers. The rally called upon the working class to build up countrywide united struggle along with the peasants and agricultural workers against the anti-people and anti-national policies of the BJP led NDA Govt.

Reports of demonstrations were also received from various parts of the country on the same day.

FIRST VIMAL RANADIVE MEMORIAL LECTURE

There is alternative to the policies of liberalisation: Jayati Ghosh

As decided by the 6th Conference of All India Coordination Committee of Working Women (CITU) held in Haldia and the 10th Conference of CITU held in Hyderabad, the first Vimal Ranadive Memorial Lecture was organised at Delhi on 10th April, the 86th birthday of Late Com Vimal Ranadive. The programme was held at the CITU central office at B T Ranadive Bhawan.

The subject of the memorial lecture was "Impact of Globalisation on the working women in the unorganised sector". The lecture was delivered by Dr. Jayati Ghosh, eminent economist. Speaking on the subject Dr. Jayati Ghosh said that the anti-poor policies adopted by the BJP-led Government in the name of globalisation is not at all irreversible and inevitable. She emphasised the fact that there is definitely a better and viable alternative to the liberalisation policies pursued by the successive Governments.

Dealing in detail on the fall out of the liberalisation policies on the national economy and the common people, Dr Jayati Ghosh has explained as to how the working women were worst affected by these policies. The drastic cut in development and welfare expenditure by the Govt in the name of pruning fiscal deficit in successive budgets, has affected the livelihood of the poorer strata of the population most, leaving the womenfolk in the midst of worst forms of miseries. In the household, the women have to bear the main brunt of falling family income and also the girl child suffers most in general. In the workplace, the women workers become the first victim of downsizing of workforce or retrenchment. And with the expansion of informal sector in the background of fast decline in the organised sector employment, the burden of lowest paid work with extreme flexibility of working condition falls more heavily on the womenfolk. Despite all laws and regulations in statute book, even to day, the women workers in informal sector continue to be worst victims of

discrimination in respect of payment, even in the piece rate system of work, not to speak of other facilities and rights. A paradoxical situation has thus emerged in the era of liberalised policy regime, when along with increasing informalisation of work place, more women are found to be in work in these sectors and are being subjected to discrimination even within the extremely low quality of service conditions for all the workers on the one hand, and given the extreme unstable business environment, the women workers again become the first victims of adjustment made by the employers through retrenchment/downsizing etc. Thus the claims of the increase in work participation rate of women is patently baseless. Dr Jayati Ghosh refuted with facts and analysis the claim made by the protagonists of globalisation that there is no alternative to these policies and they are irreversible. The question is that for whose benefit the policies are aimed at and the answer to this question sets the direction of the policies. The existing policy measures are aimed at ensuring benefits for the few, the capitalist, landlords and the MNCs. If the common people are to be brought at the centre of the agenda of reform, there are definite alternative to these disastrous policies which can ensure economic growth as well as equitable economic order and well being for all. The Govt is complaining for resource crunch, but at the same time is giving huge concession to the monopoly houses, landlords and MNCs while increasing burden of indirect taxes on the common people. If the tax-GDP ratio is increased to at least 1990 level (12%) by increasing the direct tax on richest class, big landlords, while reducing the tax burden on the common people, if the huge unpaid tax arrears due from the big corporate houses and big business are recovered and the entire black money is unearthed, the Govt will have no dearth of resources for developmental and welfare

(Cont. on page 12)

Need Based Minimum Wage: Is it Unattainable?

P.K. Ganguly

For a long time the informal sector, or the Unorganised Sector, as it is called in India, had been regarded as a passing phenomenon linked to the cycle of economic development. But this vast and sprawling unorganised sector has now ceased to be the earlier one existing on the fringes of the robust organised sector, and is threatening the very existence of it. In the context of globalisation and entry of private Indian and foreign monopolists in this sector, the process has become a criminal mode of exploitation and social exclusion. Working conditions in this sector, which covers over 92 per cent of the Indian workforce, including agricultural workers are oppressive and ruthless. Incomes of most of the workers are below the poverty line.

Lack of Wage Policy

The question of wages therefore is vital for the vast magnitude of workforce in this sector. Need based minimum wage is unknown here. Although the Government formulates economic policies, and in pursuance of that, industrial policies and labour policy, yet it does not formulate any proper National Wage Policy for the workers and employees. Demand for upward revision of wages, for a national minimum, based on the needs of the workers and for full neutralisation of cost of living, has therefore remained the main feature of struggle of the workers and employees in various sectors.

The Minimum Wages Act has failed to give any succour to this vast sweated labour of unorganised sector. Despite repeated demands the Government has refused to implement the criterion of need based minimum wage as derived unanimously in the 15th Indian Labour Conference in 1957. A total jungle rule prevailing in the area of wages in this sector.

Need Based Minimum Wage

The approach to fixation of minimum wage, as enumerated by 15th ILC calls for determination of workers' needs and entails an absolute standard to protect the wage earning population in this vast sprawling sector on a national scale.

But the successive Govts have all along been deliberately flouting this approach.

Immediately after independence, when the Constitution was in the making, the Industrial Truce Resolution adopted in a tripartite conference in 1948 recommended the setting up of a Fair Wage Committee. With lot of negative traits like capacity of the industry to pay, the level of national income, place of the industry in the economy of the country, productivity of labour, etc., it finally recommended a "Fair Wage", which it termed as in between a Living Wage and Minimum Wage. It defined the Living Wage as one enabling the male earner to provide for himself and his family not merely the bare essentials of food, clothing and shelter, but other measures like education for children, protection against ill health, requirements of essential social needs etc. By Minimum Wage, it meant that which can assure a bare subsistence of the worker. The recommendations of the Fair Wage Committee were incorporated in the Fair Wage Bill, 1950. But it was never passed. It lapsed with dissolution of the provisional Parliament in 1952. The question of revival of the Bill came up in the 13th ILC without any success.

15th Indian Labour Conference

The 15th ILC was held in July, 1957. This conference took the most important decision regarding wage policy and unanimously decided the norms of Need Based Minimum Wage. It further laid down that need based minimum wage should be achieved within the Second Five Year Plan as a step towards the goal of securing Living Wage. The criteria for fixing the minimum wages were as follows:

- 1) Minimum wages should be as per the minimum human needs of the workers and their families consisting of the worker, spouse and two children.
- 2) The minimum food requirement for each adult should be 2700 calories per day, as recommended by the nutritional expert, Dr. Akroyd.
- 3) The minimum clothing requirement for the family should be taken as 72 yds per year.

4) Housing cost as per the minimum house rent charged by the Government for subsidised quarters.

5) Another 20 per cent of total minimum wage as expenditure on fuel, lighting, etc.

The Supreme Court in its verdict given in the case of Raptacos Brett in 1991 added another 25 per cent in above on account of children's education, medical treatment, minimum recreations, etc. In another judgement earlier the Supreme Court had rejected the bogey of 'capacity to pay'. Although the need based norms are not panacea that way, yet the Government refused to implement the same in various sectors as below:

Central Wage Boards

The 15th ILC had also recommended the constitution of Central Wage Boards in 12 industries and implement need based minimum wages therein. The first Wage Board was constituted in Cotton Textile Industry in March, 1957, i.e., three months before the 15th ILC, in the midst of struggle for need based minimum wage. But this Wage Board recommended wages below subsistence level. Even the Second Wage Board in Cotton Textiles constituted in 1964 did not consider the need based norms. Thereafter two Wage Boards constituted in Cement industry in 1958 and 1964 rejected the norms. The trend, even worse was followed in three Wage Boards constituted in the Sugar industry thereafter, forcing the sugar workers to reject the recommendations and snatch better wages through struggles. No Wage Board was constituted in any other industry thereafter.

Central Pay Commissions

Now let us examine in brief the attitude of the Government towards its own employees. The wage structures of the Central Government employees are determined by Central Pay Commissions. Before independence there was one such Pay Commission in 1946. The Second Pay Commission was set up in 1958 following the decisions arrived at in the 15th ILC. But it did not have the question of determination of need based minimum wages in its terms of reference at all. The Third Pay Commission in 1972 did have in its terms of reference the question of examining the need based minimum wages issue, but it rejected the dietary requirements as formulated

by Dr. Akroyd. The Fourth Pay Commission in 1983 interestingly noted that the growth of national income and the resources of the Central Government were substantial. But still, it did not conform to the norms laid down by the 15th ILC. The Fifth Pay Commission also in the usual manner bypassed the question.

ILO on Minimum Wages

The International Labour Organisation, of which India is a founder member has incorporated in its Constitution provisions for adequate living wage etc. The Government of India, apart from flouting these provisions, has not even ratified several conventions of ILO, which are related to the workers in the unorganised sector of industries. The most important convention is No.131 of 1970 on Minimum Wage. This convention calls upon the member countries to decide a system or criteria for fixing minimum wages as per the needs of the workers in commensurate with the cost of living. It also calls for extension of the provision of minimum wage in all employments. A large number of employments in the unorganised sector are not covered for minimum wage at all.

The Government Cannot Escape

Thus it can be seen how the government is trying to escape its responsibilities of implementation of need based minimum wages although shedding crocodile tears for the sweated labour in the Unorganised Sector, although the trade unions forced discussion on the issue almost in all the Indian Labour Conferences. Thanks to the positive role played by the left front Government of West Bengal, the issue had to be discussed in the State Labour Minister's meetings and the Regional Labour Commissioners' meetings convened by the Union Labour Ministers from time to time.

Floor Level Minimum Wage:

A Ploy to Confuse

To divert the attention from need based minimum wage, the Government introduced a new terminology, "floor level minimum wage" in the 33rd session of the Indian Labour Conference held on November 24 and 25, 1996. The Government defined the "Floor level minimum wage" as that below which there cannot be any minimum wage, and that this "floor level" should be above poverty line. It is a meaningless jargon

as the word minimum itself denotes the rock bottom. The government also speaks of the so-called poverty line to debase the concept and norms of need based minimum wage. Thus the objective of floating this "floor level minimum wage" was to create further chaos in the area of minimum wage. The idea of poverty level was also floated as a ploy to bring down the trade union demands to this level.

Need Based Minimum Wage: An Issue of Militant Struggle

Thus it can be seen that the government is not going to accept need based wages so easily. Wages of the workers in the vast unorganised sector continue to remain even below poverty line year after year. This situation is getting aggravated with the onset of the globalised economy and the closure of organised industries and shifting of productions in this decentralised and unregulated sector through contractual and casual labour, which is being legalised.

While addressing this vital issue, we must concentrate our campaign for need based minimum, and wage struggle with this demand only. Any argument that need based minimum wages have not been achieved by even the organised sector workers, smacks with the concept that "need based minimum" is an elusive thing and pitches it very high as unattainable.

From various calculations, the average of need based minimum wage for an unskilled worker based on the 15th ILC norms and adding 25 per cent as per Supreme Courts verdict comes to around Rs.4000/- to 4,500/- a month for 8 hours work at current prices(CPI 2218 points, 1960=100). This amount cannot be construed as utopian and unapproachable. The concept and norms of need based minimum wages were derived after a long drawn struggle in 1957, and it was conceived unanimously as fit for implementation based on realities. Why should the workers and the trade unions remain confused under an alien bourgeois propaganda that need based minimum wages are unimplementable? That too at a time when under the globalised economy the government is withdrawing the reservation of items for manufacture in small scale/tiny sectors and allowing penetration of Indian and foreign monopolists therein to garner

huge profits at the lost of labour.

It has to be recalled that the glorious Delhi strike by CITU for minimum wages for three days and seven days respectively in 1987 and 1988 served as the pace setter in the struggle for minimum wages. That time Delhi workers were getting a paltry sum of Rs.514/- per month only, among the lowest in the country. They set a demand for Rs.1050/- per month. Now Delhi is getting about Rs.2500/- per month among the highest in the country. Delhi, UP, Haryana, etc. have now demanded Rs.3500/- per month. The goal is not far off and it is practical and realisable.

The task is to go all out, shake off the alien bourgeois and reformist encumbrances that seek to bound the trade unions to "poverty level" concept, and launch militant agitations to unite all sections of workers in the vast unorganised sector and the class as a whole with the one point demand of need based minimum wages. This will pave the way for formulation of a National Wage Policy at the Central level and do away with the jungle wage rule prevailing now.

(Cont. from page 9)

activities, Dr Ghosh asserted. She cited concrete examples of various aspects of alternative to present economic policies for which people have to fight unitedly.

While recalling the memory of com Vimal Ranadive, Dr Jayati Ghosh mentioned about her frontline role in the struggle against globalisation. K. Hemalata, Secretary CITU and All India Co-ordination Committee of Working Woman presided over the meeting. She recalled the contributions of Com. Vimaldi to the TU movement in organising the unorganised, particularly the working women. M.K.Pandhe, General Secretary CITU emphasised the importance of organising women workers in TUs in the wake of the challenges of Globalisation. The Jana Natya Manch staged a powerful play 'Woh Bol Uthi' based on the problems women face at home, society and at work place.

Working women from different sectors from Delhi, Faridabad and Ghaziabad and people from other TUs and mass organisations were present.

JOINT T U DELEGATION MET TEXTILE MINISTER

In response to the joint representation made by the Joint Action Committee of Textile Workers, comprising all trade unions in the textile sector, the Union Minister of Textiles, Sri Kashi Ram Rana called a meeting of the JAC on 11th April to discuss the issue of revival of the NTC and BIC mills.

The Minister only stated that the Govt. was trying to revive as many mills as "possible", but at least 42 mills. He failed to give the list of the mills.

The JAC reiterated its demand that the 51 partially working mills have to be revived, so that along with 25 fully working mills, 76 mills can function fully out of 119 mills. Regarding the rest of 43 mills, the JAC demanded discussion with the trade unions.

After thorough discussion, the Minister assured the following:

An official meeting of the Central Trade Unions along with the Textile Research Associations will be called soon. The Govt. will submit the status of each mills for discussion as was earlier done in 1994-95.

1) Regarding the direction of the BIFR given in 1995 to waive the loans of the four subsidiaries of Bengal, U.P., M.P. and Gujarat, the Govt. had planned to convert the loans into equity and waive

the interests thereof. This will help in revival of the four subsidiaries. The Govt. will write to the BIFR accordingly. 2) As the BIFR has already convened final meeting of all the subsidiaries to reply to show cause notice against winding up, the Govt will also write to BIFR seeking 90 days time, by which time it will draw up revival schemes of the subsidiaries unit-wise. 3) The Govt. will also draw up revival schemes of the five BIC mills, and complete the formalities of payment of wages to the workers, due from August, 2000, within 15 days. 4) The Ministry will send minutes of the above to the trade unions.

All the above points were noted and read out to the Minister, and it was stated that a press statement will be issued by the JAC accordingly. The JAC also reminded the Minister that in case of failure by Ministry to implement the above by the end of the month, the JAC will be compelled to draw up countrywide action plans, including massive demonstration before the Ministry.

The meeting was attended by PK Ganguly, Gopal Bhattacharya(CITU), Haribhau Naik, SS Yadav(INTUC), DL Sachdev(AITUC), AD Nagpal, RK Tripathy(HMS), Brij Mohan Sain(BMS), Abani Roy(UTUC) and Seven more representatives from different States.

ALL TUs CALLED FOR MAHARASHTRA BANDH

All The Trade unions in Maharashtra, affiliated to CITU, HMS, AITUC, BMS, Shiv Sena, Kamgarh Aghadi, and various independent trade unions and federations have jointly given a call for Maharashtra Bandh against the anti-worker and anti-people policies of the Govt. The magnificent unity of the workers and the unions reflected by the Bandh-call surfaced the anger of the workers and mass of the people against the Fund/ Bank dictated policies pursued by the ruling polity with shameless servility, creating disastrous impact on the economy and on the life and living of the common people. The trade unions also jointly resolved to oppose and resist the atrocious onslaught on labour laws and trade union rights

by the Govt in their anxiety of favouring the employers class with the right to hire and fire at will and casualise the entire workforce. It is heartening to note that the small scale producers, and small traders and other professionals also supported the bahdh call on 25th and it is going to be the biggest peoples' action of the recent times against the anti-people Govt.

M K Pandhe, General Secretary CITU, in a statement issued on 20th April, 2001 has congratulated the working class and the trade unions of Maharashtra for building all in unity of the movement and going in for such statewide strike action.

CITU MANIFESTO FOR MAY-DAY 2001

On the eve of the historic May-Day, the day of international solidarity of the working class, the Centre of Indian Trade Unions extends fraternal greetings to the workers and the toiling people of the world. May-Day is the day for the working class and all toiling people to renew their pledge to carry on their struggle not only to protect their standard of life and achieve all round economic improvement, not only to defend their legitimate rights as workers and citizens, not only to win freedom of their country and defend their sovereignty, on this historic day, they gather together throughout the world to renew their pledge to fight for emancipation of the entire society from all exploitation. It is a day, over and above, to pledge solidarity with the struggle being carried out by fellow workers and the people at large in every country.

The CITU sends its warm greetings to the workers and the people of the socialist countries who are still going ahead under the glorious banner of socialism, undaunted by the major set-back suffered by socialism elsewhere, to build up a new life for their people in the face of tremendous odds. They stand like lighthouses in the vast sea of capitalist exploitation, showing the way for emancipation to the exploited and oppressed millions by their own example.

The CITU warmly greets the working class and the people of the capitalist countries who have opened up a new chapter in the history of the world working class movement by raising the banner of resistance against the policy of neo-liberal globalisation in the very citadels of imperialism sponsoring these policies.

The CITU sends warm greetings to the working class and the people of the third world countries, who, being the main targets of the aggressive policies of the imperialists, are relentlessly fighting against the multi-pronged offensive— economic, political, ideological and military— of the imperialist forces and their various agencies like IMF, World Bank and WTO for safeguarding their national sovereignty, political independence and economic self-reliance.

On the occasion of May Day, the CITU feels proud in sending warm greetings to thousands and thousands of people from the advanced capitalist countries as well as from the developing countries, who have displayed unprecedented courage in organising massive demonstration, even at the heartland of the capitalist world, in America itself, not to speak of other countries. Demonstration against the international financial agencies at Seattle, Bangkok, Davos and elsewhere marks a turning point in the world wide popular struggle against imperialist offensive.

May-day is also witnessing continued effort of the imperialist forces to carry out their aggressive political and military design by direct aggression or through intervention in the name of the United Nations to establish their hegemony. The imperialists are continuing to create centres of tension in various parts of the world to maintain the cold war atmosphere. Iraq continues to be the target of cynical air-attack, the blatant intervention in Yugoslavia and in Russian Federation, provocation to Cuba and Democratic Republic of Korea, augmenting military strength of Taiwan, — everything is directed to advance the hegemonic objective of the imperialist forces, headed by US. However, the people all over the world refuse to be cowed down by the aggressive acts and threats by US imperialism or by their allies. The people are determined to defeat all acts of aggression and rebuff all acts of threats. Russia and the Peoples' Republic of China are sinking their differences and coming closer to face the arrogance of imperialism together.

At a time, when the imperialist forces, with their wide ramifications, and united as never before, are spreading their tentacles like a huge octopus around the entire globe, the objective of May-Day, the international solidarity of the working class has assumed paramount importance and urgency. The May-day today, calls upon the working people worldwide to unite solidly in the face of new offensive of the capitalist and imperialist forces, to stand like a single rock with unflinching determination to fight and defeat them for ever.

The CITU renews its pledge not only for solidarity with all struggles carried out by the workers and the people anywhere on earth, but also to strive for development of worldwide action by the working class and all toiling people united on world scale. In India, May-day this year is witnessing intensified attack on the life and livelihood of the workers, peasants, middle classes,—almost all sections of the common populace, so to say. The Indian ruling class are desperately trying to go ahead with the so called reforms, leading to closure of innumerable industrial units throwing lakhs of workers out of employment, while drastically narrowing down the opportunity of the employment of unemployed youth, unceasing rise in prices of essential commodities, dismantling of the public sector which was assiduously built up with public money to serve as the commanding height of the economy, for self reliant economic development. No longer the Indian rulers claim that they want only the loss making units to be disposed of. Now they are shamelessly telling that they would hand over all public sector units, including those earning substantial profit to private and foreign hands as a matter of policy. The latest example of this nefarious policy is the sell-out of BALCO for a song. For quite sometime, they are trumpeting the beginning of the so called second generation reforms which includes inter alia, the privatisation and deregulation of the financial sector in totality. The last Union Budget have imposed further burden on the common people while giving enormous concession to the big business and MNCs. The recent Exim Policy, along with the total removal of quantitative restrictions on import has opened the door of the economy more widely to foreign interests including the multinational companies. A large segment of the small scale sector has been thrown open to big business and monopoly houses. The Public Distribution system has been virtually dismantled. Opening up of the economy has resulted, inter alia, in abnormal fall in prices of agricultural commodities leading to ruin of the farmers.

In response to the clamour for the right to “hire and fire” by the employers class and to close down the units at will, the BJP Govt had set up Second National Commission for Labour, not only to give the employers the rights they have been crying

for, but also to curb the trade union activities in all its aspects. But the Govt did not even have the patience to wait for the Commission’s report, and in the Budget speech itself all the above atrocious anti-labour formulations have been announced besides the proposals for legalizing contract employment everywhere and drastically reducing employment in Govt services in the name of rightsizing.

The world today is threatened by a severe ecological crisis. Driven by endless greed for more and more profit the unscrupulous capitalists have in the past and even in recent times cynically violated the norms for maintaining eco-normalcy and has thereby made our planet extremely vulnerable. The worst crime was committed to the erstwhile colonies by imperialist powers. While the working class movement has to fight for restoration of eco-balance in the country, at the same time it must unite and resist the nefarious game on passing the entire burden of environmental correction on the working people through closure of thousands of small and medium industries and loss of livelihood to several lakhs, as is happening in our country. The working class must fight to ensure that environmental correction proceeds as a gradual process and it does not lead to any sort of deindustrialisation and impose undue hardship on workers.

Under cover of NDA Govt, the BJP as the political outfit of the RSS pursuing fascistic ideology is going ahead with its not so hidden agenda of saffronising education, culture and the way of life in the country. They were continuing to change curriculum, revising text books, distorting history — everything for giving legitimacy to pernicious Hindutva ideology. In order to effectively carry out this task, they are desperately manning the authoritative and prestigious research institutions by people belonging to saffron brigade. Latest in the list of their sinister move in this direction is for introducing the obscurantist subject of astrology for teaching in the institutions for higher education. They even intervened in the conduct of film festival.

Besides the cultural sphere, the constituents of Sangh Pariwar has been persistently indulging in attack on minority communities, Muslims, Christians and all, continuously, giving rise to

communal tension in the country. The "moderate" Prime Minister, Atal Behari Vajpayee gave unequivocal moral support to the effort for constructing temple at Babri Masjid site while the reported statement of the Home Minister, L K Advani before the Liberhan Commission is virtually a direct instigation to the Sangh Pariwar. The Tehelka revelation have once again thoroughly exposed the complete rottenness of the bourgeois-landlord regime in general and the BJP led NDA rule in particular and has totally belied the BJP claim that it was a party with a difference. While on one hand the NDA Govt is intensifying its attack on the working class and the common people, on the other hand in keeping with the glorious tradition of the May-day, the working class have been intensifying the resistance against the offensive. With every passing day, one after another, the workers in various industries have launched strike struggles against privatisation and virulent attack on their rights, as in Postal and Telecom Sector, Power sector, Port & Dock, coal mines, in the State Govt sector in many States. In the private sector as well, the country witnessed many militant and bitter struggles, braving cruelest repression by the employers and administration. The four month long struggle in Maruti Udyog, strike struggle of Brick kiln workers in Haryana, spinning mill workers in Bhopal, Textile workers and the Hydel project workers in Himachal Pradesh are few examples. The struggle of the people of Andhra Pradesh against power-tariff hike displaying unprecedented heroism had given impetus to popular struggles in all the States and also had shown the path of mobilizing the entire people, from all sections of society in the struggle against the disastrous policies of globalisation. The workers of BALCO are also now creating a new history in the working class movement of the country, while conducting more than month long continuous strike action against privatisation and successfully converting their struggle into a peoples' movement in true sense of the term. It is not only the working class that is carrying on the struggle. The attack is as much on the agricultural workers and the peasantry as on the workers. The agricultural workers and the poor peasantry not only constitute majority of our population but also the poorest and the most

downtrodden section in the country. Steadily, though somewhat slowly, this vast section of the population is waking up to the harsh realities of their life, the serious deprivations by the neo-liberal globalisation. The countrywide militant mobilization by the agricultural workers and the peasantry with massive solidarity mobilization by the working class has opened up a new vista of popular movement.

With the RSS led BJP saddled in power, using communalism as its main political weapon to mobilise support and moving with fascistic perspective of the RSS, struggle of the working class and democratic people, of necessity, has to assume an added dimension: the fight against communalism and the fascist ideology and for democracy. It is no longer possible to carry on struggle against the intensified economic offensive of the NDA Govt without fighting against communalism as it is impossible to fight communalism and fascist ideology without militant struggle against the economic policies.

This year May day celebration in our country is going to precede to the Assembly elections in five States. The left front and Left Democratic Front Govts in West Bengal and Kerala are also facing the poll. Hell-bent effort are being made by the ruling class and also the pro-liberalisation lobby, backed by imperialist powers to dislodge these two progressive pro-people Govts, since they are also the important outposts of anti-liberalisation struggle in the country. It is the task of the Indian working class in general and the working class of those two States in particular to render whole-hearted support to those two left led combines to come back to Govt. The working class must also throw their weight to ensure decisive defeat of the communal forces and also the associates of BJP in other States.

Notwithstanding various weaknesses, shortcomings and drawbacks, the ideal of May Day is asserting itself with wider sweep and greater intensity in the world as much as in our country. The May Day originated with the demand for introduction of 8-hour day as a statutory obligation. The demand was fulfilled to a considerable extent in the world. But May Day was not forgotten. With every passing year, more and more workers are mobilizing for celebration of May

day.

It is because the demand for shortening working hour is essentially a demand for reducing exploitation and the perspective of May Day is the complete elimination of all exploitation. While some of the countries where socialism is being established, exploitation is coming to an end, over the larger part of the world exploitation is yet to be eliminated. The message of May Day continues to provide the perspective of the working class struggle.

Today, every struggle that is being carried out by the working class anywhere in the world represent important contribution to the process towards elimination of exploitation, the perspective held out by May Day. The struggle against neo-liberal globalisation itself, at the present stage is the struggle to end exploitation. We can best observe May Day today by pledging ourselves to defeat the offensive of liberalisation, privatisation and globalisation and prepare to carry the struggle to its logical end.

CENTRAL GOVT PROCEEDING FOR KILLING PUBLIC SERVICES

Slave as they are of the IMF-World Bank-WTO, the MNCs and indigenous monopoly capital, the Union Govt is making hectic exercise for virtually killing the entire public services in the country. The Govt of India earlier appointed the infamous Geethakrishnan Commission stated to be for reducing Govt expenditure by drastically downsizing the administration – through VRS, retrenchment, drastically reducing the retirement age etc.

Meanwhile Prime Minister announced drastic cut in the number of employees and in order to give that destructive motive a concrete shape, the Ministry of Personnel Public Grievance & Pensions, Department of Administrative Reforms & Public Grievances, Govt of India, has already submitted "written recommendations" to Department of Expenditure, Govt of India vide its communication dated 29th January 2001, which virtually meant totally destroying the Central Govt and State Govt services with unthinkable preposterous and mad proposals.

This has been in addition to normal reduction in staff strength by 3% annually by way of retirement. And for the last ten years or more, there has been no recruitment in central services and most of the State Govt services.

It will be seen that some of the proposals are simply indicative of lunatic thinking of the Govt. For example, while in one place it has been proposed to reduce retirement age to 52, in other place the minimum age for recruitment in Govt. service for Group C & D employees has been proposed to be 45, instead of present 18, which means the Class IV and Class III employees will get the right of a Government service for 7 years only! In other place, it has been proposed that the employees after serving for 10 years in service will have to proceed on compulsory leave for 5 years without pay!

The recommendations have also proposed no Dearness Allowance for the next 5 years and no Pay Commission in future which means total stagnation, rather decrease in pay and allowances despite continuous rise in prices. There are other crazy proposals in the full text of the 'written recommendations'. In another place it has been threatened if any state government refuses or hesitates to implement those mindless proposals, those disobedient state governments will be deprived of central devolution of funds. This 'recommendations' actually amounts to declaring an open war against the employees of Central, State, Defence and Railway sectors.

The representatives of All India State Government Employees' Federation, Central Government Employees' Confederation & All India Defence Employees' Federation met at Delhi on 25 March 2001 and vowed to defeat this mad game of the Government. And with a view to forge widest possible unity among employees of the Government sector, a Central Convention of the representatives of the trade unions of these sectors has been convened at Delhi on 27 May 2001 to chalk out militant programmes of united action to resist and defeat this destructive steps of the Government of India.

(Sukomal Sen, General Secretary, All India State Govt. Employees Federation)

REPORTS & EVENTS

SUCCESSFUL 2 HOUR STRIKE AGAINST UNION BUDGET

The industrial workers and employees all over the country observed strike/tool down for two hours on April 16 against the anti-people Union Budget. The call for the strike was given jointly by eight Central Trade Unions, namely INTUC, AITUC, CITU, HMS, AICCTU, UTUC, UTUC(LS) and TUCC.

The strike was observed by public sector workers, private sector workers, unorganised sector workers and employees in the different government sectors.

The strike was total in all industries in Bengal Tripura, Assam, etc. In Assam the strike was total particularly in the private sector. The tea workers responded massively in the strike with massive demonstration in Rangpura. In public sector, the

workers in Assam Gas Co, Digboi, Numaligarh refinery workers, Coal workers in Margherita, Paper mill workers, workers in jute, biscuit, engineering, pharmaceuticals, textile, automobile etc observed two hours strike.

In Punjab more than five lakh industrial workers observed the strike. In almost all the towns in Punjab joint rallies were also taken out. Rallies and dharnas after strike were observed in Delhi, Haryana, Noida, Ghaziabad and other places. In Dharuhera in Haryana, several thousands of workers from eight industries participated in five km long procession which converged into a mass meeting. Full day strike was observed in Gujarat, paralysing normalcy in industries, offices and business.

Postal employees and other Central Govt employees staged a big demonstration in Dak Bhawan at New Delhi. Bank, Insurance and other employees joined the demonstration. In Kerala also massive demonstrations were held. Reports of successful strike came from various public sector units from Bangalore, Hyderabad and other places. Coal workers from Jharkhand, Madhya Pradesh, etc went on two hours strike. In Maharashtra all the trade unions have already given a call for observing a whole day bandh on 25th April on identical demands. The CITU congratulated the workers for their magnificent response to this token strike and called upon for further preparations for countrywide strike against the budget and the on-going reforms.

STEEL WORKERS ON COUNTRYWIDE STRIKE

Workers of the integrated Steel Plants under SAIL, RINL(Vizag) and TISCO observed one day strike on 17th April 2001 against discriminatory policy of the management in respect of wage revision of the workers. The Steel Workers' Federation of India(CITU) has given the call for strike.

Previously the trade unions operating in the Steel industry affiliated to CITU, AITUC, HMS and a section of INTUC had given

notice for strike in steel industry on 27th and 28th February 2001. At the intervention and assurance of Union Steel Minister, the Strike was deferred with the understanding between the trade unions viz., CITU, AITUC, INTUC and HMS that if no respectable settlement can be arrived at in the next phase of negotiation (17th-20th March), strike notice will be jointly served by all the unions. In the negotiation held on 17-20 March, the

management did not improve their offer for wage revision in the least and there was no settlement.

In such a situation, joint strike notice should have been served by all the unions on 20th itself but that did not happen. Ultimately CITU alone had to go for strike on 17th April all over the steel industry as per the commitment by all the trade unions before the steel workers.

As per reports received till 3 pm from different steel centres, the strike was total in Durgapur Steel

REPORTS & EVENTS

Plant, Alloy Steels Plant, IISCO and Salem Steel Plant. In Vizag Steel Plant also, strike was around 40%. In Bokaro Steel Plant, in the main shops and mills, like Coke-oven, Sinter plant etc 30 to 60 percent workers joined the strike affecting the production substantially. In Rourkela Steel

Plant, 215 workers including the CITU leaders and activists were arrested while picketing at the plant gates. In Bhilai Steel Plant, strike was partial. In the captive iron ore mines under SAIL, in Bolani, Kalta, Purnapani, Kiriburu Meghatuburu, Rajhara, Roxy etc, the strike was successful. In the

Stockyards and branch offices of Central Marketing Organisation (CMO) of SAIL, overwhelming majority of the employees joined the strike action.

CITU congratulated the steel workers for strike action against the discriminatory and anti-worker policy of the Steel Management.

HARYANA: RALLY DENOUNCE ANTI-PEOPLE BUDGET

Chandigarh, 26th March 2001, A massive rally of more than 6000 workers denounced the anti-people budget of the Vajpayee Govt and also the anti-worker policies of the Chautala Govt at Haryana.

From all the districts of Haryana and from all industrial sectors, like brick kiln, Construction, engineering, textile, forest workers, village choudharies etc, several thousands of workers got mobilized at Chandigarh from early morning of 26th March and assembled at sector 17 to hold the rally.

The rally was organised by the Haryana State Committee of

CITU, and was preceded by a month long campaign at the district level in preparation of the rally throughout the State.

The rally was addressed by Satvir Singh, S N Solanki, both General Secretary and President of the State CITU respectively and also by Inderjit Singh, former President of State CITU. The speakers while denouncing the anti-people policies of the State and the Central Govt, called upon the working class to unite and fight against the policies braving all repressive measures. The speakers also stated about the repressive measures by the employers and the State Govt on the trade union movement and

violation of all labour related statutes by the employers in connivance with the State Govt.

One of the major issues before the working class of Haryana has been that the employers did not even maintain regular employment register, not to speak of other labour statutes like payment of statutory minimum wage etc, the speakers reiterated. From the rally it was announced that as decided at the Central level jointly by all the Central trade unions including INTUC, the workers of Haryana will observe two-hours strike and tool-down on 16th April throughout the State.

CITU LEADERS ATTACKED AT LARGI PROJECT

The gangsters hired by the contractors of Lurgi Hydel project at Kulu district of Himachal Pradesh on 9th April. Com Rakesh Singha, President, Himachal State CITU and Hemraj, Vice President, were injured

severely. Rakesh Singha was admitted to Civil Hospital.

The CITU union at the Lurgi Project had submitted charter of demands to the Project management demanding payment of statutory minimum wage and

also to ensure equal pay for equal work for all in the project. The management on the other hand mobilized gangsters from outside and sought to terrorise workers by compelling them to sign on blank sheets. The workers enmasse

REPORTS & EVENTS

resisted such move and compelled the armed gang of hoodlums brought by the contractors to flee away. Following the incident, Rakesh Singha and Hemraj, both President and Vice president of State CITU came to the project to attend a negotiation with the Chief Engineer of the Himachal State Electricity Board at the Project on 9th April. On their way to Largi

Project, Rakesh Singha, Hemraj and other committee members of the CITU union were attacked by a gang of hoodlums armed with lethal weapons near Takoli at Mandi district and Rakesh Singha sustained serious injury and was admitted to civil hospital at Nagwain.

Such heinous move by the Project management-contractor nexus

was sharply reacted to by the mass of the project workers by spontaneous strike action and the agitating workers blocked the National Highway no 21 and also the road between the Mandi and Kulu district demanding intervention by the State Administration and arrests of the miscreants and their sponsors.

NPMO RALLY CALLED GUJARAT BANDH ON 16TH APRIL

29TH March 2001, the city of Ahmedabad witnessed the biggest ever rally of common people from all walks of life at the call of National Platform of Mass Organisations(NPMO). The NPMO rally has given a call for Gujarat Bandh on 16th April 2001 against the anti-people, anti-worker policies of the Central and the State Govt.

In fact, the Platform became much wider than the NPMO itself. Besides the 56 mass organisations of trade unions, peasants and agricultural workers unions, student, youth and women

organisations and various independent industrial federations, a major section of INTUC unions also joined the rally with their followings and also the Gujarat Trade union Federation(GFTU) led by Sanat Mehta.

The rally traveled across the main part of the city and converged in a massive mass meeting near Sardar Patel Garden. On the way, the Mayor of the city, Himmatbhai Patel(Cong) came out and garlanded M K Pandhe and other leaders in the rally.

M K Pandhe, General Secretary, CITU addressed the rally and

called for further widening the unity in the struggle against the anti-people rule of the Vajpayee Govt. He congratulated the Gujarat NPMO for giving a call for Gujarat Bandh on 16th April and called upon the people of Gujarat to make the Bandh a total success. Chhabildas Mehta, former Chief Minister of Gujarat also spoke in the rally and supported the call for Gujarat Bandh. The leaders from other central trade unions and mass organisation also addressed the rally and resolved to make the bandh call successful on 16th April.

NOIDA: JAIL BHARO AGAINST CLOSURE & LOCK OUT

Against the illegal lock out at Phoenix Shoe Factory at Noida, the industrial workers of Noida industrial area joined a mass Jail Bharo campaign from 27th March onwards at the initiative of

Delhi state CITU.

The factory was locked out on 7th July 2000, throwing 1600 workers out of job. The lock out was illegal as the employer did not observe any statutory formalities. At the

repeated intervention of the CITU union there, the local labour deptt officials had to admit the illegality of the lock out but did not take any action against the employer. Even the salary of the workers for the

REPORTS & EVENTS

month of June 2000 was not paid by the employer. It was only after a militant demonstration of several thousand workers before the office of the district commissioner of police at Noida on 20th February 2001, that the District Commissioner and the Deputy Labour Commissioner had to agree in writing to take remedial action in the matter and the Jail Bhara agitation was deferred till 27th March.

On 3rd March 2001, the Chief Labour Secretary called meeting of the CITU union along with the employer but no settlement could be arrived at owing to negative position of the employer with tacit support of the Administration at the dictate of the BJP run State Govt. On 16th March a massive

dharna was organised before Internet Software Ltd, owned by the same Phoenix Co and 170 workers were arrested from the Dharna. The Police wanted to terrorise the workers to prevent them from the Jail Bhara agitation. From 27th March, the Jail Bhara agitation started with huge rally of the workers everyday where workers from other industries in Noida also joined in a big way. On the first day 68 workers were arrested and the police declared to send them to Agra Jail and detain them for 14 days in order to terrorise and break the agitation. But that did not succeed. The courting arrest continued till 31st March and 305 workers courted arrest which included 41 women worker with 8 children. All of them

were sent to Agra Jail. One of the women volunteer, Smt Pandey gave birth to a child in Jail. On 7th April, the workers were released and after release, they marched on procession to hold demonstration before the factory of the same Phoenix owner at Agra. After their return from Agra, the workers were continuing dharna before the factory. On 14th 3 workers were arrested on the plea of violation of prohibitory order.

The struggle is still continuing and there prevailed a situation of tension at Noida and mass of the workers are very much resented over the shameless connivance between the employers and the Administration. Delhi State CITU is planning to further intensify the struggle.

RALLY IN SHIMLA AGAINST THE GOVT POLICIES

Shimla, 18th April 2001, the small hill-town witnessed a massive ten thousand strong rally of workers, peasants, students, youth and women, paralyzing normal life, despite inclement stormy weather and rains all day long. The Himachal State CITU along with other mass organisations has given a call for the rally and "march to Assembly" programme to demonstrate against the anti-people policies of the Central and the State Govt. Attendance of women workers in the rally was noticeable who constitute almost fifty per cent of the total mobilization. The

Anganwardi workers from all over the State joined the rally after observing full day strike in all the projects to demonstrate their anger as well as the resolve to fight back the nefarious design to handover the Anganwadi projects to Panchayats and completely withdraw the responsibility of the Govt. Workers from Hydel projects from the remotest corners of the State, various industrial units also joined the rally. Besides the workers, people from other walks of life also took part in the rally. The Rally was held in Sabzi Mandi Maidan of Shimla and from there marched towards Assembly

house. The Assembly house got virtually surrounded from all sides completely blocking thorough fare and even the ministers had to travel a lot on foot to reach the Assembly house. The rally was addressed by Subhasini Ali, former MP, Rakesh Singha, Kashmir Singh Thakur and Ravinder Kumar, President, General Secretary and Vice President of the State CITU respectively, besides Omkar Shad (Kisan-Sabha), Devaki Sharma, and Premkumari (Anganwadi Workers' Union), Kushal Bharadwaj (DYFI), Manoj Chandel (SFI), Satya Galoda (Janawadi Mahila Samity).

Visakhapatnam: SOLIDARITY WITH BALCO WORKERS

The Public sector workers from Visakhapatnam took praiseworthy initiative in expressing solidarity with the anti-privatisation struggle by BALCO workers who were on continuous strike since 3rd March.

36 workers from eight public sector units of Visakhapatnam viz, Vizag Steel Plant, Hindustan Shipyard Ltd, Hindustan Zinc Ltd, Bharat Heavy Plates & Vessels Ltd, Bharat Sanchar Nigam Ltd, Hindustan Petroleum, HSCL and Vizag Port Trust visited BALCO at Korba on 26th March by traveling 2000kms by a bus while campaigning against privatisation on the way to express their solidarity. The workers delegation consisted of union leaders from various affiliations viz., CITU(30), AFTU(3), INTUC(2) and DITU(1).

The delegation from Visakhapatnam was warmly welcomed by the striking workers there and a big mass rally was organised on 26th. The Workers' leaders from vizag addressed the rally and reiterated their full support and solidarity to the path breaking struggle by the BALCO workers and donated Rs 8000 on the spot to the BALCO struggle fund. They also committed to send Rs One lakh for the Balco struggle within a fortnight. Next day the delegation met Shri Ajit Jogi, Chief Minister of Chhattisgarh and also held a press conference at Raipur.

Till going to press, as per report received from Vizag, Rs 28225/- has already reached Balconagar and collection is still going on.

RAIL ROKO AGITATION AT KORBA

While the Balco workers have been continuing complete strike at the Balco plant against the sell-out, against all odds, the striking workers along with the common people and other mass organisation at Korba staged a six hour Rail-Roko agitation at Champa Railway Station blockading the main railway line on 13th April 2001.

Around five thousand people comprising student, youth, workers of Balco, Coal, NTPC and adjoining industries staged demonstration raising slogans

against scandalous privatisation of BALCO by the Govt of India to favour an unscrupulous NRI company with dubious record. The agitation led to complete disruption of railway traffic in the Bilaspur line.

On 17th April, a trade Union Convention was held at Balconagar. The leaders of all the Central Trade Unions addressed the convention and expressed their solidarity. From CITU, Ardhendu Dakshi, Secretary addressed the convention.

WOMEN STAGED DEMONSTRATION AT DELHI

New Delhi, 9th April 2001, All India Democratic Women's Association (AIDWA) staged a demonstration in front of the office of Disinvestment Minister, Arun Shouri against Balco privatisation. Apart from hundreds of women from Delhi, a group of women contractor workers from Korba also joined the demonstration.

Brinda Karat, General Secretary, AIDWA addressed the demonstrators there and while expressing solidarity with the striking Balco workers called upon all women organisation to build up countrywide support with the ongoing anti-privatisation struggle. The women workers from Balco also announced to continue their struggle.

CITIZENS' CONVENTION AGAINST BALCO PRIVATISATION CONDEMNS LOOT OF PUBLIC WEALTH

The Citizens' convention against Balco privatisation held on 13th April 2001 at Bangabhawan, New Delhi condemned the ongoing loot on public wealth through privatisation of profit making PSUs and demanded reversal of the scandalous Balco deal between the Govt and the Sterlite.

The Convention was chaired by former chief-Justice Rajinder Sachar, a person of eminence in his field and was attended by cross section of renowned journalists, economists and social activists, besides the Central Trade Unions and the trade unions from Banks, Insurance, telecom, Central Govt offices etc. Justice Sachar while making his observation noted that the sale of a core sector PSU like Balco is against the mandate of our constitution, which is against the concentration of economic power in a few individuals. He also pointed to the scandalous aspect of the Balco deal where the PSU with its huge asset base was sold for a song.

Noted Economist, Prabhat Patnaik said that the ongoing exercise of sale of PSUs, as exposed by the Balco deal, Modern Food etc, can be characterised as form of primitive accumulation process for the benefit of neo-colonialist forces operating world wide and the Indian rulers have surrendered to that process. If the process is allowed to continue, the Indian PSUs would continue to be transferred for a song— practically free of cost. That is what already happened in case of Balco. Patnaik further said that the Balco workers are fighting not merely to defend Balco but for the entire PSUs and the national economy as a whole, on behalf of the people and we must join them wholeheartedly.

Praful Bidwai, eminent journalist placed a detail account of the dubious nature of the particular company to whom the Balco has been sold at throw away prices. The company has been indicted by SEBI for manipulation and also by the concerned authorities for violation of environmental norms. He also pointed to the

aspect of transfer of tribal lands to Sterlite along with Balco which is not permissible under the law of the land.

ML Rajak from Balco Bachao Sanyukta Abhiyan Samiti, Korba while speaking in the convention gave a first hand report on the ongoing strike at Balco despite many difficulties. He also stated as to how the entire people of Korba, from all walks of life has joined hands with the striking workers. Others who spoke in the Convention were CSK Singh, Senior Faculty of NLI, K Ashok Rao of NCOA, K L Mahendra(AITUC), Tapan Sen(CITU), R A Mittal(HMS) and Abani Roy(UTUC). The trade Union leaders stressed the need for countrywide action in support of the Balco strike for which consultation is going on. The trade unions while mentioning about spontaneous response from many quarters to the Fund-call given by all the trade unions jointly, urged for further speeding up and widening the fund collection drive in all quarters in support of the Balco workers.

The main resolution expressing solidarity with the ongoing heroic strike by the Balco workers was moved by Prabir Purakayastha, convenor of the Citizens' Committee and adopted unanimously by the convention. The resolution characterised the Balco privatisation deal scandalous and severely injurious to national economy and the society as a whole, it being a 1) transfer of strategic and security sensitive industry to private hands, 2) severely undervalued sale of national property at less than one tenth of the real value, that too to a company with extremely dubious record 3)transfer of tribal lands to private hands and 4) a case of revealing corruption in the selling process and cartelisation in the bids. The Balco privatisation completely ignored the future of the employees too.

The convention decided to meet the President of India in a delegation of eminent citizens of the country seeking his intervention in the BALCO matter, besides carrying on countrywide campaign to organise support and solidarity.

BALCO: TALKS FAILED, STRIKE TO CONTINUE

After forty five days of total strike at Balco, the Union Mines Minister Shri Sundar Lal Patwa called the Balco unions for discussion on 15th April 2001, just on the eve of the Parliament Session. The representatives of Seven Trade Unions functioning at Balco were called for the meeting. The Industry Minister of Chhattisgarh State Govt, Shri Mahendra Karma was also present in the meeting. The meeting continued for two days at the official residence of the Mines Minister.

From the trade union side, various options were given to find a solution to the problems and also to ensure retention of Govt control on Balco including divestment of 51% share of Balco to the State Govt as offered by the Chief Minister. The trade union leaders told the Union Mines Minister, that when the Govt is bent upon selling majority stake of Balco, why should not they sell it to the State Govt and what is so special with Sterlite?

As usual, the BJP Minister could not reply to that and held that the issue of disinvestments of Balco to Sterlite cannot be reopened. The Minister wanted to make tall promises on any other issue in lieu of the workers' consent to sale of Balco to Sterlite. The trade union representatives could not agree to such a proposition and decided to continue with the strike.

In such a situation, the countrywide solidarity for the Balco workers struggle is required to be further widened. As desired by all the Balco unions, M K Pandhe, General Secretary CITU, wrote to all central Trade Unions and also to Joint Action Front of PSU Unions, Bangalore and PSU Trade Union Coordination Committee, Hyderabad to consider one day strike action in all public sector units in the country in support of the Balco struggle. On the same issue, all the Central Trade Unions are meeting on 19th April at New Delhi.

SPONTANEOUS RESPONSE TO THE APPEAL FOR FUNDS FOR BALCO WORKERS

The joint appeal by all the Central Trade Unions for donations in support of the heroic anti-privatisation struggle by the BALCO workers is receiving spontaneous response from all over the country. Already various trade unions and mass organisations started responding to the call for support and solidarity. CITU and the associate trade unions are carrying on extensive fund campaign for the striking Balco workers. The PSU workers from Visakhapatnam visited Korba on 26th March in bus-load delegation to express their support and committed sending more than Rs One lakh within a fortnight. Out of that already Rs 28225/- reached Balco from Vizag. The Steel Plant workers of Vizag have decided to raise Rs 100 per worker for the Balco fund.

As per report received so far at CITU head quarter, CEL Employees Union Ghaziabad has donated Rs 10000/- Punjab Unit of FMRAI Rs 3000/- BEL Workers Union, Bangalore Rs 5000/-

, Chhattisgarh unit of Bharat Sanchar Nigam Employees Union Rs 5000/- MP unit of FMRAI Rs 5000/-, the CITU union at IISCO Rs 1500/- the CITU unions at Duragapur Steel and Alloy Steel Rs 25000/-, All India Reserve Bank Employees Association Rs 1,00,000, and BHEL Workers' Union, Tiruchirapally Rs 9500/- BHEL Mazdoor Union (Jhansi) Rs 3000/-.

On 4th April MK Pandhe, General Secretary CITU visited Balco Nagar along with Brinda Karat, General Secretary, All India Democratic Women's Association and handed over Rs 10000/- on behalf of CITU Centre and on the same day Maharashtra State CITU has sent Rs 10000/- for the Balco workers. The Bank employees Federation of India has also sent Rs 1,00,000 on 19th April. Association of SAIL Employees, Calcutta has already sent Rs 3000/- to Balco and is going to send another Rs 10000/- within few days. As per information received from the All

India Insurance Employees Association, they are sending Rs one lakh for the striking Balco workers. Madhya Pradesh Koila Shramik Sangh is also expected to send Rs 20000/- within a few days. Reports from West Bengal State Committee of CITU reveals that around Rs 1,00,000 is being sent to Balco nagar shortly for the struggle fund. On 19th April Sitaram Yechury, Polit Bureau member of CPI(M) has visited Balconagar and addressed the mass rally. While reiterating active support of the party to the Balco workers' struggle he donated Rs 50000/ for the struggling Balco workers on behalf of CPI(M).

The continuous strike by the BALCO workers has already crossed fifty days when this write-up is

going to the press. The local population of Korba from all walks of life came forward with liberal assistance of money and materials for the striking workers.

A large community kitchen has been installed where the striking workers with families along with the contract workers are taking food. But the need is much more than what it is now. All our affiliates, associates and friends, all the mass organisations must rush financial support to Balco workers to help them sustain their struggle and achieve the cherished goal. They are fighting a battle for all of us, for all the PSU workers, for all those who oppose privatisation. We must rush our fullest mite to them on war footing.

CENTRAL TUs JOINT MEETING TO DECIDE ON BALCO SOLIDARITY

A meeting of the Central Trade unions, viz., ABMS, INTUC, AITUC, HMS, CITU and UTUC(LS) has been held on 19TH April 2001 at the office of BMS to decide on solidarity action in support of the ongoing strike by the BALCO workers against privatisation. The meeting was presided over by Shri O P Aghi, Organising Secretary, BMS.

The meeting, while expressing total support to the heroic ongoing struggle of the BALCO workers, urge upon the Prime Minister and the Labour Minister for convening a meeting along with Central Trade Unions for amicable and respectable solution of the issue.

The Trade Unions call upon the working class of the country to hold joint demonstration all over the country, in all industries and establishments, on 4th May 2001 in support of BALCO workers' struggle against privatisation.

The Trade Unions appeal to the working people in the country to rush financial support to help the BALCO workers sustain their struggle which has already crossed forty eight days. All donations may be sent by A/c payee Demand Draft drawn in favour of "BALCO BACHAO SANYUKTA ABHIYAN SAMITI" payable at Korba, Chhattisgarh.

The Trade Unions further decided that if nothing transpires despite joint persuasion meantime by

all of them, all the Trade Unions will be constrained to go in for countrywide action including strike by around middle of May 2001.

The meeting was attended by Shri Mukund Gore, OP Aghi and MN Jha(BMS), Chandidas Sinha(INTUC), PK Ganguly, Jibon Roy and Tapan Sen(CITU), KL Mahendra(AITUC), RA Mittal, AD Nagpal(HMS), Achintya Singha(UTUC-LS)

BALCO WORKERS STRIKE CROSSED TWO MONTHS

RUSH FINANCIAL SUPPORT TO THEM

Send the donation to "BALCO BACHAO SANYUKTA ABHIYAN SAMITI" payable at Korba, Chhattisgarh at the following address

IP Verma, President, Bharat Aluminium Employees Union, Qtr no 485A, sector 6, PO Balco Nagar, Korba 495684, Chhattisgarh.

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

Sr. No	Centre	Nov 2000	Dec 2000	Jan 2001	Sr. No.	Centre	Nov 2000	Dec 2000	Jan 2001
1	Gudur	446	442	437	45	Amritsar	397	392	392
2	Guntur	426	420	415	46	Ludhiana	410	407	403
3	Hyderabad	427	426	427	47	Ajmer	440	443	439
4	Visakhapatnam	442	431	433	48	Jaipur	410	406	409
5	Warangal	445	443	444	49	Chennai	489	483	479
6	D D Tinsukia	392	387	384	50	Coimbatore	441	440	436
7	Guwahati	467	461	459	51	Coonoor	438	434	431
8	Labac-Silchar	370	369	358	52	Madurai	458	456	446
9	Mariani Jorhat	420	412	413	53	Salem	435	442	441
10	Rangapara-Tezpur	419	417	393	54	Tiruchirapally	502	478	475
11	Monghyr Jamalpur	423	417	415	55	Agra	410	404	403
12	Bhilai	398	399	396	56	Ghaziabad	455	450	457
13	Kodarma	366	365	360	57	Kanpur	431	428	430
14	Jharia	364	361	358	58	Saharanpur	407	405	403
15	Noamundi	400	400	401	59	Varanasi	465	457	451
16	Ranchi-Hatia	428	426	417	60	Asansol	420	416	406
17	Ahmedabad	445	448	447	61	Kolkata	480	461	456
18	Bhavnagar	470	471	477	62	Darjeeling	393	386	386
19	Rajkot	429	422	420	63	Durgapur	499	489	481
20	Surat	455	452	448	64	Haldia	495	485	481
21	Vadodra	441	437	436	65	Howrah	522	510	500
22	Faridabad	446	442	444	66	Jalpaiguri	404	400	393
23	Yamunanagar	422	419	419	67	Raniganj	397	388	386
24	Srinagar	495	494	499	68	Chandigarh	471	471	472
25	Bangalore	440	431	431	69	Delhi	519	513	513
26	Belgaum	468	471	473	70	Pondicherry	486	495	491
27	Hubli-Dharwar	435	436	437					
28	Mercara	454	460	456		All India	450	446	445
29	Alwaye	443	445	448		Additional Series of Labour Bureau			
30	Mundakayam	451	452	451	1	Kothagudem	461	448	438
31	Quilon	453	452	456	2	Himachal Pradesh	443	440	440
32	Thiruvananthapuram	490	490	499	3	Bhilwara	449	445	447
33	Balaghat	390	390	393	4	Chhindwara	427	424	420
34	Jamshedpur	413	411	410	5	Tripura	434	423	406
35	Bhopal	457	457	461	6	Goa	526	531	543
36	Indore	453	456	453					
37	Jabalpur	448	453	449					
38	Mumbai	516	512	517					
39	Nagpur	478	476	477					
40	Nasik	490	489	496					
41	Pune	509	511	511					
42	Solapur	464	460	459					
43	Barbil	428	427	423					
44	Rourkela	413	411	409					

Government of India
Ministry of Labour
Labour Bureau
Shimla - 171 004

P.F.INTEREST RATE - LOOT OF WORKERS' MONEY

W R VARADA RAJAN

The Union Finance Minister, as a part of the economic reform measures, had been on course to usher in a low interest rate regime, responding to the demand of the employers' class.

The Finance Minister first reduced the interest rates on small savings during 1999-2000 itself. Then, while presenting the Union Budget for the year 2000-01, the Finance Minister announced reduction of interest rate from 12% to 11% on the General Provident Fund (GPF) of the Government employees. The interest on small savings was also reduced to 11 % from 1-4-2000. Later, the Ministry of Finance issued a notification on 11-4-2000, reducing with effect from 1-4-2000, the rate of interest on deposits made under the Special Deposits Scheme (SDS) for non-Government provident, superannuation and gratuity funds from 12 to 11 % per annum.

This decision of the Government of India did cast a long shadow on the Employees' Provident Fund (EPF) as at that time around 81% of all the funds under the EPF Scheme, 1952 stood invested in the Special Deposit Scheme.

INTEREST REDUCED

Though the Central Board of Trustees (CBT) of the EPF had unanimously recommended continuance of the 12 % interest to be paid to EPF subscribers, Government of India, on instructions from the Finance Ministry reduced the interest to 11 %, in line with the interest on GPF and small savings. As the notification in this connection was issued late, the Govt. advised that in the case of those subscribers whose claims were settled, interest paid @ 12 % upto 30-6-2000, no recovery need be made.

This reduction of interest to 11 % was protested by all the trade unions. This issue was also taken up in the CBT by the workers' side. At a special meeting held afterwards, the CBT again unanimously authorised the Chairman, Labour Minister, to take up the issue of continuing the 12 % interest rate for the year 2000-01 at 12 %.

The Government stuck to the decision of reducing

the interest to 11 % but for the sake of uniformity allowed 12 % to be paid to all subscribers up to June, 2000 and made the 11 % rate effective from July, 2000.

RAJYA SABHA COMMITTEE REPORT

The matter was taken up by the CITU with the Rajya Sabha Committee on Delegated Legislation, of which Dipankar Mukherjee was the Chairman. We cited the provisions in the EPF Act, which empowered the CBT and those of the EPF Scheme, which empowered the Govt. to decide the rate of interest in consultation with the CBT. We complained that the consultation even was not properly held. The Rajya Sabha Committee came with a report later during last year, upholding the viewpoints of the trade unions and made some recommendations. One of the recommendations is to convene a meeting of the CBT to review the issue of interest for the year 2000-01. The Govt. had so far not taken any action on the report.

FURTHER REDUCTION MOOTED

In the Union Budget for 2001-02, the Government announced a further reduction of 1.5% in the interest rate applicable to GPF, small savings like NSC, NSS, PPF, etc.

The Government reduced the interest rate on SDS to 9.5% by a notification issued on 15.3.2001. The Government by a letter dated 26.2.2001 also sought the recommendations of the CBT for interest rate for 2001-02 with the stipulation that "while furnishing the recommendation, the income of the fund during 2001-02 and general cut in interest rate may also be kept in view".

This was clearly intended to bring down the interest rate on P.F to 9.5 %. Even as of now almost 80% of the EPF investments are locked up in the SDS, making it impossible for the EPFO to declare any interest above 9.5%, because of the interest rate reduction by the Government.

REDUCTION OPPOSED

The CITU representative in the Central Board of Trustees, EPF, protested this move and asserted: "Government of India cannot as a matter of parity bring down the rate of interest on SDS equal to

the interest on GPF of Government servants. While the Government servants are entitled to pension payments on a Pay As You Go (PAYG) basis from out of the Consolidated Fund of India, the EPF subscribers are granted pension at far less a rate, under the EPS, 1995, which is funded by diverting 8.33% of the employers' contribution to the EPF.

"The Government of India, while bringing down the rate of interest on small savings instruments under NSC, NSS, etc, on successive occasions, had made it applicable only to future deposits under the respective schemes. The earlier deposits in those schemes continued to earn the higher coupon rate on those instruments."

Highlighting these aspects the Government was urged not to reduce the interest rate on SDS deposits; or at least agree to apply the reduced rate only to the future accretions in the SDS and not on the total amounts lying in the SDS account.

OBJECTIVE OF SDS DEFEATED

Moreover, the Government of India introduced the SDS on 30th June 1975, when the rate of interest paid to the subscribers of the EPF was only 6.5% during 1974-75 and 7% during 1975-76.

The Notification introducing the SDS, inter-alia, stated:

"The scheme, is intended to enable the subscribers to these funds to get the benefit of higher interest rates on their subscription to these funds..."

Thus, the Government of India move to reduce the rate of interest on SDS, as had been done since 01-04-2000, runs counter to the basic objective enumerated in the Notification introducing the SDS.

Right from the time of introduction of the SDS in 1975, there was no parity maintained in the interest rate on the GPF, SDS and EPF. Only from the year 1989-90 onwards, the interest rates on the three had been at par @ 12%.

The Government of India, having caused huge investments to be made in the SDS at rates which were intended to extend higher benefit to subscribers, cannot take recourse to a measure which will defeat the intentions of the notification introducing the SDS.

CASE OF RBI

The P.F. amounts invested in the SDS deposits

are held by the Reserve Bank of India(RBI). The RBI maintains its own Provident Fund in respect of its officers and employees. The RBI pays an interest of 13.25 % on their own P.F. accounts, which does not even attract tax deduction at source. Similar practice is in vogue in the National Bank of Agricultural and Rural Development (NABARD)

In this context the Government was urged to require the Reserve Bank of India to pay interest on SDS at the same rate as applicable to the RBI administered Employees Provident Fund.

INTEREST RATE FOR 200-02

But, the EPF Organisation, as part of its statutory responsibilities convened the meeting of the CBT on 23-3-2001, to make its recommendations to the Government on the rate of interest on P.F. for the year 2001-02.

This meeting was convened even without complying with the recommendations of the Rajya Sabha Committee for reviewing the interest for 2000-01

At the meeting of the CBT, representatives of the employees severely criticised the Govt. move to reduce the interest on the workers' savings. But, in view of the stringent provisions of the EPF Act and the Scheme, requiring the CBT to make its recommendations only on the basis of the available yield on investments, the CBT finally ended up making a recommendation for an interest rate of 10.25 %, utilising a part of the surplus in the Interest Suspense account.

Even this limited recommendation of the CBT does not conform to the expectations of the workers and the indignant protest voiced by the trade unions against the budget proposal of the Finance Minister to lower the interest on P.F. and small savings to 9.5%.

But, the decision of the Government will have to be carefully watched. The Government may over rule even the limited recommendation of the CBT and reduce the interest rate to 9.5% on par with the GPF and small savings.

The trade unions and the workers will have to prepare for a sustained fight against the ill-conceived move of the Government and protect the hitherto available benefits under the existing social security measures.