

THE WORKING CLASS

MONTHLY JOURNAL OF THE CITU

Pre-budget discussion

Fiscal and Economic Policies Criticised

In a pre-budget discussion by the Union Finance Minister Dr. Man Mohan Singh on 21st January 1992 the representatives of the central TUs strongly criticised the Government of India's fiscal and economic policies and demanded pro-people and anti-monopoly approach in formulating the forthcoming budget for the year 1992-93. On behalf of the CITU E. Balanandan, President and M. K. Pandhe General Secretary participated in the discussion.

While participating in the debate Balanandan noted that the Government of India had been refusing to learn from the experience of the recent past. According to official figures the industrial production showed a negative growth, the prices of essential commodities have been skyrocketing since the adoption of the new economic policies while the administered prices of diesel, coal, sugar, electricity etc have shown a steep rise. The steel prices have been decontrolled and the inflation rate increasing phenomenally. When the standard of living of the common man is already getting eroded any talk of further harshness in the budget would create an explosive situation in the country.

The CITU representative further attacked the economic policies which benefit the richer classes. The IMF and the World Bank dictated policies had opened the flood-gates for foreign monopoly capital which would only adversely affect the self-reliance of the country. If the budget offered more concessions to them it would only further reduce the economic strength of the country, he noted.

Balanandan while criticising the tax policies of the Government which hits the common people demanded imposition of more direct taxation and giving tax relief to the poorer sections of the society.

Referring to the growing industrial sickness the CITU pointed out that the Government of India's policies only aggravate the problem. If these policies continue the country would be witnessing only strengthening of recessionary trend.

When the capitalist system all over the world is showing clear signs of crisis talking of globalisation only adds to India's economic difficulties. The growing debt will only pose a serious threat to country while entering a veritable debt trap endangering the sovereignty of the country.

Most of the trade unions criticised the concessions offered to multi-national companies which would only crush the indigenous industries. They demand strengthening of the public distribution system so that essential commodities are supplied to the people at cheaper prices. The trade union representatives criticised the Government for its failure to check the inflation and unemployment in the country. The growing unemployment would only further slow down the economic growth and add to the problem of poverty in the country.

The trade unions criticised the growing non-development expenditure and proportionate reduction of the development expenditure.

The alarming phenomenon of black money was referred to by all the speakers who pointed out the total failure of the Government to check the black money in the country. When the Government was talking about resource crunch it did not touch the black-money holders who were only offered concessions after concessions to make the black money white. They also criticised the Government for not remaining firm in realising tax arrears from the major industrial houses. The tax collecting machinery is very much lukewarm to tax-evaders. Without taking stringent action against the parallel economy operation in the country the question of resources would always pose a problem before the nation.

Trade union representatives demanded imposition of income tax on landlords and affluent farmers who are accumulating huge wealth every year.

They demanded increase in the exemption of income tax limit upto Rs 50,000 in view of high prices and inflation. All the trade unions advocated

TUs Say 'No' to Retrenchment

The representatives of all the Central trade unions present in the meeting convened by the Chairman of the Inter-Ministerial Working Group on Industrial Restructuring at Yojana Bhawan on 16th January were unanimous and emphatic in their view that restructuring must not be for retrenchment but for creation of more employment. They made it clear that the working class would not accept retrenchment in the name of restructuring. The group set up by the Planning Commission had arranged the meeting for discussion with the TU representative on the terms of reference of the group which include, inter alia, the review of labour relation for liquidation under companies Act, procedure regarding rehabilitation of sick units by the BIFR, aspects relevant to overcoming obstacles to adjustment by industrial firms by way of restructuring, winding up, rehabilitation of workers through appropriate terminal benefits for their retraining and redeployment in alternative employment. The terms of reference and the introductory remarks of the Chairman did not leave the TU representatives in any doubt that the main object of the whole exercise was to persuade the TUs to accept retrenchment and all of them reacted sharply.

The CITU was represented in the meeting by M. K. Pandhe, General Secretary and Kanai Banerjee, Secretary.

Com. Pandhe said that the Exit policy was brought up for discussion without naming it. He asserted that the TUs were not prepared to discuss how the workers were to be retrenched. The TUs would contribute only in discussion on how to cure the sick units and run them. Pointing out how the existing industrial relations law and machinery were heavily loaded against the workers he said that exercise for changing the laws had already started in the forum of tripartite labour conference. He said that the company law must provide appropriate steps for preventing sickness by involving workers in the process. Workers should have power to prosecute the employer for violation of Companies law. He pointed out that making a unit sick had become a profitable business and at present there is no check on it.

He demanded restructuring of the BIFR and strongly opposed referring of the sick public sector units to it as the matter was pending with the special Tripartite Committee. Pandhe insisted on workers participation in management, on development of indigenous technology and technology appropriate to our condition. He asserted in conclusion that for workers compensation is not rehabilitation, they need work and not dole.

It was asserted by TU spokesmen that the Boards of Public Sector units were largely manned by Govt. officials. So the Govt. was responsible for sickness.

CITU Condemns 'Ekta Yatra' by BJP

The Secretariat of the CITU has issued the following statement on 9th December 1991.

The Centre of Indian Trade Unions condemns the BJP for its decision to start the so-called Ekta Yatra from Kanya Kumari to Kashmir on December 11.

This is the second time that the BJP has embarked upon the dangerous path of dividing the people on communal lines totally ignoring the democratic opinion in the country. Last year L.K. Advani did the same thing as the President of BJP, his Ratha Yatra from Somenath to Ayodhya and spread the communal virus throughout the country. The communal riots that took place, beggar all descriptions. It is reprehensible that this time the present President, Murali Manohar Joshi is going the same way with the danger of creating another blood bath on the minority community. The fact that the Party has launched this programme in the name of 'Ekta Yatra', and threatened countrywide 'agitation' if it is permitted, not only exposes its perverted concept of 'Ekta' but also portends fascist overtures in its approach.

Over and above, this dangerous programme has been taken up by the BJP at a time when the working class and the toiling people are trying to develop united struggle against the two-pronged attack launched by the imperialist agencies on India to subjugate its economic sovereignty and to destabilise it by boosting the divisive forces. The BJP's 'Ekta Yatra' will only help imperialism in its conspiracy to further destabilise the country and at the same time divert the people's attention from the retrograde IMF dictated economic policies of the Government, which are being supported by the BJP.

The CITU demands of the Narasimha Rao Government to stop this 'Ekta Yatra' forthwith and warns against any soft pedalling on the issue, which will only expose its tacit understanding with the BJP.

The CITU calls upon its unions and appeals to the working class and all trade unions irrespective of affiliations to unitedly resist the move by the BJP and guard against any communal flare up on the issue.

Why should the workers be penalised, they asked.

All the representatives voiced their opposition to economic policies of the Govt explicitly or impliedly.

Trade Union Reject Government Note on National Renewal Fund

The meeting of the Special Tripartite Committee held at Delhi on 20th January 1992 failed to discuss the Concept Paper on National Renewal Fund prepared by the Government of India as all the central trade unions were opposed to it.

The Concept paper talked about retrenching over 4 lakh employees employed in the so called sick units in the public sector. The trade union representatives unanimously opposed to every retrenchment/closure measure of the Government of India and the employers. The concept paper was a direct attack on the workers and their job security.

Dr. Man Mohan Singh, Union Finance Minister observed that the Government was not intending to retrench workers but mentioned that some retrenchment may be inevitable. The CITU expressed its firm opposition to his concept and stated that the National Renewal Fund was clearly meant for large-scale retrenchment of workers. It is nothing but an embodiment of Exit policy and the Industrial Policy of the Government against which working class went on strike on 29 November last year.

The trade union representatives held the Government responsible for the accumulated losses of the public sector undertakings and stated that instead of closing the units attempts should be made to revive them in co-operation with the workers. They also opposed the reference of the units to BIFR and wanted unit by unit studies to make the units viable. They demanded that the past liabilities of the so called sick units excluding the workers dues should be written off if the units are to survive. They criticised the Government for not paying necessary funds even to purchase raw material which is affecting the working of these undertakings.

The minutes drawn in the meeting were not agreed to by the CITU since they were creating an impression that the TU's were not basically opposed to the Government of India's new industrial policy. CITU wanted to record its opposition to these policies.

The CITU further opposed to the Government of India's attempts to non-chalantly go ahead with the implementation of these economic policies while the discussion with trade unions was going on in the Special Tripartite Committee.

This was making a mockery of tripartite consultations.

The CITU pointed out the decline of 2.5 percent of production during the six months compared to

previous year, reduction in foreign exchange earnings after devaluation, failure of the Government to check the phenomenon of black money, the phenomenal rise in prices of essential commodities despite promise of bringing down the prices of essential commodities which have made it clear that the policy has miserably failed in all directions.

In view of the foregoing, the CITU calls upon the working class to strengthen the unity achieved through the strike of 29th November 1991 and prepare to carry forward the struggle resolutely so that the Government of India is forced to withdraw the IMF and the World Bank dictated policies.

Government's attempt to hoodwink

Next day the Press carried the Press Briefing by P. A. Sangma which on the issue of co-operatives involved CITU. CITU issued the following statement and letter clarifying its position.

PRESS RELEASE

It has been noticed that a large section of press have reported that the proposal for handing over the ill-shaped Public Sector Units to the 'Co-operatives of workers has been mooted by the CITU in the Special Tripartite Committee meeting held on 20th January '92. But the truth is squarely the reverse. The CITU is opposed to such proposal, because the same amounts to a policy of disinvestment in Public Sector against which the entire trade union movement has been fighting ever since the announcement by the government in this regard.

The role of workers in running the Public Sector Units, according to CITU, is not through forming co-operatives but through genuine participation of the workers in the management which the CITU has been demanding since years.

Therefore, the CITU not only did not moot such proposal in the said STC meeting but will thoroughly oppose any such move from any quarter.

The letter written to Shri P. A. Sangma, Union Minister of State for Energy by M.K. Pandhe, General Secretary, CITU clarifying the position of the latter on the issue is enclosed herewith.

Dear Shri Sangma,

I am surprised to note the reports in several newspapers about your press conference after the Special Tripartite Meeting held in Delhi on 20th January 1992 in which you have reportedly stated

that I proposed in the meeting take over by workers co-operatives provided the Government wrote off all liabilities and losses.

While I did suggest that if the past liabilities and losses should be written off many of the public sector units could be viable, I did not advocate handing over the units to co-operatives of workers. I had opposed handing over the so called sick units in public sector to co-operatives of workers on the ground that it amounts to a policy of disinvestment by the Government of India which we have opposed. I actually suggested that through genuine schemes of workers participation in management the performance of the public sector undertakings could be improved substantially and the workers would give full co-operation in making the units viable.

However, your mentioning my name in the press conference has caused serious misunderstanding about CITU's position in the matter and I thought I would draw your attention so that the matters are clarified.

With personal regards,

Yours sincerely,
(M. K. PANDHE)
General Secretary

Prior to this on December 27, 1991, through a letter addressed to all other Central Trade Union Organisations the observation of CITU on the Special Tripartite Committee meeting held on 21st December '91 at Bombay was conveyed by M. K. Pandhe General Secretary.

Dear Friend,

I am extremely sorry that I could not attend the first meeting of the Special Tripartite Committee held in Bombay on 21st December 1991. I had booked my air ticket to Bombay for 20th December evening flight from Calcutta and was waiting at the airport for 16 hours but the flight was cancelled and even on 21st December morning flight was scheduled to leave at 12.30 p.m. which was also subjected to further delay. Please excuse me for my absence in the meeting.

I have, however, gone through the conclusions of the first meeting of the Committee. After careful consideration I feel that the recorded decisions should have noted the following points to make T. U. position clear to avoid creation of misunderstanding in the minds of the workers.

1. There should have been expression of opposition or concern at the new economic policies of the government by the trade unions which would affect the independent economic development, self-reliance in the country and social progress.

2. We are prepared to co-operate fully in increasing production and productivity provided the policy changes are introduced. In absence of this an impression is being created that we are becoming a party to these policies.

3. The public sector played a major role in India's economic development. However, it is under all round attack and impression is being created that the performance of the public sector is the major cause of all ills in the country. In the context of official campaign for privatisation Trade Unions should assert the importance of public sector in national advance. The conclusion as they are drawn do not meet this requirement, particularly when they are drawn in the presence of the representatives of the private sector where much more corrective measures are necessary. We must defend the concept of public sector.

4. Regarding the reference of the cases of public sector to BIFR the conclusion state that "Even so, the Labour side feels that a convention can be developed whereby BIFR will await the result of the Special Tripartite Committee's efforts." I consider that it would have been better if we would have noted that the Government should not refer a case to BIFR when the Special Tripartite Committee is dealing with the working of a particular public sector undertaking.

5. Last but one para mentions about the cases of some textile units which have been closed for years and recommended that the workers should be paid their dues. I consider that the Committee has not gone into the details to draw the conclusion that the unit just cannot revive. Some more thought should have been given to the problem.

6. The press statement by Shri P. A. Sangma after the last meeting that to revive the chronically sick public sector units Rs. 15,000/- crores would be required but within the same amount 70 lakh fresh jobs could be generated, if taken into account in the light of these conclusions, I have a feeling that an erroneous impression is created among the workers about the stand taken by the trade unions.

I thought I should write to you about these points so that the issues can be clarified suitably in the next meeting of the Special Tripartite Committee to be held shortly.

Hope you will give serious consideration to these views.

With greetings.

Yours fraternally,
(M. K. PANDHE)
General Secretary

CC: INTUC/AITUC/HMS/BMS/UTUC (LS)
UTUC, TUCC

CITU had also protested against the representation given to various Central TUs on the Special Tripartite Committee and demanded equal representation to all organisations.

Shri. V.P. Sawhney,
Secretary to the Government of India
Ministry of Labour
Shram Shakti Bhawan
New Delhi—110001

January 14, 1992

Dear Shri Sawhney,

Perhaps you remember, that CITU protested against the composition of the Special Tripartite Committee constituted by the Government of India. The Minister of Coal later on made a statement in Parliament that the composition of the Committee would be reviewed. However, we are sorry to note that no such review has been made by the Government of India so far.

On the contrary, your Ministry has been constituting other Committees on the same pattern. I find that the Government of India has reconstituted a Tripartite Committee on Safety on the same lines. As you know we have discussed this question on several occasions. It is ridiculous that these Committees are being reconstituted on the basis of 1980 verification figures which was boycotted by us and the AITUC.

I hope you would consider the matter and take suitable steps so that the reconstitution of the Committees on more than a decade old truncated verification is not resorted to by the Government of India.

With regards,

Yours sincerely,
(M. K. PANDHE)
General Secretary

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Indefinite Strike in Bihar NTPC Unit

Over 5,000 workers of NTPC, the Central Public Sector Undertaking in Kahalgaoon, Bhagalpur, in Bihar, organised under the CITU, went on indefinite strike from November 28, protesting against the beating up of two senior leaders of the CITU and other workers by the hired gangsters of a contractor and the CISF-police combine.

The management of the NTPC had decided to off-load the work of regular workers to a private contractor. The workers protested against such privatisation of regular work. The management agreed for negotiation. But when a delegation of the CITU led by Srinivas Mandal and Sitaram Mandal was waiting in the Chairman's room for talks, suddenly the Assistant Commandant of CISF, R. D. Prasad and a Sub-Inspector of Police, R. K. Singh entered the room and started beating up the two leaders using abusive languages. They were then dragged to the police station alongwith a number of workers, beaten up severely and locked up in police custody.

The news spread like wild fire and the workers immediately struck work. Alongwith other workers, sections of people jammed the main thorough fare of the town and blocked the path of the DSP, who was going to the police station. The jam was lifted at late night only when Srinivas Mandal and Sitaram Mandal were released alongwith others.

The strike naturally continued on 29th November, the day of the countrywide industrial strike against the economic and industrial policy of the Government. But as the main problem of off-loading work of the private contractor was not resolved, the workers went on indefinite strike since then.

The strike has caused complete dislocation of all works in the NTPC, including stopping of boilers, conveyor belts, turbine, etc. The commissioning of the first unit of 210 MW, scheduled on February 19 has become doubtful unless the dispute is resolved. Apart from demanding revocation of the decision of off-loading, the union has demanded immediate suspension of the CISF and Police officials.

The matter was raised in the Lok Sabha by Saifuddin Chowdhury. Massive rallies are continuing in Bhagalpur and other places.

New Economic Policy—Revealing Itself

Jibon Roy

When the high profile propaganda in support of IMF dictated economic policies still continues and the Govt of India is implementing it without any let up, there are ominous signs of the down trend of the economy, which is becoming more and more pronounced. The more the govt of India is extending the area of so-called reform and pushing forward the policies of delicensing, decontrol, withdrawal of subsidies and other from liberalisation, the more it is clouding the economic survival of the country.

The 'yatra' which started with the acceptance of a number of conditionalities for catching the IMF loan during the first half of 1991, devaluing the Rupee by 20% has now reached the level of inviting IMF for supervision of economy. Not that the IMF Apartment in Delhi got the new glittering with the occasional visit of top government officials of economic ministries, but most of the economic ministries have been topped with officials by IMF itself. Noted columnist Shri Nikhil Chakraborty has observed in an article recently that a number of government notifications have carried the word by word repetition of IMF formulations.

The declining industrial production and also the dropping export earnings had been the main planks in support of devaluation and trade liberalisation. The trade liberalisation was intended to give a boost to export and remove all hinderance of inviting new techniques for updating the Indian industries. The index of industrial production during April-August shows an alarming trend of decline compared to the previous year. Against an overall growth rate of 12.4 per cent during the same period of 1989-90, the index recorded a negative growth by 1 per cent during April-August, 1991. While the production during the quarter was almost stagnant in mining and quarrying, the manufacturing industries have recorded a negative growth of -2.3% against 14.2% positive growth in the same period of the preceding year.

A recent study conducted by the department of Industrial Development in sixty two selected industries shows that the decline has further entrenched since 1991. The study which was conducted taking the period upto Dec.'91 has given a cautioning note that recessionary spiral has already caught the Indian Industries. In the basic industries, the study shows, the negative growth is ranging between -1.4% to -30.6% as compared to the corresponding period. The study has attributed the poor performance and corresponding recession to the clamp down on import squeeze, credit, etc the real cause for the recession is the declining demand arising out of

the unprecedented price hike and inflationary growth. The country's economy is already facing a stagflation. Incidentally, the other study conducted by the Industrial Development Bank of India on the performance of 401 public limited Companies which get assistance from the bank shows that declining trend in demands in private sector industries even prior to the mooting of the new economic policy. Despite the increased growth rate of capital formation (17% in 1990-91 from 16.3% in 1989-90) and lower increase of manufacturing cost (06% to total against 67.4% during 1989-90) the sales growth has been only 14.8% against 24.4% in 1989-90. The current study by the department of Industrial Development has confirmed that the process of reform has all the way continued squeezing the market. The report says that the production of consumer items like sewing machines, radios receivers, cars, bicycles, house service meters recorded a fall in production between -3% to 61.6% (Financial Express 22.1.92).

In the sphere of consumer non-durable also production has taken an alarming dip. The Coffee production has recorded -32.9% negative growth. In the case of flour milling, Vanaspati, mill cloth, leather footwear, rubber footwear, Sulpha-drug etc etc were all found recording a production fall upto the extent of -75.8%. The intermediary industries like tyres, polystyrene, industrial explosives, welding electrodes etc have also shown a declining trend.

The recession has engulfed the basic capital goods, mining and consumable goods industries, both in the medium and small scale sectors. No doubt import restrictions arising out of introduction of exim policy and siphoning of exims by unscrupulous traders has badly dislocated the life line of feeding spares and import of other important capital replenishments. Export decline also has contributed to less import. Policies on small scale sector will further aggravate the crisis. The merchants of Commerce has expressed fears that the recommendations of the Narasimhan Committee which the govt of India has accepted to do away with the special preference to small scale sector in the matter of finances, will bring unbearable crisis to the sector. The President of the chamber said that a variety of factors will remove the small scale sector out of the scene. The withdrawal of subsidy on yarn has inflicted unprecedented crisis on handlooms. In Andhra Pradesh alone, 113 handloom weavers have died of starvation. Decontrol of steel would turn out to be the death knell of small scale industries.

The decline in exports during July 1991 to September '91 despite devaluation is a most ominous symptom. Against the export of 4,327 million

dollars during the same period of the preceding year, it was only US\$ 4,056 million in 1991. It is rather interesting that the exports performance in rupee area has improved.

Stagnating export in dollar term area grounds govt estimation that devaluation could be instrumental in improving the forex balance. It is assumed that export all together will go down by 11.5% in December, 1991 against Jan. '91 performance. This alongwith the further declining Rupee value in international market has eroded the foreign exchange reserve.

Let me examine now the main villain for the declining industrial production. In between April '91 and December where wholesale price index has shown a rise of 10.5% from 192 to 212 with no respite during the lean season. The index stood at 212 in Dec. '91. The gold price increased by 21.2% (from 6600 to 8000 per 10 grams) during April-December period. The devaluation combining with the withdrawal of food subsidies, hike in petroleum prices, railway freight which increased by 30 per cent, increase in the administered price of coal and also increase in the price of foodstuffs. The astronomical rise of foodstuff which has gone up by 40 per cent between January-December has reversed all calculations in industrial front. This proves that any reform bypassing the improvement of peoples living conditions is bound to backfire.

In the liquidity front also condition is precarious. It is claimed that foreign exchange reserve have reached the figure of Rs. 9,700 crores in January '92. This is just 46.5 percent of the new loan taken after the installation of Narasimha Rao govt at the centre. According to Dr. Ashok Mitra's calculation, the amount of \$ 8 billion of such loan was taken bringing the total to Rs 83 billion. According to Shri Mitra the figure will reach \$ 100 billion upto over 50% of national income by 1993 March (Economic Times 12.1.92).

During April and November '91 the money stock (M3) has gone up to Rs. 26,900 crores from Rs. 19,030 crores in previous year. According to Shri Bhabatosh Dutta, the eminent economist, in the second week of December, 1991 the revenue deficit has reached Rs. 14,000 crores against the estimated Rs. 13,800 crores for the entire year of 1991-92 (Economic times 12.1.92). Short fall in the revenue collection is contributing the furtherance of the gap. Despite the waiving of substantial import duty revenue collection on custom alone has gone down by Rs. 3,600 crores which is 14% of the total projection.

Government steps to reverse some of the negative impact is getting recoiled with the crisis. The hike of bank rate has immediately jacked up open market borrowing rate to an average of 6%. This on the other has chased away the public sector bonds which had once been the most preferred instrument for institutional and bulk investments with thriving secondary market trading. This has resulted to the erosion of PSU bond by a worth not less than Rs. 1057 crores and heavy finance crunch.

When the people are suffering a lot out of the 'reform', the big farmers and the industrial houses are minting huge wealth out of it. Despite record foodgrain production of 177 million tonnes in 1991-92 only 1 million tonne has been released to Public Distribution System. Till October '91 the Govt could procure only 10.37 million tonne of wheat and rice against 15.4 million tonnes till October 1990. It is despite sufficient hike of procurement price. The govt has now decided to import 2 million tonnes of wheat which will cost the exchequer of the valuable foreign exchange. All these are the prelude to total withdrawal of Public Distribution System for which the IMF is pressurising since long. Similarly, when the decontrol of steel has caused tremendous hike of number of steel items and incremented the share price of TISCO by Rs. 40/- in a single day, the Central Government is contemplating to further liberalise the steel import. Thus the decontrol is having the spiral effect in price rise, making number of industries sick, specially the small scale sector, and also dwindled the self reliance in steel industry.

Lastly, about incoming of foreign investment. This has been the main thrust in support of new industrial policy. At one stage Mr Manmohan Singh has expected new investment at a rate of 3 billion dollars. But to the dismay of Central Govt no substantial investment, not to speak of nearing to the target, is forthcoming. The proportion of total private investment from U. S. A., UK., Canada, Germany and Japan in India had been to the tune of 14%, 20%, 11.5% and 10% respectively during 1970-71. This percentage has dropped to 1.5%, 5%, 3% and 2.5% respectively during 1990-91 (OECD report 1991). It is not expected that reform would be able to reverse the investment flow substantially. Specially, in the context of developments in Europe and erstwhile Soviet Union.

But a process has already set in to dismantle whatever self-reliance had been achieved through the blood and sweat of the people during last 43 years since independence.

Dunkel Proposals Seek Complete Surrender of India's Sovereignty

The Secretariat of the Centre of Indian Trade Unions in its meeting held on 19th January under the presidentship of Com. E. Balanandan expressed serious concern over the proposals made by Arthur Dunkel, Managing Director of GATT, which seek surrender of India's sovereignty to the imperialist countries led by the USA.

The proposals are culmination of the sustained pressure exerted by the USA and its Western allies in the Uruguay Round of talks continuing since 1986 against the third world countries to change their domestic laws and policies favouring absolute power and position for the Multinationals in the third world countries. The USA which is the dominant partner in the GATT has cunningly utilised this multilateral trade forum in a desperate bid to overcome its deep economic crisis. It is therefore trying to blackmail India by combining its trade laws, Super and Special 301 with the GATT and launching multipronged attack through the so-called Trade Related Investment Measures (TRIMS), Trade Related Intellectual property Rights (TRIPS), General Agreement on Trade in Services (GATS), etc.

The TRIMS aim at doing away with all measures to regulate foreign investments under a new multilateral frame-work towards control of the third world economy, covering trade, investment and technology, by the transnational corporations.

The proposals postulate most dangerous provisions of no restrictions on foreign equity participation; no restriction on areas of investment; no export obligation to fund imports; free import of raw materials, components and intermediates; no obligation to use locally available products and raw materials; foreign investors are to be treated at par with domestic companies in all respects; and above all, repeal of all laws and policies by India which put restrictions on above.

Thus, even the 51 percent foreign equity which the new economic policies of Narsimha Rao Government have provided, will have to go. Similarly, the minimum export obligations and the obligation to use local raw materials, inputs and intermediaries will have to go. Above all, there cannot be any core sector at all, which already has been diluted by the Government.

So far as the TRIPS are concerned, the demand is that India has to amend its Intellectual Property Laws like the Indian Patents Act, Trade and Merchandise Mark Act, Foreign Exchange Regulations Act, Atomic Energy Act, etc and join the Paris Convention on Patents, the salient features of which are to guarantee strong patent protection to developed countries.

The Indian Patents Act of 1970, although not a panacea of self-reliance yet puts some restrictions on imperialist countries. It has helped to some extent development of processes in pharmaceuticals, chemicals and pesticides aiming at self-reliance, development of R & D and growth of the industries based on a policy of indigenisation. The present provision of product patenting and process patenting in the entire field of pharmaceuticals, chemicals, agriculture, seeds micro organism, non-biological and micro-biological processes for production of plants and animals will have to be given a go bye.

If the Government of India surrenders to the demands, it will mean stoppage of research work for new drugs, chemicals, pesticides and inputs in agriculture. No new products can be introduced in the entire field. The process of indigenisation will get a severe set back and the country will be for ever dependent on imports not only for patented raw materials, but also for patented finished formulations of drugs and pesticides and other inputs in agricultural products at exhorbitant prices.

In the General Agreement on Trade in Services (GATS) likewise, the USA wants India's service sector especially the Banking and Insurance sectors to be handed over to the Multinationals to have complete command over the financial system. Its demands are much beyond those recommended by the Narasimham Committee on Banking Reform.

In short, the threat of colonization looms large over India again. The Narasimha Rao Government has already surrendered to the demands of IMF and World Bank through its new economic and industrial policies. It has also remained passive to the dictates of the US Trade Representative, Carla Hills. Now it is vacillating before the Dunkel proposals. Which goes fundamentally against the national interest of India.

The CITU warns the Govt. against any surrender to such anti-national proposals. It draws the attention of the Government that the 29th November strike was only a beginning of direct countrywide action by the united movement of workers. The Secretariat called upon all sections of workers and trade unions of all affiliations to prepare for the next phase of countrywide direct action to safeguard the sovereignty of the country. It further appeals to all other mass organisations, political parties and patriotic sections of the people to join the massive countrywide movement to compel the Government of India to reject the dangerous proposals and reverse its economic policies dictated by the IMF and the World Bank.

All India State Govt. Employees' to Observe Protest Day

Eighty lakhs of State Government Employees of the country will be observing All India Protest Day on March 10, 1992 throughout the country by holding rallies and demonstrations against the dangerous economic and industrial policy of the Central Government. The programme will be a follow up of the historic All India strike held on 29 November 1991 by different trade unions including the All India State Government Employees' Federation. This 10th March programmes will be followed up by a series of other programmes like March to Assembly in all State capitals, District level and State level seminars and united struggle with other trade unions.

The present economic and industrial policies vigorously pursued as per the conditionalities of the IMF and World Bank loan is out to spell disaster for the employees and workers of all sectors including the State Government sector.

The economic and industrial policies of the Government are leading to closure of a number of Public sector units resulting in retrenchment of lakhs of workers, unprecedented hike in prices of all essential commodities, dismantling of public distributions system, withdrawal of subsidies on food and fertiliser, winding of several Government department rendering surplus thousands of employees and so on. Moreover, in the name of economy, the Government is out to reduce the number of employees in the Government departments including the State Government department threatening the jobs of lakhs of employees. Added to this, is the Central Government's attempt to withdraw all centrally sponsored welfare schemes like Health, social forestry etc. which are executed by the State Governments. As a result lakhs of State Government employees are also in danger of losing their jobs.

Some State Governments like Uttar Pradesh have already decided to retrench and compulsorily retire thousands of employees again in the name of economy. Not only that, the UP State Government is going to privatise the State Public Sector Units also. This is not the end of all. Contemplation is going on to hand over the Medical Colleges and hospitals also to private agency. That indication is clearly visible in UP and some other States.

In addition to this serious threat to jobs, a serious attempt is going on to freeze the wages and D. A. of the employees and all in the name of economy and as per dictates of the IMF.

Jute Workers Strike from Jan. 28

Over 250,000 workers in 55 Jutes mills in West Bengal will go on an indefinite strike from Jan. 28 in support of their charter of demands that includes revision of Pay Scales and other allowances.

The decision to this effect was taken on January 12 at a meeting attended by leaders of all 18 Jute trade unions including those affiliated to CITU, INTUC, HMS and BMS.

Among the major demands of the trade unions are a Compulsory industrywide tripartite agreement, where all Jute workers including those of the NJMC, should be given wage parity, immediate clearance of provident fund and ESI dues, immediate reopening of closed/locked out mills, withdrawal of the proposal to privatise NJMC and other Public Sector mills and total nationalisation of Jute Industry from purchase of raw Jute to manufacture and sale.

The tripartite meeting held on January 13 turned to be failure because of the negative approach of mill owners.

It may be noted that the last tripartite agreement had expired in February '91 and inspite of 3 tripartite meetings convened by the WB Labour Minister the efforts to come to an honourable settlements failed due to the adamant attitude of Jute Mill owners and IJMA/NJMC. The successful observance of 'Cease Work' on 6th December was a serious warning to the Jute Mill owners & their Association. The workers are left with no other option but to resort to indefinite strike.

Funnily all these disasters on the common people are being brought by the Government in the name of economic reform. Thus these reforms are not at all for the good of the people, but against the people and in the interest of the foreign and indigenous capitalists and an elite section of the society.

The All India State Government Employees Federation has in the context decided to educate the employees on these perilous policies of the Government and to rouse them into massive action to resist these policies. Simultaneous with independent action, the All India State Government Employees' Federation will also join in united struggle with other trade unions to fight back these policies of the Government.

Plantation Workers Conference at Jalpaiguri

The working committee meeting of the AIPWF was held at Madras on 4.1.92. Com. Anand Pathak was in the chair. Com. Vimal Ranadive informed about the confirmation of the dates of the 6th conference of AIPWF on 1, 2, 3rd March 1992 at Jalpaiguri. The invitations have gone to the General Secretary TUI, Bangla Desh, Pakistan, Nepal, Sri Lanka and WFTU, ANC. The invitation also have gone to Kisan Sabha and Agricultural Workers Union affiliated to TUI. In case the invitees do not attend, they have been asked to send messages. The leadership of CITU has been requested to attend. Com. E. Balanandan, Com. Samar Mukherjee, Com. M. K. Pandhe, Com. Manoranjan Roy, Com. Chittabrata Majumdar are requested to come and greet the conferece.

1. The rally on the 3rd will be addressed by Com. Jyoti Basu.

2. After the discussion on the number of delegates, it was decided that 1 delegate per 500 workers should be the ratio and 1 delegate for less than 500 be allotted. The number of delegates will be about 300. It was divided as follows : Kerala 100, Tamilnadu 10, Karnataka 7, Assam 60 and from Darjeeling, Jalpaiguri, Siliguri 70. Tripura about 6.

3. Delegate Fee : Will be Rs. 15/- per delegate. The expenses for food, accomodation etc will be borne by the West Bengal Cha Bagan Mazdoor Union.

4. The meeting of the Working Committee will be held on 29th February at Jalpaiguri Banarhat. The member of the Working Committee have been requested to come by early morning on 29th.

5. Preparation of the reports : For the preparation of the report, the State units should send their reports before 25th of January so that the report would be ready for discussion.

6. Regarding the reports from the states, a questionnaire was already sent to the states and reports will be sent. Some questions have not been given there. Please send the information on the following points also in the report :

- (a) Present wage (D. N. Separately and then total).
- (b) Implementation of the P. L. Act, regarding housing, labour—permanent, casual and contract labour. Also send reports on creche, drinking water, hospitals, etc.
- (c) The current membership position and membership during last conference.

Vimal Ranadive (General Secretary)

Address of the Reception Committee
Secretary, Cha Baga Mazdoor Union
West Bengal Ukilpara
Shramik Bhavan, P O Mal-44
Dist. Jalpaiguri, West Bengal

Seminar on National Transport Policy

A seminar on National Transport Policy will be held at Salt Lake Stadium, Calcutta on 22-23rd February 1992 and a Reception Committee has been formed with Com. Shyamal Chakraborty Transport Minister, Government of W. Bengal as chairman for organising the same. Com. Jyoti Basu, Hon'ble Chief Minister of West Bengal will inaugurate the seminar on 22nd February at 10 A.M.

The seminar will critically analyse the present Transport Policy of Government of India and will try to evolve a national alternative in this regard. The views of experts in transport industry, trade union leaders, industrialists and representative of the managements of different modes of transport institutions will be presented in the seminar. The vital issues relating to the service security, need based minimum wage, working environment and health hazzards of the transport workers etc will come up for discussion in the seminar.

The unions in Transport Industry are requested to send delegates to the seminar under intimation to the General Secretary, Preparatory Committee, Seminar on National Transport Policy, 53, Acharya J.C. Bose Road, Calcutta-700016. The delegate fee has been fixed at 10/- per head. Food and accommodation will be arranged by the committee.

From Page 8)

CAT was issued by the Railway Board after the Cong (I) Government under Smt. Indira Gandhi's leadership was back to power, ostensibly to modify the 1978 order, but in reality to nullify it pushing the locomen back to the pre-1973 position. As stated above it removed any limit to locomen's hours of work, and thus completely superseded the order of 1978 which stipulated 10 hours limit.

Morover on the basis of the Board's new order of 1981 the railway administration resorted to penalisation of loco running staff for claiming relief after 10 hours. Twenty such staff belonging to Southern Railway moved the Tribunal against the 1981 order and also against the penalisation. While setting aside the order of 1981, the tribunal also thought it fit to quash the punishment given to the employees on the strength of the very order which was found untenable.

In the course of their judgement the Tribunal observed that unlimited hours of work at a stretch was in-human, biologically impossible to be given effect to, against national and international norms, violates the agreement with the loco workers as also the assurance given by the Government to the Parliament and even the findings and recommendations of the Railway Labour Tribunal which was accepted by the Government.

Now it is to be seen whether the Govt accepts this verdict or goes in for appeal.

CITU Supports The Striking J & K Government Employees

The Secretariat of the CITU has issued the following statement to the Press :

The Centre of Indian Trade Unions fully supports the two and a half lakh striking J & K State Government employees for their united strike from 7th January 1992 in support of the demand of implementation of the Fourth Pay Commission Report and implementation of the SRO 149 of 1973 to non-ITI employees.

Though the J & K Govt. earlier gave a commitment to implement both the demands it has gone back from its commitment which left no other alternative but to resort to such an action.

The CITU appeals to the Government of India to immediately intervene in the matter and settle the demands through direct negotiations so that the strike is settled as early as possible. It is extremely important in view of the present disturbed political climate in the state that the strike is settled without any further delay.

The CITU calls upon the J & K Govt. employees to keep their unity and carry forward the struggle with determination till their legitimate demands are achieved.

The CITU appeals to the Trade Unions of all affiliations to express their solidarity with the striking employees so that they can achieve their just demands as early as possible.

A telegram from CITU was sent to the Governor on 20th demanding immediate settlement of the justified demands.

CITU Condemns the Terrorist Killing of 20 Workers in Punjab

M K Pandhe, General Secretary, CITU has issued the following statement to the press on 9th January 1992 at Madras :

The Centre of Indian Trade Unions strongly condemns the ghastly killing of 20 workers of Kharar Textile Mills of National Textile Corporation and General Industrial Society in Sangrur District, Punjab State, by the anti-national Khalistani extremists on 8th January, '92. The CITU expresses serious concern at the utter failure of the Punjab administration and the Management to provide security for the work-men.

The workers in Punjab had remarkably preserved

unity of all sections of workers in defence of national unity and integrity despite all provocation. Most of the workers killed were migrant workers working amicably with the workers in Punjab. This terrorist act is meant to disrupt the unity of the working class in the State which will only adversely affect the industrial production.

The CITU demands that Punjab administration should provide adequate security to workers employed in different factories and establishments immediately so that workers will feel secured in working. The Punjab administration as well as the managements should pay adequate compensation to all the victims of this carnage.

The CITU appeals to the workers of all affiliations to raise their powerful voice against the menace of terrorism and preserve communal harmony and peace and foil the game of anti-national elements.

Workshop on Drug and Alcohol Abuse Held

A Seminar-cum-Workshop on Drug and Alcohol abuse at work place was organised by the Union Labour Ministry and sponsored by ILO at New Delhi from 9th to 13th December, 1991. The participants were drawn from various Trade Union Organisations, Employers' Organisations, Voluntary Organisations, Representatives of the Central Government, Central Board of Workers' Education and ILO.

Experts from different fields presented papers and delivered talks in the seminar. Although the discussions were mostly of academic nature, certain points concerning the workers duly figured. These are inter alia, drug abuse and alcoholic cases must be treated as disease and arrangement made for medical treatment. No worker should be dismissed on the ground that he is an alcoholic or drug addict. The expense for the medical treatment for the workers suffering from such disease should be covered by E. S. I and subsistence allowance should be paid to the family during the period of absence for medical treatment.

The CITU representative Dr. Laxmi Sehgal while participating in the discussion pointed out that since there are very few institutions in the country which exclusively treat such cases, the E. S. I hospitals should be equipped properly for the purpose. Specially trained nursing staff and counsellors should be posted in the hospitals. She also stressed the necessity to ensure by the administration that no alcohol or narcotic selling shops are situated near the work place and residential areas of the workers.

On Developments in Orissa

The CITU Secretariat has been viewing the developments in the Orissa State Committee of CITU with grave concern and making efforts to resolve the matter amicably and keep the organisational unity in the State Committee.

The CITU believes that the political differences within a trade union need not lead to a break in the organisation. The CITU centre therefore took the stand that all those who abide by the CITU policies, its constitution and organisation discipline can remain in the organisation and no action will be taken by anyone who would be holding a different opinion within the framework of the organisation.

As directed by the CITU centre I had been to Bhubaneswar on 3rd October 1991. Informal meeting was held in the CITU State Committee office on 5th October which alongwith Com. Sivaji Patnaik and Lambodar Nayak President and General Secretary of the Orissa State Committee of CITU Com. Ajaya Rout, Jagatjiban Das, Dushman Das and other leaders of his group were present. After explaining the CITU Secretariat approach on the Orissa affairs the following points were agreed unanimously.

1. The papers relating the accounts of the CITU State Committee will be placed in the CITU State Committee office and all the office bearers of the State Committee can examine these accounts, so that no complaint can be made about maintenance of the accounts.

2. All the documents regarding the legal disputes will be made available to the unions for pursuing the cases provided they are replaced in the files safely for keeping records up to date.

3. The fixed deposit receipts will be kept in the CITU office in a safe custody and no amount will be withdrawn without the approval of the CITU State Committee.

The meeting of the office bearers of the State Committee of the CITU would be held in Bhubaneswar on 14th and 15th December 1991 to review the matters and resolve other outstanding views including those related to the organisation.

The CITU Secretariat however felt that due to urgency of the matter the meeting of the Orissa State Office bearers should be held earlier. Despite CITU's engrossment in preparation for the All India Strike on 28th November it was decided to hold the meeting of the office bearers on the 21st

November 1991. However due to non response from Com. Ajaya Rout the earlier date fixed on 14th and 15th December was adhered to. Accordingly I came here to attend the meeting of the office bearers of the CITU.

However, Com. Ajaya Rout and his supporters failed to attend the meeting though the date was fixed in consultation with him. He did not honour the commitment given about the maintenance of the accounts and keeping all the account books and fixed deposit receipts in the office of the State Committee.

During the meeting of the State office bearers it was reported that the valuable office equipment including typewriter, cycle machine, furniture, books, T.V., and office papers were removed in a clandestine manner by the supporters of Com Ajaya Rout. It was also brought to the notice of the state office bearers that similar equipment was also removed from the Kalta Mine CITU office by Com. Ajaya Rout & his supporters in a clandestine manner.

The attention of the State Secretariat was drawn on the basis of bank statement that Com. Ajaya Rout has withdrawn Rs 99,577/- from the Bank though he was not authorised to do so in view of the fact that the General Secretary of CITU was changed in the last conference and he had no authority to operate the bank account. The treasurer of the CITU B. B. Das alias G.N. Kundu, connived at the withdrawal of the money in an unauthorised manner.

The office bearers of the Orissa State Committee were informed that Com Jagat Jivan Das who was functioning from the CITU centre had a leading role in removal of all the equipments from the CITU State Headquarters. Since that day he stopped visiting the office which only proved the charge, the state office bearers felt.

The CITU State office bearers therefore decided to remove B. D. Das alias G. N. Kundu from the post of the treasurer and the membership of the state committee for conniving at the withdrawal of the bank money without proper authorisation and his failure to present the accounts to the CITU State Committee and the office bearers.

Since Com. Ajaya Rout is a member of the Working Committee of the CITU and Com. Jagatjivan Das is member of the General Council of the CITU office bearer decided to recommend to the CITU centre to expel them from the CITU.

The decisions of the State office bearers were later endorsed by the meeting of the Orissa State Committee of the CITU.

As recommended by the State office bearers the State Committee decided to elect Com. Pradeep Das to function as the Treasurer of the CITU State Committee. He will relinquish his charge as the Secretary of the CITU State Committee.

The State Committee meeting appealed to all the ranks and file members and all affiliated units to understand the gravity of the situation and stand by the CITU so that unity of the CITU in Orissa is preserved.

The CITU State committee noted with strong resentment to the non participation of Com. Ajaya Rout and his group in the preparation of the All India strike on 29th November 1991 when the working class is under ferocious attack by the capitalist class under dictates of the IMF and the World Bank this attitude of keeping aloof from the action tantamounts giving up the CITU's cherished concept of Class Struggle.

The Orissa State Committee expressed its deep sense of sorrow at the killing of Com. Ananta Rout one of the Vice President of the State Committee on 20th November 1991 during a clash between workers. The state committee expresses its heartfelt condolences to the bereaved members of the family of Com. Ananta Rout. The State committee however expressed its strong resentment at the slander campaign launched by certain elements against some CITU State Committee leaders.

The state committee however congratulated the Working Class of Orissa for unitedly participating in the nationwide strike on 29th November and opposing the retrograde policies of the Government of India.

The CITU Secretariat will meet in Calcutta on 23rd December will take into consideration these developments and take appropriate decision in the matter.

Meanwhile, as decided by the CITU Secretariat a letter has been given to Com. Ajaya Rout asking him to clarify the complaints received against him from the State office bearers.

On behalf of the CITU centre I earnestly appeal to all the affiliates of the CITU to stand by the CITU in this hour of trial and not to allow any attempt to disrupt the organisational unity of the CITU in Orissa.

M. K. Pandhe
General Secretary
Centre of Indian Trade Unions

CITU General Council Meeting

The General Council of the CITU will meet at Nagpur from 13th to 15th March, 1992 to consider the following agenda :

A G E N D A

1. Opening speech of the President
2. Resolutions on Condolence and Martyrs
3. Confirmation of the minutes of the General Council held at Calcutta on 13th Feb. 1991
4. Report of the General Secretary, CITU
5. Discussion on the General Secretary's Report
6. Statement of Account for the years 1990 & 1991.
7. Verification of membership of unions for 1989.
8. Discussion on New Technology and Modernisation
9. Call for collection of funds for the BTR Memorial Trust
10. Resolutions
11. Any other Subject with the permission of the chair.

The meeting will commence on 13th March at 11.00 am. The Working Committee will meet at 10.00 am on the same day.

You are requested to positively attend the meeting.

Comrade who want return journey to be booked from Nagpur should send the necessary railway fare alongwith details of reservation on the following address before 20th February 1992.

Com. B.P. Kashyap
Nagpur Dist Committee of CITU
Ganesh Chowk, Ganji Peth
Nagpur (Phone No. NGP 43-666)

Comrades should inform on the above address the train of their arrival at Nagpur so that arrangement can be made to receive them at Nagpur Station.

All the State Committees are requested to send a report of their activities to the CITU Centre by 15th February, the latest.

M. K. Pandhe
General Secretary

India's Power Sector : Problems and Prospects

Theme and content of the proposed study by Industries Research & Services

During the four and a half decade since independence Power generating capacity in the country has increased more than thirty times. Electricity generation increased more than fifty times. About 15 million farmers use subsidised electricity today and about 50 million Indian households are electrified. The number of consumers connected to the Indian power grid is 75 million which is fifty times the pre-independence figure. The India's power system today with its extensive regional grids maturing into an integrated national grid, and its million on kilometers of T & D lines criss crossing the country, are truly symbolic of the successes and failures of the developmental path pursued since independence.

Facts and figures about the physical growth of India's power system may sound hollow and deceptive in the background of common perceptions about the proverbial inefficiencies of the state electricity boards, the financial losses incurred by them and the perpetual power crisis that is being endlessly debated all over country. Per capita consumption of electricity in India has increased nearly fourteen fold since independence, whereas the per capita national product only doubled. Thus the national economy dominated by the private sector which accounts for the lion share of the work force, was growing at a much lower pace when compared to the power sector that is managed by the public sector. The cost of producing, distributing and selling electricity in the country, even after accounting for all the direct and indirect subsidies is three to four times lower compared to those prevailing in the developed countries. While judging the success and failures of the power development policies pursued since independence and suggesting solutions for power crisis, these basic facts are often underplayed or even altogether overlooked.

The Electricity (supply) Act of 1948 has provided a broad framework for power development in post independent India. The Central Electricity Authority and the State Electricity Boards come into existence as per this act as the custodians of power utility services in the country. During the early years of Indian independence, the Central Water and Power Commission together with the Planning Commission had developed the national perspectives and programmes for the rapid electrification of the country.

Development of indigenous capabilities in the design as well as manufacturing and construction technologies of power related systems and equipment were very much an integral part of these perspectives, so that the national electrification programme could be not only cost effective but also self-sustaining. The country could not afford continued import of capital goods and technologies

needed for power development at exorbitant costs to the excolonial powers. This as well as the need for diversification and expansion of the national economy into the capital goods sector prompted the public sector initiatives for the manufacture of power plant equipment. India with its large population base as well as low per capita consumption of electrical energy was correctly perceived by the Indian planners as a big potential market for power related equipment for several decades to come. BHEL as well as several other successful enterprises in the public as well as private sector are examples for the rapid building up of technological capabilities in these sectors under such policy perception. India's capabilities today in thermal and hydel power equipment as well as power system engineering are somewhat unparalleled among the developing countries. With regard to nuclear power with its total system capabilities including fuel processing, India has taken a ring side seat along with half a dozen developed countries. All these national capabilities have helped the country in a big way in keeping down the investment costs in the power sector to a large extent in spite of the poor linkages within the national economy due to inadequate planning and the consequent dependence on imported inputs and pressures generated by 'foreign aid agencies'.

The national enterprises in the power sector with their extensive experience, expertise, and skilled manpower are today a major asset of the national economy. Their competence and competitiveness have been proved even in the international market.

The NTPC that came into existence during the mid seventies has made commendable contributions in expanding thermal power capacities in the country due to the channelising of foreign credits for which there was no dearth during the eighties. Its counterpart the NHPC and the NPC have also now matured into national level organisations with immense capabilities and expertise in their respective areas. The state level Electricity Boards with a total employee strength of around seven lakhs have played a vital role in power development. But they are put into an irrational financial squeeze thanks to the unaccounted subsidies, they are forced to extend as part of public policy. Loss of financial autonomy only causing their degeneration but also distorting the missions and objectives for which they were set up. The Regional Electricity Boards as well as the CEA that were created for regional and national level planning and coordination are rendered helpless thanks to the loss of national vision and the dilution of planning process itself at the national level. But all these organisations together with their experienced manpower represent an invaluable asset for the power development programme of the

country.

The question of providing fuel for power generation that was nearly doubling every seven or eight years had also to be necessarily tackled at the national level. The Coal India, the ONGC, the GAIL, the public sector Refineries, the Uranium Corporation of India Ltd. etc. were the public sector organisations set up for this purpose. The Indian Railways and the Shipping Corporation of India play an important role in the cost effective transportation of fuel for power generation. The direct and indirect investments as well as the developmental initiatives for the power sector was thus primarily channelised through the public sector. Such a strategy was necessary if the huge investments were to be cost-effective at the national level so that electric power is made available at a price affordable in a backward economy for its sustained growth and development.

Electric power was thus always perceived by Indian Government as a cheap infrastructural service to be provided by the public sector, and the Indian Electricity Act, 1948 had envisaged that public utilities should make it available on a no-loss no-profit basis. The direct investments made in the country for power development every year are of the same order as the annual revenue earnings of power utilities from the sale of electricity. Revenue surplus of the utilities hardly cover the depreciation costs of power systems and there is very little of plough-back for additional investments. Thus a sizeable proportion of the national savings has to be diverted as investments in the power sector. In addition to loans and subvention from Government, domestic savings are mobilised through loans and bonds either directly or through financing agencies like the Rural Electrification Corporation and the power Finance Corporation, by the electricity boards for investments. Resource constraints in the financing of national power development programmes are cleverly utilised by the developed countries for forcing 'aid packages' through bilateral and multi-lateral loans. The disruptive role of such 'aid packages' and the consequent escalation of investment and operating costs in the power sector are not properly evaluated and understood.

Successes or failures of the policies and programmes for power development initiated since independence need to be objectively evaluated from a national perspective in quantitative as well as qualitative terms. This can be done only through international comparisons using appropriate economic criteria. But without any such rigorous analysis the Govt. of India has now prepared itself for fundamentally altering the course development in the power sector in an arbitrary manner. The resources and foreign exchange crisis are used as an excuse for ushering in fundamental changes in the development strategy. The World Bank and other international agencies had always held that energy, especially electricity in our country, is priced much below the international levels. This, in their opinion was inhibiting the entry of private capital both Indian and

foreign to the power sector. The Govt. of India has now amended the electricity (Supply) Act, 1948 and has created the necessary 'legal and financial environment' for enabling Indian and foreign private capital to set up power system and to produce and sell electricity more or less on a cost-plus basis through the state level electricity boards or otherwise: Consequences of such a policy will undoubtedly be far reaching.

Common people and farmers of India are thus faced with the immediate prospect of a sharp hike in their electricity bills. Industrialists in many sectors of the national economy are already concerned about losing their competitiveness in international market. Economists are skeptical about the capability of the Indian economy to sustain such high cost power development programmes. There is a widespread fear that the working of the national level institutions and enterprises were created since independence in order to promote cost-effective development of power sector will get disrupted and the wealth of expertise and experience gained through four and a half decades of national development will get ultimately destroyed as a result of these new policy prescriptions.

The proposed study 'India's Power Sector: Problems and Prospects'—will collect and consolidate the facts and figures related to India's development experience in the power sector and present them for facilitating a meaningful discussion on the policy options available to the country. In brief it will:

(i) Objectively evaluate the success and failures of the national policies as well as the institutions and enterprises that came into the existence since national independence.

(ii) Examine critically the implication of the recent policy initiatives by the Govt. of India and

(iii) Explore alternative policy perspectives taking into account the problems of the national economy as well as the strength and weakness of India's power sector.

Employees and workers organisations of power and related industries are requested to send in their comments on the above Paper—To The Working Class New-Delhi.

(From page 23)

of food items.

No doubt the massive rally on January 13th at Moscow was not an isolated incident. It is a trend setter. Reports have by now come on the preparation for a much bigger march to Russian Parliament on 9th February only to be followed by much bigger forms of massive struggle. They demand restoration of socialist system they reiterate their faith in Marxism-Leninism.

Thus the recent news pouring in from former Soviet Union are the ones sending cold shivers down the spines of those ideologues of capitalism who gleefully hailed dismantling of socialism and disintegration of the Soviet Union as proving final demise of Marxism-Leninism in the land of Lenin.

Can They Hit Back

Yes, the people of former Soviet Union are preparing to hit back at those capitalist renegades who secured a temporary victory over the forces of socialism.

It is reported that a 50,000 strong crowd led by communists rallied in Moscow on 13th January, demanded the stepping down of the new leadership of the Republic and also demanded the restoration of socialist system and Soviet Union. Portraits of Lenin and Stalin in thousands were held high among the crowd. Gorbachev—Yeltsin company were accused by many who spoke in the rally as being mainly responsible for bringing a pitiable plight to the people. Many of them branded the duo as agents of Yankee imperialism.

The Russian television noted the event as a 'declaration of war' against the republic.

The people of Soviet Union for decades did not have to bother about basic needs of life, for food, clothing, housing, jobs and health care were guaranteed under socialism. For them unemployment was unknown and price rise was unheard of. The new 'human touch to socialism' given by Yeltsin-Gorbachev company took away from the people these essentials which made their life secure and happy for several decades. The destiny of the people is now

left to be decided by market forces. Now the people of former Soviet Union saw the real face of 'human-socialism'. They now see the cruel face of capitalist exploitation. Hoarding, black marketing and profiteering have become rampant. Wage cuts, unemployment and starvation stare at them. Outbreaks of bread riots are reported from renowned cities like Tashkent. Situation in the second largest city of the Soviet Union, former Leningrad, is such that one has now to spend about 2000 Roubles on food alone for subsistence while the average wage of a worker comes to only around 5000 Roubles. Governments of Republics like Ukraine, Bylerussia etc, with a view to prevent others from buying and taking away their things issued coupons in place of Roubles to their citizens for domestic transactions. But these coupons were sold in black market with one coupon fetching 10 to 15 Roubles. Workers in the coal mines of Uzeniky who have also had two strikes have now taken into possession more than 7 lac tonnes of coal with an idea to exchange it for food, medicines, etc.

The workers in 2 other collieries have now gone on strike demanding hike in wages linked with price rise. Peasants are charged 10 times more on electricity and gas leading to further pushing up of prices

(Cont'd on page 22)

On the Assets of Monopoly Houses

Following is a statement made by the Union Govt. in Rajya Sabha on 10th November 1991 on the assets of the country's twenty topmost monopoly houses.

Sl. No.	Industrial House	(Rs. in crores) Assets 1989-90	Percentage increase in assets in 89-90 over 1988-89
1.	Tata	8530.93	28.84
2.	Birla	8473.35	21.50
3.	Reliance	3600.27	11.08
4.	Thapar	2177.16	23.52
5.	J. K. Singhania	2139.00	16.97
6.	Larsen & Tubro	1681.52	48.76
7.	Modi	1399.37	17.36
8.	Bajaj	1391.06	13.24
9.	Mafatlal	1343.55	3.63
10.	M. A. Chidabaram	1273.35	23.36
11.	Hindustan Lever	1209.46	30.77
12.	*United Breweries	1189.24	30.87†
13.	T. V. S. Iyenger	1177.10	26.70
14.	I. T. C.	965.13	30.04
15.	Shriram	933.93	16.86
16.	A. C. C.	902.72	(-) 0.71
17.	+ Oswal Agro	870.34	New Group
18.	Mahindra & Mahindra	773.55	24.85
19.	Essar	756.49	72.91
20.	Kirloskar	735.51	16.18

*The figures for United Breweries Industrial House at Sl. No. 12 include those of the erstwhile 'Best & Crompton' Industrial House of 1988-89.

†Based on adjusted assets including assets of Best & Crompton Industrial House in 1988-89 and 1987-88 also.

+Companies under the Oswal Agro Industrial House were registered under the MRTP Act in August, 1989.

USA : Recession and Restructuring Plays Havoc With Workers' Jobs :

Recession has again raised its head in the USA. Once again the Euphoria of crisis free capitalist development has come to an end in the bastion of world capitalism. The US press is daily reporting lay off of thousands of workers "workers in the US are filled with anxiety and concern. Each day brings more news of lay offs. Those who are laid off want to know when this nightmare will be over so that they can get their jobs back. Those who are still working want to know so that they can stop worrying"—this is how the Workers' World of New York describes the situation.

Lay off is Permanent : Will the nightmare of the laid off workers end ? Will the workers still working ever be relieved of their worries and concern ? "No" says the Workers' World, because, as the journal goes on to show, the lay off is not just in response to recession which, at least in the past decades, appeared as a temporary phenomenon, coming to an end sooner or later. The present spate of lay off is largely the consequence of the policy of structural change initiated by American capital during the past decade. The capitalists "admits openly this is no immediate response to a temporary down turning the traditional capitalist cycle of boom and bust" Writes the Workers World. "Even an upturn in the economy would not reverse lay offs. The crisis is structural.."

Thus Speak the Industry and their Press : As quoted in the journal, Kodak company announced in December that it will eliminate 600 jobs "The recession was a lot worse than we thought", said the company's Director of Human Resources "and it triggered a round of cut backs. But if it were just the recession, we would be hiring these people back again. And we aren't going to do that."

The Kerox company announced "trimming" of 2500 or 20 per cent of its white collar jobs. The general Motors announced in December their plan to close down 21 assembly plants and eliminate 74,000 jobs. IBM has announced plans to cut 20,000 jobs and is under pressure from wall Street to increase the number.

The Wall Street journal writes "unlike traditional recessionary lay offs, many people whose jobs are being cut this time have little hope of ever being rehired" Giant Computer firm Digital Equipment plans to cut 10,000 jobs by end of June because the company can build same number of computers with fewer people. Similar permanent cut backs are being done in other companies, 10,000 at TWA 4,000 at Westing House Electric, 4,000 at Teneco, 3,800 at

McDonnell Douglas, 5,000 at Allied Signal and so on.

In the service sector which is experiencing a state of depression, the banking industry plans to eliminate 100,000 more jobs "this year alone". The airlines and hotel industry plans lay offs for the next two years "The retail industry is in its 22nd consecutive months of job cuts. Sears, Roebuck, the giants of the industry, plans 33,000 lay offs in two years".

All the cut back is permanent, as it is primarily due to the restructuring.

Why restructuring : The structural crisis, writes the Workers' World, is based on the struggle by each capitalist grouping to raise its own profits at the workers' expenses. The US corporations want to get "lean and mean" so they can enter into a struggle for profits on international arena with their European and Japanese rivals. They want the working class to pay for it with lay offs and cut backs.

Scientific-Technological revolution : Because of the scientific technological revolution, writes the workers world, the capitalist system has reached a new stage. Now it expands profit by cutting jobs. Workers cannot afford to let these profit hungry bosses have their way. Workers created these giant technological machine of production. The bosses are using it against them to lay them off.

In India : In our country too the Govt. is currently engaged in a mad drive for restructuring ostensibly for resurgence of our sick economy but actually at the dictate of IMF and World Bank. The American experience shows in whose interest the restructuring is carried out and what it has to offer to the working class.

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