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FIERCE CHALLENGE TO GLOBALISATION SEATTLE TO GENOA



(story on page 10)

Photo courtesy: *The Hindu*)

SAARC REGIONAL TU CONFERENCE

During the WFTU conference held at New Delhi last year, it was agreed to hold a meeting of TUs in SAARC countries at Kolkata. In Hyderabad CITU conference this was reiterated by all the delegates from SAARC countries. A Reception Committee was formed in Kolkata with Chittabrata Majumdar to make necessary preparations for the meeting.

On the plea of some erroneous reports published in the press, the WFTU arbitrarily decided to hold the meeting at New Delhi. Perhaps, the real intention was to deprive CITU of the credit to hold the conference. The CITU protested against this and declined to join the new Reception Committee. However, decided to join the conference and 12 delegates participated in it.

The second SAARC Regional Trade Union's Conference was held on 11-12 August 2001, New Delhi. It was participated by around 150 delegates from Bangladesh, Pakistan, Nepal, Sri Lanka, and India. The Conference was preceded by a seminar on the conditions of Informal Sector workers in the countries in South Asia.

Mary Johnson, Director, ILO, inaugurated the seminar. Vinod Vaish, Secretary, Labour, Government of India, was the Chief Guest. The seminar adopted a common charter of demands for the informal sector workers in the region. It included demands for enactment of comprehensive laws and strict implementation of the existing laws, ratification of the ILO Conventions on right to organise and collective bargaining, fixing fair and reasonable minimum wages, ensure right to employment and social security and end of the dictates of the IMF, World

Bank and WTO.

It was decided that Nov. 15 would be observed as the Demands' Day in all the SAARC countries through posterage, distribution of leaflets, gate meetings, mass meetings, demonstrations etc. A wide campaign would be conducted to popularise these demands in the month of January, next year. The former Prime Minister I.K. Gujral inaugurated the Conference. SP Shukla, former Secretary, Finance, delivered a lecture on the dangerous impact of WTO on the self-reliance and independence of the developing countries.

The Declaration adopted by the Conference demanded that the Governments of the Region reject outright the WB-IMF-WTO- based economic policies and to work out an alternative economic and social policy based on growth with equity, social justice, employment generation, guaranteed food security, right to work and self reliant economic growth. The Conference decided to submit memoranda to the next SAARC Countries' meeting, proposed to be held in Nepal in December 2001, organise a big demonstration at the venue as well as in the other SAARC countries, on that occasion, to observe a protest week during the first week of December 2001 against the neo liberal globalisation and to popularise the demands and declaration of the Conference. It also resolved to organise joint protest demonstrations in the South Asian Countries at the time of the next WTO meeting at Doha.

Sunil Sengupta, General Secretary of UTUC was elected as the convener of the new 19-member coordination committee elected in the conference.

COMRADE SHAILENDRA SHAILY

Com. Shailendra Shaily, Vice-President of CITU, M.P. State Committee and Secretary, MP State Committee and Member, Central Committee of the Communist Party of India (Marxist), died at Bhopal on 7th August 2001. The tragic circumstances in which the death occurred makes it all the more sad. Com. Shaily had emerged as a tall leader of the working class and the democratic movement in the State and his contribution to building up the trade union and left movement, in MP in particular and the country in general, was very valuable. His departure from amongst our midst, at this early stage in his life, is an irreparable loss.

The CITU and the 'The Working Class' deeply mourn the death of Com. Shailendra Shaily and pay homage to his memory. We also offer our profound condolences to the bereaved members of the family and the comrades of MP.

DEFEAT THE 'LABOUR LAW REFORMS'

THE WORKING CLASS

CITU MONTHLY

SEPTEMBER 2001

HERE & NOW | Sudhir Tailang



Independence Day speeches are a bit like New Year resolutions — made one day... and forgotten the next!

Courtesy: The Hindustan Times

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With the onset of the 'economic reforms' during 1991, there was an orchestrated demand for introduction of 'exit policy' measures. As the reforms agenda itself met with serious opposition from the workers and the trade unions, the chorus for 'exit policy' was consigned backstage. But now, as the Government of India has embarked on the 'second generation reforms', the 'exit policy' demand has surfaced again; the only change is in its nomenclature into 'Labour Law Reforms'.

There is no denying of the fact that this drive towards deregulation of the labour market is an offshoot of the reforms process.

The present thrust for 'labour law reforms' is only to facilitate the adoption of new strategies such as: Re-engineering; Downsizing workforce; Early retirements; Substitution of skilled, often hi-tech, work force, replacing unskilled workers; Search for flexible labour utilisation arrangements through casualisation, etc. These are presented with some justifications.

"The labour laws are rigid and therefore, they impede growth." "Flexibility in labour laws will lead to generation of more employment." "This is needed for attracting more Foreign Direct Investments." "The labour laws are too harassing and cumbersome for the employers." And so on.

The fact of the matter is none of these arguments have, as yet, been substantiated.

Trade unions in the country can by no means afford to buy this specious argument of flexible labour laws leading to more generation of employment. If that argument were to be believed, will legalisation of forced or bonded labour usher in full employment?

The amendments to the Trade Unions Act are already past the Rajya Sabha. It is claimed that these amendments will reduce the fragmentation of trade unions. But, they will only make formation and registration of trade unions difficult, if not almost impossible. Other amendments waiting on the wings of Parliament are to the Industrial Disputes Act and the Contract Labour Act.

It is not the case of the trade unions in the country that our labour laws have no faultlines. Most of them are obsolete. None of them has any teeth. The implementation machinery is in total collapse. The employers have been violating them with impunity. Why then do the trade unions raise a hue and cry over these laws being amended? It is only because the practices of the employers, which are unfair and illegal now, at least for the record, will be given legitimacy by the proposed labour law reforms and the trade unions striving for 'securing justice for the workers will be damned as indulging in unlawful activities.

The trade union movement transcending all differences must rally together to defeat these specious 'labour law reforms'.

Since our 10th Conference at Hyderabad, we have witnessed Increasing imperialist offensive, capitalism in global crisis, Indian economy faces slow growth, intensified implementation of economic reforms and saffronisation being pushed through vehemently. The attack against the working class throughout the country has been intensified against which the united resistance is on the increase.

RULE BY CORPORATES

The Hindu, with the caption 'Corporates control the Government', reported the discussion in the Parliament on 3rd August 2001: 'The debate on the US-64 scam in the Lok Sabha today offered an instructive lesson in the country's political economy. Speaker after speaker, cutting across the party divide, alluded to the awesome powers that corporate houses had come to exercise over the Government. And, the corporate house most often cited was "Reliance".... Alvi noted that the corporate houses had acquired such a clout that they could decide which minister would get what

NATIONAL MISSILE DEFENCE

It is claimed that to defend "US territory" from the attacks of "rogue states" and to protect their "vital interests" abroad NMD system is absolutely essential for which the estimated expenditure are \$ 800 billion. Though its feasibility is still in doubt, besides the increasing opposition world over including the NATO alliance, it seems that they are determined to push through this programme. Today, the USA has military bases in more than hundred countries of the world. Most of them bordering the Persian/Arabian Gulf, throughout Europe including Eastern Europe, Balkans, Korea and Japan. Anti-drug warriors ("mercenaries") are stationed in Central America, Colombia, Ecuador and Peru. The stationing of military forces around the world is to control their strategic materials like petrol and minerals, besides to protect the trade interests of US based big monopoly corporations. Intense efforts are being made now to strengthen their military bases further in Asia Pacific region including India with an eye on China.

Remember the young man, Carlo Guiliani who was shot dead by the Italian police at Genoa, for demonstrating against capitalist globalisation. Remember the new slogan reverberating in the European continent: "DOWN WITH CAPITALISM".

portfolio and which officer would be secretary in which ministry. And then, he cut close to the bone when he addressed himself to the Finance Minister: "You became Finance Minister because "they" did not want someone else to become Finance Minister..."

The report brings to you the true nature of the governance in the country that the ministers, their secretaries, their portfolios are decided by the corporate bosses. This is the real face of Indian democracy.

Soon after George W Bush came to power in United States he made two pronouncements, which were of world concern. One - that they will not abide by the ABM treaty 1972 and will go ahead with the "national missile defence programme". And the second - their decision to renege on their commitment of endorsing and signing the Kyoto Protocol.

China and Russia strongly expressed their opposition to the proposed missile defence system and signed a long-term friendship treaty on mutual security, assistance and cooperation. This is a welcome development.

KYOTO PROTOCOL

The American refusal not to sign the Kyoto Protocol of 1997 has not dissuaded the countries of the world from coming to an understanding about the steps to be taken against this serious question of world warming. The representatives of 186 countries, of which 38 were industrialised ones, met under UN auspice at Bonn (Germany), came to an understanding and signed the Protocol. This is to come into force by 2002 and as soon as 55 countries duly sign and make it part of their National Law, including industrialised countries emitting 55 per cent of the polluting gas. This consensus has been reached in spite of the

THE QUEST FOR HUMAN PROGRESS

opposition from the United States shows its isolation.

Twenty five per cent of the total Green House Gases emission in the world is from the United States whose population is only four per cent of the world. The new energy policy of the US to use fossil fuels, without restriction, will further increase their share. Hence, for the effective control of world warming gases, it is the duty of the people world over to collectively pressurise and make the United States to fall in line.

GROWING PROTESTS

The powerful protest demonstrations against capitalist globalisation at Genoa, Italy before the G-8 summit has drawn world attention like that of Seattle. George W Bush, Tony Blair, Silvio Berlusconi and other heads of the seven most powerful imperialist countries along with Russia's Vladimir Putin participated in this meeting held on 19-22 July 2001.

In spite of the barricades and obstructions erected by the Italian police declaring that it is a war against the state, several lakhs of people of different avocations from all over Europe joined this demonstration. The main contingent was Italian workers and the youth, including communists and many NGO groups. A 24-year-old Carlo Giuliani was shot dead on the road with two bullet holes in his head. He was the first Italian to die in the fight against capitalist globalisation. It was also reported that a French woman has been killed while crossing the Italian borders for joining the demonstrations, besides many hundreds wounded with serious injuries. "Down with capitalism" was one of the main slogans of the demonstrators.

Thus, these demonstrations are a pointer to the working class movement for closing their ranks and intensify the fight against the capitalist system. The increasing crisis in the developed capitalist societies pauperising millions and millions of people, while the wealth is being concentrated in the hands of few capitalists, is invoking opposition and resentment against the capitalist system in a big way. This is the cause for such movements. These demonstrations not only attracted wide

sections of the people but their militancy is also on the increase. The workers and the youth are playing a leading role.

It is to be noted, these kind of demonstrations are spreading panic among those higher ups of the World Bank and its imperialist masters. The World Bank conference, scheduled to be held in Barcelona on June 25-27, has been forced to be cancelled because of the protest demonstrations planned against it. Thus, a new type of protest action is developing against capitalism.

GLOBAL CAPITALIST CRISIS

A serious crisis is haunting the world capitalist economy. Until recently, they were boasting that they are out to bring about a "crisis free capitalism", which is the only sustainable system. The theory of cyclical crisis was outmoded and not valid, in this hi-tech era, it was claimed.

The mighty economies of the world, those of the United States and Japan, which together accounts for 46% of the world's output, have plunged into recession, while the European countries are showing a sharp slowdown. Its impact is spreading all over the world. The stock markets everywhere were tumbling over the last one-year. Nearly 10 trillion dollars have been wiped off of the global share values. The NASDAQ too faced serious crash (information technology shares).

The mutually reinforcing economic recession in the US and Japan, the two mighty economies, has its global impact.

The US and Japanese economic slow down has its repercussions on European economy, due to the adverse impact on their exports.

It has serious repercussions on the other Asian countries since 37% of their exports were to America and Japan.

China stands out as an exception. Its growth is expected to be more than 8% this year, since their exports were only 23 % of their GDP and they were less dependent on hi-tech exports.

The developed countries are restrict imports, while aggressively pushing exports especially to the third world countries. The claim of building a crisis free capitalist economy is false. Capitalism is no answer for the quest of human progress.

Labour to define sexual harassment and frame rules to punish the guilty, the Ministry has merely defined the sexual harassment in a very casual manner. Punishment is not clearly prescribed for the crimes committed against women workers. Since most cases of sexual harassment are taking place when there are no witnesses, proving sexual harassment poses several difficulties for women. The authorities do not take serious action against such criminals.

INSTABILITY IN NDA CAMP

Telheka scam has given a big jolt to the NDA combine, which forced the President of the BJP, Bangaru Laxman and Union Defence Minister, George

Fernandes to resign. Despite attempts by the BJP to characterise the expose as a conspiracy against the NDA Government the people in general did not believe the BJP propaganda. Though an Enquiry Commission was appointed, it was clearly a white washing affair to cover up the misdeeds of the NDA Government. Some senior army officers were seen on the television camera accepting bribes in defence deals. This has exposed the dangerous play going on in the sensitive defence sector, causing serious doubts about the defence capability of the NDA Government itself.

The walking out of the Trinamul Congress and PMK out of NDA,

prior to the Assembly elections and their coming back to NDA after the elections, only underlined the fragile character of the alliance. The unprincipled admission of Ajit Singh in NDA keeping in mind the question of winning of Jat votes in forthcoming UP elections was openly opposed by the Haryana Chief Minister O P Chautala.

Developments in Manipur, where a drama of defection was engineered both by BJP and Samata party, ultimately led to collapse of Samata Ministry and BJP was set to form Government. It was only when Samata Party openly threatened to quit the NDA, a compromise was arrived at not to form any Government and

CITU WORKING COMMITTEE MEETING

PREPARE FOR A NATIONWIDE STRIKE ACTION!

Though the Central trade unions have unitedly called upon the working class to prepare for a countrywide strike action as early as in May 2001 no date of strike could be announced. The constituents of the Sponsoring Committee are prepared for a strike action but the leadership of INTUC and BMS have not yet given clearance to fix up the date for the all India strike. BMS leadership has indicated that they are ready for state-wide strike action or all India industry-wise strike action but, as yet, not for a nation-wide general strike. According to them some more preparation is necessary.

In several State level conventions the resolutions indicated support to the countrywide strike action. Yet it has not yet been possible to fix up such a date. INTUC and BMS leadership have shown their readiness for any other form of action short of strike and we are trying to fix a joint programme of action acceptable to them. We hope to involve them in such programme of action. However, there is need for a nation-wide strike action to press the government of India to change the detrimental policies they are pursuing. We have also to preserve the all-in unity that has been achieved in the trade union movement. We have played some important role in building this unity. It is also the desire of the working class to strengthen this unity.

At the same time we have to overcome the hesitation of some trade union leadership for going for a nation-wide strike action. The call has already been given and only date has to be announced. We have, therefore, to give proper emphasis to make massive propaganda at lower levels all over India so that a favourable situation is created to give a united call for a nation wide strike. Therefore while working unitedly for other forms of action we have to stress through our propaganda machinery for a campaign for a successful all India strike.

If we can make such a successful campaign among all sections of working class we shall be in a position to march towards a united call for a nation wide strike call which is already delayed inordinately.

GUJARAT EARTH QUAKE RELIEF

The devastating earthquake in Gujarat in January this year was one of the biggest national calamities, which had caused immeasurable loss of property and lives. The large-scale tragedy warranted massive help from the people since the State Government failed to provide any noteworthy relief. The corrupt contractor lobby has been minting money using the State funds allotted for earthquake relief. Our trade unions in many places of the country had already taken urgent measures of mass collection for relief of the earthquake victims. We had given a call to our State Committees to take all out initiative to reach to the widest section of workers and common people for the assistance of the distressed people of Gujarat. A donation of around Rs.5, 00,000/- (US\$1100) was received from Zenroren, a trade union of Japan, towards the relief fund. The other contributions we have received so far are as follows: -

STATEWISE COLLECTION OF FUND

CITU Central Fund	:	52,861.00	J. Ballabh	:	3,000.00
Rajasthan	:	1,00,000.00	Assam	:	10,000.00
Tripura	:	70,000.00	Maharashtra	:	7,60,413.40
West Bengal	:	1,00,000.00	Goa	:	47,960.00
Jharkhand	:	2,600.00	Bihar	:	5,438.50
Delhi	:	71,835.00	Karnataka	:	75,117.00
Tamilnadu	:	3,42,323.72	A.P.	:	51,977.50
Zenroren(Japan)	:	4,85,850.00	Total	:	21,79,376.12

Although the contribution appears to be partial, as many of the State Committees have not made any contribution yet, it is informed that Kerala and West Bengal have made contributions to the local funds jointly collected.

The CITU has decided to construct a school in a village in Maliya Taluka in Rajkot District (120 km from Rajkot). It is a village consisting of salt workers and other daily rated poor workers. The legal formalities in this regard are being finalised.

impose President's rule in the State. The Manipur crisis has only brought to the forefront the growing instability of the NDA combine.

In every such crisis, the TDP extracted a price for continuing support to NDA. Doling out huge funds for Chandrababu Naidu's pet projects in every crisis occasion has become a routine affair. Alkali Dal has also been extracting price whenever there is a crisis in NDA. Mamata Banerjee's periodic threats of resignation and BJP accepting her demands at least in words had become a common affair in NDA. Though she is about to join the NDA again, how long she

would continue is a matter of doubt as expressed by BJP leaders themselves.

The recent outburst of Sanjay Nirupam, a Shiv Sena MP, against PMO for its involvement in UTI scam has forced the Prime Minister to give a threat of resignation. The Shiv Sena in Maharashtra has openly threatened to break the alliance with BJP. Though Nirupam expressed apology, he stuck to his charge against PMO. Bal Thakare, the Shiv Sena supremo even threatened to go out of NDA if BJP persists in its policy. He reiterated the charges against PMO, which he said was *de facto* ruling the

country.

In a meeting of the Parliamentary Party of BJP, several MPs attacked the Finance Minister for his policies and the Prime Minister had to come out to defend him. Uma Bharati's statement that Ram Vilas Paswan would be India's future Prime Minister and the way she was criticised by BJP MPs indicate growing caste polarisation within BJP.

The NDA Govt. is taking the country down the disaster lane, socially, politically and economically. Sooner the motley coalition is ousted from power through intensified mass struggles, the better.

SEATTLE TO GENOA: FUELLING THEIR IRE

SEATTLE, Washington, London, Quebec City, Prague, Davos, Gothenburg, Salzburg and now Genoa. All these cities have seen street battles, riot police, tear gas, water cannons, rubber bullets, and sometimes real bullets in the last 18 months. And smashed plate glass windows, burning cars, stone-throwing masked demonstrators and space age police. To us sitting in this part of the world, it would appear as if the industrialised north has gone mad. With all that prosperity, what are these people protesting about?

Behind those street battles and the partial images projected by a sensation-obsessed media is a story of disillusionment and displacement that is relevant for us in the developing world.

PITCHED BATTLES

Last month, the Italian Government took elaborate precautions to prevent demonstrators from arriving in Genoa during the G8 summit. Commercial flights to the port city were suspended, trains were cancelled, the entire area around the summit location was sanitised and isolated and heads of state stayed on ships docked in the port rather than on land. Despite this, thousands of demonstrators arrived in Genoa, the majority of them with the aim of peacefully demanding an end to Third World debt.

Genoa, however, became the scene of pitched battles televised daily around the world. One demonstrator was shot

dead by the Italian police.

Should stones be met with bullets? Is violence inevitable if disparate groups of people - ranging from anarchists to environmentalists, women's groups, peace groups, organisations fighting for cancellation of Third World debt, human rights groups - all come together?

They are not just attacking globalisation but they have specific, constructive demands which have been voiced at every demonstration. Amongst these is the demand that the Tobin Tax (a tax on all global financial transactions) be introduced, cancellation of Third World debt, an open and transparent environment for investment, an intensification of the fight against financial piracy and tax havens and removal of European Union trade barriers against the Least Developed Countries (LDC).

WHY THIS CONCERN?

Why so many people in the West should be concerned about issues that do not affect them directly? People in rich countries like Norway could see the growing inequality even in their own society. "Europe is now much more exposed to the poverty of our neighbouring countries," he said. "The conflicts there come into our own country. That has triggered racism but also concern."

The ideology and motivation of the demonstrators cannot be easily categorised. The demonstrations represent the

anger and disillusionment of increasing numbers of people, young and old, with Western societies and economies that increase disparities and force increasing numbers of people into low-end temporary jobs.

The dominant characteristic of the economies of the industrialised West in the last decade has been the gradual process of de-industrialisation. Increasingly, corporates are closing down large plants, laying off workers with secure permanent jobs and outsourcing production outside national borders. In the countries where production centres have moved, the labour is usually non-unionised and temporary. Thus, for western corporates and multinationals, such a system minimises the risks and liabilities and maximises profits.

In 1977, 45,000 United States garment workers lost their jobs. She points out these factories closed down not because they were doing badly but because they could do better by outsourcing. Companies that were traditionally satisfied with a 100 per cent mark up between the cost of factory production and retail price have been scouring the globe for factories that can make their products so inexpensively that the markup is closer to 400 per cent.

Outsourcing production has coincided with the growth in temporary jobs in the West. What are now called "Mcjobs" are often the only option for thousands of young people

coming into the job market. Fastfood chains, shopping malls, chain bookstores and music stores all employ people on a temporary basis, sometimes paying less than the minimum wage. The number of part-timers in the U.S. has tripled since 1968. Of course, those providing temporary jobs actively discourage unionism and even penalise it.

These part-timers, young and old, also live in a world where manufacturing things has been replaced by branding. You do not buy canvas shoes anymore, you buy a brand. You do not brush your teeth with toothpaste anymore, you use a brand. You do not wear a shirt, trousers, underwear, socks anymore, you wear brands.

'BRANDS'-ALIENATION

But why should branding lead to alienation? Since many of today's best-known manufacturers no longer produce products and advertise them, but rather buy products and 'brand' them, these companies are forever on the prowl for creative ways to build and strengthen their brand images. Manufacturing products may require drills, furnaces, hammers and the like, but creating a brand calls for a completely different set of tools and materials. It requires an endless parade of brand extensions, continuously renewed imagery for marketing, and most of all, fresh new spaces to disseminate the brand's idea of itself.

Thus brand marketing has invaded every part of life in these countries. Even toilets in

colleges are plastered with advertisements selling a brand. Everywhere you look, you have brands staring down at you. The entire side of buildings has been sold for brand promotion. All this is apart from television, radio, newspapers, magazines, buses, taxis, trains - all carriers of brand messages.

The response to this onslaught of brands on people in the West has been a movement called "adbusting" which has taken various forms. From magazines that parody brands to guerrilla actions that deface brands or hack sites of corporates, all these have been signs of protest.

Through the 1990s, media exposes about the manner in which certain brands, like Nike, were actually produced in other countries also led to both consumer resistance and revulsion with the branded world. Stories of child labour, sweatshops using young women, poor wages and terrible working conditions appeared regularly in the western media. The products being churned out in these factories in developing countries were the leading brands in the West. People began demanding that corporations must be held accountable.

These expressions of protest are also part of a much more coordinated effort by environmental groups worldwide, human rights groups, those fighting for workers' rights and peace groups on a range of issues. The internet and e-mail have greatly facilitated such coordination across continents.

The anti-globalisation protests, in a sense, provided all these disparate groups an opportunity to come together and register their protest.

These are the first stirrings of a cultural backlash to globalisation whose effects are likely to be as significant and far-reaching as were the revolutionary movements for political democracy and market capitalism at the end of the 18th Century.

FUTURE TARGETS?

The number of people questioning the new globalised world economy is growing. The nature of the protests might change, given the type of violence seen in Genoa. The targets in future might not be such meetings - the WTO is holding its next meeting in Qatar to ensure that Western protestors are kept out - but could be specific corporations that symbolise the global economy.

What is important for us here is to pay heed to some of the questions raised by the protestors. Who profits and who loses in "the new branded world?" What is the real value added to our lives by the proliferation of brands? Is the consumer really king or are all of us becoming pawns in a huge "branded" game? Do we really want a world where rice, flour, vegetables, fruit, pens, ink, paper, clothes, shoes, chappals ... disappear from our vocabulary and we are left only with brands? Is this what poor countries like ours really need?

(KALPANA SHARMA in *The Hindu*,
5 August, 2001)

ECONOMY DERAILED !

Banks' NPAs touch Rs 72,000 crore

With the UTI scam coming into sharp political focus, there is rising concern in the Union Finance Ministry about other financial institutions and public sector banks which are likely to suffer substantial losses.

Though these are not necessarily clear-cut-scams, the latest information with the Ministry is that the gross non-performing assets (NPAs or simply bad loans) of public sector banks and all India financial institutions had reached a whopping Rs 71,928 crores by the end of March. Desperate attempts to recover the loans through a settlement process have not yielded any significant results, despite the chief executives and the board of directors of the institutions being provided considerable flexibility on the issue.

In most cases, the defaulting party is in no position to pay up and the Union Finance Minister, Yashwant Sinha, has finally asked the institution chiefs to see whether the big borrowers could be sent to jail for non payment.

The Ministry is, however, aware that sending the defaulting parties to jail could be a cumbersome process and even then there is no guarantee that the money can be recovered.

According to official definition, a loan becomes a non-performing asset when the interest on the loan is not paid for two quarters and the principal installment not paid for a year. After two years,

the non performing asset gets into the 'doubtful category and thereafter, it becomes an 'ethical error'.

The solution with the banks and financial institutions is to make provisions for the lost asset from the profits of the organisation. But for the Ministry, the problem is that with the outstanding NPAs being in the range of Rs 72,000 crores, the profits of the organisations would simply not be adequate to even cover a proportion of the bad loans.

Of additional concern to the Ministry is the fact that some of the institutions are now blaming the poor management of the economy for the mounting NPAs. Recently, in response to queries from a parliamentary committee, the Industrial Development Bank of India, IDBI, in a written reply, said the growth in the industrial sector had a positive correlation with the quality of asset portfolio of the IDBI. "One of the major causes of NPAs is the general recession in the demand for industrial products. The portfolio of IDBI in the last few years has been affected by recessionary conditions in certain industry sectors resulting from excess capacity creation, increased competition from imports (due to lowering of tariffs) and slow-down in exports following the South East Asian crisis."

(Alok Mukherjee in 'The Hindu', 29 July 2001)

Dismal growth in infrastructure sector

The infrastructure sector has recorded a dismal one per cent growth in the first quarter of the current fiscal, clearly not a good augury for economic growth during the rest of the year. With exports and overall industrial output also showing slow growth in the first quarter, it is evident that achieving the expected 5 to 6 per cent GDP growth in 2001-02 would be an uphill task.

The data for June released here today by the Union Commerce and industry Ministry shows the

infrastructure sector registered a poor 0.3 per cent growth as compared to a robust 8.7 per cent last year. The growth in the first quarter of 2000-01 was also at a healthy level of 9.3 per cent, which has crashed this year to one per cent.

Of the six infrastructure industries, four have recorded negative growth in June this year. These are crude petroleum, coal, cement and finished steel while electricity and petroleum refinery products have recorded positive growth. The

DISASTERS AHEAD !

electricity sector showed a marginal 1.5 per cent growth with a generation of 40.398 million units during June 2001, lower than the 5.1 per cent growth registered in the same month last year.

Petroleum refinery products is the only sector, where growth has been significant at 11.6 per cent as refineries processed 8.48 million tonnes of crude oil during the month. This is, however, lower than the 38.4 per cent growth recorded in the same month last year when crude throughput was 7.6 million tonnes.

The coal sector recorded negative growth of 3.9

per cent with production estimated at 22.2 million tonnes, as against 5.5 per cent growth rate and 23.1 million tonnes coal production in June last year.

The cement industry had a negative 0.1 per cent growth as against 7 per cent increase in output in the previous year.

Crude oil production fell by 7.5 percent with output at 2.48 million tonnes during June 2001 as against 0.7 per cent growth in the same month last year with production estimated at 2.68 million tonnes of crude oil.

(The Hindu 25 July 2001)

More bad news....

There are more bad news for the Indian Economy on Friday with the quick estimates of the index of industrial production(IIP) showing a further dip in industrial growth to a dismal 1.5% in June this year against a 5.9% in June last year....The slowdown in industrial growth has continued unabated month after month in the first quarter(April-June) of the current financial year. The dismal growth of 2.1% in the first quarter this year means "near stagnation", a phase before the start of actual decline in industrial production. In number of industries like basic goods and industrial machinery, there was already an actual fall of production in June this year. The mining sector saw a production decline of 3% compared to a growth of 4.4% in June last year.

In manufacturing, accounting for a two-thirds

weightage in overall industrial production...the growth was a meager 1.9% compared to a 6.1% in June 2000.....

During the first quarter of the current financial year, export growth plummeted to 1.7% from 28% a year ago. Exports actually declined by 4.6% in June this year.

The key reason, even conceded by Finance Minister Yashwant Sinha, is lack of demand in the economy... Also, there is hardly any investments in creating new industrial capacity. Industry Chambers have reported massive idle capacities in various industries, primarily because of demand constraint.... Economists said all these add up to worries about the overall economic growth this year.

(Times of India, 11-08-2001)

Industrial Slowdown Worst in Seven Years

The industrial slowdown is not only sharp, it is long and widespread too. The current slowdown in industrial growth is worst in the last seven years....in terms its longevity, magnitude and spread.....The current slowdown is much more stubborn than the 1988 slowdown....On calculating a moving series of six monthly growth rates, it is seen that the average growth during January-June 2001 was just 2.7%, which is the lowest growth for any consecutive six month

period since 1994.

The recent data also show that about 46% of the industrial sector witnessed a decline of output in June 2001. The negative zone includes industries such as food-products, cotton textiles, textile products, paper products, metal, machinery and mining....

The current industrial slowdown is not about few ailing sectors and may not be effectively reversed with any sectoral packages.....

(The Economic Times, 16-08-2001)

A PRESCRIPTION FOR PRIVATISATION OF RAILWAYS

The interim summary report of the Government-appointed Rakesh Mohan Committee has been submitted to the Railway Ministry in February, 2001. It has advocated far-reaching changes in the structure of the Railways, one of the biggest rail networks in the world and, with a workforce of more than 15 million people, the biggest employer in India. The report is a prescription of privatisation as a medicine for all ailments afflicting the Indian Railways. The Committee's final report is also expected to follow soon.

The Rakesh Mohan Committee envisages an "impending financial crisis" and dwelt at length on the Government's fiscal problems. The "logical" conclusion is that the Government can no longer perform its main role as an investor, by continuing as the owner and operators of the vast rail network.

PRIVATISATION CAMOUFLAGED

But, international experience of Railway privatisation has, perhaps, forced the Rakesh Mohan Committee to camouflage its advocacy under the nomenclature of "commercialisation", rather than outright privatisation, of the Indian Railways, in a process spread over the next seven to eight years. The Committee has, inter-alia, observed that:

* Rail finances are precarious because investments in the Railways have not resulted in commensurate revenue growth.

* The increasing recourse to market borrowings to fund investments has been accompanied by a "saturation" of freight traffic, especially on the Golden Quadrilateral linking the four Indian metros.

* Rising "employee costs, poor productivity and declining budgetary support have compounded the problem", says the Committee.

* The growing mismatch between revenues and costs has prevented the Railways from providing funds for even essential functions such as track repair and maintenance.

* A result of the poor state of finances is that the Railways' unpaid dividend to the Union

government has accumulated to nearly Rs.2,500 crores.

* The "efficiency of investment" is low in situations where there is "little connection between cost of funds and returns on investment". Given the state of finances of the Government and the Railways, efficiency is the key factor which will determine the health of the Indian Railways.

The Committee has recommended corporatisation aimed at ensuring an 'arm's length' between the owner (the Government) and the functional entity (the Railways). The Railways' functioning as a Government department has affected its commercial performance, making it take on more than it can possibly chew. The Committee has suggested a division of core and non-core activities. Among the non-core activities are the Railways' own production, manufacturing and repair centres, catering services, and educational, medical and other welfare facilities for its workforce.

DISASTROUS PRESCRIPTIONS

The Committee has recommended that the Railways' off six major production centres be hived off. They are: 1) The Integral Coach Factory. 2) The Coach factory at Kapurthala. 3) The Chittaranjan Locomotive Works in West Bengal, which manufactures electric locomotives. 4) The Diesel Locomotive Works in Varanasi. 5) The Wheel and Axle Plant near Bangalore. 6) The Diesel Component Works in Patiala.

The Rakesh Mohan Committee has also some thing to "offer" for the passengers. It has called for second class passenger fares to be increased at an annual rate of 8 per cent in the next few years!

The Rakesh Mohan Committee has suggested the formation of the Indian Railway Regulatory Authority, similar to the Telecom Regulatory Authority of India (TRAI). The Authority will not only play the role of a "neutral" umpire in a field which will be opened up for new private players. The Committee has advocated sweeping legislative changes to prepare the ground for it and to reflect the separation of the commercial

and social objectives of the Railways. Such changes are envisaged within a year of the restructuring exercise.

The 'phased' privatisation process outlined by the Committee comprises the following. In the first three years, start the restructuring of non-core activities and to revamp the Railway Board to reflect the organisation's status as a commercial entity. Introduction of competition in the sector by allowing the large-scale entry of private entities in railway operations in five years. "Ten years from now there will be multiple owners, multiple funders, multiple customers and multiple managers. The governance of the many railway-related business in India needs to be redesigned in much the same way that airlines, telecommunications and utilities are managed and regulated."

In fine, multiple private operators, both domestic and foreign, will be allowed to reap fortunes on the infrastructures created with the public money. Common people will be further squeezed in the post-commercialisation dispensation. The present provisions for freight concessions on essential goods transportation will be phased out, placing further burdens on the people.

The restructuring exercise would involve huge investments. The Committee envisages investments in the Indian Railways to the tune of nearly Rs.130, 000 crores between 2001 and 2016. It is implied that the funds will have to come from multilateral funding agencies, possibly the World Bank. The Committee commends that the multilateral and external financing routes offer advantages because it binds the Union government and the Indian Railways to a structured reform programme. The Report says: "The primary benefit of conditionality-linked loan and preference capital programme from the government is that it provides a means by which a reform-minded government can publicly commit policy measures and send a signal that the reform programme is credible." ... "Conditionalities guard against the possibility of a reversal" of the programme and "reduce market uncertainties".

DISMANTLING RAILWAYS

In essence, this is the latest report on dismantling the railway's existing administrative, financial and

physical structure and drastically curtailing employment on the railways. The railway employees and enlightened public are aware that reports of several committees preceding the present one were fully or partly devoted to the same exercise, at least some aspects of the same exercise. One of course remembers the (in)famous Prakash Tandon Committee report, which gave the prescription of demolition of the structure relating to different functions of Indian Railways. Then came the World Bank report on Indian Transport with similar prescriptions, and with emphasis on drastic staff reduction. Privatisation was the common thrust. The Fifth Pay Commission also had major thrust on staff reduction. Commercialisation is, of course, a relatively older concept developed by Govt. quite some time back, which has been running through almost all these reports in some form or other but was elaborated in the Freight & Fare Inquiry commission.

None of the reports was fully implemented. Among the various factors that prevented the full implementation are the fear of adverse political fall out, bureaucratic vested interest and, of course, hesitation in going for a head on collision with 15 to 16 lakh employees. Although for political consideration the rulers in India might have wanted to avoid haste in implementing these reports, the IMF-World Bank-WTO pressure appears to be stronger. It is now certain that the NDA Govt., which is overzealous in pleasing US imperialist rulers, will go in for implementation of these reports in a massive way. Their recommendations for structurally dismantling the railways, to privatise most of the components of the existing structure and many processes of operation after a phase of corporatisation and to drastically reduce the staff, for which purpose Voluntary Retirement Schemes are on the arrival. The Railways are already running largely on commercial basis with dwindling budgetary support.

The railwaymen, their trade unions and the working class can not remain as on lookers at this specious attempt to demolish the existing structure of Indian Railways and to wipe out several lakhs of railway jobs, throwing out existing employees in proportion.

UNIT TRUSTSCAM: A CRIMINAL BETRAYAL

Ardhendu Dakshi

The Unit Trust of India (UTI) was the second most trusted name for any Indian who wanted to save some money for bad days or old age, next only to the Post Office. The Post Office offers National Savings Certificates, or Kisan Vikas Patra, or Indira Vikas Patra on fixed interest rate contract and, in most cases, with fixed maturity norms. The Unit Trust issued units to subscribers that earned "dividends" which were usually much above the Post Office interest rates. The other great benefit was that the units could be encashed any time of the year, but preferably after July every year, when "dividends" were declared and paid.

Enterprising middle class and lower middle class people looked towards The Unit Trust and Post Offices for their savings because both were "Government" concerns and there was no case of default on payment of any kind whatsoever. People trusted in these two institutions for the safety of themselves, their families and their children, and of course, their money. And it was really a peoples' participation because almost every salaried employee, even daily wage earners, knew about NSC, KVP, IVP or Unit Trust, that these provided one with some security and stability in an hour of crisis.

HOW DID THE UNIT TRUST WORK?

The Unit Trust collected money from subscribers, known as unit holders, and loaned or invested that money in trade, commerce, industry and, some times, in Government bonds etc. The UTI obviously did the lending at higher interest rates and earned good profits, from which it disbursed 'dividends' to the buyers/subscribers. It also invested selectively in industries where a good return was more or less guaranteed. On the whole, earning from investment was also steady and good despite some risks now and then in business. It was going on smoothly since 1964 till about 1994, a full thirty years, and earned the confidence of the average Indian.

THEN CAME GLOBALISATION

After the initiation of the New Economic Policy,

the World Bank and International Monetary Fund (IMF) "experts" descended on India in hordes.

They started advising the Government of India on how to build "people's capitalism"! Their main thrust was that capital must be formed in the stock (share) market and not through loans from LIC, or Banks or Unit Trust and so on. People should buy shares, start enterprises, take risks and only then could India be developed like the "great America". And the Government of India obliged readily.

The Stock Markets were modernised (they sold a lot of computers and other systems), a large number of young boys and girls were drawn in to work as sub-brokers (*dalals*) and agents. Initially some people earned some money. That lured others to the share-bazaar. But thereafter it was only a matter of cheating and defrauding the innocent, common people. After losing heavily in this gambling, partly due to the manipulation by brokers and owners of companies, the ordinary investors rapidly withdrew themselves and "people's capitalism" collapsed before it could start. But the Government of India had to please the World Bank and IMF. So, among many other steps, LIC, State Bank and Unit Trust were told to invest heavily in the share market, through what is known as "Mutual Funds". This was the beginning of the fall of the Unit Trust of India.

SHARE MARKET: THE GREAT ROBBERY

How does the Share Market work? 99% of Indians do not bother to find out or are unable to understand its working. Simply speaking, there are two broad types of activities. One can buy some shares of a company and sit tight only to earn dividends, whenever and whatever is paid, (usually once a year). The other one is speculative trading of shares, which is pure and simple gambling and is most dangerous. People "book" shares of different companies for, say, seven days, after which they must sell them. If the prices go up then, fine, they make huge profits. If prices go down - they are broke.

The Unit Trust used thousands of crores of rupees

for this speculative gambling at the behest of the Government of India. The State Bank and LIC and some others had withdrawn from such business a long time ago, but the Unit Trust, being under the control of the top BJP leadership, continued recklessly in this business and lost thousands of crores of "people's" money in the last few years. As a result, the unit holders will not only lose dividends but also a part of their principal amount. Units purchased at the rate of Rs. 15.00 last year will get one only Rs.10.00 now. What a great loss to the common investors!

This diversion of hard earned money saved is not authorised by unit holders, who never wanted to venture into speculative activities. If they had so wanted, they had other options. It was the World Bank and the IMF who dictated that the UTI must "strengthen" the share market. These institutions still want the huge monies held in the Provident Fund and Pension Fund to be invested in the share market, which has been stoutly opposed by the trade unions. That the Government of India is an active collaborator in these designs is clear from the proposal of the Finance Secretary that Pension Fund and Provident Fund money should be diverted to the share market. They are out to rob every Indian of his or her savings by any means.

WHO IS RESPONSIBLE?

The Finance Minister, Yeshwant Sinha is telling lies. He knew everything. Whenever share market prices went down, because there were no buyers, Sinha pressurised Unit Trust to do heavy buying to boost the market. Moreover, the Unit Trust money was used to buy shares of companies favoured by BJP at very high prices. The list is endless. The latest case is Cyberspace Infosys, a fictitious company run by a friend of Vajpayee, named Jouhari, of Lucknow, whose shares worth 5 rupees, were purchased by the Unit Trust at Rs. 970 per share! The loss to the unit holders and the corruption are both astronomical. The BJP led Government and its Ministers have used the hard earned money of more than two crore Indians, as if it were their own private property. Almost every middle and lower middle class Indian family will lose thousands, if not lakhs of rupees, due to this deliberate swindling by

these corrupt, dishonest rulers of this country. Thirty years of trust have vanished in ten years of globalisation.

CRIMINALITY UNLIMITED

There is something more that every ordinary Indian should know. By the month of March this year, when it became clear that the Unit Trust had lost heavily and was in no position to give its holders the assured return, the Government secretly advised the big business houses to withdraw their money from it. The latter quietly withdrew more than Rs.4000 crores in April itself, when the common people were in the dark. In another instance, just five Mauritius based companies have taken out about Rs.3677 crores from India by trading shares in the market for which the money came mainly from the Unit Trust of India. So, this loot will go on. The big corporate houses, the foreign companies, continue to loot whatever the small households in our country save. Our men miss a good meal, our women miss decent clothes, our children miss a good education, just to save some money for a rainy day. And this is where and how the saved money is going. It makes your blood boil to see this great robbery of the hard earned savings of the people of India!

23 MANUFACTURING COMPANIES AXE JOBS BY ONE SIXTH IN TWO YEARS

Twenty three companies in manufacturing sector have cut their workforce by a whopping 40000 in the last two years amounting to 16% of their total staff strength earlier..... Leading the pack are two TATA group companies....TELCO reduced its employee strength by 9375(26.3%) and TISCO by 10414(17.58%)...Bajaj Auto reduced its strength by 25.64% , Voltas by a hefty 41.61%, Philips India by 35.44%, ABB by 28% and Zuari Industries by 27.7%. L&T, reliance and Hindustan Zinc also reduced manpower by around 1500 each....

(Business Standard, 18-08-2001)

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HARYANA TUs PLAN JOINT ACTION

Following the State level convention of all the central trade unions, functioning in the State of Haryana on 4th July at Panipat, against anti-worker and anti-people policies of the Central Govt., the trade unions in Haryana also decided to build strong Statewide joint movement against the anti-worker policies of the Chautala Govt. in Haryana.

All the central trade unions viz., AITUC, INTUC, CITU, HMS, UTUC-LS and BMS met on 29th July at Faridabad to decide on the State level joint action plan.

As decided in the said joint meeting, a joint delegation of all the trade unions met the Labour

Commissioner of Haryana at Chandigarh on 6th August 2001 and submitted a memorandum. It recorded the trade unions' strong opposition to the policies of the Haryana Govt. These relate to statutory minimum wages, non-implementation of labour laws, police repression on the trade unions, malfunctioning of the grievance settlement machinery non-representation of the central trade unions in the State level tripartite committees etc. Unlawful retrenchment and lock-out, being recklessly resorted to by the employers in various industries with active indulgence of the State administration was also protested.

In the joint trade union delegation of 6th August, Satveer Singh, Ramchandra Sibas (CITU), Jangbahadur, Jnanchandra Gera(BMS), Darshan Singh, Ajit Singh Bagri(AITUC), Shri Nagesh (HMS), Hariprakash (UTUC-LS) participated, besides others.

A massive joint dharna by all the trade unions was also organised before all the district headquarters all over the State on 20th August. Decision has also been taken to hold a State level joint demonstration in the State capital at Chandigarh at a later date to be decided jointly.

MASSIVE DEMONSTRATION AT DHARUHERA

The Dharuhera industrial belt of Haryana witnessed a massive demonstration of more than five thousand workers on August 15, 2001, against the repressive measures by the administration in connivance with the mill-owners and unlawful lock out in East India Syntex Ltd.

The East India Syntex Ltd, a textile

mill in Dharuhera was suddenly locked out without any notice by the owner on 13th August 2001. The employer gave no notice, nor paid salary to workers for the month of July.

A huge rally of five thousand workers from the adjoining factories demonstrated before the factory gate, braving huge police

mobilisation. Therefrom, the workers marched in procession along a 7-kilometer route, to converge in a huge mass meeting before the gate of Pashupati Spinning Mill. The rally was addressed by Hannan Mollah, MP, Tapan Sen, Secretary, CITU and Satveer Singh, General Secretary of Haryana State CITU.

VARANASI: UP WORKERS DEMONSTRATE

Thousands of workers from various industries and establishments at Varanasi demonstrated before the Regional

Provident Fund Commissioner (RPFC)'s office on August 10, 2001. They protested against the malfunctioning of the PF office

and harassment of the mass of the workers in getting their loans and PF dues and other services from the RPFC office and the corrupt

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practices of the officials.

After the demonstration a memorandum was submitted to the RPFC demanding immediate

steps for improving the functioning of the RPFC office and curbing of corrupt practices etc. The rally was addressed by Kamalapati

Tripathy, Secretary of Varanasi District CITU and other CITU leaders.

IISCO WORKERS STAGE RAIL ROKO

The workers and officers of IISCO staged a massive rail roko demonstration for one hour at Asansole on August 13, 2001, demanding immediate steps for revival of IISCO. The SAVE

IISCO COMMITTEE, comprising the IISCO unions affiliated to AITUC, CITU, HMS, INTUC and BMS and the IISCO Officers' Association, gave a call for the said demonstration against

the inaction of the Steel Ministry and SAIL management to finalise the revival package of IISCO, languishing in BIFR since long. Workers from other industries also joined the demonstration.

34 DAYS SUCCESSFUL STRIKE BY BIRLA WORKERS

2800 workers of National Engineering Industries, Jaipur owned by the Birla Group staged a heroic 34 day-long strike action against suspension of the CITU leaders, including the President and General Secretary of the union, from 6th July 2001.

The CITU affiliated NEI Workers Union representing overwhelming majority of the workers in the factory was a recognised union in the factory. The Birla management tried to unilaterally change the service condition of the workers, ignoring the constructive suggestions of the union. The game plan of the management was to undermine the union before the workers. They formed a pocket union of their own and got that affiliated to BMS. The workers protested such arrogant action of the management and refused to oblige the management

in all the departments. At this, the management got furious and suspended 11 leaders of the union, including the President and General Secretary on 6th July. This led to spontaneous strike by almost all the workers since 6th July itself.

The management tried to linger the strike situation by taking an arrogant attitude in the conciliation proceedings and also to frustrate and terrorise the striking workers by arranging police repression on the striking workers by the State Govt. machinery, besides creating constant provocation through their pocket union there. But all the games of the Birla management failed and workers *enmasse* carried on their strike action with determination for 34 days. Even the intervention of State Labour Minister in favour of the employer did not weaken the determination of the striking workers. Rather, the

heroic strike of the workers had drawn support of the common people in the State.

In such a situation, the Congress led State Govt. was compelled to issue orders, under sec 10 (k) of the Industrial Disputes Act on 8th August, to revoke the suspension orders on the union leaders, take them back to work and pay the unpaid salary for the month of June. Initially, the Birla management thought of challenging the order in High court, but had to relent seeing the determination of the mass of the workers to carry on the strike action. They had to withdraw all suspension orders and the workers went back to work victorious. The Rajasthan State Committee of CITU played an active role by supporting the strike action and mobilising Statewide support.

(Report by Ravindra Shukla)

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DELHI : MUNICIPAL WORKERS UNION CONFERENCE

The 30th Conference of the Municipal Workers Laljhanda Union was held in the community centre hall at Lajpat Nagar, New Delhi, on 6th August 2001. M K Pandhe, General Secretary, CITU, inaugurated. In his address Pandhe pointed out the game plan of the IMF/World Bank dictated economic policies pursued by the NDA Govt. He said that as an integral part of that policy, all the public services will be privatised and the municipal workers will also have to face the same onslaught. Strengthening and widening the

countrywide united struggle of the working class and common people against such disastrous policies is thus a most important task before the municipal workers and they must add their full strength to those struggles, Pandhe asserted. At the same time the union must try to mobilise workers of all affiliation in the workplace-based struggle against privatisation of municipal services.

Virendra Kumar Gaur, General Secretary of the union, placed the report on activities and movement since last conference. Total 254

delegates attended the conference. 10 delegates took part in the deliberations on the report. The conference elected a 40 member working committee and a 15-member secretariat with Jnanendra Singh as President, Virendra Kumar Gaur as General Secretary and Puranlal Sharma as treasurer. Mohan Lal, General Secretary of Delhi State CITU, delivered the concluding address calling upon the union to strengthen and widen the activities and be able to face the forthcoming challenges facing the workers.

STRIKE OF STATE & CENTRAL GOVT. EMPLOYEES

The growing discontent among the Central and the State Government employees was reflected in their opposition to privatisation and corporatisation, downsizing, contractualisation and casualisation of jobs, amendments to the labour laws and the anti-national economic policies of the Government of India. A well attended convention held in New Delhi on 27th May 2001 gave a call for one day strike on 25th July 2001. CITU participated in the convention and supported the decision of strike. Despite best efforts, could not be secured the support of all the central TUs for this strike action. The strike however, covered 80 lakh state

government employees, 15 lakh central government employees and 10 lakh teachers who were also agitated on the issues involved.

Though the response to strike was not uniform all over the country, it was total in Maharashtra, West Bengal and Tripura. In Kerala, Tamil Nadu, Bihar, Jharkhand, Haryana, Chhattisgarh, Pondicherry, UP and Uttaranchal the success varied from 60 to 80 per cent while in other States it was partial.

In all the States, the CITU unions fully cooperated with the strike. The strike would have been more effective if other trade unions would have supported the call. One important aspect of the strike that

it received support from British TUC and several organisations in USA, Europe, Africa and Bangladesh.

Sukomal Sen, General Secretary of All India State Government Employees Federation and TUI Public & Allied Employees, in a press release, congratulated the employees for the successful strike.

The unity of the State and Central government employees achieved in this strike should be preserved. In the future all India action programmes, this strata constitutes an important element in carrying forward the struggle against privatisation, liberalisation and globalisation policies.

GENERAL INSURANCE: GOVT. MOVE OPPOSED

The All India Insurance Employees Association (AIIEA) has submitted a memorandum to the Lok Sabha Speaker and thereafter met various Members of Parliament and requested them that the move to amend General Insurance Business Nationalisation Act 1972 would weaken and destabilise the general insurance in public sector. The proposed bill contemplates:

(i) Taking away the powers of the GIC to be an Insurer and withdrawal of GIC's functions to supervise, control and assist the general insurance subsidiaries;

(ii) Making GIC as an exclusive re-insurance company and

(iii) Delinking GIC from its subsidiaries, which are proposed to be made independent companies.

A delegation of the AIIEA met Members of Parliament belonging to different schools of thought and prayed for examination of the issue afresh. They were also requested to keep in view the recommendations of Committee on

Public Undertakings, which considered and approved the report in their sitting of 15th May 2001, chaired by Vijay Kumar Malhotra. It was laid on the table of the House on 31.7.2001. It had recommended "that the Government should merge all the four subsidiaries of the General Insurance Corporation with the main GIC and also create a separate new corporation for the purpose of carrying on the business of re-insurance."

The delegation also brought to the notice of the Speaker and the MPs that departures have been made and the assurance given by the Finance Minister during the discussions on the IRDA Bill had been diluted while issuing regulations. They also brought to their notice the inadvisability of bringing in Brokers in Insurance arena, whereby the Brokers will have the powers to collect premium, issue document, settle claims, deduct commission and service charges, etc and transfer

the surplus, if any, to the Insurance Companies. They pointed out that Managing General Agents in USA, who were similarly placed, played havoc, which led to bankruptcies, scandals and frauds. The AIIEA has appealed to the Government and the MPs to get the matters examined in greater detail.

AIIEA brought to the notice of MPs the write-ups in the house magazines of the Insurance Industries and recommendations of the consultants of international fame who had gone into the subject. AIIEA has requested to get the matter examined in national interest and till such time the move be kept in abeyance. When the IRDA Bill came up for discussions, the nation and Parliament were not told that GIC would not longer be an insurer and the four subsidiaries would be made independent. The House was assured that GIC & LIC would grow and there was no question of losing business, BUT both couldn't go together.

VRS - STAN-CHART STYLE!

The Standard Chartered Bank had taken over, with sanction from Reserve Bank, all the business of Grindlays Bank by way of purchase about two months back. It has floated a Voluntary Retirement Scheme—the 5th in 6

years—to lure the employees out of the bank job.

Since expected number of employees in Kolkata did not apply for VRS, despite the fact that the compensations offered were much higher than those

offered on the earlier occasions, the management became wild and angry. When all intimidatory attempts failed to achieve the results, the management started attacking the employees in a dehumanised manner.

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Even though Grindlays and Standard Chartered Banks maintain outwardly separate identities, the administrative command is one and the same.

In Grindlays Bank, the management transferred overnight some employees to their Darjeeling Branch—an act never done in the life of the Bank during the last 100 years or more. When the matter was taken up with the Regional Labour Commissioner (C), the management contemptuously ignored the RLC's letter and advice, challenging in the process the authority of the RLC and his powers. The concerned transferred employees took leave. Their names were struck off from the Muster Rolls, salary payment has been refused. As some of them had applied for medical leave, they were immediately asked to present themselves before a Medical Board and were also threatened with disciplinary actions.

In Standard Chartered Bank, the management's actions were more brazenly savage, devoid of elementary humanism and human

considerations. In Standard Bank in Calcutta for more than 2 years about 200 employees have been secluded and made to sit idle in a room called "Banking Service Division" without any work. There is neither banking nor service. The management of the Bank, however, have outsourced a lot of normal routine work. The number of employees of outside agencies working inside the premises of Chartered Bank building at Netaji Subhas Road, Kolkata is much more than the number of permanent regular employees!

Since most of these employees have refused to accept VRS, the management, as a revengeful act, transferred them to two places - one at Metiabruz and another in a rural area beyond Eastern Bypass in Kasba. The Metiabruz premises is about 20 kms away from Calcutta BBD-Bagh by bus and thereafter another 15 minutes' walk on foot. A godown has been taken on rent with asbestos roof with mud-floor. There is no branch of Standard Chartered Bank

anywhere within a distance of 15 kms or so. The other premises taken is beyond Eastern Bypass behind Ruby General Hospital. This premises is also no better than the Metiabruz one. Even a cowshed or a bound for animals has got better amenities.

The conduct of the management of Standard Chartered Bank is dehumanised. Even when India was under British rule and there were no unions and the bank was managed by Europeans, never such inhuman attitude was there. There was exploitation, there was repression but not to this extent or of this degree.

It is strange that in today's free India, a British owned Bank management is treating their employees in this sub-human way. The management does not care for the Government, Reserve Bank of India, Labour machinery, the unions or employees. Getting rid of the employees is their objective and no means is mean to them to achieve this objective.

(Courtesy: AIBEA Circular)

PROTEST AGAINST RAKESH MOHAN COMMITTEE

The Northern Railway Mazdoor Union (NRMU) had launched an intense campaign to protest against non-filling up of vacancies, non-creating of additional posts for additional work, indiscriminate surrendering of posts, privatisation and contractorisation on large scale and the recommendations of the

Rakesh Mohan Committee. Seminars on the Rakesh Mohan Committee reports were organised in all the divisions. The seminar in Mumbai, held on 28.7.2001, was addressed by M K Pandhe, General Secretary, CITU, Bagaram Tulpule, (HMS), Suryakant Bagal, (HMS), K L Bajaj (CITU), C S Menon,

WREU, Shete of Maharashtra State Government Employees Association and R P Singh of the Confederation of Central Govt Employees. The union had put up hoardings at many important stations to forewarn the travelling public of the many adverse effects of the recommendations of the Rakesh Mohan Committee.

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NTC WORKERS DEMONSTRATE

About three thousand workers of the Public Sector National Textile Mills demonstrated before the Ministry of Textiles at Udyog Bhawan on 2nd August, the whole day, demanding revival of the NTC mills of the country as per the unanimous agreement arrived at the Special Tripartite Committee in 1995.

The workers came from all the States where the Government proposes to close down all the NTC mills, like W.Bengal, UP, Bihar, Punjab, Madhya Pradesh, Rajasthan and Maharashtra. They represented all the Central Trade Unions, namely, AITUC, BMS,

CITU, HMS, INTUC, AICCTU, UTUC and HMKP.

Later in the afternoon, the Union Textiles Minister, Kashi Ram Rana had to come down to Udyog Bhawan to talk to the joint delegation. The delegation was led by three MPs, namely, Basudev Acharya, Tarit Topdar (both CPM) and Abani Roy (RSP) and included P.K. Ganguly (CITU), D.L. Sachdev (AITUC), R.A. Mital (HMS), Haribhau Naik (INTUC), Abani Roy (UTUC), Bhagwan Das Gondana (BMS) and others. The Government had earlier decided to keep only 25 mills running, out of 119 mills. Later it

increased the number to 42. However, the trade unions reiterated their demand for revival of 76 mills including the 51 partially sick mills. They further reiterated the demand for calling an official meeting of the NTC Committee, (which the BJP-led NDA Government had made defunct) to discuss this vital issue with the trade unions as was earlier done by the erstwhile Congress Government. The Minister assured to call such meeting in September. The delegation told the Minister that in case of his failure to call the meeting, countrywide agitation will be stepped up.

FAMILY PENSION IS NOT 'SALARY'

In the 'Tax Forum' column of 'The Hindu,' S. Rajaratnam, a tax law expert, has answered a question on whether Family Pension received by the spouse of a deceased employee be treated as 'salary' for the purpose of income tax. The question and answer is reproduced here, courtesy: 'The Hindu' (2 August 2001).

Question: On the death of my husband, I am employed in Central Government on compassionate grounds, though in a minor post. I am in receipt of family pension and my own salary. My DDO has treated both as my salary. I have pointed out that it should not be so done and that it is incorrect. Kindly advise.

Answer: Family pension received is in a capacity different from that of the employee. Such amount is assessable under Sec. 56 as income from 'Other sources' and eligible for standard deduction under Sec. 57 (2A) at 33 1/3 per cent of such income or Rs 15,000, whichever is less, while salary income is assessed as income from salaries under Sec. 16 of the Income-tax Act. Standard deduction is separate for each of them, so that ceiling will apply separately. The Law provides for aggregation of salaries of more than one employment only, where they are both assessable as salaries. Hence the clubbing of both family pension and salary income is incorrect for purposes of tax deduction at source.

In fact, tax deduction at source is only possible for salary under Sec. 192. Family pension, which is not salary, is not liable for tax deduction at source.

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

Sr. No	Centre	Apr. 2001	May 2001	June 2001	Sr. No.	Centre	Apr. 2001	May 2001	June 2001
1	Gudur	426	435	447	45	Amritsar	400	399	399
2	Guntur	426	425	438	46	Ludhiana	405	405	405
3	Hyderabad	427	437	441	47	Ajmer	447	450	450
4	Visakhapatnam	436	437	442	48	Jaipur	415	414	420
5	Warangal	449	456	465	49	Chennai	472	479	488
6	D D Tinsukia	388	386	384	50	Coimbatore	436	437	443
7	Guwahati	468	470	475	51	Coonoor	430	441	455
8	Labac-Silchar	370	371	374	52	Madurai	443	449	448
9	Mariani Jorhat	409	407	407	53	Salem	428	436	446
10	Rangapara-Tezpur	419	419	419	54	Tiruchirapally	462	464	480
11	Monghyr Jamalpur	415	403	404	55	Agra	416	417	415
12	Bhilai	397	406	415	56	Ghaziabad	465	468	469
13	Kodarma	364	365	367	57	Kanpur	442	443	449
14	Jharia	363	362	364	58	Saharanpur	410	416	422
15	Noamundi	404	408	408	59	Varanasi	470	474	477
16	Ranchi-Hatia	417	420	422	60	Asansol	413	418	421
17	Ahmedabad	452	457	464	61	Kolkata	465	465	472
18	Bhavnagar	473	486	488	62	Darjeeling	383	385	393
19	Rajkot	427	430	442	63	Durgapur	491	498	497
20	Surat	465	471	482	64	Haldia	491	490	492
21	Vadodra	442	451	459	65	Howrah	509	507	514
22	Faridabad	463	468	471	66	Jalpaiguri	402	404	408
23	Yamunanagar	422	425	427	67	Raniganj	390	392	399
24	Srinagar	495	497	502	68	Chandigarh	481	484	485
25	Bangalore	433	432	436	69	Delhi	526	527	533
26	Belgaum	469	477	486	70	Pondicherry	464	468	480
27	Hubli-Dharwar	442	448	454					
28	Mercara	450	452	460		All India	448	451	457
29	Alwaye	449	456	462		Additional Series of Labour Bureau			
30	Mundakayam	445	449	456					
31	Quilon	448	445	460	1	Kothagudem	446	457	473
32	Thiruvananthapuram	503	496	498	2	Himachal Pradesh	446	446	446
33	Balaghat	397	405	410	3	Bhilwara	459	457	458
34	Jamshedpur	415	416	416	4	Chhindwara	422	423	427
35	Bhopal	470	475	482	5	Tripura	420	430	433
36	Indore	468	469	472	6	Goa	546	550	554
37	Jabalpur	446	450	455					
38	Mumbai	521	524	530					
39	Nagpur	476	478	483					
40	Nasik	488	494	497					
41	Pune	507	514	518					
42	Solapur	458	461	470					
43	Barbil	406	412	414					
44	Rourkela	402	405	401					

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

TOWARDS SIGTUR CONFERENCE

The CITU is co-operating with fraternal organisations in other countries to launch joint movements on common issues facing the working class. In a conference held in 1999 at Johannesburg, it was decided to give a nomenclature "Southern Initiative Against Globalisation and for TU Rights. In this forum trade unions of all international affiliations are coming together to oppose globalisation. Trade unions from Australia, South Africa, India, South Korea, Vietnam, Philippines, Malaysia, Thailand, Indonesia, Mauritius, Brazil, etc, participated in the last conference.

A Preparatory Committee for the next conference was held at Perth in the last week of July this year that was attended by Chittabrata Majumdar, Secretary, CITU and H Mahadevan Deputy General Secretary, AITUC. The meeting reviewed the preparations for the Conference which will be held at Seoul (South Korea) from 5th to 9th November 2001. The Conference will be hosted by KCTU, which has played a leading role in the struggle against globalisation in South Korea. There will be a massive demonstration against globalisation in Seoul after the Conference.

This conference will be one of the important gatherings of the trade unions in the struggle against globalisation and for trade union rights. We are making efforts to involve trade unions in SAARC countries to join this conference so that in our neighbouring countries also the struggle will be further strengthened. If this forum can be further broadened it will be an important organisation in the fight against globalisation.

The CITU has decided to send a 20-member delegation led by the General Secretary to participate in the conference. We are also participating in the meeting of the Preparatory Committee meeting to be held at Seoul on 4th November 2001 which would give a final shape to the preparatory work of the conference.

It is hoped that the Seoul conference will be an important step in the worldwide struggle against globalisation and we should give necessary importance in its preparations.

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RESIST THE MOVE TO REPEAL SICA & ABOLISH BIFR

The Finance Minister had announced repeal of Sick Industrial Companies (Special Provisions) Act and winding up of the BIFR and the AAIFR. During the meeting of the tripartite Indian Labour Conference held in 2000, no one, including the employers' side demanded abolition of BIFR. Without any concern for the productive capacities in the sick industries being ruined, the Government moves for a fast track liquidation of these units.

Recently the Vajpayee cabinet is reported to have approved the proposal to repeal the Sick Industrial Companies Act (SICA). The BIFR will be abolished and replaced by National Companies Law Tribunal (NCLT), through amendment of Companies Act. It is obvious that the move is aimed at fast track liquidation of the Sick Companies and not their revival. It will give the private sector managements unrestricted liberty in their lusty game of reaping fortunes by making the company sick and throwing out the workers. The SICA had a provision for reporting to the BIFR by companies having their net worth eroded by 50%, which was mandatory. It had now been made voluntary for reporting to the proposed NCLT.

The Government had decided to constitute an insolvency fund, in the nature of a revolving fund to be levying a cess at 0.005% on the companies. The employers have already opposed this cess collection. This is reminiscent of the "National Renewal Fund" exercise, where almost the whole of it was spent on VRS. The proposed insolvency fund will also go towards retrenchment costs and other liquidating expenses, and not for revival.

The inordinate delay in disposal of the cases of sick industrial units by the BIFR has been made the plea for such hasty changes. But the major concern of the Govt. appears to be not the delay in revival but the delay in winding up the sick units. A scrutiny of the delay caused in disposal of various cases of industrial sickness, both in private and public sector, pending before the BIFR reveals that the basic reasons for such delays are different. The private sector owners aim to reap fortunes by making the company sick and getting the immunity provided under Section 22

of the SICA by keeping the creditors and the employees, even in respect of statutory dues at bay, while retaining control over the assets. The Government abdicates its role as promoters in reviving the sick PSUs. The Financial institutions and the Banks are eager to redeem whatever amount they can under one time settlement, rather than pitching for revival. The BIFR also has little teeth to discipline the erring promoters and the financial institutions. The infrastructure of the BIFR set up, as a whole, was absolutely inadequate, for which, again the Government must bear the blame. Instead of addressing these basic structural reasons for the ineffectiveness of the BIFR, the Government has opted for the short-cut opportunistic route of sending the sick companies to the mortuary, instead of nursing them back to rehabilitation.

This is nothing but the 'logical' outcome of the Government's own acts of closure/winding up of several vital public sector units. It is to be noted that in all such cases, the cost of closing down had been much higher than the cost of revival. Of late, the Union Labour Ministry has been liberal in granting permission for closure of industrial units. The present exercise to replace the BIFR with the NCLT is only to facilitate closures and winding up smoother and hurdle-free.

The problem of industrial sickness in India is the outcome of the faulty economic policies. It must be addressed with conscious revival-oriented measures, both at industry and policy-making levels. Wholesale closure of the sick industrial units will result in the loss of not only several lakhs of jobs but also in the built in productive capacities in the indigenous industries. This will only facilitate entry of foreign merchandise to the detriment of national interests. Many of the sick industries are in vital sectors of the national economy - including various import-substituting ones.

The trade union movement is totally opposed to the move to repeal the SICA and replace the BIFR by NCLT. We call upon all concerned to raise their voice demanding concrete measures to ensure revival of the sick industrial units in the country, both in public and private sector.