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# **GENERAL REPORT**

**AT**

**ERNAKULAM**

**by**

**S. A. Dange**

**AITUC PUBLICATION**

**1953**

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## SINCE ERNAKULAM

The Silver Jubilee Session of the AITUC met at Ernakulam on 25 December, 1957. I made my report to the session, which discussed it for two days, in which delegates from every state and major industry took part. After discussion, I made a concluding speech. The session thereupon adopted a resolution endorsing "the main conclusions and proposals" made in the report.

The report has been edited in the light of the discussions, keeping intact the main conclusions and proposals, but clarifying them wherever required. Some appendices have been added giving statistical data, which were not incorporated in the body of the report. I have also given here in the appendix some extracts from the report I made on behalf of the Executive Committee of the WFTU to the Fourth World Trade Union Congress held in Leipzig in October 1957. The extracts refer to some of the main political-economic problems which are now discussed in greater detail in the Ernakulam report. The Leipzig report is published separately, but here a few extracts are given for handy reference.

Since our December session many events of note have taken place which may be mentioned here, while the report is being published.

In February, the Chagla Commission reported on the scandal of the investment of the funds of the Life Insurance Corporation, now popularly known as the Mundhra affair. As a result of the Chagla report, the Finance Minister of the Government of India, Mr. T. T. Krishnamachari, resigned and an official committee was appointed to inquire into the conduct of the Principal Finance Secretary, Mr. H. M. Patel, and other officials in connection with this scandal.

What did the Mundhra affair reveal? It showed how the big monopoly interests use the vast finances, factories and concerns in their hands to enhance their hold on the economy of

the country; how they use the ministers, the bureaucratic officials and the state apparatus for these purposes; how the state, the stock exchange, the big banks and the monopoly financiers all rolled into one are linked with each other and serve the power of Capital in various ways, despite all talk of building socialism in the country.

The Mundhra affair roused the submerged anger of the masses, who every hour of their life feel the effects of the corruption and violence of the state machine and the power of Capital which govern them. The true face of the national bourgeoisie, especially its monopoly wing and its agents in Government and in the ruling Congress Party—was seen in the Mundhra affair.

But the anger or rather indignation and disgust of the masses, especially of the working people, did not find much organised expression of protest, denunciation and demonstration on a nationwide scale. Even then, it has emboldened people to reveal and denounce corruption and graft. The resignation of a minister in the Bengal cabinet and the consequent storm in the Bengal Assembly is an illustration. Every State Assembly is now resounding with exposures of corruption and graft. The loss of political and moral prestige of the Congress Party and its governments is a gain for the country and its progressive forces.

In the trade union field, the revelations of the Mundhra affair have one direct result. The sanctity with which the audited balance sheets of companies used to be clothed, while arguing their cases in tribunals and wage boards against the claims of workers, has been exposed and put to shame. Large appropriations to reserves that used to be made in the name of needs of development and expansion and used as an argument to deny workers' claims have now been shown in their dishonest capitalist role. The pathos with which capitalists argue about their "capacity to pay" against the claims of workers is found out to be only a philosophical mask to help the aggrandisement of the power of Capital. The working class must be made conscious of these findings in order to enhance its understanding of the

economic-political mechanism of Indian Capital and to enable it to negotiate, argue and fight better for its interests.

The Mundhra affair had also the effect that it emboldened the Right-wing reactionaries in the private monopoly sector to attack the policy of nationalisation. The Federation of Indian Chambers of Commerce and Industry in its session in March made a direct demand on the Government to "denationalise" the state sector and particularly the LIC. While Prime Minister Nehru in his budget speech was clearly charging the millionaires of evading death duties by fictitious gifts and not fulfilling their duty to the country, the millionaires of the Chamber of Commerce were passing resolutions demanding cancellation of almost all taxes worth the name. It was a clear indication that the Indian monopolists are on the offensive on the state sector of industry and commerce. Naturally their first target is Life Insurance which in any capitalist economy is, next to state taxes and inflation, the easiest and safest means to provide big finance for capital formation without the long process of capital accumulation through production and its attendant risks.

Another notable thing since this report was made is that the "creeping crisis" which was being vaguely felt before (and referred to in the September meeting of the Working Committee) has now become pronounced. The recession in America has already led to over five million workers being thrown out of work. The Finance Minister's speech introducing the budget this year has announced that "the boom has ended" in India also and asks us to be prepared to meet the impact of the recession.

As always, the first victims of capitalist crisis are the workers, their wages and employment. Already the bourgeois press is calling for suspension of the work of the Wage Boards which have been appointed and a halt to further appointments.

The Government of India, obliging as it always is to monopoly capital, has already lent a sympathetic ear to them. The Labour Ministry refused to appoint a Wage Board in the tea industry. Despite mighty demonstrations of the iron and steel

workers of Jamshedpur and Burnpur, they are being denied either a tribunal or a Wage Board.

Once again the verdict of the Supreme Court has gone to the aid of the press barons by invalidating the wage increases given in the award of the Wage Board in the case of the working journalists. It thinks the press owners have "no capacity to pay" higher wages. And this judgement was arrived at without any real scrutiny of the fortunes of these barons.

There have been other attacks on the workers. The officials of the Hindustan Aircraft in Bangalore, with the help of professional union-busters acting under the flag of the INTUC, refused to yield to the demands of the workers. The Government, which owns the concern in the state sector, allowed a lockout of the factory and arrest of hundreds of workers, which led to a one-day protest strike in all the factories in the area. The big contractor firms in Burnpur and Kulti forced a strike on twenty thousand workers there. A cut in production bonus of the smelters in Martin-Burns led to a strike and later to a settlement. The heads of Governments of Bihar and Bengal met along with the INTUC and Congress leaders and police chiefs there to launch repression on the miners, iron and steel workers and others who are organising under the flag of the AITUC. The usual technique of police arrests and goonda attacks is being employed.

While this repressive machinery is set into motion against the workers, the machinery ensuring safety of the lives of thousands of miners is set at nought, leading to the great disaster at Chinakuri and Central Bhowra, where 205 miners lost their lives.

While this indiscipline of the employers, state and private, is on the increase, the Government has shown great anxiety to have the Code of Discipline accepted by the two all-India trade union organisations which had held back their consent—namely the HMS and the AITUC. In the last meeting of the sub-committee both of us gave our consent when three clarifications were obtained from the Government—one, that the right to strike is not denied by the Code; two, that the opportunities and ave-



nues of conciliation, representation and settlement visualised in the Code are made available to all unions, in the absence of which the Code does not become effective for them; three, that the Code applies both in the private and state sectors. This certainly is a step forward for the trade unions, if all the employers were to observe it in good spirit. But will they? The time to test is not far off.

One more notable thing was in the field of trade union unity. The HMS called a conference of all trade union centres and federations to hold a nationwide rally of the workers behind an agreed Charter of Demands and present it to the Governments and Legislatures. All over the country there were united demonstrations on 27 March, for the presentation of the Charter. The spirit of united action on agreed demands shown in this great rally will solidify the working class ranks to meet the challenge of the recession and the employers' onslaughts to guard their profits at the expense of the working class and the people.

Do the developments since the Ernakulam session require us in any way to deviate from the path we have been following? They do not. All the negotiations we undertook in this period—settlements or failures, strikes and other struggles—have strengthened the two-pillar policy of the AITUC which in terms of the Report can bear repetition here as follows:

*“We are meeting at a time, when the crisis is slowly creeping on us, compelling the Government to talk of slashing the plans of economic development. If it happens, the first sufferers and victims will be the workers and the poor middle class. The economic development of our country, which is an urgent national task for all and trade unions particularly, will be held up.*

*“At the same time, we have to see that all this development taking place is not at the cost of the working people. Hence we have to follow a two pillar policy—to help in the development of the economy and to defend the interests of the working masses in that economy.*

*“This entails the consideration of our tactics of struggles—*

which must be such that they serve both the aims. They are difficult tactics, no doubt. *They are not so simple as either to back every demand with a strike or to ban all strikes.* At the Working Committee meeting in September this year, we put it this way:

- ★ *Organise and Unite;*
- ★ *Demonstrate and Protest;*
- ★ *Negotiate and Settle;*
- ★ *If that fails, strike peacefully and as a last resort.*

“This understanding is valid even today.”

New Delhi,  
March 28, 1958

S. A. DANCE

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# I

## SUCCESS OF SOCIALISM AND NATIONAL INDEPENDENCE

### 1. *New Vistas Open*

We are meeting at a time when significant developments are taking place that open great vistas for human progress and civilisation. At the same time, things are taking place in our country and the countries of imperialism, which are causing hardship and misery to the toiling millions, because the vast new instruments of production and progress are not yet the property of the people and commanded by the organised power of the toiling millions.

The outstanding event that has captured the imagination of everyone throughout the world today is the Sputnik which, along with the second, is even now circling our globe at fantastic speeds. Alongside nature's creations, man has thrown his own moons into the heavens.

This single event occurring in the month of October 1957 has produced its repercussions in science, in philosophy, in politics, in economy, in everything that concerns man's life.

When the atom was first split it was used to throw atom bombs to wipe out two Japanese cities and kill hundreds of thousands of people.

When the first Inter-continental Ballistic Missile was launched it was used to hurl the Sputnik to explore the heavens in the peaceful service of man. It delighted the people of the whole world and dismayed the warmongers. The arrogance of the American imperialists and their allies, who every now and then threatened to take the world to the brink of war, was tempered at the sight of the ICBM and the Sputnik.

Why so? The first atom because it was in the hands of the imperialists served the interests of imperialism. The first Inter-continental Ballistic Missile because it was in the hands of the

leading country of socialism served the peaceful needs of mankind. It is not man's science alone that advanced. It was socialist science that advanced and hence it served the peaceful needs of man.

Anyone scanning the press of the imperialist world can see this effect. Before the Sputnik was launched, the American imperialists were fomenting a war-crisis in the Middle-East. But after the Soviet Union had shown its ICBM, the warmongers piped down. The Tory Press of Britain noted that the Sputnik has drawn the Arab world and the world of all under-developed countries away from the dazzling sights of West European power.

The ICBM and the Sputnik in the hands of socialism give another vital lesson to the working class and the people of the world. A country, which only forty years ago was a backward under-developed country has outstripped the most powerful imperialist powers in science and technological industrial development when it came to be ruled by the working class on the basis of the theory and practice of socialism. What capitalism with two hundred years of development could not do, forty years of socialism could do, in spite of two invasions, cold war and economic boycott of the country at the hands of the imperialists. This equation is enough to measure the rate of growth that a country can achieve when a socialist working class comes to power. Even the ruling class in England and America has raised the question as to why their education and supply of engineering cadre and skill are falling behind that of the Soviet system. This shows how the world of the working class is advancing, the world of capitalism and imperialism receding.

It is evident that we in India cannot remain isolated from the import of these things. Both the people and the Government are aware and responsive to these happenings.

Our country has chosen to remain on the path of peace. Our people and the Government both have refused to walk into the camp of warmongers. The chief architect of the foreign policy of our country, Pandit Nehru, as the head of the Government, has cast all his weight on the side of peace. His latest initiative, once again, after the Sputnik went up in space, in addressing an appeal to the Great Powers to suspend atomic bomb tests



and meet to discuss things around the table has been fully endorsed by the Soviet Union. He has once again denounced the policy of war pacts, just when the NATO powers were meeting in Europe.

The second most important event is the resolution on peaceful co-existence that was adopted by the 82 countries of the United Nations. It was a resolution sponsored by India, Sweden and Yugoslavia and was based on the five principles first signed between India and China in April 1954. It was a culmination of a whole historical process that the principle of co-existence has now become the accepted principle of all the countries of the world.

## 2. *Collapsing Colonial System*

The other most important feature of our times is the daily increasing collapse of the colonial system, which has been the mainstay of imperialism and the subjugation and exploitation of hundreds of millions of people in Asia, Africa and Latin America.

When Europe and America developed capitalism two centuries ago with the help of the new technique of production, they became industrialised and rich. The countries of Asia which so long had been the most advanced and rich with the old modes of production were left behind.

The capitalists of Europe invaded and subjugated the people of Asia and Africa, robbed them of their wealth, made them work for supplying cheap raw materials to the capitalist industries of Europe, chiefly England, and poured the goods of their factories into these countries in order to reap profits. The new advances of civilisation instead of lightening the toil and misery of man, gave wealth and leisure to a handful of exploiters and owners of capital and plunged the millions of the Asian, African and Latin American people into colonial slavery to the so-called advanced countries of Europe and America.

I need not recount all that history now. We all know what has been the outcome. The powers of production increased on a vast scale. The whole globe, its markets and materials were brought within the compass of a single world market of capital. Yet capitalism began to suffer from its very birth from periodi-

cal crises of over-production. In order to preserve the gains of exploitation, each capitalist country vied with its rival; they went to war with each other for markets, for colonies, for profits, as in 1914 and 1939.

In order to better exploit the colonial people, the imperialists had to introduce the new means of production and elements of the capitalist system in these subject countries. The result was that there also a capitalist class, and a new working class came into existence. A new consciousness and nationalism, a will to be liberated from foreign invaders began to gather force, at each crisis in the system of imperialism. The countries of Asia began to struggle against imperialism to be free to develop their own resources for themselves. Thus the colonialists began to encounter the opposition of the liberation movements of the subject countries.

### 3. *Secret of Crises and Goal of Socialism*

We must not forget, however, that the initial force, the first sufferer, on the basis of whose exploitation capitalism in the world grew and enslaved the countries of Asia and Africa, was the working class of Europe. This working class, at first, was as badly treated as the colonial people. But soon it learnt to resist and defend itself against the employers. It learned to build trade unions. It conducted strikes and fought for lesser hours of work and higher wages, and protection from the state in these matters, by the enactment of laws. These bitter struggles and sacrifices helped it improve to some extent its conditions of work and living.

But it soon found that whenever it made some gains, the capitalist found further means to increase his profits. With reduction of hours of work, he increased the speed of work. With the increase in wages, he increased the load of work. With each innovation in technique, the capitalist continued to multiply his wealth. He fought the trade unions and strikes with the aid of the state machinery, the law and the police which were controlled by the capitalist class. A time came when mere strikes, and even all-national strikes embracing all industries, could not defeat the power of capitalism. The crises visited society as be-

fore and each crisis nearly wiped out the gains of the previous period for the working class.

This experience led the working class to probe the secret of the crises and of its suffering—that is, the secret of the laws of capitalist society. Intellectuals, who had thrown their lot with the working class, came to its help and the working class soon learnt the secret of the crises, of the phenomenon of accumulation of wealth on one side and accumulation of misery on the other. It found the secret of this in the fact that while the capitalist bought him for a fixed wage for a day, or week or month and took work from him, the worker always created more value than he was paid for. This surplus, this difference between what he got and what he gave back as a result of his labour, made the vast profits of capital. If he got the value of a pound of wheat as wage for a day, he gave back the value of two, three or four pounds, depending on the hours of work he did and the instruments he was given to use.

This secret the worker felt in his own experience of life. He felt it in his bones every hour, every day he worked and lived. This secret alone could explain the nature of the crisis of over-production—too many things remain unsold, while too many people, wanting those very things, willing to work and willing to buy, are unable to do so because capitalism will not sell except for profit and will not employ them unless it be for profit. This secret told them that the cure of this is not only to fight for temporary improvement of living and working conditions—but also to fight for a new goal, the goal of socialism, where the private ownership of the means of production will be abolished and the gains of labour of hand and brain will flow back to all and not become the private property of a small class of owners. To change and reorganise society on this new basis became the aim and object of the working class, both of its trade union movement and of its political parties. Imperialism was thus confronted with a battle on two fronts. In its home countries it was confronted with its own working class struggling for socialism. And in its subject countries, abroad, it was confronted with the national revolutionary movement struggling for freedom.

All these things seem to be very clear and simple to us. They seem very natural and right to us today.

But forty years ago, they did not seem so right, so natural.

Even the utterance of the word "Independence" was forbidden in our country. And when we founded the All-India Trade Union Congress in 1920, the words 'socialism' and 'political independence' were taboo. How things have changed since then and at what sacrifice!

All trade unions of all shades now participate in politics. All accept the defence of freedom and independence of the country as their important duty. All accept socialism as their objective. All accept the obligations of international solidarity, the need for peace and opposition to warmongers. All or most of us are in some international organisation, either in the WFTU or the ICFTU. All trade unions now send May Day delegations of fraternal friendship to the Soviet Union, China and other socialist countries.

Thus has widened the mighty working class and trade union movement of our country, in its objectives and principles. When the working class, and its trade union movement, has so advanced as to have the above common objectives—what divides it then and why should it not unite for the attainment of these objectives all the world over and in India?

#### 4. *From Slogans to Reality*

Forty years ago, socialism was only a theory, a slogan for propaganda, and not a reality anywhere.

Forty years ago, the independence of the colonial countries was only a movement and not a reality anywhere.

Forty years ago, after the First World War, in which the imperialists tore at each other's throats to re-divide the world for their profits, the working class of Russia carried out a Revolution and established the first socialist state.

Forty years ago, after the First World War, the countries of Asia and the Middle-East launched their great struggles for freedom—as in China, India, Egypt, Indonesia, Turkey, etc.

Our struggles for freedom were drowned in blood. But they failed to massacre the Soviet state.

One may or may not agree with the socialist state of the

Soviet Union in all its doings or politics. But none can escape the fact that the first socialist state of the world helped the colonial people in their struggle for freedom (viz., China, Turkey, etc.); that this state industrialised itself without capitalism; that in its socialist system, unemployment and periodic crises of over-production had been eliminated, the right to work and rest, the right to education and culture had become a reality for the toiling people. The slogan of socialism became a reality.

Despite the ironical finger of capitalist critics pointing to certain deficiencies in the Soviet Union, one could not point out a class of factory owners there closing down factories because they could not make profits! Nor, too, a class of landlords evicting poor tenants from land, nor millions of unemployed roaming in search of work and living.

Once again, the imperialists, in 1939, launched the Second World War, and once again they failed in their aims. The world of socialism became bigger.

Not only that. After this war, those colonial and subject people who were struggling for independence advanced on the road to freedom. China, India, Indonesia, North Viet-Nam, North Korea, many countries of the African Continent shook off the yoke of foreign rule. And many others strengthened their struggle to be free. The slogan of National Independence became a reality for the major part of the people of the subject countries. The increasing independence of the under-developed countries, setting free hundreds of millions of people from the clutches of the imperialist system is a great blow to colonialism and a step forward towards the liberation of the whole of mankind.

The imperialists, however, are not taking their defeat lying down. The grand spectacle of free Asia, as seen in the Bandung Conference in 1955, has frightened and enraged them. With the ferocity of a wounded beast they counter-attack the freedom movements. They even dare to launch armed invasions to destroy the freedom already won by some countries, as was seen in the attempt of the British and the French to re-enslave free Egypt. The Americans and the British are trying to take away the political freedom of the Arab countries, in order to make their hold on oil wells and oil profits safe and to establish war bases

against socialism and the freedom of the Asian people. They refuse to let Algeria have its freedom. They tried a war scare in Syria. While granting Malaya its freedom, they hope to hold it in leash. In Latin America, they try to impose dictatorial governments amenable to the will of the American imperialists and have succeeded in some places. The Portuguese, aided by the Anglo-Americans, refuse to give up our Goa territory. Even in India, only the other day, Pandit Nehru had to say that some colonial interests did not like India's freedom and want to weaken it. They try to embroil us with Pakistan on Kashmir or some other issue. The heroic Algerian people are carrying on a war of liberation. The organised working class of Indonesia has retaliated against the Dutch imperialists who want to dismember Indonesia by fomenting military conspiracies and seizing the Indonesian territory of West Irian from the hands of their Central Government.

This is enough to show that the colonialists are not ready even now to give up their hold peacefully and that the struggle against colonialism has to continue unabated. The Government of India has declared that it supports the claim of Indonesia on West Irian and the demand of Algeria for freedom. The working class and people of India stand unequivocally on the side of the Indonesian people, the Algerian people, the peoples of the Arab world and the African Continent in their struggle against the colonialists, who are today headed by the American monopolists.

The solidarity of the Asian-African people must be strengthened by the trade unions of these countries actively defending each other's interests in co-operation with all the patriotic anti-colonial forces in every country against the attacks of the colonialists. Trade unions of all shades and thought in India can and should unite in this common task. The AITUC joins in this common task.

## II

### FIGHT FOR ECONOMIC INDEPENDENCE

#### 5. *Initial Difficulties and Problems*

India, after achieving freedom, is confronted with the problem of developing her economy, so as to overcome the backwardness and poverty in which the British imperialists had kept her. This is a problem of all under-developed countries which have achieved their freedom. Our working class and trade unions have their duty to do in the solution of this problem because, unless we participate in the solution of the problem as an organised force, the working class and the people will not advance on the road to socialism. Even the independence of the country will be in jeopardy.

Political independence in today's world becomes a formal affair, unless the country strengthens it by economic independence. Our country has seen the problem and has decided to solve it. But unfortunately the way to the solution is bristling with serious difficulties. As the strongest sector of the trade union movement of our country, the AITUC has to take note of these difficulties and contribute all it can to overcome them.

What is the nature of the difficulties and from where do they arise?

All the difficulties follow initially from the fact that foreign rule kept our economy backward and under-developed. So the problem before us is to develop agriculture for food and raw materials and to industrialise our country.

In the early days, soon after the Congress Government came to power, the imperialists tried to obstruct the stabilisation of our freedom by creating sources of reactionary attacks on our country, like the Kashmir invasion, the conspiracies of the princes, the immense refugee influx and so on. To add to all these difficulties, the landlords and reactionary moneyed interests created scarcity and high prices in order to make unprecedented profits. The Government advised by these very interests in economic matters, played with de-control and control and allowed them to jeopardise the life of the people. It took some four years to allay the turmoil.

Then the Government began to speak of planned economy. The severe defeats sustained by the Congress Party in the 1952 elections in many places, the struggles conducted by the working class and the peasantry in defence of their rights and living and in opposition to the reactionary policies also had their effect. The Government promised to abolish landlordism and carry out land reforms in order to overcome backwardness in agriculture and to launch schemes of industrialisation.

The results of the working of the First Five-Year Plan are already known to you.

The Plan from the very inception was not intended to be one of industrialisation. Agriculture and irrigation were to take 33 per cent of the total outlay, while industries and minerals were allotted 7 per cent. There was not a single iron and steel works in the First Plan.

The profits of the Korean war boom and very good harvests helped the First Plan to present a picture of success and achievements a little out of proportion to the reality of the situation. There is no doubt that the national income increased by 18 per cent. But a large part of this was due to good monsoons and harvests and because of planned economy. And a substantial part was due to better coverage of statistics!

The main outcome was that war-time rationing was abolished, the war-time loss of production in many lines, viz. textiles, sugar, etc. was overcome and we were only trying to catch up with the 1939 pre-war level, which itself was one of poverty and backwardness. It was time something bigger and better was planned. So the Second Five-Year Plan with an emphasis on industrialisation was proposed.

## 6. *Basic Features of the Second Plan*

The Second Plan was twice the size of the First in the matter of money investments—Rs. 2,400 crores in the First, Rs. 4,800 crores in the Second, in central and state outlays only, apart from private investments. In percentages, industry and minerals were given 19 per cent compared to 7 per cent in the First.

The Second Plan differed from the First in many basic features. The Second Plan in its conception was one which could have been beneficial to the country as a whole.



Its first feature was that a large part of the investment was to be made in the state sector. The major volume of new capital was to be state owned.

The second feature was that new units in such vital industries as heavy engineering, machine-building, iron and steel, coal mining and oil exploration, which so long were exclusively in the hands of Indian and foreign private monopoly capital were to be immediately undertaken in the state sector.

The third feature was that in all this development, sole reliance was not to be placed on the capitalist countries of the West in the matter of trade, capital goods and loans. Countries of the socialist camp, particularly the Soviet Union, were also to be approached for aid.

The fourth feature was that land reforms like putting a ceiling on land and distribution of land to the cultivating peasantry was to be carried out.

The fifth feature was that as the basis for all this, the Parliament adopted as the objective for the whole country the establishment of the socialist pattern of society.

Who would not welcome these five features of the Second Plan, features which, if worked out fully and honestly, would certainly be a great step forward in overcoming the backwardness or colonial character of our economy and launch it on the road to progress?

### *7. Two Critics — Progressive and Reactionary*

Of course, we have our criticism of the Plan—the first point in the criticism being: Is the Government of the Congress Party, which is dominated by the influence of monopoly capital, really capable and desirous of translating all the five features into practice?

How can a party representing the ambitions and outlook of Indian capital abolish capitalism and introduce socialist measures? Mere state ownership of certain big plants does not constitute socialism. In fact, such ownership, divorced from the social-political control by the working class and the democratic masses becomes only another means of helping the development of capitalism.

How can such a party allow India to turn to the socialist countries for aid and thereby displease, and destroy its links with, the traditional partners of trade and investment from the capitalist West?

These questions are right and must be raised. But the fact that such questions are raised by millions of workers is due to what? It is due to the presence of these very five features in the Second Plan. Since they are there, the country and the working class can demand that these features be maintained and fulfilled. He who breaks these features can be denounced as an opponent of the people's interests. That itself is a great advantage for the positions of the working class and the mass of people.

But we are not the only critics of the Plan. There are others, who want the Plan to be cut or pruned, who call it ambitious, who want the Plan, as it is, to fail. These are critics from Right-wing Reaction. What is their main target of criticism? It is those very five important features which invite their greatest wrath. They resent what we welcome.

Both of us are critics of the Plan. But they want to change the Plan totally in favour of private Indian monopoly capital aided by their foreign inspirers and partners, while we want to strengthen it against these Right-wing disruptors.

The Working Committee of the AITUC has time and again discussed this problem and declared its position unequivocally in the above terms.

### 8. *Both Help — But How?*

I need not discuss in detail the extremely important economic, political and social implications of the features mentioned above.

It is not an accident that the principal owner of the Indian Iron & Steel Co. of Burnpur, openly called on the Government to drop building of steel plants in the state sector on the most astounding ground that India does not need so much steel! This Company has got loans from the Government and the Americans for its own expansion. It is not an accident that as soon as Rumanian and Soviet oil-drilling parties came to India, Burmah-Shell and Standard-Vacuum hurried up their talks with the Government for further prospecting of oil and the building of

refineries which they were unwilling or slow to do before. It is not an accident that the big monopolists of coal agreed to step up production when the Government decided to open its own mines and asked the Soviet Union to give a plant for making mining machinery. And it is not purely a financial or technical matter that the Rourkela Steel Plant to be built by the Germans is still in blue-prints and Durgapur Steel Plant to be built by the Britishers is still looking out for a bankers' loan, while the Bhilai Plant to be built by the Soviet Union is going up by leaps and bounds and hopes to be completed ahead of schedule.

This happens because the imperialist countries are not very glad to see India, once their most profitable colony, advancing on the road to economic independence and getting rid of their control, while the Soviet Union and the other socialist countries are glad to see and help in the development of all under-developed countries, so that the working class and the toiling people there can rapidly advance to socialism and prosperity. Every advance of the newly independent countries towards industrialisation and economic independence weakens imperialism and strengthens democracy and peace and ultimately world socialism.

The critics of the Right see this and try to blow up our state-owned heavy industry development. The critics of the Left must also see this and try and act to improve, strengthen and fulfil that development.

### 9. *What Is Wrong with Help from Capitalist Countries?*

Does this mean that we do not want to take help from the countries of capitalism—from England or America? It does not mean so. The development of our economy will take the supply of capital goods from all the industrially advanced countries. But a country like ours, a country that has been kept backward by the colonialists, cannot have enough accumulated capital to pay all at once for all those capital goods, technique and know-how. Hence, we have to ask for loans.

But the colonialists want to dictate terms for their loans. They want us to join their war pacts. They want control over our resources—which means they want us to be subject to them once again.

Another reason why their help is not very useful is the fact

that they charge disproportionately high prices for their supplies and services to earn super profits. And when we wish to pay back they do not accept payment in rupees, because it means that they have to buy something from us in return of what they supply us. That puts us in what is described as the crisis of foreign exchange.

The capitalist countries, moreover, do not like to give us loans to build heavy industries at all and particularly in the state sector. They are ready to sell us their surplus wheat, their unsaleable cotton. But they are unwilling to give us readily machine-making plants. They want to lend these mainly to their class brothers in private enterprise for private profit. They readily loaned money to Tata, Martin Burn, Birla and others.

This is what compelled the Government of India to seek loans and help from the Soviet Union and other socialist countries. At first the Government, with its traditional trade links with the capitalist countries, tried as much as possible to avoid trade relations with the socialist countries. But the obstacles put in the way of our development by the capitalist countries, particularly by the financiers of the USA, Britain, and the friendly straightforward terms offered by the socialist countries, without any strings attached to them, convinced the people of our country that help from the socialist camp is genuine, really efficient and comes in time. Even the Government and the bourgeoisie had to admit it. Such help is upsetting the plans of the colonialists and of the Right-wing critics who want to keep India under-developed and once again attach her to their band-wagon.

#### 10. *Should the Plan Fail ...*

It is, however, known that the Second Five-Year Plan is in great difficulties, that it is being cut down or pruned and that the Plan is no longer what it promised to be. How then are we to support it and what can we do to checkmate its saboteurs some of whom manage to utilise even the governmental apparatus for their unholy work (*viz.*, the Mundhra affair)?

Here is what Mr. A. D. Shroff, a well known banker-industrialist, says about imports which affect our foreign exchange. "The indiscriminate and crazy manner" in which licences were

issued by the Government of India last year has created "a very serious situation" in the country. He said there was "trafficking in licences." (*Times of India*, 10 Dec., 1957.)

Of course Mr. Shroff as a banker should have known what was happening in the banks of his own class. Now as a Right-wing critic the lesson he draws is that "both planners and their supporters would have realised by now that the *philosophy* on which the plan was based"—attainment of a socialistic pattern of society—"looked such a good horse in the stable but is proving an arrant jade on the journey." Mr. Shroff failed to see that it was because the horse was being jockeyed by the brethren of his own class, who purposely want to fail it in the run and then buy it up at the price of a jade!

We must remember that if the Plan fails, the results will not affect only the ruling party. It will spell immense economic difficulties for the whole country. No doubt the political responsibility of the failure will be of the ruling Congress Party. But then the misery will be for everyone to suffer. It may even give a political advantage for the genuine parties of the Left. But the advantage will be far greater, if we can save the best and the basic features of the Plan and defeat the monopoly capitalists in their game against the people.

Here we have no time to go into the analysis of all the factors that are taking our economy to a crisis. Some people say that the difficulties are of growth and, therefore, healthy difficulties. What are the main elements of the situation which cause the difficulties.

### 11. *Forces Obstructing Development*

The main complaint of the Planners is that the resources from foreign loan capital that they expected to get are not forthcoming. The cost of what is coming has gone up. Our exports, which should have paid for some of these vital imports for the Plan, are falling in price and in quantity. Hence many of the schemes of electricity, transport, fertiliser factories, etc. have to be curtailed, except such as have been already launched.

In the matter of foreign resources, what is not being put clearly before the people is that help from foreign resources has

not come from the Anglo-American bloc according to expectations; that what was available has been utilised at random, without plan or proper control; and that with the connivance or direct help of the Ministries concerned a lot of aid from the Anglo-American bloc was diverted to monopolists in the private sector.

“Imports increased from Rs. 751 crores in 1955-56 to Rs. 1077 crores in 1956-57.... The increase in imports was shared by both the public and private sectors—imports on Government account having increased from Rs. 139 crores in 1955-56 to Rs. 281 crores in 1956-57; and imports on private account from Rs. 612 crores to Rs. 796 crores,” says the Planning Commission’s Review.

It is noteworthy that in spite of the increasing tempo and percentage of outlay in the state sector visualised in the Plan, private imports have risen more than Government’s and, secondly, while Government import account is limping at Rs. 281 crores, the private account stands at Rs. 796 crores. The account of state imports for productive purposes would be still poorer if we remember that a large part of it is for Defence purposes, such as naval ships, armaments, aircraft, etc.

This shows where the foreign exchange goes—not so much for the use of the state sector as of the private sector. This does not, of course, mean that activity in the private sector does not feed the Plan or that the private sector can be abolished outright from all spheres. It shows how the capitalist private sector is strong and how weak remains the state sector.

This is why it happened that when recently the Finance Minister of the Government of India went abroad for getting loans for the state sector of industries, he came back with big deals for the private sector. Some say he failed the state but saved the private sector.

The Planning Commission’s Review says that in the industry in the private sector Rs. 85 crores were invested in 1955-56 and Rs. 160 crores in 1956-57 with an expectation of Rs. 270 crores in 1957-58. This does not include unrevealed investments and accumulation.

## 12. *Robbery of Public Funds*

Next to the obstruction of the foreign monopolists, is the activity of the capitalists of the private sector that hamper the Plan and impose hardships on the people. They evade taxes running into several hundred crores of rupees each year. The Government instead of attacking the rich tax-dodgers turns against the people and imposes higher taxes on them to make up the shortage and provide money for the Government, a large part of which again goes into the coffers of these very tax-evading millionaires. Their speculative activities and profiteering in prices, make the living costs of the majority of people unbearable and uncertain. Their robbery of public money (though detected very rarely), as was done in the case of the Telco locomotive prices of the Tatas or the Life Insurance investments in the concerns of the Mundhras or the scandals of the Indian Finance Corporation, the Sodepur Glass Works, the Nepa Paper Mills, the theft of stores at Bhakra-Nangal Dam, the failure of the Bombay Tubewells, not only goes unpunished, but is even explained away as unavoidable hazards of private enterprise in the service of the country! The Mundhra and the Insurance Corporation funds scandal, which would have led to a crash of a cabinet even in a bourgeois democracy like England, was explained away and laughed at by some of the Ministers in the Parliament.\* Such is their consciousness of socialism, social good and the Plan.

## 13. *Failure of Land Reforms*

The third serious element in the situation is the failure of food supplies. It is stated by the Government that this is mainly due to the natural calamities of unexpected floods and drought. This is only partly true. But the hoarding and speculative activities of the big capitalist-traders, rice-millers and landlords, who use people's miseries and shortage to make money, are certainly not a natural calamity! But it took hunger marches and starvation deaths for the Government to wake up to the situation. At the beginning of the Budget Session of Parliament this year (1957) it was flatly denied that the situation was serious and

\* When this was written the Chagla Commission had not been appointed  
—S.A.D.

whatever 'shortages' were felt were attributed most cynically to 'over-eating' by the people and rise in standards of living. Such is the socialist philosophy that rules the Government benches.

The main failure is not of rain. It is the failure of the land reforms promised to the peasant, failure to give him protection from evictions, to give him aid to form co-operative agriculture, with cheap capital and equipment, to lighten his tax burdens and to save him from the speculators and the capitalist market and the squeeze of the bureaucrats. Unless thorough land reforms are carried out, mere shouting about community development will not solve the food problem. If that were the main solution, the report that this scheme has covered 296,000 villages, 173 million population and spent Rs. 74 crores till June 1957 should have materially changed the food picture. But it has not. The trade unions should join hands with the movement of the peasants for these reforms, which are held up by capitalist-landlord interests and their supporters in the Government. Unless the peasant committees in the villages themselves are given powers to carry out the reforms and protected by the state against the moneyed men, the bureaucrats and their gangsters, the reforms become only paper reforms. While a small trickle of benefit goes in a few places, the huge grants become the source of enrichment of a few.

A Review by the Planning Commission says: "The additional area actually irrigated by major and medium projects during the First Plan is about 4 million acres against the original expectations of about 8.5 million acres and an anticipated additional potential of 6.3 million acres. The shortfall in utilisation of irrigation supplies has occurred mostly in the States of Bihar, Bombay and U.P. and West Bengal and the reasons for the shortfall vary. The main lesson to be derived is that greater attention has to be given to steps essential for the early utilisation of irrigation supplies. There is need for even greater stress on these steps, in view of the meagre results obtained in 1956-57. The target of additional irrigation potential for the Second Five-Year Plan is 12 million acres of which 2.2 million acres were programmed to be achieved during the year 1956-57. The actual additional irrigation during the year (excluding Bombay and J & K) was, however, only about 650,000 acres."

The trade unions have a direct personal interest in this,



because every failure on the food front immediately affects prices and cuts the value of our wages.

#### 14. *The Role of Bureaucracy*

The fourth obstructive element in the Plan is the bureaucracy in the state apparatus and the absence of real executive democracy for the people. The whole functioning of the Plan is left to 'official' agencies, which off and on make a show of 'consulting' and inviting 'co-operation' of the people. There are some good and patriotic cadres in the bureaucracy, who since independence want to help in the development of the country's economy. But mere goodness of a few cannot be a substitute for mass initiative, in the absence of which the bourgeois-landlord influences prove stronger and use the state for their own purposes. The absence of room for democratic initiative and execution from below, the sanctity with which the doings of the bureaucracy are clothed and protected by force and law ultimately lead to corruption and a police state—which means the end of progress and non-fulfilment of the needs of the people.

#### 15. *What Can the Trade Unions Do?*

How can these obstructive elements be overcome and what can the trade unions do in this task?

The trade unions must first concentrate on educating the mass of workers on the needs of the situation. The trade unions led by the Congress Party only sing the praises and achievements of the Plan and try to mobilise the people behind their Government and the classes that support it, thus preventing the masses from taking democratic initiative to protect their own and the general interests.

Some trade unions only denounce either the whole Plan as merely a conspiracy of the bourgeoisie to defraud the people. Such a one-sided and unreal view, though put in radical and Left phraseology only helps the Right-wing reactionaries and frustrates or misleads mass initiative from achieving positive improvements and gains.

The trade unions of the AITUC should reject both these positions. We must shoulder the responsibility to educate the

masses on the need to fulfil the Plan and to defend it against the three main disruptors, namely, the foreign monopoly capitalists, the Indian monopolists, and their agents in the state.

In this we must expose the activities of the foreign oil companies, the tea plantation monopolists, the big coal mining interests, etc. Every deal of the Government with these colonial interests, every term that they dictate against the interests of our economy must be exposed before the people and demands raised either to nationalise them or severely curb their monopoly power and harmful activities. This must be done from the point of view of the general national interest and as part of our struggle against colonialism.

We must be vigilant about the robbery of state funds and corrupt practices. We must guard the theft of property in the state sector as that is property of the people.

We must give efficient work according to the terms of the service, particularly so in the state sector. State-sector economy is not yet a socialist economy. But it is built by taxing the people, out of public money. The surplus in the state sector does not become wholly the private dividends of the rich few, though a part no doubt is used for that purpose and for harnessing the toiling masses in the service of capital, through state force, whenever they show signs of protest or revolt. Even then, the state sector, when made amenable to Parliamentary control can be made to use the surplus for tax relief, education, amelioration of conditions for all people, etc.

Trade union cadres must learn the financial and technical aspects of industry both in private and public sector, without which they cannot exercise intelligent vigilance or participate in the management in the state sector through such democratic organs as works councils, trade union committees or committees of the state legislatures and Parliament.

All our trade unions embracing the workers of the big combines must be able to handle through co-operative activity at least the question of their own food distribution and housing.

We are trying to indicate some of the general tasks the unions can undertake in relation to the Plan, our economy and the fight against the colonialists abroad and the monopolists at home.

### 16. *Trade Union Representatives in Parliament*

In this great task, the trade unions have now secured a position of vantage and influence in the Parliament and the state legislatures. As a result of the last elections, trade union leaders of all shades of thought and affiliation have been elected in quite large numbers. The AITUC alone has nine members of Parliament and 32 members in the state legislatures, who put forward criticisms on behalf of the people and the working class as indicated above. The AITUC, the HMS, the UTUC along with the leaders of independent trade union federations, evolve common points of criticisms and proposals on the floor of the legislatures. Through adjournment motions, questions, short discussions, amendments to bills, resolutions and debates, the viewpoint of the working class and the trade unions now finds expression throughout the country. And we should be glad to record that there is at least one Government of a state, that of the Communist Party of Kerala, which, however small it may be and however limited its powers to transform the life of a whole state of fourteen million people, does respond quickly and correctly to the democratic demands of the people and the trade unions. Let us work for more successes in this field of parliamentary action.

The tasks which we have indicated above do not at present evoke any enthusiasm on the part of the workers, in fact they evoke reluctance to an extent, because in the present stage of our economy they are under heavy fire from all sections of the exploiters, whether private or state. For every minute of their life they have to struggle hard to defend their working and living conditions. Even when the economy is growing, even when the wealth of the country and the profits of the capitalists grow, the workers are denied their legitimate share. Hence they find it difficult to be enthused over a Plan, which speaks of having a progressive labour policy, but willingly and voluntarily never takes a step unless it is pressed hard to concede even the smallest demand of the workers. With all this, however, it is a fact that, with the boom in production partly as a result of the Plan and partly of world conditions, the trade unions have been able to make headway and make certain gains, that they have been able

to advance in their positions. Let us see what the position is in that field.

### III

## WAGES, WORK AND DEMANDS

### 17. *Lack of Proper Statistics*

The Government asks the people to judge the success of its economic activity in relation to industrialisation by pointing to investments and indices of production. The capitalists measure their success by the profits they make. We, workers, judge it mainly by the wages we get and the load of work we have to do, in the context of this growth of production, profits and living costs. Questions of wages and work are the most vital part of our life and demand prime attention from the trade unions.

If someone were to ask whether in the ten years since independence, and particularly in the five years of the First Five-Year Plan and the first two years of the Second Plan, the workers have advanced on the wages front, or lost, what can we say? A precise answer to that is rather difficult because the collection of statistics on this matter by the Government is not so cast as to give us a picture of the wage map of India. The Payment of Wages Act gives us an annual sum of average earnings in an industry. But it is unrelated to the output of total production. The cost of living indices or the consumer price indices do not reflect the reality of family living costs correctly and to the full extent. The collection of prices and costs is not only faulty, but some unions alleged that it is even doctored to prevent workers' claims. The Government keeps on changing the bases for the index from time to time. The change in base years disables comparisons and unwittingly helps the employers to confuse the workers' demands. So far three base years have been used, viz., 1939, 1944 and 1949, for consumer price indices.

We have as yet no computations on the total wage and salary bill of the whole country, of its industry, trade and ser-

vices. Returns under the Payment of Wages Act provide some limited data. The study that is published on the net product of industry, from which one can find the share of wages and the share of the capitalist, embraces only about 29 industries. But it can give some guidance to find the trends. The index of profits published by the Government also is a rough guide to trends. (See Appendix I on page 92.)

### 18. *Wages Advance — Nominal and Real*

On the basis of material that is available, we can say that wages and earnings in the major sectors of industries have gone up since 1947 as follows:

<i>Average Annual Earnings: Rs. per Worker</i>						
1947	1950	1951	1952	1953	1954	1955
702.4	965.8	1028.9	1108.7	1108.7	1108.1	1170.0

These are collected on the basis of returns under the Payment of Wages Act. (*Indian Labour Gazette*, September 1957).

This shows that workers' battles won them a rise from Rs. 702.4 in 1947 to Rs. 1108.7 in 1952. In the next three years, there was almost no change. Then again, a rise was obtained in 1955 from Rs. 1108.1 to Rs. 1170.0.

The index of *nominal earnings* from 1947 to 1955 with 1951 as 100 shows:

1947	1949	1950	1951	1952	1953	1954	1955
71.0	95.4	93.7	100	108.1	107.7	107.6	116.0

All this shows that workers were out to fight for overcoming the wage cuts of the war period and securing an improvement of their conditions and they succeeded in making significant gains.

But this picture would be unreal if we do not find out what was happening to prices and to the cost of living of the workers.

Every worker knows that the money in his hands is now more. But that money buys less than before because the capitalists are raising prices and making the necessities of life dearer.

If we take that fact into consideration, what do we find?

We find that the workers have succeeded in overcoming the wage cuts of the war period and also keeping pace with the rise in prices imposed on them by the employers. It means that not

only money wages have made an advance but real wages also have advanced, mainly in the large-scale organised industries.

<i>Year</i>	<i>All-India consumer price index</i> (1939-100)	<i>Index of real earnings</i> (1939-100)
1947	323	78.4
1948	360	84.4
1949	371	91.7
1950	371	90.1
1951	387	92.2
1952	379	101.8
1953	385	99.9
1954	371	102.7

It may be said that since independence, all that the success of the First Five-Year Plan did for the working class was to take it back to the standards of living of 1939! But such a reading would not be correct. It would be saying that all that our heroic struggles led to was to throw us back to 1939! What we have really achieved is to overcome the heavy wage cuts of the war period and to secure a wage rise to neutralise the rising prices which soared even after the end of the war. The Indian big bourgeoisie after securing power did not hesitate to fleece its working class and people for their selfish profits and the workers fought it back.

In judging the real content of the advance, one, of course, has to study how the advance was secured and the relation it bears to the prosperity that the other classes have secured. But before we look into it we have to point out the form and the basis in which the earnings of the workers have advanced.

#### 19. *War-time Loss and Regain in Basic, D.A., Bonus and 8-Hour Day*

Our wage system takes several forms of payment. There is a basic wage, whether on time basis or on piece rates. When in war time prices rose, an addition was made to the basic wage, called dearness allowance. This was paid directly in cash on some *ad hoc* basis as a fixed sum or as percentage of basic wages. In some places, a part of the dearness was met by giving

rationed supplies of food and other items of necessity at fixed prices or free. When the workers saw the immense prosperity of the employers, they began to ask for a share of it, as their 'reward.' Thus the annual bonus came into existence. In the last seven years the struggle for higher wages embraced all forms of wages—that is, for a rise in basic wages, for higher dearness allowance to neutralise the rise in the prices, and for bonus.

The demand for higher dearness allowance and bonus dominated in the war and post-war period. When the Second World War broke out, the Bombay Government under the leadership of Mr. K. M. Munshi, the then Home Minister, was the first to allow the traders and manufacturers a rise of 20 per cent in prices. The Government of India and Provincial Governments had ruled for only 10 per cent.

The textile workers of Bombay retaliated by asking for dearness allowance, which was conceded only to the extent of 10 per cent. The general strike of March 1940 followed, but no change was immediately made. But as a result of it, the dearness allowance was linked to cost of living indices for the first time in India and annual bonuses were promised by the mill-owners. That became the beginning of a wide-spread movement for dearness allowance and bonus throughout the country.

But the dearness allowance never neutralised fully the rise in the cost of living, and none was conceded in several industries and centres where the trade unions were weak or workers could not unite and struggle. Calcutta is an instance. So was it in coal, tea, etc. Appendix II on page 93 shows the vast disparities between one centre and another, despite tremendous rise in cost of living in all places.

The result was that real wages fell enormously. By 1946, they were 73.2 per cent of 1939. The workers were made to suffer the burdens of the war, while the employers reaped huge profits.

## 20. *Post-war Upsurge*

With the end of the war, there was an upsurge of the national movement for independence. It was backed by political strikes on a nation-wide scale, which also put forward economic demands for increase in wages and reduction of working hours.

All anti-imperialist forces, including the Congress leadership, sympathised with the demands for a wage rise to overcome the war-time fall in wages and consequent hardships. The AICC even adopted a resolution to that effect but cautioned against strikes. The Government appointed a Pay Commission for all services, including railways, which had been given an interim relief.

The most outstanding post-war gain was the introduction of the eight-hour day in the country, the realisation of that historic demand for which the trade union movement throughout the world had been fighting since the first May Day Manifesto of 1889. The 8-hour day was introduced from 1 August 1946, without any wage reduction, which means a gain of 10 per cent in wages.

The historic task that the first Pay Commission performed was to bind all the services and Government workers round a central slogan of uniform wages, a uniform minimum for the whole country.

There were tribunals and boards for other industries also. The movement for dearness allowance, for a national minimum, for bonus, for a standardised basic wage made headway from 1946 to 1948 with substantial gains in dearness allowance and bonus and some gains in the basic wages in some industries, Government services, railways, post and telegraph, coal-mining, textiles, iron and steel; that is, the major sector of the working class made an advance. The real wage index rose from 73.2 in 1946 to 91.7 in 1949.

At the same time, the employers were fleecing the country mercilessly with the help of Government policies which removed the war time controls on several commodities and thus allowed the speculators to rob the people. Alarmed at the way the most patriotic and pious bourgeoisie robbed the people and roused their protest actions, the Government and the Congress Party had to re-introduce certain controls. (For the statistics of the strike wave of that period see Appendix III (b) on page 95.)

Conditions stabilised relatively for a time, from 1950 onwards. The strike wave came down appreciably, though disputes on bonus, dearness allowance and basic wages were pending in many places. The most famous dispute, that lasted for



over six years and gave a new turn to the question of salaries of middle-class employees in the main and to their organisation, was the dispute of the Bank employees. This dispute was unique in many respects. In this dispute the workers had a taste of the Constitution; had the pleasure of an ordinance; perhaps, the first of its kind, had the taste of the Central Government intervening in behalf of the bankers and refusing higher salaries given by a tribunal; had the pleasure of seeing a Labour Minister resign; and ultimately through a threat of strike and last minute compromises, and a new tribunal, had the fortune to secure a substantial part of their demands. The success of demands, the organisational build-up, the all-national character and unified behaviour and action under the banner of the All-India Bank Employees' Association (AIBEA)—all made this struggle of the bank workers quite outstanding in the newly rising developments in the trade union field. Just as the Pay Commission set the level of the national minimum at Rs. 30, below which no basic wage should fall for Government employees, this dispute set the tone for the levels of the salaries of the middle-class employees. The AIBEA is an independent federation. But all the three national trade union centres, the AITUC, the HMS and the UTUC, rallied in its support on a united platform.

### 21. *First Plan and Defeat of Wage Freeze Policy*

It was in the midst of the bank workers' dispute that the First Five-Year Plan came. It put forward a wages policy for the Plan. What was its essence?

The essence of the policy was a wage freeze for the five years of the Plan. It was plainly stated that if workers were given wage increase to meet the rise in the prices that would take place, there would be inflation and it would harm to the Plan.

The policy of wage freeze was openly stated by the Sastri Tribunal in the Bank Award. It quoted with approval the following from the First Five-Year Plan:

"In recent years prices have risen rapidly. Industrial profits have also increased considerably and organised labour has obtained substantial increases in wages. To check inflation, however, profits and wages will need to be controlled to some extent during the period of the Plan.... An increase in wages at this

juncture may injure the country's economic stability by raising the costs of production."

This policy of wage freeze, however, evoked a strike struggle almost in every case where it was attempted. In those major industries where dearness allowance was linked to cost of living, the rise in wages used to be automatic. Even there struggles arose on questions of bonus.

The workers instinctively found the way to attack this policy. During this period, instead of struggling for rise in basic wages, the workers linked the wages demand with bonus.

The declaration to control profits remained only on paper. The Plan gave huge profits to the capitalists, production increased, prices also rose. The workers retaliated by asking for more wages and bonus. Earnings of the workers rose, both in money and real wage. But it was not because wage rates went absolutely up but because productivity and production continued to rise uninterruptedly. Full time work and productivity raised the wages more than the rates of wages and amount of bonus paid. That is the real picture of the rise in wages. The worker has earned more because he contributed more of his labour, not because of any increase in the real price of his labour power. In 1952, the index of real wages came to 102.7 compared to 1939. We had overcome the war time loss and got a little more. Thus the policy of wage freeze was defeated.

## 22. *Workers' Share of Wealth Produced by Him*

Factory production has been rising in volume and value since 1950. The workers have given their labour in the service of capital and the country. If one studied the share of the workers' wages in the net product of industry and compared it with the share of the capitalists, we find the following:

	(In Rs. Crores)		
	1950	1954	1955
Net income from factory industries	528.6	732.6	775.5
	(100)	(136)	(145)
Earnings of workers	236.4	292.3	319.5
	(100)	(123)	(135)
Profits or share of capital	292.2	440.3	456.0
	(100)	(150)	(156)
% share of wages in output	44.7	39.9	41.1

Thus wealth has grown. Even the worker has got a little more money. But his share of the growth of wealth, in the creation of which he is the main factor, has fallen from 44.7 per cent in 1950 to 41.1 per cent in 1955.

Earnings of the worker increased from 100 in 1950, to 123 in 1954 and to 135 in 1955. But the idle earnings of capital increased from 100 to 150 and then to 156.

The worker earned more because he worked more. But the profiteers earned more than the worker out of the worker's labour.

The gains made are never secure. They are under the constant threat of attack. Only the struggles, strength and vigilance of the trade union movement have enabled the worker to make the gains he has. Neither the Government nor the employers have ever willingly conceded anything. And they are ever ready to attack what the worker has gained. Hence advances in real wages remain unstable unless backed by trade union strength and then also not always as can be seen from the example of other capitalist countries as England where the unions are so strong.

Though we speak of overall averages and all-India picture of the wage situation, as already stated above, we have no national standard of wages. The wage rates are totally anarchic and in many cases, a product of *ad hoc* considerations. Capitalist industry and the working class have now spread to every corner of India. It is necessary to arrive at some national standard of wages which, while being a standard, provides for differentials of skills, loads of work, intensity and hazards of work, and regional, cultural and climatic differences. Some studies in this direction are being made by the Government through their Wage Study Groups and the Steering Committee on Wages.

As is well known, it is not the capitalist employer, who is interested in a national wage standard or standardisation. Capitalist employment is based on the very principle of competition to lower costs of production and enhance profits. By different wage rates, they make the workers also compete with each other for the job, until by experience he fights anarchy in his own ranks through his trade union. Uniform rate for the job—standardisation—helps the workers to unite and get the same price for

his labour for the same job everywhere, except for certain differences.

The employers and the Government, faced with pressing demands for bonus and wage increases from all parts of India, appointed an All-India Labour Appellate Tribunal (LAT) in 1950 to evolve some unified line on the granting of demands, especially on bonus and dearness allowance.

### 23. *The LAT and Its End*

The Labour Appellate Tribunal did lift bonus from an *ex gratia* payment to a right under certain conditions. It was declared to be a deferred wage, but only until a living wage was attained. The LAT, however, worked out a formula for the disposal of the surplus product in such a way that it enabled the employers to appropriate a major part of the surplus before anything could be left for bonus. But it allowed the consideration of 'social justice', obviously meaning thereby the bad condition of the worker and the need to improve it, to be made an element in the final judgment. Soon, however, on an appeal from the employers, the Supreme Court blew up the conception of social justice from consideration of bonus payment.

The LAT formula was heavily weighted in favour of the employers. Every section of trade union movement protested against it, including the INTUC. But curiously enough, it was the INTUC which first signed a five-year agreement on bonus in Ahmedabad and Bombay in terms of that very formula it had denounced.

The LAT verdicts, their delays and costliness incensed the workers, and ultimately on a demand from all sections of trade unions, including the INTUC, the LAT was abolished without accomplishing any standard system or norms of wages or bonus for the whole country.

### 24. *New Slogan of More Wages for More Production*

In the last two years, that is, 1955 and 1956, and also this year (1957), the pressure of demands for higher wages and dearness allowance has increased. This time it is not so much bonus as direct wages and dearness allowance that are on the agenda. The reason is that food scarcity has become acute,

prices have gone up and production and profits have risen to new heights.

The all-India wholesale price index of food articles has gone up from 304.5 in 1955 to 372.9 in 1956 — a rise of 68 points in one year. For 1957, the index has gone up to 416.8 (Base 1939–100). (Source: *Monthly Abstracts of Statistics*.) Thus all attempts to hold the price line from rising, said to have been done by the Government, have not borne fruit. The cost of living in the industrial towns has risen even more sharply than is shown by the wholesale index.

The index of industrial production rose thus:

1951	—	100
1954	—	113
1955	—	122
1956	—	133
1957 (November)	—	148

; the period of the Second Plan. Herein, the policy of wages freeze was changed to a policy of linking wages to productivity. Wages would rise only on the basis of increased productivity was the new slogan of the Government and employers. But in effect it works the same way. And soon every employer began to complain that in his plant productivity was going down.

The pressure of the increasing hardship is seen in the increasing strike wave. Number of man-days lost, workers involved, and disputes has been rising as below:

	<i>Disputes</i>	<i>Workers involved</i>	<i>Man-days lost</i>
1954	840	477,188	3,372,630
1955	1166	527,767	5,697,848
1956	1263	734,168	7,136,512
1957 (up to November)	1885	1,020,854	5,754,961

The jump from three million to five and then to seven is quite sharp and shows the quick reaction of the workers to the worsening of their conditions or to the desire to improve the existing position. This year (1957) also, though the number of man-days lost is not as high as in 1956, the number of disputes and the number of workers affected is even higher than in 1956.

## 25. *Major Gains from 1955 to 1957*

All these three years of 1955, 1956 and 1957, the workers in several major industries have raised claims for wages and dearness allowance and tribunals and boards have been giving their verdicts.

The outstanding gain was of the coal miners who after ten years got a revision of their wages, grades, dearness allowance and some attempt at standardisation. Over 36,000 coal miners have secured an increase and an Implementation Committee to check up on the application of the award.

The tea plantation workers were able to make a settlement on bonus and a wage increase. In both these cases, the long-standing payment of dearness allowance in the form of rice was abolished and converted into money.

The third notable industry which received larger bonus and some *ad hoc* increases is the iron and steel industry. Burnpur Iron (IISCO) workers who were the worst paid, received 65 days' bonus—a jump from 10 days to 30 days last year and 65 days this year. Jamshedpur of Tatas also had to make concessions.

The fourth outstanding wage dispute this year was that of the P & T workers and other Government employees in August 1957. They secured a Pay Commission which has granted an interim relief effective from July at Rs. 5 per month in dearness allowance "to alleviate hardship caused to employees in the lower income groups on account of a significant rise in the cost of living which appears likely to persist."

In spite of this it is strange to find that the Pay Commission has asked that the sum of Rs. 30 which will accrue to the poor employees in December should not be given in cash but in national savings certificates. If they could save, why should they have risked a strike and why should the Commission have given the relief? About 16 lakh employees, including railways, post and telegraph, aviation, PWD, defence employees, Government presses, will get this increase in dearness allowance. Their last increase was in 1951 (Rs. 5) and one in 1949 (Rs. 10). Several other professions and trades have also secured wage increases.

While the organised working class through its trade union struggles has been able to secure gains, that has not been the case with workers in small-scale industries or those working on big construction works, contract labour, etc. The boom in production and profits and inflation has helped all to make profits but the unorganised, unskilled worker gets the benefit too slowly, if at all. In this sector, what has been tried is to secure the fixation of minimum wages. Committees for several industries and trades have fixed the minimum. But even now the minimum does not operate in manganese and ore mines. Wage advance in these sectors of employment is either non-existent or extremely meagre, compared to that of the organised workers.

### 26. *Wage-Price Spiral – False Theory*

The Government failed to keep the prices from rising. In fact, it encouraged the rise by allowing the banks to make speculative advances on foodgrains, until the situation became serious. The profits too are up. But they wanted to oppose wage increase, which means they wanted the workers to suffer a real wage cut. A tremendous propaganda barrage was launched with all the backing of 'economic experts' that if wages are increased, prices rise and this game of wage-price spiral does not help the worker and harms society.

It was also alleged that the AITUC unions were fomenting wage demands and a strike wave. The AITUC replied to this propaganda in the parliamentary debate on August 4, on the P & T strike notice. We had to show that in all these years prices have risen first and were rising continuously without the workers getting any commensurate rise in wages. We had to show that in the countries of Europe and America, where trade unions are of the same thought as the INTUC, workers have been fighting for higher wages as the monopolies are fleecing them and making profits.

The monthly journal of the American Federation of Labour and Congress of Industrial Organisations (AFL-CIO), the big trade union centre of America, wrote in its June 1957 issue:

"The Bureau of Labour Statistics (BLA) has issued a report that explodes the propaganda of the 'wage-inflation' advocates,

the business spokesmen and politicians, who claim that wage and salary increases are the primary cause of price increases... Price increases have been pulling up unit labour costs, not vice versa."

The BLA study says: "... the index of non-labour costs (profits, depreciation and other non-labour payment) was higher than the price index for every year prior to 1956...." (*Economic Trends and Outlook*, published monthly by AFL-CIO Economic Policy Committee, June 1957.)

The British Trade Unions Congress, which is another 'responsible' body, in its session in September, 1957, passed a resolution which said that Congress had no wish to "chase an inflationary spiral" but was not prepared to accept a policy which would debase workers' living standards. Accordingly the British TUC repudiated the principle of wage restraint in any form and re-affirmed the determination, while prices and profits remain uncontrolled, to take such steps industrially as would ensure that wages kept pace with rising costs.

The same is the answer of the AITUC to the Government and the employers. We do not make the rise in prices. Unless the Government agrees to supply the essential items of living at fixed prices, unless the Government takes over the enormous profits made by the employers from workers' labour for public good and for the Plan and stop taxing the poor, the Unions will not halt their wage claims and agree to further worsen the already poor living standards.

### 27. *Demand for General Rise in Wages*

It was three years ago that the AITUC called upon the employers and the Government to discuss the question of a wage increase all round in the country. We called for a 25 per cent rise in wages in view of the low wages prevailing and the rise in production, profits and prices. Both the INTUC and the HMS took the same view.

These two organisations have a Joint Consultative Board with the employers' organisation in India, from which the AITUC is excluded. This Board, though a non-official body, receives from the Government the status of the tripartite bodies. Through this Board, we are told, the INTUC and the HMS



come to fruitful agreements with the employers. When the AITUC refused to agree in the Tripartite Standing Committee to the amendment of Section 33-A of the Industrial Disputes Act to permit employers to retrench or dismiss workers during the pendency of a dispute before a tribunal, this Joint Consultative Board quickly secured agreement and the Government carried out the amendment to the detriment of the workers. But on the question of wage increase the Board first kept silent. When the movement for wage increase began to grow and when the INTUC and HMS joined it, the employers protested. We read the following in the proceedings of that meeting of the Board on January 19, 1957:

“While reviewing the development in the field of industrial relations, the employers’ representatives expressed regret that while the Joint Consultative Board was seized with the question of rationalisation of the wage structure, workers’ organisations had gone to other forums to agitate for wage increase and had thus demaged the confidence and the atmosphere created by the Board.

“The representatives of workers said that perhaps there was some misunderstanding due to workers’ recent demand for wage increase. Such action should not be interpreted as expression of lack of faith in the Board. The spirit of the Joint Consultative Board was an article of faith with them. However, they pointed out that there was a need for strengthening the Board and making its voice dominant in the field of industrial relations. Till that was done workers had no other alternative but to resort to other constitutional channels.” (*Indian Labour Gazette*, February 1957, p. 645)

The AITUC brought the question before the Labour Panel meeting called by the Government in September 1955.

But nothing was done to give the problem a serious thought on an all-national level. This attitude naturally compels the workers to have their demands heard through struggles.

But a concerted action to press the demand has not been possible so far. Various trade unions and federations have acted on their own and secured some gains.

From experience, it is found that the formulation of the demand in such concrete and definite terms as 25 per cent in-

crease has tended to make some unions rigid about the figure. In some cases, even the most petty and small employers have been faced with "nothing less than 25 per cent wage increase." In some cases, small employers have even closed down the concerns or migrated. It is also the experience that in some cases, workers have secured more than 25 per cent increase. Hence, it is suggested that the demand should be re-formulated as asking for "adequate rise" in wages, the actual figure being left to the unions concerned.

When the demand is raised on an all-national level, it obviously means that the national wage bill should be increased by 25 per cent on an average, the share of each trade and industry depending on given conditions. It is generally believed that all industries and trades together can stand a wage increase of 25 per cent, though one may not be rigid about it in every trade and every place.

The same considerations apply to our demand for a minimum wage of Rs. 100 in organised industries. This demand also has led to rigid thinking. In some places, even backward trades were asked to pay this minimum. Hence, we now leave the minimum to be calculated in terms of the Tripartite Conference Resolution. If some most backward trades cannot pay that minimum, the trade union movement will have to think how to reconcile this demand with the threatened closures and the need for continuity of employment with a decent minimum.

#### 28. *New Tripartite Agreements — July, 1957*

When the employers found that the movement for wages cannot be stopped, they took to the usual capitalist method of rationalisation and retrenchment, using the pressure of unemployment to beat down the employed workers' struggles.

To introduce rationalisation measures, in the name of advancing India's production by technological improvement, the employers have secured huge sums under the Five-Year Plan. No doubt, some new machines were bought, but we have yet to know how much the country gained thereby. We, however, know that thousands of workers have been retrenched in the Bombay textile industry, thousands in the jute industry. Ration-

alisation and so-called productivity movements anywhere under capitalism are bound to lead to retrenchment and unemployment and so they do in India.

Though those who remain in employment in the rationalised industries get some advance in wages, yet the working class as a whole loses on the total wage bill and its conditions get worse.

Technological improvements under capitalist system are used by the big capitalists to advance their profits and power of monopoly. Unless the trade unions fight for higher wages and reduction of hours of work and the people fight for lower prices, the gains of technology do not come to the help of the people to make life better. Temporary gains are made, but they are soon lost in crisis and struggles. Unless socialist economy is established, technology and productivity will not help workers and the consumers with permanent gains.

The Government of India has stirred itself on all these questions when confronted with the rising unrest. The 15th Indian Labour Conference was called in July 1957 to discuss problems of wage policy, rationalisation, discipline in industry, housing, workers' education, etc.

The results of that Conference have been before the trade union movement for the last four or five months.

The Conference indirectly acknowledged that wage freeze was a failure and a wage rise was necessary. In his opening address, the Labour Minister, Mr. Nanda, put it cautiously thus: "As regards wage policy I am not proposing a wage freeze and I am sure also that this Conference will not give countenance to any demand for a general rise in wages, irrespective of its feasibility in particular conditions." Instead of admitting an overall increase in wages, the Conference decided to level up only the minimum wages. The terms of the minimum are those given by the Committee on Minimum Wages and need not be repeated here.

To give effect to this agreement, the Government agreed, despite the dissent of the employers' delegates, to the suggestion of the workers' delegates, to appoint Wage Boards for the following industries: (a) Jute, (b) Plantations, (c) Mines other than Coal, (d) Engineering, (e) Iron & Steel, (f) Chemicals, (g) Sugar, (h) Cement, (i) Railways, (j) Posts and Telegraphs,

(k) Civilians employed in defence establishments covered by the Industrial Disputes Act, 1947, and (l) Ports and Docks.

This, if translated into practice, would be an advance. The decision of the Conference on rationalisation was also an advance on previous positions. It was emphasised and agreed that the Government might make arrangements to ensure that measures of rationalisation which did not serve the real economic interest in the present conditions of the country might be avoided. The AITUC had demanded that such an employer must produce a "Certificate of National Necessity" before he could introduce rationalisation, and even thereafter, it must satisfy three conditions: No retrenchment, equitable sharing of gains between workers and employers and proper assessment of work-load.

It is four or five months since the Conference and over two years since the famous Kanpur struggle against rationalisation. But reports are already reaching us that the employers are violating the agreement.

The Conference agreed on certain principles of "discipline" applicable both for the workers and the employers. The agreement has attracted wide attention because we accepted certain obligations of discipline: in the matter of notice of strike, go-slow and peaceful settlement, etc.

Was there anything surprising? Yes, there was. The AITUC had never accepted that it would refuse to support "go-slow." We consider it as a form of strike. We also do not accept that there can be, in principle, any such thing as an illegal strike. In certain cases strikes without notice become inevitable due to provocation.

## 29. *Obligations — Mutual, Not One-Sided*

By this agreement we have modified our position and that is a surprise to the Government and the employers and perhaps to some trade union workers also.

The working class, in fact, would be the last to deny discipline. In fact, the socialist order, led by the working class is the only order where real discipline combined with freedom for all can be built, because it eliminates the anarchy of the capitalist order where private profits and ambitions can ruin the lives of millions.

But we cannot accept the discipline of the prison or the barrack. Discipline must serve social purpose and social good and must be based on democracy. The worker will accept discipline willingly if he is given reciprocal rights and freedom. His complaint must be heard, he must have right to criticise the management and have his just demands satisfied quickly. He must, in fact, be treated not merely as a "hired hand" but as a citizen with equal rights and freedom. Then he will observe the discipline of production and requisite industrial behaviour. At the Conference, this was made clear. The agreement on Code of Discipline is to be read as an integral part of all the agreements and not by itself. It is not a new edition of the present Code of Standing Orders, which is aimed to convert the factory into a prison house and which only works as a watchdog on the worker to smell his 'misconduct' and 'insubordination' all the while.

At the conference it was agreed that the employers will observe their new obligations and hence we do. It is we who are aggrieved and exploited and not they. Hence we have to emphasise these conditions.

The Government and the employers, however, seem to have soon forgotten this. They tried to elaborate a code quite against the spirit of the agreement. For example, in the draft they made, they banned all strikes and even demonstrations lest they 'cause alarm' to the employer. Of course, the AITUC had to reject such nonsense. We are asked to ratify the agreement. We can do that only on the conditions we have mentioned.

In conclusion of this subject, we can say that by our struggles and sacrifices, imposed on us by the employers and the Government, we have succeeded in changing their wrong policies of wage freeze and wage cuts. We have been able to secure some increases in wages or earnings by way of basic pay, DA, or bonus. Provident Fund now applied to almost all major industries is a new addition. We have got the Government and the employers to accept in principle at least, to begin with the necessity to evolve some rational human policy on wages, on rationalisation and retrenchment, and on discipline with democratic rights. These have not been times of defeat for the working class but of gains and advances.

The tasks that lie before us on this question of wages and work, therefore, are as follows:

- 1) To secure an adequate general rise in wages and DA to meet the rise in the cost of living and to improve the standard of living; to secure a guaranteed minimum wage. To merge the DA in basic wages. To revise the bonus formula.
- 2) To secure the fulfilment of the conditions agreed to in the Tripartite Conference before rationalisation and productivity measures are introduced, to resist them where they are not.
- 3) To secure the reduction and stabilisation of prices.
- 4) To agitate against compulsion to take DA or bonus in national loan or other savings certificates. To support them where workers agree voluntarily.
- 5) To work out and establish a national standardised wage system without loss to any section. To expedite the work of the Pay Commission and Wage Boards for all industries
- 6) To reduce hours of work to seven without loss of pay in those occupations where there is danger to health and life, viz. mining, transport and chemicals; to enforce strict observance of the 8-hour day in all other occupations.

#### IV

### SOCIAL SECURITY

#### 30. *Employees' State Insurance*

The Government not only takes credit for having increased production and raised workers' wages, it also takes credit for having introduced a system of social security, the "biggest of its kind in the whole of Asia." Along with the rise in direct earnings, the social security schemes offer additional income or benefits, which also go to improve the standard of life.

The Employees' State Insurance Scheme (ESI) now covers about one million workers. Promises have been made that it

will embrace the families of the workers. But nothing so far has materialised.

The workers' complaints about the scheme are many. At the present rates, the contribution of workers is more than that of the employers. According to the 1955-56 report workers contributed Rs. 2,39,61,280 while the employers contributed Rs. 2,25,29,288. With the revision of the rate by which the employers will give their full share as under the Act, it is expected that income from that source will increase the total benefits amount by Rs. 1,35,99,589.

The workers complain, first and foremost, that the medical attention given in the majority of the centres is not adequate, that the bureaucratic delays in getting benefits, leave, special medicines, etc. are most exasperating and many a time harm the worker more than they cure him.

### 31. *The Hospital Scandal*

The AITUC unions have fully supported the scheme, in the hope that as experience is gained the scheme will improve. And it has improved in certain centres, like Bombay, though there are complaints, sometimes very serious ones.

The most badly managed centre is Calcutta, where both the employers and the State Government almost seem to be trying to destroy it by ill-treating and provoking the workers. Next to Bombay it is the biggest insured centre. There also the panel system prevails and the doctors in general are co-operative. It is the employers (except a few) and the Government which is obstructive in every matter. The AITUC has informed the Central Government of the situation. But there is no remedy yet.

The worst feature of the scheme is the want of hospitals. Though there is enough money lying idle, hospitals are not being built. A scheme for one in Bombay has been in cold storage for the last four years. Patients are sent to private doctors where beds are paid for from the scheme. This 'sub-letting' of patients by the ESIC has enabled many people to set up a few beds, with practically no service or attention and earn comfortable money from the ESIC. This has become a scandal in Calcutta and Bombay on a large scale.

The question of providing for TB patients is becoming very acute. With low wages, increasing load of work and bad housing and nourishment, incidence of TB is very high. But they are cared for the least, because they are not cases that can be cured by the short term hospital care that is available to the insured and even the larger period granted to the TB patient.

Especially severe is the plight of the partially employed, the retrenched and the victimised workers and trade union cadres. Against them the authorities are inclined to practise vendetta even in matters of medical treatment.

### 32. *Fight to Improve*

If the scheme is not improved in the light of the complaints received, many of our centres will press for advising the workers to launch a struggle to be rid of it. The AITUC does not wish that things should come to such a pass, as we still feel that while no doubt there are shortcomings in the scheme, yet it is beneficial as a whole and can be made to serve better, if we organise for it.

### 33. *Provident Fund*

The other social security measure is the extension of the Provident Fund to a larger coverage of industries. On 31 March 1956, there were 5,56,922 workers under the fund and Rs. 6.37 crores came in as contribution. The fund had total assets of over Rs. 20 crores in 1956, of which Rs. 17 crores were invested in Government of India securities.

The administration of the fund is over-centralised and is in need of change, which is being studied. Under the Second Plan, the contributions in many cases are being raised from 6½% to 8½% of the basic wage and dearness allowance.

In the hands of some companies, the sums of the Provident Fund given by the workers have been used in speculation or company transactions. Such defrauding has not yet ceased. When companies fail, the funds along with wages are lost and the unemployed worker is robbed of his own lawful resources. The failure of many textile mills, as in Sholapur, Jalgaon, Rajasthan etc., has brought to light this scandal. But no remedy has



been possible because it is pleaded by the Government that it has either no powers to seize the mill property in lieu of these funds or no information.

There have been instances where bankrupt and fraudulent owners after having closed a factory have suggested that the workers invest their Provident Fund in running the mill. Harassed by unemployment or retrenchment, workers fall for such proposal. Generally, such proposals are merely a ruse to impose wage cuts and bind the worker to the factory, by flattering his pride to have become a partner! Hence they should be discouraged, unless in the given case, the trade union leadership is capable of really giving concrete guidance to the workers to participate in such management of the mill as devolves on them by virtue of their contribution. This question requires very cautious handling. The worker is no match today to the wiles of a bourgeois in the game of capitalist finance.

Both the above schemes of social security are based on the workers' own earnings. He is given security only so long as he continues to work and produce profit for his employer, who then adds a little back to the workers' savings, a share from what the worker produces. Thus, both the schemes, even though they entail a contribution from the employer impose a cut in workers' immediate earnings. At present nearly 10 per cent of the workers' earnings go back this way into accumulation as capital either for the state or the private employer. In fact, the Second Five-Year Plan clearly states that such accumulation is one of its sources of capital.

#### 34. *Unemployment, Old Age Insurance*

This accumulation is there to serve the worker when he has grown old or is disabled. After having lived for augmenting someone else's capital, he has to fall back on his own 'capital' and it is so meagre, living costs keep changing so fast, that his life's Fund can hardly last him in his old age, if he is fortunate to see old age.

The majority of our workers can hardly see ripe old age. Our nourishment is so bad, that we end our journey sooner than anyone elsewhere.

Then there is the problem of unemployment and retrench-

ment. The Fund is supposed to be of use in days of unemployment or retrenchment.

Our social security system and our wealth have not come to the level where we can institute a system of unemployment benefit or insurance or old age pensions on the scale that is done in advanced industrialised countries. Hence the Provident Fund is expected to fill the gap for every emergency, including the funeral!

Profits that are created out of labour even today are sufficient to provide for some amount of unemployment relief to those at least who were already at work. But our bourgeoisie is so rapacious and our strength yet so little that even the retrenchment and lay-off compensations are denied to us unless we take to some action.

The workers had secured a retrenchment compensation after a hard struggle. But when the Supreme Court in a litigation by the employers declared the whole measure invalid, lakhs of workers lost crores of rupees of their dues, which should have served them as relief.

But it was a strange thing to find that a welfare state, which speaks so much of welfare and social security, for months did not take any action to restore the measure. When workers' protest assumed a serious form, was the retrenchment compensation restored with a very partial retrospective effect through an Act of Parliament.

### 35. *Maternity Benefits*

Another sphere in which there is greater need in giving social security is that of maternity. Even while one may want family control, yet motherhood must exist if life is to go on. And an overwhelming part of it comes from the working masses. Yet maternity benefits are given in the most niggardly way and the whole thing is treated as if the mother and child are both criminals of society or beggars. A working woman claims that benefit by virtue of her work in the factory for the employer. Yet even with the present cost of living, the rate of benefit still rules at twelve annas per day. Over and above there is constant threat of dismissal by the employer of the woman worker just because she becomes a mother.

Even in governmental services, all sorts of medieval and undemocratic restrictions are placed on women employees in regard to marriage and motherhood.

### 36. *Housing*

All life must have shelter and so must the worker. But since man has got the capacity to live without shelter, housing is not considered as an item of social security. There was lot of talk about the Government subsidising housing, since the employers would not build houses as they did not yield a "good return." Landlords whether as employers or otherwise have always thrived on workers' slums, which yield a large return for almost no investment. Slums have grown in every capital town.

But when the ruling class wanted to throw the slum dwellers with their 'epidemic' touch out of sight, protests grew and the problem of housing came on the agenda.

The Government spent crores on subsidies; that is, gifts to the employers. But no houses worth the name were up, except in a few cases.

Co-operative housing by the workers could be the privilege of only those co-ops and those workers who were votaries of the ruling party or were prepared to do the "necessary corruption." At last the Tripartite Conference insisted on the Government to undertake the job through its own department since it was in any case paying for the houses.

It is noteworthy that the only place where subsidy for plantation labour housing has been used well is the Kerala State.

### 37. *Accidents and Safety*

Another aspect of the workers' life which requires security is accident and industrial diseases. Accidents have been the first to be compensated and industrial diseases the last. Accident insurance is now within the ESI Scheme. Though the value of the finger and of life lost is yet several times lower than the insured value of a race horse, yet it exists and is paid, sometimes with ease, sometimes with the usual bureaucratic obstructions.

The accidents in coal mines two years ago caused quite a stir in the country. The Newton Chikhli Mine accident, the Burra Dhemmo accident were serious and over three hundred lives were lost. All trade union organisations, the Government and the employers gave immediate relief. Inquiries were instituted. In every case it was found that the management had neglected safety rules or to take precautions, despite warnings from the workers on the spot. Why? Because observing precautions costs money, which is less than the money that may have to be paid in compensation! A clear question of capitalist accounting between the cost of killing a life and the cost of saving it by observing a rule!

The inquiry courts recommended overhauling the Mining Regulations, which were old and defective.

So the rules have been amended. The courts complained that in many cases 'responsibility' for the safety observance could not be fixed. Hence the rules were changed.

But who is to apply them, until the accident and deaths reveal that they were not applied. The worker is not interested in only finding who is the guilty or responsible person, who leads to his death.

It is acknowledged that inspectorate of mines is undermanned, that there is not enough staff. And the official has never been alert enough in such matters. Because he too has to guard his job from 'accident,' if he becomes too honest, exacting and inquisitive! The only remedy to such a state is to give elected works' committees and trade unions jointly with the inspectorates and independently power to inspect, report and secure observance of safety rules.

Without such a democratic method there can be no security from accidents.

### 38. *Industrial Diseases*

Security from industrial diseases is very much resisted by the capitalist. To admit their existence is not only expensive, it condemns his very system, and the way he runs it. Flood in a mine can be an act of God or unpredictable. But slow lead poisoning or silicosis or inhalation of dust and fumes is not unpredictable nor can be attributable to God. Many useful reports have been published on this subject by the Labour Ministry and

conditions of industrial diseases have been brought to light. But it is a long way to secure protection from them.

Full social security is yet a long way off. We have neither wealth enough for it nor the climate of opinion for it.

Life is so insecure in our conditions that even the worker looks cynically at us first when we speak of social security.

But we have to convince him that man cannot live without social security, whose forms differ from time to time. Modern means of production and life require these new forms of social security. We must make the worker look positively at these things, organise and make him capable through his organisation of handling social security schemes himself.

### **39. *Our Tasks***

Our tasks on this front can be indicated as follows:

- 1) To demand construction of hospital buildings of the ESI in every town.
- 2) To extend the scheme to families.
- 3) More and easier facilities for specialised treatment.
- 4) To simplify rules and procedure to eliminate delays.
- 5) To secure reduction of contribution by half.
- 6) To demand the panel system, which some authorities do not like and want the service system.
- 7) To organise the panel doctors, to help them solve their difficulties in the scheme and to render better service.
- 8) To make the unions take positive steps to assist the insured worker in securing benefits.
- 9) Every State to hold a well-organised conference of all who are insured under the ESI and investigate their real difficulties.
- 10) To make a well-studied memorandum of suggestions for improvements in the law, the procedure and the methods used in the ESI; to outline measures of agitation, propaganda and action to secure the improvement (not abolition) of the ESI Scheme.

The employers and their friends or some ignorant people always ask: Why should the worker alone have all this medical

insurance when millions of other people in the countryside have neither a doctor nor medicine?

The answer is that the worker per head produces more wealth and more value than anyone else. He only asks his due share of the wealth. Secondly, let us work to give it to all, worker or non-worker, in town or countryside. But it cannot be either for all at once, or for none. Those who speak thus generally have their own most costly private doctors and personal insurance and security. For the present, let us have the ESI and fight for its improvement.

## V

### QUESTIONS OF TRADE UNION UNITY

#### 40. *New Developments*

I shall now try to sum up the progress in the field of trade union unity, without which a real victory in working class struggles is not possible.

The question of trade union unity has been and still remains a very complicated question. Apart from factors like special characteristics of Indian working class—caste, language, etc., the achievement of trade union unity has been made more difficult because of certain historical developments in the country, leading to different political parties organising their own trade unions. Because of sharp political differences between different political parties, because of concerted attempt by the ruling Congress party and the Government to foist their own trade union on the workers and because of some weaknesses of the progressive elements and of the movement for unity and organisation among the general masses of the workers, the trade union unity question has still to cross many hurdles before it can achieve success.

However, during recent years, the movement for unity has made considerable headway. Faced with very bad living and working conditions, threatened by unemployment and retrenchment, deprived of trade union and democratic rights and attack-

ed by the Government and employers, the urge for unity for the defence and extension of their rights, has continued to grow among the masses of the workers, helping to lower the barriers of prejudices and suspicions. Besides these economic issues which directly affected the life of the workers, there arose in the recent period certain political issues which had a very wide mass appeal and they brought parties of democratic opposition together and which in turn brought the trade unions under different affiliations nearer. In these political issues we find mainly the AITUC, the HMS, the UTUC and independent unions coming together.

The urge for unity was seen in the growing number of united actions and also in the formation and growth of independent trade federations since 1953. Though the urge for unity has developed considerably yet it could not be translated into organisational unity. The phenomenon of coming together and again falling apart still continues.

Another thing which brought the question of trade union unity to the fore was the convening by the Government in August 1955 of a Labour Panel (of the Planning Commission) meeting, representing the employers, trade unions of all affiliations, and others. The Labour Ministry submitted a memo which expressed regret at the existence of multiplicity of unions. It proposed certain measures by which multiplicity of unions will be eliminated, and one union recognised on the basis of "membership of good standing" and of certain percentage. Though the trade union representatives could not in principle oppose them, the measures amounted more or less to extending to the whole country the Bombay Industrial Relations Act, which has been disapproved by all trade unions except those of the INTUC.

All these developments did create a situation in which every national trade union centre has been required to take up new position on the question of unity. Before we draw up the tasks, I wish to review the positions taken up by different trade union centres as well as the Government on the question of trade union unity.

#### 41. *The Hind Mazdoor Sabha*

One of the most important developments is the welcome

change in the attitude of the Hind Mazdoor Sabha, which has brought the question of trade union unity from the realm of conjectures to the realm of practical realisation, creating new hopes.

In its Working Committee meeting held in June 1956, the HMS passed the following resolution:

“The Working Committee of the Hind Mazdoor Sabha, having fully considered the question of trade union unity, re-affirms its belief that an overall unity of the labour movement of India is a matter of the highest urgency, as such unity alone will ensure that working people in our country will get a fair deal, a place of honour and an opportunity of playing an effective role in the building of the nation.

“The past experience of efforts at achieving trade union unity has been disappointing and even today deep-rooted rivalries and suspicions exist among the various central organisations towards one another. *In the opinion of the Committee, however, even some risk, if such risk is involved, is worth taking in the attempt for so important a goal.* (emphasis ours)

“The Working Committee, however, is of the opinion that if the disappointing experience of the past is not to be repeated, and if a live and lasting unity is to be attained, it must be based on an unreserved acceptance by the organisations concerned of certain fundamental principles and on reasonable guarantees that the principles will not be flouted in practice. Such principles which must form the basis for unity, in the opinion of the Committee are: (1) Unreserved acceptance and rigid adherence to the principles and methods of democracy in the activities of the unified central organisation and affiliated trade unions and in the internal functioning of both; (2) Complete freedom from interference by the Government or by political parties; and (3) Existing rivalries among several unions in the same field should be resolved by providing for the workers to select a union of their own choice through secret ballot.

“*The Working Committee feels that if these principles are accepted by all concerned and ways are explored of guaranteeing them in practice, a genuine overall unity in the labour movement can be achieved. The Committee feels, however, that mere working adjustments with only the INTUC or the AITUC*



*are not adequate for the purpose and may actually hinder the cause of overall trade union unity. (emphasis ours)*

"The Hind Mazdoor Sabha will welcome any move to bring about overall unity on the basis of these principles."

The resolution of the HMS Working Committee marks a very significant and positive step. It stands in bold relief to the position taken by the leadership of the HMS earlier. It may not be out of context to recall Asoka Mehta's statement in 1952 after the merger of the SPI with the KMPP when he said: "I would exclude from merger (of the central trade unions) the Communist unions mostly found in the AITUC. The merger of the INTUC, the HMS, the UTUC and independent unions will make the AITUC a shell for the Communists to freeze in." The new positive stand on overall unity including the AITUC and proposals for achieving this, was naturally welcomed by all advocates of unity in the trade union movement, because it marked a departure from the earlier policy of isolating the AITUC and collaboration with the INTUC followed by the HMS leadership.

This change in the outlook of the HMS leadership, when seen in the context of developments that took place in recent years, appears to be all the more significant. Since its birth, the HMS, though it openly said that it was opposed both to the INTUC and the AITUC, actually followed a policy which was against militant trade union movement and which helped the INTUC to establish itself. Since 1950 its leadership tried to merge the HMS with the INTUC. (The way in which trade union unity on the railways was put forth led to the virtual handing over of the AIRF to the INTUC.) This led to gradual weakening of the HMS and devouring by the INTUC of the HMS unions. This policy of collaboration with the INTUC in the trade union field and with the Congress in the political field led to sharp conflict in the PSP and the HMS, leading to a split in the PSP on the one hand and comparative weakening of that section of the leadership which was bitterly against co-operation with the AITUC and other progressives.

In his report to the 6th Annual Convention in October 1957, Comrade Bagaram Tulpule, General Secretary of the HMS, reaffirming the call for unity said:

"Unfortunately, the INTUC which is numerically the largest

organisation in the country today and which has become so through the patronage and support of the Government, did not make any official response to this call."

This change in attitude has come in the wake of growing contradiction between the INTUC and the HMS on the one hand, and growing co-operation with the AITUC on the other. The co-operation in joint actions increased in the last year.

#### 42. *The INTUC Position on Unity*

Shri G. D. Ambekar in his presidential address at the 8th Annual Session of the INTUC in May 1956, said:

"Due to the change in the foreign policy of the Communist countries, the AITUC is also changing its policy in the trade unions and they are confronting others with various moves in the name of common platform, unity, merger and so on.

"Though I believe in the ultimate trade union unity, I am convinced by the experience of the last 18 years that no real unity can be achieved unless there is a unity of heart and homogeneity of approach and methods.... But looking to the past record of the Communists in India, their slogan is not coming out of a genuine desire to better and improve the lot of the working class.... Their present view seems to come out of the position of weakness and not of any position of idealism or the position of strength.... This is likely to turn into only a tactical move, ultimately to use the workers as they have done before for their political aims. Moreover, how can there be a unity when even today their whole approach is the approach of a class war and class conflict.

".... The Communists and the AITUC are known not to observe any code of behaviour when it does not suit them.... Unity of heart must come out of the unity of purpose. If it is to succeed there must be some identity of purpose not by oral assurance but by record of behaviour. Under these circumstances, *I do not see any sign of achieving the unity under different organisations at present.* (emphasis ours).... I have, however, not lost the hope that the force of circumstances may effect a genuine change in the attitude of Communists and the AITUC.

"However, *there is much in common between us and the HMS* (emphasis ours) as both of us are wedded to peaceful democratic means in the trade union field as well as our ap-

proach to the problems is more or less common. I do not want to create circumstances where any hasty step will bring bitterness instead of bringing the working class together. I, therefore, suggest that the two organisations should evolve a code of behaviour on the following lines:

“(1) Where the INTUC unions are strong and running on proper trade union lines, the HMS should not create rival unions and withdraw where they are weak or not running on proper lines;

“(2) Where the HMS unions are strong and running on proper trade union lines, the INTUC should not start rival unions and should withdraw from those industries where they are not strong and well organised;

“(3) There should be discussions on common issues in the beginning at the top level;

“(4) Where there is no agreement of approach on any particular issue, each organisation should be allowed to follow its own course and nobody should criticise the other organisation and start rivalry and competition of proving who is right as the ultimate results are bound to show who was right. . . .”

We have given this rather long quotation from Shri Ambekar's speech so that we can see what this renewed love for the HMS indicated. As already referred, consequent upon the devouring tactics of the INTUC backed by the Government and the employers, sharpening of conflict between the INTUC and the HMS ranks started. Besides, certain political and economic developments also brought the AITUC and the HMS together in many joint actions during 1955-57. It was in this context the Second Five-Year Plan was launched by the Government, which needed co-operation of labour for its implementation. The Government-cum-owner support to the INTUC since its very birth did not lead to a elimination of other militant trade unions, rather, events led to the coming together of AITUC, HMS, independent and even some INTUC unions. For the Second Five-Year Plan, the Government proposes to recognise one union in one industry throughout the country and the Plan was to boost up the INTUC. But as this looks obviously partisan in the face of growing opposition, the Government also wants some sort of rapprochement between the INTUC and the HMS so that on

the combined strength of the INTUC and the HMS, it is able to isolate the AITUC and recognise these unions. That is why we find Pandit Jawaharlal Nehru, our Prime Minister, while speaking in Amritsar (AICC session) in February 1956 spoke about unity of the trade union movement, but at the same time violently attacked the AITUC. His message to the INTUC session also spoke about rapprochement between the INTUC and the HMS.

#### 43. *Between Ambekar and Shastri*

Analysing in this background we find the following from Ambekar's speech:

(1) The INTUC cannot ignore the urge for unity that has grown among the working masses in general, and in its own following, in the face of no real improvement in their life despite increase of production. Therefore, the appeal for unity raised by the AITUC cannot be brushed aside unceremoniously as was done on previous occasions. Hence the harping on past prejudices against the AITUC by subtle means (Ambekar saying that he has not lost hopes, etc.) coupled with an approach of rapprochement with the HMS.

(2) Despite all-out support by the Government and employers, small concessions made available to the workers through the INTUC (seen in various agreements on bonus, etc.), it has not gone to strengthen the INTUC in a big way. Hence, the renewed approach to the HMS to wean it away from its growing co-operation with other trade unions including the AITUC.

(3) The speech indicates a sinister device to form a front against the AITUC and some concessions are offered to the HMS. In simple words Ambekar says to the HMS leadership "Come on, let us share the gains. I gain recognition through your support in some areas, and you gain recognition through our support in some areas."

Compare Ambekar's speech, which indeed offers certain concessions to the HMS, with the report of the late Harihar Nath Shastri at the 6th session on the suggestion of the late N. M. Joshi. No concessions were offered, rather a criticism of the HMS was made for its tactics in conducting trade unions and also some co-operation with the AITUC. He had said:

“As was stated rightly by our President... our differences with Socialists have during the year considerably narrowed down. Their stand in relation to Communists is identical with ours. . . . Now the main obstacles that stand in the way are two-fold. Firstly, at times they pursue policies in the trade union field that lead to the belief that they are guided by political considerations rather than by pure merits of the question. Secondly, while the leadership of the Socialist Party is against any truck with the Communists and its present policy is that of unity with INTUC, yet there is a clear evidence of sharp division on both these points within the HMS itself. There is definitely a section that is inclined towards the Communists and it is opposed to any close unity with the INTUC.”

He had suggested the establishment of “consultative relationship between the INTUC and the HMS on the basis of a joint consultative committee of the two organisations.” Contrast is quite obvious. H. N. Shastri was speaking from a position of strength, whereas Shri Ambekar speaks of certain concessions, of leaving some areas and unions to the HMS.

#### 44. *Common Demands*

While on the question of unity, the above seems to be the general line agreed by the 8th Session of the INTUC held in May 1956, we find on the other hand certain formulations of demands which have much in common with the demands raised by the AITUC and other trade union centres. They are: 25 per cent wage increase (raised by Shri Tripathi), appointment of a Pay Commission, extension of Provident Fund Scheme, an integrated scheme for wider social security, extension of the benefits of medical facilities under the ESI Scheme to the families of the workers, merger of DA with pay, etc. These provide wider possibilities of united action both from below and the top, even though the leadership of the INTUC has not spoken of any sanction to achieve these demands, rather has stressed that strike has become obsolete in planned economy and left the whole initiative to the Government and the employers for conceding some concessions.

While both the AITUC and the UTUC hailed the HMS

Working Committee resolution on overall unity, the INTUC leadership singularly remained silent.

#### 45. *The AITUC*

Since its revival in 1950-51, the AITUC despite certain limitations and shortcomings has been steadily and progressively re-orienting itself and working for trade union unity. The deliberations of the WFTU have helped the AITUC in this orientation quite a lot.

This is seen in:

(1) Acceptance of Bose-Ruikar formula in 1950 for the unity of trade unions, especially unity between the AITUC and the UTUC;

(2) Acceptance of the proposal made by the late N. M. Joshi in the middle of 1952 of limited unity, of forming "only a united joint trade union committee based on a plan which may not be sacrifice of views by any of the organisations";

(3) Lending support and initiating campaign of solidarity to struggles of workers irrespective of the leadership leading the struggles;

(4) Initiating the formation of independent trade federations;

(5) Initiating campaigns and struggles on its own on the vital demands of the working class and in defence of its trade union and democratic rights.

Since 1954, the approach towards unity has begun to take more positive shape. Not only have we continued to appeal to the INTUC unions and leadership for united action and organisational unity. We have been laying more emphasis on closer relationship with the HMS unions and leadership. On the occasion of the 8th session of the INTUC, we sent a message of greetings and expressed the hope:

"We note with great pleasure that a considerable measure of agreement exists at present between the AITUC and the INTUC in their respective attitudes towards common problems of the workers of our country and on the need for concerted effort to realise the workers' demands.

"It is our earnest hope and conviction that although differences may still exist between the AITUC and the INTUC, it is

possible to achieve co-operation between our organisations and between our affiliated unions to win a national living wage and better amenities, to stop retrenchment, to oppose rationalisation, to prevent unemployment... to further the economic development of India and to build up Asian solidarity and maintain world peace.

“The AITUC, like your organisation, has always stood for unity among workers and a single united organisation for all workers. As a positive step towards this objective, we have on many occasions called upon the Government to hold a round table conference of representatives of all national centres and independent trade federations to devise ways to achieve unity on the basis of agreed principles and agreed programme and democratic functioning.

“We wish to make a fervent appeal to you... to give serious consideration to this proposal.”

We fully supported the call given in the HMS Working Committee Resolution on overall unity, and called upon all workers, irrespective of affiliations to support this move and campaign for its success. In the statement welcoming the HMS resolution the AITUC said:

“The AITUC has always stood for these principles and assures its full and sincere co-operation in bringing about trade union unity on the basis of one union in one industry and one unified national centre for all unions.”

Our circular to our General Council members on 25 June 1956 said:

“It is necessary that the General Council once again clearly sets forth its views on the methods and manner of achieving trade union unity of all trends and national centres and carry out a sober and serious campaign on the basis of our views. Trade union unity has now become a practical proposition.”

In the General Council meeting of 28 July 1956 (Calcutta), apart from other questions, the most important question of trade union unity was discussed and a resolution adopted detailing the basis of unity of the trade union centres. It also appointed a committee of eight persons to negotiate with other central trade union organisations for trade union unity. Earlier in the meeting of the General Council, Com. Ranen Sen, Vice-President of

the AITUC, related the preliminary talks he had with the leadership of the HMS and the UTUC on the question.

In its resolution on trade union unity the General Council of the AITUC elaborated the 3 principles enunciated by the HMS Working Committee resolution of 12 June and laid down the following 9-point platform for organisational unity of the trade union centres:

(1) Unreserved acceptance of, and respect for, democratic functioning of the trade unions;

(2) Regular and democratic elections of the executive bodies and office-bearers;

(3) Proper representation to all trends in the leading organs of the common organisation;

(4) Right of every worker and trade unionist to belong to any political party of his own choice;

(5) Freedom from interference in the internal affairs of the organisation by the Government, employers and political parties;

(6) All vital decisions affecting the workers' interests, including important collective agreements with the employers, to be endorsed by the general body of the workers;

(7) All decisions on political issues to be conditional on 75 per cent majority in their favour;

(8) In the normal course, strike action to be taken only as a last resort and after properly ascertaining the wishes of the workers;

(9) "Rival" unions in the same factory, industry or undertaking be wound up either by:

(a) Allowing the workers to select the union of their choice through a secret ballot; or

(b) Merging them together on the basis of proportional representation according to their respective membership; or

(c) Any other democratic and mutually agreed procedure.

Taking full cognizance of wider possibilities of united action of all elements and centres, the AITUC General Council by another resolution made an appeal to all national trade union centres and trade federations to initiate a united campaign and movement on an all-India basis for the securing of the following immediate demands:



- (1) 25% interim wage increase;
- (2) Fixation Rs. 100 as Minimum Wage;
- (3) Appointment of a Wage Commission to outline the principles on which wages and salaries should be based; and
- (4) Proper bonus.

The Resolution also called upon the need for setting up an *Ad Hoc* Consultative Committee representing all national centres to discuss and finalise the demands regarding wage increase, Wages Commission, minimum wages and bonus.

#### 46. *The UTUC*

Though most vital and important for trade union unity are the INTUC, the AITUC and the HMS, the UTUC also plays a part on the question of trade union unity and especially in the relationship between the HMS and the AITUC.

The UTUC supported the proposal of the AITUC for the convening of a Round Table Conference of trade union representatives from all national centres and trade federations to discuss and devise ways of achieving unity.

The HMS Working Committee resolution found full support from the UTUC Working Committee held in July 1956.

It may be recalled here that the UTUC refused to merge with the AITUC in 1953 on the plea of bringing in the HMS also. After the HMS Conference in March 1956, there were talks between the HMS and the UTUC regarding the merger of the two.

#### 47. *What Are the Possibilities in this Situation ?*

In the HMS Working Committee resolution of 1956 and their report of 1957 we find certain positive things, viz. :

(1) "...overall unity of the labour movement of India is a matter of the highest urgency..." etc.;

(2) That existence of rivalries and mutual suspicions involve some risk but: "In the opinion of the Committee, however, even some risk, if such risk is involved, is worth taking in the attempt for so important a goal."

(3) About the principles on which unity has to be founded, they can become the basis of discussions for unity.

While we note the above-mentioned positive things, we must note also its fear of unity when it says: "The Committee feels, however, that mere working adjustments with only the INTUC or the AITUC are not adequate for the purpose and may actually hinder the cause of overall trade union unity."

And in 1957, the HMS has something more to find fault with us. It says:

"The HMS has no illusion about the character of the AITUC, which differs from the INTUC only in that the party which dominates it is not in power today. Its stand on the Hungarian episode has revealed once again its real character. Yet the calculated risk of unity with the AITUC would be worth taking, but only if the stake was as valuable as trade union unity itself; not for partial unification which would leave the problem of disunity still with us."

Since this report was written in June 1957, the HMS section in Kerala led by the PSP has put itself in opposition to the AITUC unions. The PSP there has made joint front with the Congress against the Kerala Government led by the Communist Party. At the same time in Bombay, the HMS and AITUC have had more co-operation than before.

While the above report displays the fear of the HMS leadership, as also its desire to have a better bargaining position in the united organisation, the move towards unity put here on record gives the rank and file of the HMS workers a sanction for united work.

In the existing situation, is overall unity of the INTUC, the AITUC, the HMS and the UTUC possible? Will the INTUC agree to such a unity? Will the INTUC agree to election by secret ballot to determine the choice of the workers for their trade unions? In the event of the INTUC not agreeing to overall unity including the AITUC, will the HMS agree to unity of the AITUC, the HMS and the UTUC as a first step towards overall unity? These are some of the questions which come up.

Though, because of the logic of developments, and the urge for unity among general mass of the workers, the INTUC does not reject the question of unity including the AITUC outright, its aim is to unite the rest in order to isolate the AITUC. But it has to speak today under mass pressure of working class de-

mands which bear very close similarity to the demands raised by other units. Facts are very stubborn. In a situation when production has gone up in the last 5 years by 45%, the workers' wages have only reached 1939 level and that too in organised industries. It is not possible for the INTUC leadership to keep silent on the question of immediate increase in wages, on revision of pay scales when on these issues there have been big agitation and struggle. Speaking about the Kanpur strike of last year, Ambekar said: "The Kanpur strike is an eye opener to all concerned and reflects how deep is the resentment of the workers towards rationalisation or reorganisation."

While there are contradictions and differences of opinion both among the leadership and between the leadership and the lower cadres, yet these contradictions and conflicts have not taken any definite shape in the organisation and the organisation as a whole is opposed to unity with the AITUC and is committed in the main to carry out the political policy of the Congress Party and the Government. It still hopes to secure its monopoly position as a bargaining agent throughout the country on the basis of help from the Government and the employers conceding some concessions to the workers. It is still committed not to unleash a widespread initiative of the working class for securing their demands. It seeks to strengthen its position, which in the past three years, instead of further strengthening, has rather led to its comparative isolation in the face of growing struggles in the years 1955, 1956 and 1957 (Amritsar, Burnpur, Jamshedpur, Kalka, Kanpur, Kharagpur, Nagpur, and other places), by utilising the contradiction between the HMS and the AITUC and the suspicion of the HMS leaders against the Communists.

During and after the General Elections, the identification of the INTUC with the National Congress and the Government has gone still further. The INTUC has now been given functional representation inside the Congress Committees and puts up its candidates for election on the platform of the Congress and as a trade union organisation supports all Congress candidates.

This is done in order to check the pressure of the masses from taking their organisation to the left and nearer to the AITUC and the pull for united action.

In this situation, the INTUC will not agree to any proposals

for overall unity whether by the HMS or the AITUC at present. It will not agree to election by secret ballot of the union of workers' choice. Numerous instances could be given when, in the last two years, the INTUC representatives were ignominiously defeated in election by secret ballot to such committees as Provident Fund Trustees, Works' Committees, etc. In the election (April 1956) in Rohtas Industries, the INTUC miserably failed, getting only 409 votes when the HMS got 3481. Similarly in Brajrajnagar Paper Mills, the INTUC lost in the election to the HMS. In many factories and workshops where the INTUC unions are recognised, they have lost elections to the Works' Committees, such as Chittaranjan Locomotive Factory, Hindustan Shipyard, etc. The reorganisation of the National Federation of Post and Telegraph Employees on the basis of 9 unions and election and a constitution proposed by the Government itself, has resulted in the INTUC leadership losing its majority and hence we find in the INTUC report an attack on NFPTE as "trying to utilise the organisation for the purpose of sectional ideological purposes." The INTUC refused to support the P & T struggle in July last and lost its position still further.

All this shows that the INTUC will not easily agree to election as the basis of determining the representative character of a union. It will seek the help of the Government to get the recognition.

So with the perspective of the INTUC not agreeing to an overall unity including the AITUC in the immediate future, what will be the attitude of the HMS and the UTUC?

This is a very important question. Because, even as it is, the unity of the AITUC, the HMS and the UTUC will be a big step towards future overall unity. This will not only generate a high enthusiasm of the working class outside the INTUC, it will unleash the urge for unity inside the INTUC itself. If this unity comes about, it will unleash the inherent strength of the working class, which lies today divided in the main. In the context of the INTUC having raised the same demands as other trade union centres, such unity will result in a broadbased united movement. Important though it is, the achievement of even such unity is not a very smooth task. There are a number of questions which need study and understanding so that proper

approach is made towards this achievement. In the circumstances of today, though overall unity is not possible, unity with the HMS and the UTUC is within the realm of practical possibilities, though there are a number of difficulties. The way to overcome them is united action for workers' demands and more friendly contacts and mutual consultations between the leaderships.

#### 48. *Possibilities for More United Action*

This has increased considerably in the present conditions. The possibilities are expressed in the following:

(1) All the national trade union centres have much in common as far as the slogans regarding workers' demands and international developments are concerned.

The AITUC, the HMS and the INTUC are agreed that the First Five-Year Plan has not given the workers a fair deal. While the production has increased by 45% the workers' share in the net value of the products has been reduced from 44.7% to 41.1%, the real wages of factory establishment workers have reached only 102.7% of the 1939 level. Large majority of workers still live in pitiful conditions (as admitted by the Government).

All the three centres demand a national minimum wage of Rs. 100 in organised industries.

On the question of immediate 25% wage increase there is a unanimity, though Asoka Mehta in the Parliament did not support immediate wage increase in the debate on Second Five-Year Plan.

Similarly, all are agreed on the need for a national Wages Commission to revise the wages structure, on a new formula for bonus, fulfilment of certain preconditions of rationalisation in the interest of the country and the workers, on extension of Provident Fund to all workers, on extension of medical facilities under ESI Scheme to workers' families, on an integrated scheme of wider social security, on merger of DA with basic wage and against unemployment.

(2) Again, all the national centres are anxious for the success of the Second Five-Year Plan. They are also equally anxious that the burden should not fall on the workers and the toiling people.

(3) Further, all the national centres have more or less similar attitude regarding peace and peaceful co-existence of nations, for increasing international contacts, exchange of delegations and development of mutual understanding. This common agreement was very vividly expressed in the 15th Indian Labour Conference, where all trade union representatives took an agreed view on all major questions. And trade union leaders in the Parliament have supported the peace policy of Pandit Nehru and his appeal to ban nuclear weapons.

This commonness removes one of the major barriers of prejudices and jealousies and enables the mobilisation of the masses belonging to different trade union centres in ever larger numbers and will pave the way for more and more united action both from below and the top on common issues.

#### 49. *How Does the Government Look at the Question?*

In the matter of wage policy, the planners of the First Five-Year Plan followed a line of practically freezing wages and supporting increased work and rationalisation. But they were not successful in their policy generally to the extent they desired because of action of the workers who fought determinedly for wage increases and against rationalisation.

If this was the wage policy of the Government, the policy in the trade union field has been to make the INTUC and those who fell in line with it, the sole recognised body in the country, enact such laws which would make it difficult, if not impossible, for other trade unions to exist.

With all the suppressions of trade union rights and democratic liberties accompanying the enforcement of this policy of imposing the trade unions of the Congress Party and governmental agencies on the workers, the ruling party did not succeed in securing "industrial peace" or making the INTUC the sole representative of the workers.

In the Second Plan period, in the name of eliminating "political rivalries" and "multiple trade unions," the Labour Ministry of the Government submitted a note in August 1955 for discussion in the Labour Panel of the Planning Commission, which carries the old policy in a new way. It was seen in the proposals submitted for discussions: "Since the development of a healthy

trade union movement is an insurance for industrial harmony, the Labour Ministry will approve of 'closed shop' and 'Union shop' practices provided there is no constitutional bar to such arrangements." But this was not approved in the Panel Committee.

From the proposals, however, it becomes evident that they want to make the INTUC the only legally representative recognised centre on the basis of certain percentage of membership; they want to obliterate others by imposing new registration laws for unions and a Government inspectorate to check up and supervise the records and workings of the unions in the matter of membership rolls.

Though they talked about "union rivalries," they are not prepared to renew the proposals made by V. V. Giri, as Labour Minister, in the Nainital Conference during 1952 of determining the representative character of a union by secret ballot of the workers.

Neither do they propose the other alternative of one union in each industry and one national centre in the country, that the pooled membership of all unions elect by single transferable vote the executive and office-bearers that they want from a list submitted by the different unions. In the newly elected executive all shades will be represented as the election is by proportional representation. This executive will take charge of the new industrial union to which the pooled membership is transferred and the separate competing unions will disappear in this general pool.

The Government proposal is to determine the representative character of the union by the criteria of "membership of good standing" and of a "certain percentage." The emphasis on this shows that the Government does not rely on the workers to choose their own union. The membership figures can be manipulated to the advantage of the INTUC and hence their reliance on this method.

The chapter on Labour Policy and Programmes of the Second Five-Year Plan (A Draft Outline) says:

"In its essentials the Labour Policy and the approach to industrial relations outlined in the First Five-Year Plan will also hold for the period of the Second Plan, although necessarily some

changes and adaptations will be needed in view of the determination to achieve a Socialistic Pattern of Society.

"The present trade union legislation needs to be revised with the object of (1) restricting the number of outsiders in the trade unions, (2) giving unions statutory recognition under certain conditions, (3) protecting office-bearers against victimisation and (4) improving the financial base for the trade union movement from within its own resources. Such legislation is considered necessary for strengthening the trade union movement. There is need also for voluntary efforts towards the unification of the trade union movement."

We have quoted only that portion which has an immediate bearing on the question of unity of the trade union movement.

Regarding wages, the policy declares that raising real wages "can only be based on increase in productivity." It stresses considerably on mutual negotiations and voluntary arbitration. It does also speak of certain concessions.

The Government policy does, therefore, clearly emerge from this. The workers will not be permitted to choose their union. The conditions will be imposed by the Government for representative character of the union. In answer to the demand raised from various quarters except the INTUC about determining the representative character of the union and one union in one industry and one national centre by workers' ballot, the Government says: "There is need also for voluntary efforts towards the unification of trade union movement."

Why? Because, the Government is aware that election will go considerably against INTUC, because such a united movement will not simply accept what the Government says but will defend the workers against any attack which lead to lowering their living standard.

While this is the general policy of the Government today, a further change is not ruled out. With the possibilities of united movement developing and the demand for recognition of unions on the basis of workers' choice becoming more and more irresistible, there is a possibility of making the Government change its policy. As already noted, with the INTUC alone, the Government is not able to secure the support of the workers for the



success of the Second Five-Year Plan, for which a contented working class is essential.

### 50. *Background to These Developments*

The present situation, described earlier, has not come all of a sudden. It is the result of a series of processes and developments through which the working class movement had to go through. In the past two years, many events took place both political and economic in which the working people under different leaderships came together and the urge for unity continued to grow, mutual suspicions and prejudices were comparatively reduced in joint work. In this initiation of the united action, the AITUC played a significant role. The process of formation of independent trade federations signifying organisational unity in the various trades, further developed the unity sentiments, because the workers saw that unity brought them some gains.

We may note here some of the important political and economic issues which unleashed a broad united movement of the working class. In order to have a comparative view we shall try to sum up in short the situation that existed at the end of 1954 and beginning of 1955.

The growth of united action from below which was noticed in 1953 continued to be the main form of unity movement in 1954. We see workers working in the same place joining together in common struggle against attack and then again falling apart organisationally. A majority of such united struggles took place on a local basis, though a few were on a provincial scale.

In 1954, we saw the Kanpur workers forming anti-rationalisation action committee in the face of rationalisation, leading to the merger of 6 unions into one trade union for the textile workers of Kanpur including the INTUC union, which was later disowned and the INTUC formed another union.

In 1954, we saw also the establishment of Delhi Trade Union Council, representing the unity of the AITUC, the HMS and other independent unions.

In 1954, we saw also the bank employees' struggle mobilising support from all sections of trade unions except the INTUC. The AITUC, the HMS and the UTUC, all supported the bank employees in their 23 September token strike as well as their pro-

posed indefinite strike from 10 December, 1954 against modification of the LAT Award by the Government.

1954 also saw the formation of NFPTE uniting the entire post and telegraph workers on the basis of Government scheme and election of leadership of the Federation unanimously with the accommodation of various viewpoints.

1954 saw the INTUC carrying on its anti-unity policies and trying to eat up the HMS unions, leading to conflict between the INTUC and the HMS and independents. After the merger of the AIRF with the INTUC railway workers' union and formation of the NFIR, the INTUC leadership began elbowing out the HMS and other independent elements from the merged unions began to bypass them in the negotiations with the Railway Board and unilaterally withdrawing issues from the Tribunal. This led to a conflict. The HMS elements in the Western Railway came out of the merged union and re-established their old union led by Maniben Kara. In February 1955, open conflict between Vasavada (INTUC) and Guruswamy supported by the HMS and other elements took place leading to establishment of two NFIRs and later the AIRF. Now again a unity of the two is being tried.

The policy of collaboration with the INTUC carried on by the HMS led to its weakening since 1951. Important PSP leaders renounced their work in the trade union movement in 1953. In June 1954 conference of the PSP, stress on labour work was laid. On the whole in 1954, we do not find much organised activity of the HMS, the leadership continued to remain opposed to unity with the AITUC and working class trade union unity.

The AITUC continued to work for trade union unity, laid stress on organising the unorganised workers, appealing to the workers to join any union they like but join the union. An appeal for trade union unity was made in our conference in May 1954, which was further developed in the resolution on trade union unity adopted by our General Council meeting in November, 1954.

The efforts at developing trade federations were continued in this period. We see the organisation of National Federation of Motor Transport Workers (State Sector) in the beginning of

1955 and a joint organisation of both state and private sectors this year.

So on the whole we might say that in 1954 and beginning of 1955, the main form of expression of the unity movement was united action and forming of temporary committees, etc. The scale of such united action and formation of temporary united committees was comparatively on a lower level.

There was no response from the leadership of the HMS or the INTUC to the appeal for trade union unity by the AITUC.

Situation existing then did not promise that developments in the near future will have such far-reaching consequences as will bring the question of trade union unity from the realm of distant conjectures to the realm of practicality. A new spurt took place, which was to some extent unexpected—partly on political issues and partly on industrial.

#### 51. *New Spurt of Activities and Development of Trade Union Unity in 1955*

##### Political Issues:

(1) *Goa Liberation Struggle*: In June 1955 developed the Goa Liberation Movement led by a joint committee named Goa Liberation Committee representing all political opinions.

This saw an unprecedented growth of working class activity and united struggle. The AITUC, the HMS and the UTUC and their affiliated unions including textile and harbour workers' unions conducted joint action and led the general strikes in the cities, including Bombay, Calcutta and Madras in the month of August.

The INTUC leadership did not participate in the strike struggles on the plea that it was a political question and openly opposed the strike action.

Bombay workers were the first to respond to the call for satyagraha for Goa liberation and formed Mill Workers' Goa Liberation Committee, in which both the AITUC and the HMS participated. The provincial branches of the AITUC, the HMS and the UTUC and the Bank Employees' Association of Bombay, jointly convened a representative meeting on 31 July at which a decision was taken to stage a general strike in Bombay on 12 August. 400,000 Bombay workers responded to this joint call

despite every attempt by the INTUC and Congress bosses to disrupt the strike.

Again on the receipt of the news of brutal killing of peaceful satyagrahi volunteers on 15 August, on Goa borders, the Bombay workers carried out a complete general strike on 16 August. Elements like bank and mercantile employees who did not take part in the 12 August strike struck work on the 16th.

In Calcutta also on the 17th of August, under the joint call of the AITUC, the HMS, the UTUC and other independent federations and various coordination committees, there was an unprecedented strike reminiscent of the 29th of July 1946 general strike.

The Goa liberation question unleashed working class activity on an all-India scale. This concrete fight against the remnants of colonialism in India directly helped the cause of working class unity.

(2) *On States Re-organisation Proposals:* In October 1955 the States Reorganisation Committee proposals were published. There was widespread resentment in whole of Marathi-speaking area against the rejection of the just claims to be united in one province including Bombay. All political parties including the Congress came on the platform in the beginning, but on the directive of the Working Committee of the Congress, the Congressmen had to dissociate. On the trade union front, the Samyukta Maharashtra Movement brought the AITUC, the HMS, the UTUC and other independent trade unions on one platform. On 5 November, Bombay workers met in conference, called "Bombay Workers' United Maharashtra Conference." 5000 delegates representing 90 trade unions belonging to the AITUC, the HMS, the UTUC and independent trade unions attended. S. M. Joshi (HMS) presided and S. A. Dange (AITUC) inaugurated the Conference, which decided to lead a protest demonstration to the Assembly Hall on 18 November when the S.R.C. proposals came to be debated.

On the demonstration of 5000 industrial workers being lathi-charged, a call was given for a general strike on 21 November which was responded to magnificently. Police firing on the demonstration, headed by the textile workers, killed 12 and wounded more than 300. This news of firing on the Bombay workers

spread like wild fire, leading to strikes and demonstrations in every town and city in the Marathi-speaking area.

In January 1956, the Government arrested the main leadership of the movement, which led to a big upheaval. In this, along with the middle-classes, the working class came forward with united political general strikes. Thousands went to jail, 105 were killed in firings. The main characteristic of this struggle was that all parties of the Left united on a common platform, all trade unions of the three centres acted together and the political general strike and satyagraha was the spearhead and main form of the struggle.

During the General Elections in the State, this unity was further strengthened.

In the recent agitation against unemployment and closures, the AITUC, the HMS and the UTUC unions are taking common action with prior joint discussion.

(3) *On Bengal Bihar Merger:* The proposal to merge Bengal and Bihar provinces led to widespread discontent, which found its expression in the united movement launched against the proposal by all opposition forces, especially by the CPI, the PSP, the Forward Bloc and others. This brought out also unity of the trade unions affiliated to the AITUC, the HMS and the UTUC and even some unions affiliated to the INTUC joined the movement. The call for general strike on 25th of January 1956 was responded to throughout Bengal. Even the jute workers who are mostly non-Bengali, and are under Congress influence, responded to the strike call.

## 52. *Economic Issues Affecting the Life of the Workers and Their Struggle*

Besides these political issues, there were a number of economic issues affecting the life of the working masses, which also found the trade unions with different affiliations coming together. In 1955-57 the number of strike actions by working class were more compared to 1954 on issues like rationalisation and retrenchment, for wage increase and bonus, etc. A special feature of these struggles was the coming together of masses belonging to the INTUC, the AITUC, the HMS and the non-attached. In a num-

ber of cases the INTUC local cadres and unions also joined in the united struggle.

All these struggles have played an important part in bringing all together and especially the AITUC and the other middle elements.

### 53. *Independent Trade Federations*

The process of development of independent trade federations is not a new one. They existed even before any splits took place in the TU movement. But in those days they were merely the expression of craft separateness than anything. Those federations since 1953 came forward more and more as expressions of unity of the workers in the given trade, irrespective of the affiliation of their constituent unions to any central TU organisation.

We have now all-India trade federations in Defence, Banks, Post and Telegraph, Government Employees, Cement, Motor Transport, Port & Docks, Railways, Insurance, Petroleum, Working Journalists. All these federations contain unions and office-bearers drawn from all the four TU centres or some belonging to none. The Confederation of Central Government Employees has a number of associations, which are not affiliated to any centre.

These independent federations have been very active in the defence of the rights and demands of their workers and the trade. They have been in a position to call all-India actions and make positive gains; as for example, the Banks, P & T, Defence, Docks, Insurance, etc.

Even while acting on a trade level, these federations have to act in solidarity with the whole working class and have to receive help from all. In recent times there have been many occasions, when in their struggles, they have been able to bring the AITUC, the HMS and the UTUC leaderships together to agree on common action in support of the federations, as it happened on the question of the struggles of the Banks, P & T, Insurance. Thus, the federations have acted as a lever of unity.

The INTUC, however, of late has been trying to split these federations. In some trades, it sets up its own trade federations directly affiliated to the INTUC. Where there have been no

united trade federations before, the INTUC is able to set up its own federations, viz. cotton textiles, coalmining, plantation. But the INTUC activities have been harmful in cement, where they first entered a united federation and finding the majority unions to be not theirs, walked out. They have been trying their best to split the Bank workers, Defence and the P & T. But the urge for unity is so strong and cemented by common action and sacrifices, that the INTUC leaders are not able so easily to mislead and split. Their activities have, however, been successful in the Railways to a large extent.

The unity of the trade federations cannot be a substitute for the unity of the central TU organisations. The independent trade federations are playing a very positive role. At the same time, they have their limitations. They are essentially trade federations. The working class and the trade union movement is not merely a sum total of all the trades. It is something more than all the trades—it is a class. Even all trade federations sitting together cannot make a central trade union organisation, which must reflect the class as a whole, beyond its trade needs, demands and ideals. The central trade union organisation not only defends the interests of each trade but defends the general interests, which are common to working class as a whole. All the trade federations generally accept this. Hence it was that the Defence Federation asked all the central TU organisations to put forward a united and agreed case before the Pay Commission on an all-India level.

The trade federations must develop and that too as independent federations. At the same time, they must, on all major questions, function in consultation with all the central TU organisations.

In some cases, some elements try to develop them almost as rivals to the central TU organisations. Even when a common solidarity action is needed, they make such a narrow technical fetish of "independence", that they ask for solidarity actions from all workers, without even directly consulting with the various centres on the questions involved before asking them to come and help. Their excuse is that if all the centres do not agree to meet together what could they do? The answer is that first they should try to call in their united help, together or separately.

If they refuse, then approach over their heads, their unions and unite with those who are prepared to act and help.

#### 54. *Present Position & Tasks*

What then is the position on the question of unity?

United actions of the workers have grown, more so in recent days because of the attack on their wages and living standards, by inflation, high prices, rationalisation, closures and unemployment, etc. These united actions have brought the various central organisations and their leaderships to act together, as at the time of the struggles in P & T, Banks, mining, etc.

Joint demonstrations and consultations between the AITUC and the HMS (and the UTUC in some cases) have grown on many political questions and TU problems, which have strengthened unity trends.

Those in the INTUC who favour splits and are opposed to unity did not succeed in their disruptive activity, where united work already exists and has been strengthened.

The unity of all the TU centres was most vividly seen in the work of the Indian Labour Conference and the Standing Labour Committee.

In the Parliament and State legislatures (except Kerala), the representatives of the AITUC, the HMS and the UTUC sit in the Opposition benches and in general present agreed views on trade union matters, which also help in building unity.

The INTUC representatives, however, occupy the Government benches and in general present a viewpoint opposed to the other trade union centres. Only when the Government leadership allows them, they become critical of the Government's and employers' policies. But while doing so they are particular in dissociating from us.

Thus the legislatures also lend a hand in the steps towards unity.

Conditions for unity have become more favourable in the last two years. Unity has advanced, not retreated.

Internationally too, forces of unity have advanced. The appeals of the WFTU to the ICFTU for united action on com-



mon points have borne fruit, not at the top, but below. Common action from below has grown.

The standpoint of the WFTU in support of the Middle-East and African countries has found so much support in the working masses that the ICFTU has had to revise its attitude on this question. The INTUC and the HMS who are affiliates of the ICFTU strongly criticised it for its support to the SEATO and Baghdad Pacts. It was in fact an amusing situation. The National Congress, Nehru and the Government denounce these war pacts and support the Middle-East and African independence. Yet the INTUC is affiliated to the ICFTU which goes against those policies of anti-colonialism. The only common point that the ICFTU could find recently with the HMS and the INTUC was on Hungary. But this could not hide their contradiction on questions of freedom of the Asian-African people. As a result, the ICFTU at its Tunis Congress this year has begun to speak the language of anti-colonialism. This has advanced the forces of unity internationally also.

#### 55. *Joint Action—Merger of Rival Unions*

We must convince the workers more concretely that unity is a principle and not merely a tactic to "capture". Our organisational action and individual behaviour must lead to this conviction—which, for example, means that while not refusing to lead the workers, we must not be over-anxious to prove that we are initiators or leaders of struggles and gains.

Joint actions must be carefully prepared as such. Mere formal majority votes in meetings are not enough sanction for unity. Before we come to a vote, we must informally try for unity and agreement.

The conclusions of the Tripartite Labour Conference can be made the basis for furthering common views and common action, where necessary, in as much as the Tripartite Conclusions were agreed to by all the four centres, sitting together, including the INTUC.

The independent trade federations must be helped more in their united action and united functioning. It is easier to isolate the splitters there.

The AITUC centre must concretely investigate where there

are rival unions both of the AITUC and the HMS or the UTUC, and see if rivalries can be overcome by merger or unilateral dissolution. There are cases where unilateral dissolution, with some prior talks on united functioning and absorption of cadres, has to be undertaken. "Bargaining" at a certain stage has to be given up to bring about unity. For a time, it may look that we or the workers have lost in activity. Even if it is so, it is temporary, if we really remain active, without official "positions". Our experience on railways shows that.

We must try our utmost to avoid starting rival unions whether against those of the INTUC or the HMS or the UTUC. But, with regard to the INTUC, we have to modify this position. Where their unions cease to function or become company unions, we are forced to start rival unions. At present, the pattern is that their unions throw out the INTUC leadership and call on us to give guidance. We cannot shirk the responsibility, if the decisions are more or less unanimous. In such a situation, it is the INTUC which starts a new rival union, as has happened in many cases. It is less so in the case of the HMS.

### 56. *Our Limitations*

Occasions demanding shifts in leaderships arise very much at a time when a crisis grows and workers demand action to defend themselves. At present, there is pressure for action for wages, DA, etc. But it is just in such situations, for the struggles to be successful, we must build united leaderships. Especially shifts and changes in the leadership of unions in industries, establishments and services belonging to the state sector are coming up very fast. The AITUC is being called in to participate in the composition of the elected leadership along with others or even singly where others refuse. The growth of the influence of the AITUC is responsible for such a situation. Especially, the calls on the AITUC members of Parliament and State legislatures are very high.

Here, while we agree to undertake responsibility, we must bear in mind our limitations also and must exercise some restraint.

The fact that the AITUC forces have grown stronger is a help to unity and success of struggles. But we must also re-

member that the opponents of unity and the working class can use this very fact to disrupt and mislead. The tasks of unity are so urgent and so complicated that the AITUC must concentrate on them more than before.

## VI

## DISPUTES &amp; STRUGGLES

57. *Tempo of Struggles on Upgrade*

All these last three years, the tempo of the struggles of the working class has been on the upgrade. The comparative quietude, which was there in 1951 to 1954, as seen in the figures of man-days lost, vanished in 1955. The tempo continued in 1956 and in 1957 also. We have already seen that whereas in 1954 the man-days lost were over three million, in 1955 they were over five-and-half million, in 1956 over seven million and in 1957 about six million.

Secondly, not only man-days lost were increasing, but even the number of disputes and number of workers participating in strikes had also gone up. The rise was not due to any one single big strike lasting a long time and thus setting the record high which partly was the case even in 1955.

The third thing in the struggles of 1956 and 1957 was that the disputes were widespread, the number of workers and disputes was large, but the duration was not very long. Protest actions, swift actions of one day or short duration were the tactics of the trade unions in 1956 and 1957. Two-thirds of the disputes did not last for more than 5 days and even in this category, there was heavy concentration in the category of "one day or less" which alone accounted for 41.8 per cent of the disputes. Does it mean that the workers were not prepared to put up longer or stiff struggles or that the employers were conceding quick? Neither of the two. It means that there were more "protest actions". Having protested, the workers waited for negotiations and results.

The fourth thing was that in 1956 the bigger factories have

been in action more than the small. Factories employing 1000 or more workers lost 4,404,134 days.

The fifth thing to be noted is that all these man-days lost were not due to strikes. Last year there were more lock-outs also. The average time loss per lock-out was 30,520 man-days while the average per strike was only 3,862. The lock-outs accounted for 38.4 per cent of the total time loss.

Though lock-out is an offensive of the employers, it also shows that the workers have not yielded either by withdrawing their demands or surrendering to the employers.

The sixth thing is that both in 1956 and 1957 there have been actions on a national scale and not only on local factory scale.

The seventh thing is that this time, the Government services and middle class employees have gone into action on a national level and have shown tremendous advance in trade union organisation. The growing crisis inevitably throws them into activity and action.

The eighth thing is that the most exploited of the working class, that is the miners, have carried out united actions, involving immense sacrifices and made gains.

The ninth is that even the big units of iron and steel which were supposed to be highly paid and totally under the influence of the INTUC have broken away from the old moorings. Jamshedpur and Burnpur both have struggled against the "sober" advice of the INTUC and have won substantially.

The tenth thing is that the struggles of 1955 and 1956 halted the offensive of rationalisation for the time being by their united actions. Now the employers are waiting for this unity to break and to attack again in the name of productivity.

### 58. *Some Outstanding Struggles*

It is not possible to record here all the disputes and struggles and the tremendous sacrifices and heroism shown by the workers. Scores have been killed and wounded in firings by the Government, hundreds sent to jail. Thousands have lost their jobs. Though personally they have lost, yet their sacrifice has made the working class stronger. The loss of the few lives have won the lives of millions and the admiration and loyalty of their class.

In the great strike of Kanpur lasting over ninety days, the workers by united action succeeded in halting the offensive of rationalisation. That strike made the Government and employers, who most vehemently talked and attacked in the name of "technological progress", revise their attitude as shown in the conclusions of the Tripartite Indian Labour Conference of 1957.

The several actions on the Railways and the firing in Kalka, Kharagpur, etc., brought the problems of the railway workers to the forefront. There was a tremendous offensive against active TU workers on the railways in the name of "State security". The Sankar Saran Tribunal was in cold storage and the INTUC-led NFIR also. Though the Kharagpur strike was marred by the anarchistic behaviour of some people, in which the provocateurs of the management took the lead, endangering the lives of many people, the railway workers drew the attention of the Government.

The Defence installations had to struggle against retrenchment in September-October of 1956. This all-India action led to the partial absorption of those retrenched in other jobs.

The Bank workers launched many protest actions for protection against victimisation or deductions envisaged under the Award. They won on those points. But the single-handed action of the Bengal section in trying to secure a revision in the DA formula by themselves, found itself deadlocked. The formula was not revised. But higher DA was given at the end of the year as the cost of living showed a rise in terms of the Award.

The struggle of the Insurance workers in the nationalised sector whose service and pay conditions were being worsened in the name of the state sector economy was quite a surprise to many in its wide sweep though only of one-day duration. The settlement also was quick at the hands of the Finance Ministry and substantial gains were made, though some essential demands remain unfulfilled.

The struggle of the Burnpur steel workers has been going on since 1953. Their determination and correct tactics have given them some good gains. Their profit-sharing bonus has risen from 10 days (formerly linked to dividend) to 65 days this year and 105 of their retrenched people have been reinstated after four years with compensation by the verdict of the Supreme Court in

an appeal. The Company has shown some grace at last and is reported to be willing to pay the compensation which will be about Rs. 15 lakhs.

Other struggles on local level have been many. Notable was the strike by the Nagpur textile workers, where all the workers including women were sent to jail. The satyagraha led by the HMS in Modinagar has been a stiff battle. So was their struggle in Dalmianagar, where the HMS led and ultimately won. The AITUC co-operated with them.

Another notable struggle was that of the Wimco workers in Bareilly. It was notable for the fact that the Company introduced rationalisation in clear violation of all the terms of the agreement of the Tripartite Labour Conference and the Government had refused to take action. On the contrary, the leaders were put in jail by the U.P. Government. The Company denied that it had introduced rationalisation.

Ports and Docks is another trade, where an all-India struggle was fought and settlement arrived at. At one time, all the delays and shortcomings in port and dock clearances, were ascribed to the port and dock workers' demands, and their alleged go-slow or refusal to give full quota of work. Public opinion was sought to be roused against them. Ultimately, after the settlement of the dispute, it was found that the shortages are mainly due to want of machinery, space and other facilities for handling goods and the total failure of the authorities to plan and anticipate the movement of goods. Yet the Government agencies were not wanting who would malign and threaten the workers unnecessarily.

We have no space here to go into all the lessons, aspects and characteristics and all the disputes and struggles that have taken place. But there are some which have got to be considered.

#### 59. *Awards—Journalists, Government Employees*

In the recent period, the defiance of the tribunal awards by the employers and their freezing the claims of the workers by constant recourse to the Supreme Court and the way the verdicts of the Court have gone mostly against the workers has been on the increase. This is happening not because the law is made that way but that the principles which ought to govern the basic

## I

# SUCCESS OF SOCIALISM AND NATIONAL INDEPENDENCE

### 1. *New Vistas Open*

We are meeting at a time when significant developments are taking place that open great vistas for human progress and civilisation. At the same time, things are taking place in our country and the countries of imperialism, which are causing hardship and misery to the toiling millions, because the vast new instruments of production and progress are not yet the property of the people and commanded by the organised power of the toiling millions.

The outstanding event that has captured the imagination of everyone throughout the world today is the Sputnik which, along with the second, is even now circling our globe at fantastic speeds. Alongside nature's creations, man has thrown his own moons into the heavens.

This single event occurring in the month of October 1957 has produced its repercussions in science, in philosophy, in politics, in economy, in everything that concerns man's life.

When the atom was first split it was used to throw atom bombs to wipe out two Japanese cities and kill hundreds of thousands of people.

When the first Inter-continental Ballistic Missile was launched it was used to hurl the Sputnik to explore the heavens in the peaceful service of man. It delighted the people of the whole world and dismayed the warmongers. The arrogance of the American imperialists and their allies, who every now and then threatened to take the world to the brink of war, was tempered at the sight of the ICBM and the Sputnik.

Why so? The first atom because it was in the hands of the imperialists served the interests of imperialism. The first Inter-continental Ballistic Missile because it was in the hands of the

leading country of socialism served the peaceful needs of mankind. It is not man's science alone that advanced. It was socialist science that advanced and hence it served the peaceful needs of man.

Anyone scanning the press of the imperialist world can see this effect. Before the Sputnik was launched, the American imperialists were fomenting a war-crisis in the Middle-East. But after the Soviet Union had shown its ICBM, the warmongers piped down. The Tory Press of Britain noted that the Sputnik has drawn the Arab world and the world of all under-developed countries away from the dazzling sights of West European power.

The ICBM and the Sputnik in the hands of socialism give another vital lesson to the working class and the people of the world. A country, which only forty years ago was a backward under-developed country has outstripped the most powerful imperialist powers in science and technological industrial development when it came to be ruled by the working class on the basis of the theory and practice of socialism. What capitalism with two hundred years of development could not do, forty years of socialism could do, in spite of two invasions, cold war and economic boycott of the country at the hands of the imperialists. This equation is enough to measure the rate of growth that a country can achieve when a socialist working class comes to power. Even the ruling class in England and America has raised the question as to why their education and supply of engineering cadre and skill are falling behind that of the Soviet system. This shows how the world of the working class is advancing, the world of capitalism and imperialism receding.

It is evident that we in India cannot remain isolated from the import of these things. Both the people and the Government are aware and responsive to these happenings.

Our country has chosen to remain on the path of peace. Our people and the Government both have refused to walk into the camp of warmongers. The chief architect of the foreign policy of our country, Pandit Nehru, as the head of the Government, has cast all his weight on the side of peace. His latest initiative, once again, after the Sputnik went up in space, in addressing an appeal to the Great Powers to suspend atomic bomb tests



and meet to discuss things around the table has been fully endorsed by the Soviet Union. He has once again denounced the policy of war pacts, just when the NATO powers were meeting in Europe.

The second most important event is the resolution on peaceful co-existence that was adopted by the 82 countries of the United Nations. It was a resolution sponsored by India, Sweden and Yugoslavia and was based on the five principles first signed between India and China in April 1954. It was a culmination of a whole historical process that the principle of co-existence has now become the accepted principle of all the countries of the world.

## 2. *Collapsing Colonial System*

The other most important feature of our times is the daily increasing collapse of the colonial system, which has been the mainstay of imperialism and the subjugation and exploitation of hundreds of millions of people in Asia, Africa and Latin America.

When Europe and America developed capitalism two centuries ago with the help of the new technique of production, they became industrialised and rich. The countries of Asia which so long had been the most advanced and rich with the old modes of production were left behind.

The capitalists of Europe invaded and subjugated the people of Asia and Africa, robbed them of their wealth, made them work for supplying cheap raw materials to the capitalist industries of Europe, chiefly England, and poured the goods of their factories into these countries in order to reap profits. The new advances of civilisation instead of lightening the toil and misery of man, gave wealth and leisure to a handful of exploiters and owners of capital and plunged the millions of the Asian, African and Latin American people into colonial slavery to the so-called advanced countries of Europe and America.

I need not recount all that history now. We all know what has been the outcome. The powers of production increased on a vast scale. The whole globe, its markets and materials were brought within the compass of a single world market of capital. Yet capitalism began to suffer from its very birth from periodi-

cal crises of over-production. In order to preserve the gains of exploitation, each capitalist country vied with its rival; they went to war with each other for markets, for colonies, for profits, as in 1914 and 1939.

In order to better exploit the colonial people, the imperialists had to introduce the new means of production and elements of the capitalist system in these subject countries. The result was that there also a capitalist class, and a new working class came into existence. A new consciousness and nationalism, a will to be liberated from foreign invaders began to gather force, at each crisis in the system of imperialism. The countries of Asia began to struggle against imperialism to be free to develop their own resources for themselves. Thus the colonialists began to encounter the opposition of the liberation movements of the subject countries.

### 3. *Secret of Crises and Goal of Socialism*

We must not forget, however, that the initial force, the first sufferer, on the basis of whose exploitation capitalism in the world grew and enslaved the countries of Asia and Africa, was the working class of Europe. This working class, at first, was as badly treated as the colonial people. But soon it learnt to resist and defend itself against the employers. It learned to build trade unions. It conducted strikes and fought for lesser hours of work and higher wages, and protection from the state in these matters, by the enactment of laws. These bitter struggles and sacrifices helped it improve to some extent its conditions of work and living.

But it soon found that whenever it made some gains, the capitalist found further means to increase his profits. With reduction of hours of work, he increased the speed of work. With the increase in wages, he increased the load of work. With each innovation in technique, the capitalist continued to multiply his wealth. He fought the trade unions and strikes with the aid of the state machinery, the law and the police which were controlled by the capitalist class. A time came when mere strikes, and even all-national strikes embracing all industries, could not defeat the power of capitalism. The crises visited society as be-

fore and each crisis nearly wiped out the gains of the previous period for the working class.

This experience led the working class to probe the secret of the crises and of its suffering—that is, the secret of the laws of capitalist society. Intellectuals, who had thrown their lot with the working class, came to its help and the working class soon learnt the secret of the crises, of the phenomenon of accumulation of wealth on one side and accumulation of misery on the other. It found the secret of this in the fact that while the capitalist bought him for a fixed wage for a day, or week or month and took work from him, the worker always created more value than he was paid for. This surplus, this difference between what he got and what he gave back as a result of his labour, made the vast profits of capital. If he got the value of a pound of wheat as wage for a day, he gave back the value of two, three or four pounds, depending on the hours of work he did and the instruments he was given to use.

This secret the worker felt in his own experience of life. He felt it in his bones every hour, every day he worked and lived. This secret alone could explain the nature of the crisis of over-production—too many things remain unsold, while too many people, wanting those very things, willing to work and willing to buy, are unable to do so because capitalism will not sell except for profit and will not employ them unless it be for profit. This secret told them that the cure of this is not only to fight for temporary improvement of living and working conditions—but also to fight for a new goal, the goal of socialism, where the private ownership of the means of production will be abolished and the gains of labour of hand and brain will flow back to all and not become the private property of a small class of owners. To change and reorganise society on this new basis became the aim and object of the working class, both of its trade union movement and of its political parties. Imperialism was thus confronted with a battle on two fronts. In its home countries it was confronted with its own working class struggling for socialism. And in its subject countries, abroad, it was confronted with the national revolutionary movement struggling for freedom.

All these things seem to be very clear and simple to us. They seem very natural and right to us today.

But forty years ago, they did not seem so right, so natural.

Even the utterance of the word "Independence" was forbidden in our country. And when we founded the All-India Trade Union Congress in 1920, the words 'socialism' and 'political independence' were taboo. How things have changed since then and at what sacrifice!

All trade unions of all shades now participate in politics. All accept the defence of freedom and independence of the country as their important duty. All accept socialism as their objective. All accept the obligations of international solidarity, the need for peace and opposition to warmongers. All or most of us are in some international organisation, either in the WFTU or the ICFTU. All trade unions now send May Day delegations of fraternal friendship to the Soviet Union, China and other socialist countries.

Thus has widened the mighty working class and trade union movement of our country, in its objectives and principles. When the working class, and its trade union movement, has so advanced as to have the above common objectives—what divides it then and why should it not unite for the attainment of these objectives all the world over and in India?

#### 4. *From Slogans to Reality*

Forty years ago, socialism was only a theory, a slogan for propaganda, and not a reality anywhere.

Forty years ago, the independence of the colonial countries was only a movement and not a reality anywhere.

Forty years ago, after the First World War, in which the imperialists tore at each other's throats to re-divide the world for their profits, the working class of Russia carried out a Revolution and established the first socialist state.

Forty years ago, after the First World War, the countries of Asia and the Middle-East launched their great struggles for freedom—as in China, India, Egypt, Indonesia, Turkey, etc.

Our struggles for freedom were drowned in blood. But they failed to massacre the Soviet state.

One may or may not agree with the socialist state of the

## SUCCESS OF SOCIALISM & NATIONAL INDEPENDENCE

Soviet Union in all its doings or politics. But none can escape the fact that the first socialist state of the world helped the colonial people in their struggle for freedom (viz., China, Turkey, etc.); that this state industrialised itself without capitalism; that in its socialist system, unemployment and periodic crises of over-production had been eliminated, the right to work and rest, the right to education and culture had become a reality for the toiling people. The slogan of socialism became a reality.

Despite the ironical finger of capitalist critics pointing to certain deficiencies in the Soviet Union, one could not point out a class of factory owners there closing down factories because they could not make profits! Nor, too, a class of landlords evicting poor tenants from land, nor millions of unemployed roaming in search of work and living.

Once again, the imperialists, in 1939, launched the Second World War, and once again they failed in their aims. The world of socialism became bigger.

Not only that. After this war, those colonial and subject people who were struggling for independence advanced on the road to freedom. China, India, Indonesia, North Viet-Nam, North Korea, many countries of the African Continent shook off the yoke of foreign rule. And many others strengthened their struggle to be free. The slogan of National Independence became a reality for the major part of the people of the subject countries. The increasing independence of the under-developed countries, setting free hundreds of millions of people from the clutches of the imperialist system is a great blow to colonialism and a step forward towards the liberation of the whole of mankind.

The imperialists, however, are not taking their defeat lying down. The grand spectacle of free Asia, as seen in the Bandung Conference in 1955, has frightened and enraged them. With the ferocity of a wounded beast they counter-attack the freedom movements. They even dare to launch armed invasions to destroy the freedom already won by some countries, as was seen in the attempt of the British and the French to re-enslave free Egypt. The Americans and the British are trying to take away the political freedom of the Arab countries, in order to make their hold on oil wells and oil profits safe and to establish war bases

against socialism and the freedom of the Asian people. They refuse to let Algeria have its freedom. They tried a war scare in Syria. While granting Malaya its freedom, they hope to hold it in leash. In Latin America, they try to impose dictatorial governments amenable to the will of the American imperialists and have succeeded in some places. The Portuguese, aided by the Anglo-Americans, refuse to give up our Goa territory. Even in India, only the other day, Pandit Nehru had to say that some colonial interests did not like India's freedom and want to weaken it. They try to embroil us with Pakistan on Kashmir or some other issue. The heroic Algerian people are carrying on a war of liberation. The organised working class of Indonesia has retaliated against the Dutch imperialists who want to dismember Indonesia by fomenting military conspiracies and seizing the Indonesian territory of West Irian from the hands of their Central Government.

This is enough to show that the colonialists are not ready even now to give up their hold peacefully and that the struggle against colonialism has to continue unabated. The Government of India has declared that it supports the claim of Indonesia on West Irian and the demand of Algeria for freedom. The working class and people of India stand unequivocally on the side of the Indonesian people, the Algerian people, the peoples of the Arab world and the African Continent in their struggle against the colonialists, who are today headed by the American monopolists.

The solidarity of the Asian-African people must be strengthened by the trade unions of these countries actively defending each other's interests in co-operation with all the patriotic anti-colonial forces in every country against the attacks of the colonialists. Trade unions of all shades and thought in India can and should unite in this common task. The AITUC joins in this common task.

## II

### FIGHT FOR ECONOMIC INDEPENDENCE

#### 5. *Initial Difficulties and Problems*

India, after achieving freedom, is confronted with the problem of developing her economy, so as to overcome the backwardness and poverty in which the British imperialists had kept her. This is a problem of all under-developed countries which have achieved their freedom. Our working class and trade unions have their duty to do in the solution of this problem because, unless we participate in the solution of the problem as an organised force, the working class and the people will not advance on the road to socialism. Even the independence of the country will be in jeopardy.

Political independence in today's world becomes a formal affair, unless the country strengthens it by economic independence. Our country has seen the problem and has decided to solve it. But unfortunately the way to the solution is bristling with serious difficulties. As the strongest sector of the trade union movement of our country, the AITUC has to take note of these difficulties and contribute all it can to overcome them.

What is the nature of the difficulties and from where do they arise?

All the difficulties follow initially from the fact that foreign rule kept our economy backward and under-developed. So the problem before us is to develop agriculture for food and raw materials and to industrialise our country.

In the early days, soon after the Congress Government came to power, the imperialists tried to obstruct the stabilisation of our freedom by creating sources of reactionary attacks on our country, like the Kashmir invasion, the conspiracies of the princes, the immense refugee influx and so on. To add to all these difficulties, the landlords and reactionary moneyed interests created scarcity and high prices in order to make unprecedented profits. The Government advised by these very interests in economic matters, played with de-control and control and allowed them to jeopardise the life of the people. It took some four years to allay the turmoil.

Then the Government began to speak of planned economy. The severe defeats sustained by the Congress Party in the 1952 elections in many places, the struggles conducted by the working class and the peasantry in defence of their rights and living and in opposition to the reactionary policies also had their effect. The Government promised to abolish landlordism and carry out land reforms in order to overcome backwardness in agriculture and to launch schemes of industrialisation.

The results of the working of the First Five-Year Plan are already known to you.

The Plan from the very inception was not intended to be one of industrialisation. Agriculture and irrigation were to take 33 per cent of the total outlay, while industries and minerals were allotted 7 per cent. There was not a single iron and steel works in the First Plan.

The profits of the Korean war boom and very good harvests helped the First Plan to present a picture of success and achievements a little out of proportion to the reality of the situation. There is no doubt that the national income increased by 18 per cent. But a large part of this was due to good monsoons and harvests and because of planned economy. And a substantial part was due to better coverage of statistics!

The main outcome was that war-time rationing was abolished, the war-time loss of production in many lines, viz. textiles, sugar, etc. was overcome and we were only trying to catch up with the 1939 pre-war level, which itself was one of poverty and backwardness. It was time something bigger and better was planned. So the Second Five-Year Plan with an emphasis on industrialisation was proposed.

## *6. Basic Features of the Second Plan*

The Second Plan was twice the size of the First in the matter of money investments—Rs. 2,400 crores in the First, Rs. 4,800 crores in the Second, in central and state outlays only, apart from private investments. In percentages, industry and minerals were given 19 per cent compared to 7 per cent in the First.

The Second Plan differed from the First in many basic features. The Second Plan in its conception was one which could have been beneficial to the country as a whole.



Its first feature was that a large part of the investment was to be made in the state sector. The major volume of new capital was to be state owned.

The second feature was that new units in such vital industries as heavy engineering, machine-building, iron and steel, coal mining and oil exploration, which so long were exclusively in the hands of Indian and foreign private monopoly capital were to be immediately undertaken in the state sector.

The third feature was that in all this development, sole reliance was not to be placed on the capitalist countries of the West in the matter of trade, capital goods and loans. Countries of the socialist camp, particularly the Soviet Union, were also to be approached for aid.

The fourth feature was that land reforms like putting a ceiling on land and distribution of land to the cultivating peasantry was to be carried out.

The fifth feature was that as the basis for all this, the Parliament adopted as the objective for the whole country the establishment of the socialist pattern of society.

Who would not welcome these five features of the Second Plan, features which, if worked out fully and honestly, would certainly be a great step forward in overcoming the backwardness or colonial character of our economy and launch it on the road to progress?

### *7. Two Critics — Progressive and Reactionary*

Of course, we have our criticism of the Plan—the first point in the criticism being: Is the Government of the Congress Party, which is dominated by the influence of monopoly capital, really capable and desirous of translating all the five features into practice?

How can a party representing the ambitions and outlook of Indian capital abolish capitalism and introduce socialist measures? Mere state ownership of certain big plants does not constitute socialism. In fact, such ownership, divorced from the social-political control by the working class and the democratic masses becomes only another means of helping the development of capitalism.

How can such a party allow India to turn to the socialist countries for aid and thereby displease, and destroy its links with, the traditional partners of trade and investment from the capitalist West?

These questions are right and must be raised. But the fact that such questions are raised by millions of workers is due to what? It is due to the presence of these very five features in the Second Plan. Since they are there, the country and the working class can demand that these features be maintained and fulfilled. He who breaks these features can be denounced as an opponent of the people's interests. That itself is a great advantage for the positions of the working class and the mass of people.

But we are not the only critics of the Plan. There are others, who want the Plan to be cut or pruned, who call it ambitious, who want the Plan, as it is, to fail. These are critics from Right-wing Reaction. What is their main target of criticism? It is those very five important features which invite their greatest wrath. They resent what we welcome.

Both of us are critics of the Plan. But they want to change the Plan totally in favour of private Indian monopoly capital aided by their foreign inspirers and partners, while we want to strengthen it against these Right-wing disruptors.

The Working Committee of the AITUC has time and again discussed this problem and declared its position unequivocally in the above terms.

### 8. *Both Help – But How?*

I need not discuss in detail the extremely important economic, political and social implications of the features mentioned above.

It is not an accident that the principal owner of the Indian Iron & Steel Co. of Burnpur, openly called on the Government to drop building of steel plants in the state sector on the most astounding ground that India does not need so much steel! This Company has got loans from the Government and the Americans for its own expansion. It is not an accident that as soon as Rumanian and Soviet oil-drilling parties came to India, Burmah-Shell and Standard-Vacuum hurried up their talks with the Government for further prospecting of oil and the building of

refineries which they were unwilling or slow to do before. It is not an accident that the big monopolists of coal agreed to step up production when the Government decided to open its own mines and asked the Soviet Union to give a plant for making mining machinery. And it is not purely a financial or technical matter that the Rourkela Steel Plant to be built by the Germans is still in blue-prints and Durgapur Steel Plant to be built by the Britishers is still looking out for a bankers' loan, while the Bhilai Plant to be built by the Soviet Union is going up by leaps and bounds and hopes to be completed ahead of schedule.

This happens because the imperialist countries are not very glad to see India, once their most profitable colony, advancing on the road to economic independence and getting rid of their control, while the Soviet Union and the other socialist countries are glad to see and help in the development of all under-developed countries, so that the working class and the toiling people there can rapidly advance to socialism and prosperity. Every advance of the newly independent countries towards industrialisation and economic independence weakens imperialism and strengthens democracy and peace and ultimately world socialism.

The critics of the Right see this and try to blow up our state-owned heavy industry development. The critics of the Left must also see this and try and act to improve, strengthen and fulfil that development.

### 9. *What Is Wrong with Help from Capitalist Countries?*

Does this mean that we do not want to take help from the countries of capitalism—from England or America? It does not mean so. The development of our economy will take the supply of capital goods from all the industrially advanced countries. But a country like ours, a country that has been kept backward by the colonialists, cannot have enough accumulated capital to pay all at once for all those capital goods, technique and know-how. Hence, we have to ask for loans.

But the colonialists want to dictate terms for their loans. They want us to join their war pacts. They want control over our resources—which means they want us to be subject to them once again.

Another reason why their help is not very useful is the fact

that they charge disproportionately high prices for their supplies and services to earn super profits. And when we wish to pay back they do not accept payment in rupees, because it means that they have to buy something from us in return of what they supply us. That puts us in what is described as the crisis of foreign exchange.

The capitalist countries, moreover, do not like to give us loans to build heavy industries at all and particularly in the state sector. They are ready to sell us their surplus wheat, their unsaleable cotton. But they are unwilling to give us readily machine-making plants. They want to lend these mainly to their class brothers in private enterprise for private profit. They readily loaned money to Tata, Martin Burn, Birla and others.

This is what compelled the Government of India to seek loans and help from the Soviet Union and other socialist countries. At first the Government, with its traditional trade links with the capitalist countries, tried as much as possible to avoid trade relations with the socialist countries. But the obstacles put in the way of our development by the capitalist countries, particularly by the financiers of the USA, Britain, and the friendly straightforward terms offered by the socialist countries, without any strings attached to them, convinced the people of our country that help from the socialist camp is genuine, really efficient and comes in time. Even the Government and the bourgeoisie had to admit it. Such help is upsetting the plans of the colonialists and of the Right-wing critics who want to keep India under-developed and once again attach her to their band-wagon.

#### 10. *Should the Plan Fail ...*

It is, however, known that the Second Five-Year Plan is in great difficulties, that it is being cut down or pruned and that the Plan is no longer what it promised to be. How then are we to support it and what can we do to checkmate its saboteurs some of whom manage to utilise even the governmental apparatus for their unholy work (*viz.*, the Mundhra affair)?

Here is what Mr. A. D. Shroff, a well known banker-industrialist, says about imports which affect our foreign exchange. "The indiscriminate and crazy manner" in which licences were

issued by the Government of India last year has created "a very serious situation" in the country. He said there was "trafficking in licences." (*Times of India*, 10 Dec., 1957.)

Of course Mr. Shroff as a banker should have known what was happening in the banks of his own class. Now as a Right-wing critic the lesson he draws is that "both planners and their supporters would have realised by now that the *philosophy* on which the plan was based"—attainment of a socialistic pattern of society—"looked such a good horse in the stable but is proving an arrant jade on the journey." Mr. Shroff failed to see that it was because the horse was being jockeyed by the brethren of his own class, who purposely want to fail it in the run and then buy it up at the price of a jade!

We must remember that if the Plan fails, the results will not affect only the ruling party. It will spell immense economic difficulties for the whole country. No doubt the political responsibility of the failure will be of the ruling Congress Party. But then the misery will be for everyone to suffer. It may even give a political advantage for the genuine parties of the Left. But the advantage will be far greater, if we can save the best and the basic features of the Plan and defeat the monopoly capitalists in their game against the people.

Here we have no time to go into the analysis of all the factors that are taking our economy to a crisis. Some people say that the difficulties are of growth and, therefore, healthy difficulties. What are the main elements of the situation which cause the difficulties.

### 11. *Forces Obstructing Development*

The main complaint of the Planners is that the resources from foreign loan capital that they expected to get are not forthcoming. The cost of what is coming has gone up. Our exports, which should have paid for some of these vital imports for the Plan, are falling in price and in quantity. Hence many of the schemes of electricity, transport, fertiliser factories, etc. have to be curtailed, except such as have been already launched.

In the matter of foreign resources, what is not being put clearly before the people is that help from foreign resources has

not come from the Anglo-American bloc according to expectations; that what was available has been utilised at random, without plan or proper control; and that with the connivance or direct help of the Ministries concerned a lot of aid from the Anglo-American bloc was diverted to monopolists in the private sector.

“Imports increased from Rs. 751 crores in 1955-56 to Rs. 1077 crores in 1956-57. . . . The increase in imports was shared by both the public and private sectors—imports on Government account having increased from Rs. 139 crores in 1955-56 to Rs. 281 crores in 1956-57; and imports on private account from Rs. 612 crores to Rs. 796 crores,” says the Planning Commission’s Review.

It is noteworthy that in spite of the increasing tempo and percentage of outlay in the state sector visualised in the Plan, private imports have risen more than Government’s and, secondly, while Government import account is limping at Rs. 281 crores, the private account stands at Rs. 796 crores. The account of state imports for productive purposes would be still poorer if we remember that a large part of it is for Defence purposes, such as naval ships, armaments, aircraft, etc.

This shows where the foreign exchange goes—not so much for the use of the state sector as of the private sector. This does not, of course, mean that activity in the private sector does not feed the Plan or that the private sector can be abolished outright from all spheres. It shows how the capitalist private sector is strong and how weak remains the state sector.

This is why it happened that when recently the Finance Minister of the Government of India went abroad for getting loans for the state sector of industries, he came back with big deals for the private sector. Some say he failed the state but saved the private sector.

The Planning Commission’s Review says that in the industry in the private sector Rs. 85 crores were invested in 1955-56 and Rs. 160 crores in 1956-57 with an expectation of Rs. 270 crores in 1957-58. This does not include unrevealed investments and accumulation.

and who are very voluble in showing sympathy and support for the freedom of their former slaves. They do not, therefore, readily take measures to nationalise the foreign monopoly capital in their country or to restrain severely their predatory activities.

Such a policy, however, deprives them of the rich effective resources to develop the economy of the country, puts them in financial difficulties and disrupts their plans of development. Moreover, the foreign monopolists, sometimes anticipating further loss of their hold, try to sabotage production or destroy the wealth, as for example, by slaughter-mining, non-renewal of machinery, refusal to replant tea, rubber plantations, etc.

Confronted with such a situation, when these governments propose restrictions on foreign capital or its nationalisation, the colonialists threaten them with military force. All their so-called sympathy vanishes and their real imperialist predatory soul reveals itself.

It is unnecessary to enumerate examples in detail which are so fresh in people's memory. The nationalisation of the oil fields of Iran was defeated by the militarist conspiracies of America and Great Britain. The latter was forced to share her exclusive control with her American rival. The Anglo-French invasion of Egypt when Colonel Nasser nationalised the Suez Canal Company, the rightful property of the Egyptian people, illustrates the hollowness of the sympathy of the colonialists for the so-called backward peoples and also shows how a determined united people can defend their country, with the aid of the progressive forces of the world. The resistance by the American imperialists to nationalisation of the oil fields and mines of Latin America, the anger of the imperialists expressed in the aggressive Eisenhower Doctrine against the peoples of the Arab countries who are trying to take for themselves the vast profits of their oil-wealth show the same thing. The opposition shown by the British imperialists to the Indian proposals to nationalise mines, plantations, oil fields, banking and insurance capital, in which the dominant hold of the British runs into millions of pounds, compelled such proposals to be limited to nationalisation of life insurance and the Imperial Bank. The popular demand to nationalise mines and plantations was restrained in the hope that it might soften the colonialists into aiding the Five Year Plan of economic development.

The peoples of the newly independent countries strongly react against these tactics of the colonialists which are designed to keep them in economic subjection. Hence, they demand the nationalisation of concerns held by foreign capital as necessary for purposes of their economic development, and demand a strong curb on the trading and other activities of foreign capital which are harmful to national development. The fight against colonialism and for the consolidation of national independence thus becomes in many places the demand for nationalisation of foreign capital and the liberation

of the natural resources of the country from the strangle-hold of foreign monopoly capital.

Knowing the need of the under-developed countries for capital goods and technical aid, the colonialists try to weaken the independence of these countries and dictate their terms for such aid.

The colonialists, through their various plans such as the Colombo Plan in South-East Asia, the Prebisch Plan and Vorries Plan in the Argentine, Klein-Saks Plan in Chile, the Truflow Plan in Cuba, the various aid schemes of the International Finance Corporation and the World Bank, put on new masks for their policy of colonialism. The old classical colonialism of direct political rule, developed by the British and French, having been defeated, the American colonialists come forward to take their place through economic aid, military pacts of defence against the so-called menace of communism, technical missions, etc. This aid, instead of really helping to develop the backward economy of these newly independent countries, in essence obstructs their independent road, and compels these countries to accept the domination or control of these "helpful" imperialists.

In many countries both the national bourgeoisie and the people find it necessary to undertake economic development through various degrees and forms of state-ownership of capital. Such ownership helps the people to achieve some democratic parliamentary control over the activities of capital and brings the workers and their trade unions directly into touch with the activities of their governments in the sphere of national economy and in the life of the people.

The foreign imperialists resent this extension and development of the national sector of the economy in these newly independent countries. They resent any curbs or limitations on the activities of foreign capital in these countries.

Hence, when these governments approach the imperialists for economic aid, they demand guarantees for ownership of their capital, against nationalisation now or in future, demand freedom to export their profits and special status for their technicians, leading to discrimination against indigenous capital, technicians and workers. Thus the needs of economic development in the newly independent countries, if they are to be carried out in full and operated democratically for the benefit of the nation and the people, compel these countries to carry the struggle against colonialism further.

Thus, achievement of political independence from imperialism does not conclude the struggle against colonialism, but changes its form and field.

In what way then can they carry out economic development in order to consolidate their independence and what can the working class do to help forward this development? In what way can the trade union movement further the economic development of the



newly independent countries and those that have already been independent? Have we as a working class, while exploited and fighting for our own rights, a role to play in this new form of struggle against imperialism? What have we to say in countries like India, Indonesia, Burma, Ceylon, Egypt and the other Arab countries, or in Brazil, Mexico, etc., or in some of the newly free African states, to help the country and the working class forward?

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The achievement of independence by the former colonial countries confronts the working class with new problems, both in relation to the country's economic development and the defence and improvement of its own conditions.

When the governments of the newly independent countries put forward plans for economic development, which would raise production and the national income and create possibilities of increasing employment and incomes, the working class is bound to support such plans of development and to express its readiness to discharge its duty in relation to the country's development. The trade union movement in these countries is bound to give its enthusiastic support to the plans for reconstruction of the economy, as it knows that such development is the pre-condition of national prosperity and of its growth and liberation. The fact that in the given stage, such growth is based on capitalist exploitation does not detract from the fact that industrial advancement, even under such conditions, advances the country, makes it stronger against colonialism and creates conditions for the further struggles and success of the working class.

That is why the trade union movement and the working masses in countries like India, Indonesia, Egypt, Syria, Latin America, and other countries have stood in support of their governments in their struggle against foreign monopolies and have lent unstinted support to their plans for economic development.

It is but natural that the trade union movements in those countries have advanced the demand for nationalisation or at least the curbing, to begin with, of the power of the foreign monopolies as one of their central slogans in the fight against colonialism and for further economic development.

It is also necessary and natural for the trade union movement to demand that the further development of the economy be carried out on the basis of these nationalised sectors in a planned manner.

No doubt such measures do evoke the most bitter opposition of the foreign monopolies. But if the national bourgeoisie remains firm and is backed by the whole people, as it is bound to be, and does not hesitate to take help from the countries of the socialist camp, where possible, the colonialists can be made to retreat.

The nationalisation or curbing of foreign monopolies and the development of the country on the basis of state sectors of economy

gives these countries sufficient power to take a step forward in economic development.

Does it, however, eliminate all the need for help from the advanced countries in the shape of capital goods, technical knowledge and experts, etc? It does not. But to secure that, the under-developed countries must refuse to mortgage their independence and their future. The working class is not opposed to taking aid as such from foreign countries. But it must insist that such aid is without strings, that it does not infringe the sovereignty of the country taking aid, and that the aid serves the purpose of real economic development for the benefit of the country and its people.

Already it has been the sad experience of many a country which has placed great hopes in aid from the gigantic finance-capital of the foreign monopolies that such aid is refused when it is required for the real industrialisation of the country, or if it is given, the cost is so inflated as to bring the aided country and its resources deeply into debt, or else the execution and completion of the development plans are delayed and distorted. The result is that the economic development of the country is hampered and only a few monopoly circles of the under-developed countries succeed in making fortunes for themselves.

Is there no way out of such a deadlock?

In their efforts the under-developed countries have a new ally and friend to get them out of this deadlock. And that is the help given by the countries of the socialist camp.

It is a historical fact now recognised even by the national bourgeois governments in various countries that it is not to the imperialist countries and their technique alone that we must look for help in economic development and in the struggle against colonialism.

The contribution of the industry of the Soviet Union in building steel and engineering works, in prospecting for new sources of oil and in training new technicians is now well recognised by all people including the capitalists in India. The people of India were delighted when they heard that the Soviet Union charges an interest rate of only 2½% on loans while the British, German and American financiers demanded not less than 4 or 5%. Soviet and Rumanian aid in oil exploration in India is expected to help the Indian Government and people to break the monopoly of oil held by the Anglo-Americans.

The people of Ceylon were glad when they could sell their rubber to China and get cheap rice in exchange, while the British expected to dictate their terms to Ceylon by closing the market to Ceylonese rubber. Burma has had the same experience.

The countries of the Middle East, Egypt, Syria and others, have been helped in their fight for independence by aid from Czechoslovakia, the Soviet Union and other countries of the socialist camp.

What a furore there was when Soviet technicians volunteered for the Suez Canal and its defence! And one cannot forget the consternation that was caused in American monopoly circles when Soviet trade missions arrived in some of the Latin American republics.

The volume of aid from the socialist countries for various reasons may not be very big so far; but even where it is symbolic, it brings down the dictatorial tone of the monopolists. Although the governments of some of the under-developed countries, dominated by national bourgeois interests, dislike turning to the socialist countries for help lest it disturb their bourgeois brotherhood, even they are grateful for this aid because it enables them at least to secure better terms from the monopolists, simply by threatening to go to the socialist camp. They also know from experience that while trade with the imperialist monopolies defrauds and impoverishes them, trade with the socialist countries is an honest trade on the basis of equality.

The working class should welcome such aid from the socialist countries and point out to the masses of the people its real political value for the preservation of the country's independence.

The working class can also see for itself and can point out to others the way socialist technical cadres behave towards the workers of the under-developed countries, and what a contrast this is to the attitude of technicians from the capitalist countries.

We are helped not only by socialist finance and technique, but by the socialist technician with his ideas of proletarian internationalism and his lack of ruling-nation arrogance and ideas; even while taking and giving work his attitude is that of a helper and worker, while with rare exceptions the technicians from the capitalist countries leave behind a taste of imperialism in their attitude to the "native" workers.

The most exhilarating example of an under-developed country refusing to beg for aid at the door of the imperialists and yet going forward with great strides, eliminating corruption, increasing production, raising the standard of living of the working people, and building up industry and agriculture on the strength of its own efforts and aided by the Soviet Union and other socialist countries, is that of People's Democratic China. No wonder the imperialists refuse to let it sit in U.N.O. But its path cannot long be obstructed.

In addition to these channels of aid the working class and the people of the under-developed countries can show the way to mobilise their vast manpower and even financial resources by allying themselves, either with the national bourgeoisie or with other classes, in order to build up the economy of the country.

Thus by utilising the resources taken from foreign monopolists, accepting the aid of the latter if given without strings, with the aid given by the socialist countries and using their own national finan-

ces, the under-developed countries can develop economically and preserve and consolidate their independence.

This path can be followed and is being followed by some countries of the great and vast circle of the Bandung Powers. In these countries the working class and its trade union movement supports such a path.

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One of the important questions for the trade union movement in its struggle against colonialism and in defence of the workers' interests is that of relations between the trade unions and the national bourgeoisie. In countries which have just won their independence the political and economic power is often in the hands of the national bourgeoisie. In countries which have not yet won their independence, the national bourgeoisie is often one of the important elements in the national independence movement. The trade union movement should give it support to the measures taken by the national bourgeoisie, and take an active part in carrying them out, so long as these measures are directed against imperialism and are intended to strengthen the country's independence and develop her economy.

But the national bourgeoisie has a dual character; on the one hand it is a patriotic and anti-imperialist force; on the other hand it is anxious to further its own selfish class interests. Hence it is inclined to hesitate and waver in its opposition to the imperialists. The big national monopolists are particularly liable to develop in this way, and to turn to attack the workers' interests and the interests of the people in order to enrich their own pockets. In order therefore to defend the national interests against the imperialists, and to further them, the trade union movement must co-operate with the anti-imperialist forces in the national bourgeoisie; but in order to defend and further the interests of the working class and the masses of the working people of the country, the trade union movement must fight against the selfish rapacity of the national bourgeoisie and against their exploitation of the workers; in particular the trade unions must expose and fight against the compromises and wavering of the national bourgeoisie in their relations with the imperialists, compromises which they try to justify as being in the national interest. Contradictions do exist between these two aspects of trade union policy with regard to the national bourgeoisie. It is very important for the development of the anti-colonial struggle and of the trade unions themselves for these contradictions to be correctly understood and dealt with.

In view of this we should also consider whether certain tasks do not devolve on the trade union movement in economic life as well, over and above the task of ensuring satisfaction of their own demands.

Depending on conditions in the particular country which has achieved independence, on the extent of democratic rights and the strength of the working class movement, it will be necessary for the trade union movement to consider taking an active part in drawing up plans for economic development of the country, and in their execution. The trade unions should also develop democratic initiative in checking corruption and waste in the measures being undertaken to do away with the relics of colonialism and to overcome the backwardness of the country. This particularly applies to undertakings which are initiated under national ownership and financed by taxing the people. The trade unions should display democratic vigilance in safeguarding national property and protecting undertakings which are necessary for the life of the people and for the development of the country and which are threatened with misuse, misappropriation, destruction and sabotage at the hands of the foreign monopolists and their allies, who cannot bear to see those countries which have newly won their independence proceeding to liquidate colonialism.

If the trade union movement undertakes these tasks, as well as continuing to defend the interests of the workers, it will help in uniting the whole nation round the working class in order to build up the country's economy and serve the true interests of the masses of the people, and not merely those of the bourgeoisie, which likes to claim that it is the sole leader of the fight against colonialism and the sole planner of the national economy.

We consider that in those countries which have already won their independence the trade unions must continue to defend the workers' rights and to improve their living conditions, while allying themselves with and supporting the national bourgeoisie and its government in defending national independence and building up the national economy. In these countries which for years have been enslaved by the imperialists, the workers are living in extremely hard conditions. Without paying due attention to an immediate betterment of their legitimate rights, it would not be possible to develop working class action to the widest extent in the fight against imperialism and in the founding of national prosperity.

Therefore the national bourgeoisie and its government, which holds the reins of the economy and of power in their hands, should logically take on the responsibility of improving the workers' economic and social conditions. Where they do not do so the trade unions must lead the workers to conduct the necessary struggle against the bourgeoisie's disregard of the workers' vital needs and their acts of self-interest which ignore the working people's democratic rights. Without defending the workers' interests, it would be impossible to mobilise the workers in the struggle against imperialism and to build up the country.

When the national bourgeoisie wavers and inclines towards compromise with the imperialists, the working class and trade union movement should fight it more resolutely so as to force it back on to the road of national interests.

But we should realise that the purpose of such struggles is to change the incorrect attitude of the national bourgeoisie toward the workers, so as to improve our anti-imperialist alliance with them. Therefore our opposition to the national bourgeoisie must be planned so as not to cause a fundamental rift in the united front in the anti-imperialist struggle. Of course, another decisive factor in such struggles is the attitude of the national bourgeoisie itself towards imperialism and towards the workers.







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