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recession and resistance

REPORT TO AITUC
GENERAL COUNCIL

(27)

2nd copy

by

S. A. DANGE

AND
OTHER
DOCUMENTS

AN **aituc** PUBLICATION

RECESSION AND RESISTANCE

*Report by S. A. Dange, General Secretary, AITUC
to General Council of AITUC (August 1967)
and Resolutions*

1967

ALL-INDIA TRADE UNION CONGRESS
NEW DELHI

September, 1967

Price: One Rupee

Printed by D. P. Sinha at the New Age Printing Press, Rani Jhansi Road,
New Delhi and published by M. Atchuthan on behalf of the All-India
Trade Union Congress, Rani Jhansi Road, New Delhi 1.

INTRODUCTORY NOTE

The General Council of the AITUC which met in August 1967 devoted its main attention to the serious economic situation, the new political factors emerging in the post-election period and the struggles of the workers against the attempts of the employers and government to pass the burdens of the crisis onto the shoulders of the workers. The analysis of the situation as seen by the trade unions was made in the Council in the Report presented by General Secretary, S. A. Dange, M.P. In the light of the review of the situation, the General Council adopted a number of important resolutions laying down the line of action for the trade unions in the new period.

The Report of the General Secretary, S. A. Dange, "On the Present Situation and Tasks of Trade Unions", and the main resolutions of the General Council are reproduced in this publication. The main theme of the report and the resolutions is that on the basis of firm class positions, it is eminently possible and fully realisable immediately to strive towards united action of workers of all affiliations which would also lead to organisational unity in the ranks of the trade unions. And organised labour will strive for this objective with the firm conviction that a solution of the capitalist crisis is impossible within the framework of capitalism and only a firm anti-imperialist, anti-monopolist democratic path of advance can lead the working class and the nation on the high road to socialism, prosperity and progress.

— AITUC SECRETARIAT

2 September 1967

ON THE PRESENT SITUATION AND TASKS OF TRADE UNIONS

I. The Roots of the Present Crisis

That the Indian economy is in the grip of a severe recession is now acknowledged by all.

In his budget speech on May 25, 1967, the Finance Minister, Shri Morarji Desai said:

“The growth of industrial output has slowed down considerably over the past two years. There has been a modest revival since October last. Nevertheless industrial production in general has by no means been buoyant and several industries are actually experiencing a decline in production and an increase in excess capacity.”

And having said this much, he again hastened to add in the very next sentence:

“The situation that prevails at present cannot be described as a *general* recession.”

According to him, it is not a *general* recession because if it were so, there would be “excess capacity all round”.

“The emergence of sizable excess capacity is concentrated in *capital goods* industries, notably railway wagons, machine tools, textile machinery, castings and structurals.”

“Among consumer goods industries, difficulties are felt particularly by the weaker cotton textile mills.”

Anyone knowing the situation in the country both in the agrarian and industrial field and in the capital goods as well as consumer goods industries could easily see that the Finance Minister, the Government of India and the ruling Congress Party were underplaying the crisis and were trying to hide its seriousness.

And yet within a few weeks of this authoritative statement

of the Government of India, underplaying the nature and intensity of the crisis, the Government spokesmen, industrialists and economists had begun to speak of the slump, the serious recession and an all-round crisis.

A review taken by governmental circles of official experts was reported in the *Economic Times* as follows:

“While conceding that the present recession in the industrial sector is galloping and extensive in nature, the Centre thinks that the situation does not warrant an alarmist view. It is a temporary phase and recovery will be swift from next year.

“Till recently, New Delhi has been dismissing the problem as sectoral or local in character but now it has realised that it is fairly extensive and envelops a wide range of industries, whether they are agriculture-based or dependent on imports or not.” (*Economic Times*, July 14, 1967)

The spokesmen of the ruling party did not first want to fully admit the total failure of their policies. But the objective laws paid scant respect to the “authoritative” and “profound” pronouncements of the Finance Ministry of the Government of India.

If there is no demand for goods and there is excess production, there should have been a fall in prices. But the prices are not falling, not even of textile goods, where, they say, stocks have accumulated. In fact, only a few months back, the cotton textile industry was given a price-rise of 4.5% on its controlled varieties, by the Government of India. The industry had demanded a 16% rise.

But one may say and with some truth that there is a slight fall in the black-market prices. The premia fetched by cars, houses and some engineering goods have fallen to some extent.

But compared to the seriousness of the talk of the crisis, the fall in prices is nowhere significant. What is the reason for this?

The reason is the dominance of monopoly capital in the main sectors of production, in the main arteries of the market and the main levers of finance, that is, the banks.

This dominance is further buttressed by the fact of fall in agricultural production, shortage of food and the rise in its prices, which again is due to the same dominance of monopoly capital and finance, allied with the hold of rent-appropriating landlord interests in the agrarian sector. The inflation and excess money supply which flow from this monopoly enable it to keep the prices pegged high and always on the rise, whether there be over-production or shortfall in production.

The bourgeois economists and philosophers of capitalism nowhere admit that the present condition in which the country's economy and the people find themselves, are due to the *capitalist path* that the country has been forced to follow by the ruling class and that this is the inevitable fruit and accompaniment of capitalist development.

Our working class has to learn this and bear it in mind and use it for their action, that what the people and the country are confronted with is not the ill-will of Gods and the weather or the mysterious workings of money and market-system or the cussedness of the American aid-givers which are bringing misery to us. It is the inexorable laws of capitalism that are at the root of our failures, shortages and misery.

Our working class has to learn that the State that is ruling over us and is responsible for this state of affairs, is not a "welfare state" of the people as the Congress Party or its intellectual thinkers tell us. They have established a capitalist state, run by the bourgeoisie and the landlords, against the working class, the peasantry, the middle-classes and even some sections of their own national bourgeoisie which do not fit into the framework of the growing monopolies.

As we had pointed in our Bombay (26th) session report last year :

"A capitalist system cannot fulfil an overall *social* plan of production. It can make some programmes of building this or that industrial plant but a balanced integrated plan of the whole of social economy is impossible for capitalism. And India has been building capitalism, that too in an under-developed

country. Naturally, a crisis and failure were inevitable unless she had changed her path.

"The leadership of the ruling party, when taking one correct step always countered it by taking an opposite and incorrect step. For example, they decided correctly to build a state sector of economy, heavy industry and ties of friendship with socialist states and particularly the Soviet Union, which alone would help India to build a state sector and the most important plants of heavy industry.

"In the same breath, they allowed the big bankers and monopolists to rob the country's foreign exchange for building their private sector for private profits, begged the US imperialists for massive aid, tied themselves up more with the British Commonwealth, made their armaments and industrial technique dependent on imperialist supplies, and advice, spurned the Indian intelligentsia and the smaller industrialist, allowed a whole bunch of bureaucrats to man the State apparatus, and suppressed with a heavy hand the working class and those democratic forces who opposed it.

"The inevitable result is the present crisis."

(NEW PERSPECTIVES, page 60)

The failure of the Third Plan and the virtual scuttling of the Fourth Plan confirm our basic standpoint that a continuous, balanced and proportional growth of production and prosperity are impossible in a capitalist economy.

II. The Big Contrast—The Two Worlds

It has to be borne in mind that India is not only developing on the capitalist basis but because of that very fact, is a part of the world capitalist system and is, as such, very much susceptible to its influences.

Its relations of trade with socialist countries can help her to build her industries faster and resist, to some extent, the excessive blackmail of the foreign monopolists. But the fact

that her major trade relations and economic orientations are on the side of the big foreign monopolists and the world bloc of imperialist countries (despite non-alignment in foreign affairs) make India a partner in the world capitalist system. Hence her economy suffers from the impact of that system also.

The present recession in India, therefore, is not a local affair. The recessions and vicissitudes of every other capitalist country and of the world capitalist system as a whole have also their impact on Indian economy.

World reports show that the continuous boom and prosperity with which the world capitalist system was priding itself has come to a halt and the inexorable capitalist crisis in growths of production, employment, wages, exports, gold reserves, etc., has overtaken them also. And the apologists of Indian capitalism cannot say that there also the crisis is due to failure of monsoons or drought, or want of foreign aid.

The Organisation of Economic Cooperation and Development (OECD) in Europe embracing the Common Market countries in their report say :

“The economic growth has slowed down this year or has been halted in the three largest industrialised countries—the US, West Germany and the UK—with repercussions on the growth in many other countries and on world trade. (Report in *Economic Times*, with Paris dateline June 30, 1967 — on OECD report assessing position upto mid-June 1967).

“... for the first time for nearly a decade, there has been a simultaneous weakening of demand in several important countries. . . .”

“The total growth of demand and output in the OECD area may be of the order of two per cent in the first half of 1967.”

Though a full report is not yet on hand, a news agency flash on July 9 on the report of the UN survey of world production says:

“World production increased by 5 per cent last year, but it grew more slowly than in either of the previous years.”

"The slowdown reflected limitations on resources in the industrial nations of the West and a 'distinct faltering' of farm output in the developing countries."

"In the communist world, industrial production grew by 8.4 per cent compared with 8.7 per cent in 1965."

"The survey which does not cover the Chinese People's Republic, said the rest of the communist world stepped up its production, largely because of a much better harvest."

Two things stand out in this. Even the most prosperous capitalist countries are suffering a setback in production and growth. The socialist countries are going ahead with their high rates of growth free from any such crisis as the capitalist system suffers from.

World capitalism which began its career some three hundred years ago in Europe and two hundred years ago in the sheltered continent of America offers no stable life to its citizens nor continuous prosperity without crisis of recessions, closures, unemployment and wars.

In contrast, the socialist Soviet Union which is now celebrating its 50th anniversary and the rest of the socialist world which is hardly 20 years old have already rid themselves of crises, recessions, unemployment, closures, strikes and starvation. Despite the two wars which the Soviet Union had to fight back and despite the threats of aggression and actual aggression as in Vietnam by the imperialist aggressors, the socialist system has proved its superiority and its capacity to build a stable, balanced and proportionate planned development of its economy. Only the socialist world has given its citizens a happy life and freed it from the scourge of unemployment and starvation and an uncultured existence of mere toil and sweat.

With these two pictures of the two worlds before them, the workers of the world and the working class of India as part of the international working class join hands together to defend the gains of socialism and of national liberation and get ready for further battles against the forces of imperialism and capitalism and make socialism victorious throughout the world.

The Indian working class must refuse to be dragged by the suave talk of the protagonists of the bourgeoisie of the special Indian path and destiny or its maligning of the socialist world built on the tried and tested foundations of the principles of Marxism-Leninism.

III. The Attack on Workers

Having had to admit that the system which they were building with such a fanfare has landed itself in the bog of recession, how do the ruling classes propose to overcome the situation?

The ruling classes and their Congress Party do not admit that it is the system as a whole that is at fault and that the solution has to be found in very vital and basic changes, first in governmental power and the state structure and, secondly, in the whole of the national economy — that is, nothing short of a democratic revolution would solve the problem.

Naturally, a party that has become the organ of the exploiting classes cannot follow that road.

As is natural to all exploiting classes, they are trying first to throw the burden of the economic setback and recession onto the shoulders of the working class and other toiling people. At the same time, knowing that that alone is not enough and not so easy either, in the face of a fighting working class, the various sections of the bourgeoisie fight like wolves among themselves, each one trying to save himself by devouring the other and using governmental power to help them.

When the Congress Government, under pressure from the American monopolists and their supporters in the Government devalued the rupee in June 1966, in the name of giving a fillip to the sagging economy, the Working Committee of the Congress met to discuss further steps. Devaluation not only shook the prestige of the government, but it somehow snapped the strings that had held the mass of people and especially the

middle class intelligentsia in some hope and attachment to the Congress rule. Devaluation was supposed to give a fillip to our exports, restrict imports and overcome the sluggishness in the growth of production. It did nothing of the kind. In fact, the reverse happened.

At the meeting of the Working Committee, Shri Morarji Desai, who was then only an "ordinary" member of the Committee proposed a platform of sixteen points as guidance for government to shape its line on economy.

There were proposals to encourage exports, restrict imports, practice self-reliance, restrict bank credit, give fiscal incentives to industries for increasing production, loans to agriculture, cut government expenditure, balance the budget, stop deficit financing, cut down foreign aid and don't devalue again.

This was all very nice. Who would object to it? Perhaps the point of restricting bank credit was not liked by the bankers and the borrowers, who thrived on it. And they have said so. But what pleased the ruling classes more were the proposals on wages and the working class.

The insistent clamour of the employers was for stopping rise in wages and D.A. and getting more work (productivity) from the workers.

On this score, Shri Morarji Desai made the following proposals:

1. "For the next twelve months, there should not be any increase in wages and in salaries. The workers would accept this discipline if the level of dividend distribution is frozen, the cost of living index is stabilised and a climate of austerity is created in the country."
2. "Working hours should be increased in factories as well as offices."
3. "Every employer employing more than 50 persons should pay one-third of wages in kind and government should see to it that the basic necessities are supplied in sufficient quantities and at reasonable prices to employers. This would help to stabilise the cost of living index."

4. "All expenditure on community development will have to be stopped and there will have to be a drastic cut in social welfare expenditure, if conditions do not improve."

5. "Services of the army should be utilized for the time for adequate distribution of fertilizers, pesticides, better seeds and water to agriculturists. This is necessary to impart a sense of urgency to the problem of agricultural production."

Wage-freeze and increasing load of work either by increasing working hours or by speed-up and rationalisation provide the keynote of the bourgeois solution of the crisis. Their claim that prices and dividends will also be frozen along with wages is a mere smokescreen to attack the worker and help the employer.

And which capitalist would object and what would the workers gain if the huge rate of dividends and directors' fees running into crores are frozen at the present level in exchange for the prospect of still greater profits, when wages are cut and working hours and workload are increased?

The Congress Working Committee, however, adopted no resolution on the subject. The attack was too blunt. It was also premature as the crisis had not burst out in full. Moreover, the general elections were near at hand.

There is nothing new in these proposals. They are the common platform of all capitalists in all countries of the world.

When the British economy went into crisis last year, the US bankers advised them also to devalue the pound. But the British monopolists had a better servant to serve them. The government was in the hands of the Labour Party, which proposed wage-freeze as the solution for the crisis of British capitalism. Of course, there, too, wage-freeze was to be accompanied by price and dividend freeze. The result was that unemployment and retrenchment hit the British worker, which the worker had not seen for the last thirty years. Capital and the pound survived at the cost of the worker and his living.

Though the wage-freeze and cut was not adopted, last year, as a general line, yet, the cotton textile industry in Bombay and Ahmedabad did give notice of cutting down the D.A.

Bombay textile workers replied the offensive with a successful 10-day general strike and halted the offensive in that area. But new attacks began after the elections.

IV. The Wage Trends

To rationalise the wage-structure and to give it an all-national and industry-wise level, the TU movement had fought for appointment of national wage boards for each industry. In the absence of direct agreements between the unions and employers embracing a whole industry on a national scale, the wage board appointed by the government with the participation of both TU and employer representatives was a useful instrument in the absence of a united all-India TU organisation capable of forcing the employers of a whole industry into bipartite agreements. No doubt, some wage boards and all-India tribunals (as in coal) in the initial stages served a useful purpose. Some amount of standardisation, uniformity in rates, gradation and categorisation, some wage-increase, D.A. formulas and their application were achieved.

But the utility of the wage boards began to wear out due to the tactics of the employers and government. The wage boards began to delay their work to such an extent that some of them had to give two interim increases to hold back the workers' wrath. Some wage boards have taken five years to make a report. Thereby they began to play the role of instruments to sidetrack or dampen wage claims and strike actions. In the meanwhile, prices were continuing to rise.

Seeing these factors, the TU movement is now emphasising the need for bipartite agreements on all-India industrial levels. The first such agreement was achieved by the bank employees last year.

So far some nineteen wage boards have been appointed and

six have completed their work. Seventeen industries or sectors of employment have been covered—two for the second time.

We must agitate for and secure some new form of machinery of bipartite negotiation on a national all-industrial scale to achieve collective agreements, and replace the cumbersome and now, in a way, obstructive machinery of wage boards. Formerly, when all-industrial statewide strikes were not so strong or frequent and united, the wage board was a useful transitional instrument. Now a direct bipartite or tripartite settlement across the table must be brought into vogue. The Bandhs and the gheraos in industrial action and the weakening of the political power of the Congress Party open up better roads of advance for the workers.

The Congress Government under the persistent pressure from the employers have successfully cut into our wages by enacting a bonus law which destroys the quantum formula—the vital part of the Bonus Commission's recommendations. The minimum four per cent is saved for everyone, even in losses. But those with high profits have got away due to the Supreme Court judgment and the government's refusal to restore by suitable amendments in law the workers' dues on bonus. But even if law does not help, the workers through their mass actions are securing bonuses. At the same time, there being no penal provisions in the Act, in some cases, even the minimum is also denied.

Mighty struggles of bandhs and strikes had to be waged by the workers to fight the offensive of the employers against the standards and earnings of the workers.

While these struggles could obtain some limited gains, the rising prices soon neutralised the gains. In spite of D.A. increases, they never kept pace with the rise in prices nor did they neutralise the *whole* of the rise in cost of living. Thus in the recent period, despite wage board awards and D.A. rises, the real wages of the workers have been falling, while monopoly profits have been rising.

According to the Indian Labour Journal (June 1967), the

Index of Real Earnings on 1951 base had shown a sharp decline:

INDEX OF REAL EARNINGS

1951=100

1956	115.4
1957	114.3
1958	110.7
1959	109.7
1960	113.8
1961	115.5
1962	116.3
1963	113.8
1964	104.1

Later figures are not yet available. However, it is well-known that the trend of price rises since 1964 has been sharpest and the C.P. Index Numbers (all-India) on 1949 base are as follows:

	<i>General Index</i>	<i>Food Index</i>
1964	152	155
1965	166	172
1966	184	190
1967 January	197	206
February	198	206
March	200	210
April	202	213
May	206	218
June	211	...

It is not only the working class but all sections of the working population that suffered at the hands of the capitalist onslaught. The Congress regime suppressed the people's struggles with ferocity and police terror. Workers, peasants, students, teachers, government employees and all were on the streets to struggle for their right to live and right to work, right to bread and for democratic rights.

The growing intensity of the workers' struggles is reflected in the "mandays lost due to strikes and lockouts". The

Government of India, Ministry of Labour Report gives these figures as follows:

1961	4.9 million
1962	6.1 million
1963	3.3 million
1964	7.7 million
1965	6.9 million
1966	10.5 million

V. The Post-Election Scene

It was in the midst of these struggles that the general elections were fought in which the simple question was—if you want to live a decent life and keep the country from being given into the clutches of the US imperialists, if you want to rid the country of the stranglehold of the 75 monopoly houses, and the bribery and corruption that is rampant—defeat the Congress and establish the government of the Democratic Front and progressive democratic parties.

The results of the February Elections proved a great success for the democratic and progressive forces. The Congress Party lost the governments in eight states, namely, Kerala, Tamilnad, West Bengal, Bihar, U.P., Punjab, Haryana and Orissa.

The results of the elections showed that the *economic crisis* which was overtaking the country was passing into a *political crisis*. Vast masses in their millions were on the move to take away the state power from the hands of the Congress Party. Even in the Parliament, the vast and sure majority of the Congress was heavily reduced and the Opposition Parties grew in strength, though the opposition consisted of very heterogeneous elements, including right reactionary parties and groups.

We need not go into the election review in this place. We will proceed to review the situation as it developed after the elections and the tasks that confront us now.

The economic crisis worsened after the elections. Famine had to be declared in Bihar and food scarcity affected large areas of the country. The declaration of famine in Bihar by the new democratic government was a correct and bold step, which the previous Congress government was refusing to take. The declaration enabled the organisation of relief on a national and international scale, saved thousands from death and exposed the misdeeds of the previous Congress regime.

The food and agrarian policy of the Congress government was proved to be a complete failure. And at this juncture, the US imperialists, on whom the Congress Party had relied for P.L. 480 supplies refused to help further, unless its terms of further penetration into Indian economy were accepted. Hoarders, bankers, landowners and US imperialists aided by the policies of the Congress, which failed to implement land reforms, made the food and raw material crisis extremely serious.

The monopoly capitalists launched an offensive by closing down factories in the name of the slump and threw out thousands of workers on the streets. Textiles, engineering, mining, etc., started lay-offs, retrenchment and closures.

Demands were made by the big and pro-US industrial circles to halt any further growth in iron and steel and engineering. The policy of building heavy industry was to be frozen or given up. The state sector was to share its management and markets with the private sector to overcome the ills of mismanagement, market, sales, etc. Controls were to be abolished in all essential fields and a free field for private capital was to be opened.

And foreign private capital was to be given all the facilities it wanted.

The ruling Congress Party, despite the defeats it suffered for the very crime of pursuing such policies, has endorsed these proposals, despite some protests in its ranks.

VI. Unmasking of Monopolists and CIA Agents

The weakening of the Central Government run by the Congress Party and its losses in the States has encouraged the big monopolists to attack and mount further offensives.

At the same time, the incoming of democratic coalition governments as in Kerala, West Bengal and Bihar and the D.M.K. government in Madras has emboldened the masses to resist the capitalist offensive with greater vigour, confidence and expectations of success.

The new situation is full of sharpening contradictions, which must be used by the working class, its political parties and trade unions in a skilful way to advance the gains of the toiling people and the march of the democratic revolution.

While, on the one hand, the big bourgeoisie and landlords are wielding the food shortage and the slump to harass the working class and break the rising revolt of the masses, in which even the middle class and intelligentsia are taking part, in company with the workers and peasants in action, the moral-political prestige of the U.S. imperialists, the Indian monopolists and their political leadership is falling sharply.

The flood of exposures in Parliament and outside on the question of the activities of the CIA and its grip over well-known institutions and their bosses in this country, including the Congress of Cultural Freedom, has given a political blow to the supporters of the U.S. machinations in this country.

The exposures in Parliament of the Jayanti Shipping, the Aminchand Pyarelal deals, the Ruby Insurance and many others pulled down the mask from the face of private capital and even the millions still under the influence of the Congress have been roused to the iniquities of its rule.

And the most telling blow was the Hazari Report on the Birla House. This was one monopoly empire which was never caught red-handed in its shady deals. The Report roused the people in anger against the Birla House and its vast tentacles over our whole life. And a Congress MP went to the length

of charging his Party of having Ministers who are "kept" men of the Birla House, though the charge was vehemently denied.

Within the ruling Congress Party also, sharper contradictions began to develop. The pressure to nationalise the banks, import-export trade and general insurance and abolish the princes' privy purses and privileges went to the length of adopting positive resolutions on the subject. The leadership, as usual, will sidetrack the issues and use them only for demagogic purposes. But the contradictions will not be silenced by that manoeuvre and under the pressure of the masses, they will grow.

The political-ideological shake-up these events have given to the masses have helped to detach them from the influence of bourgeois propaganda and to clear their vision for further action. The democratic opposition in Parliament has helped to intensify the political crisis to the detriment of the bourgeois-landlord classes and the ruling Congress Party. The overthrow of the Congress government at the centre is now considered by a growing number of people as a practical proposition and not mere wishful thinking. The perspectives of the Democratic Revolution began to acquire real flesh and blood in the minds of the people and ceased to be a mere propaganda dream.

VII. General Tasks of Trade Unions in New Period

In this situation, the TU movement will have to play its proper role to carry forward the democratic revolution by removing the Congress from power at the Centre and installing in its place a government of democratic coalition, which will be radically different from the present set up which is monopoly rule of the bourgeoisie. The TU movement has to carry forward the task of realising the above perspective by utilising as levers for this, the new non-Congress democratic governments that have already come into power, as well as the

advanced position of vantage which the Left and democratic parties have achieved in Parliament, as well as in State Assemblies. A proper inter-relationship as well as mutual consultation and help has to be evolved between the TUs, the non-Congress democratic Ministries and the representatives of left and democratic opinion in Parliament. In this system of inter-relationship and mutual consultations, the mass revolutionary movement outside the legislatures occupies a decisive place.

The general tasks before the trade unions in the coming period can be broadly summed up as follows:

1. Checking and repulsing the capitalist offensive through resolute mass action.
2. Pressing forward their own basic demands and rights steadily.
3. Fully utilising the new Parliament and State legislatures, as well as the new democratic non-Congress Ministries, to bring about a radical shift towards the left in labour policies and to obtain progressive labour laws from them.
4. To assist the new democratic governments with constructive suggestions and proposals in the direction of securing relief for the toiling people, curbing monopoly step by step and defending the nation's economy and freedom from the inroads of American penetration.
5. To defend the new democratic governments against attempts at economic blackmail and industrial sabotage, coming from the vested interests.
6. To give a democratic revolutionary orientation to TUs and imbue the working class with the ideology of scientific socialism.

The new situation has opened out immense possibilities for building up working class and TU unity and for taking it to a higher stage.

The new advances secured by left and democratic parties in Parliament and the degree of unity already achieved by them must be fully utilised to sponsor more and more united support on TU questions and build up TU unity. In exactly the

same way, the unity achieved in the non-Congress democratic governments must also be fully utilised to sponsor moves on TU questions and further the interests of TU unity.

On the all-India plane, the AITUC has already taken the initiative to propose to all central TU organisations to come together and evolve a common platform and line of action in view of the recession and the proposals for a wage freeze. The AITUC has also suggested that all the central TU organisations should take the historic step at this juncture of breaking with the divided and disunited tradition of the last 20 years by merging into one single united central organisation of the Indian working class. This would, at once, correspond to the deepest urges by which the working class is activated today and would transform the entire scene.

Such unity alone can generate the mass working class upsurge which can meet the needs of the new situation. Such unity alone can enable the trade union movement to bring within its fold the millions of unorganised workers who still remain outside the fold of any trade union and thus overcome one of the key weaknesses of the Indian TU movement.

The AITUC should boldly campaign at all levels for such a merger of the existing TU centres, without any preconditions, on the basis of common mutually acceptable terms.

VIII. The Non-Congress State Governments

In relation to States where there are non-Congress democratic governments, each State should be treated separately and concretely. Correct tactics should be worked out on this basis, taking into consideration, the strength of the TU movement and other relevant factors. In general, we have to remember that while Congress rule has been dislodged in these States, it does not at all mean that the capitalist production relations have been overthrown. At the same time, it has to be remembered that it is still the monopoly rule of the bourgeoisie

at the Centre and it is the Central government which operates the key levers of economic and political power in the country.

In these States, therefore, the TU movement has to struggle for the just demands of the working class as well as of the other sections of the toiling people. These struggles will strengthen the democratic governments to combat the vested interests and carry through their programme of fulfilling the urgent demands of the working class.

In fact, the coming into power of the non-Congress democratic governments in these States and the action of the West Bengal and Kerala governments in enforcing non-interference of the police in labour disputes has already unleashed a mass upsurge of the working class against the employers' offensive and for its long-delayed rights and demands. This upsurge must be seen as a reflection of the tremendous expectations raised in the working class as well as of its confidence in the new democratic governments that have come in place of the hated Congress ministries. The trade union movement has to take a positive attitude towards this upsurge, give it proper united leadership, in such a manner that maximum realisable demands are won, TU unity strengthened and democratic unity and cohesion further cemented.

Wrong tactics of adventurism or timidity or self-isolation from this upsurge that leads to disappointment or dissipation would be harmful in consequence.

At the same time, the TU movement in these States has to develop a *political attitude* towards these governments and must take all precautions to see that these struggles are not allowed to be used by the Congress and the vested interests to push out the non-Congress democratic governments and come back to power.

While carrying out strike struggles with faith and determination, we must also guard against the provocateur elements planted in the TU movement and mass movement by the bourgeoisie and the CIA. In this, we should learn the lessons of the "most determined" British Guiana strike, which was

fomented and helped by the CIA from behind the scenes. It was used to overthrow the progressive government of Chhedi Jagan and his democratic coalition and instal in its place, the pro-American junta also headed by one wing of the TU movement. The machinations of the CIA are now fully exposed. Some such agencies are also active in India and particularly in West Bengal, Kerala and other places.

The new situation demands, on our part, care and caution in evolving suitable forms of struggle and avoiding adventurist actions that are likely to estrange the working class from its natural allies and play into the hands of reaction to sabotage and undermine the new democratic governments. Forms of struggle have, therefore, to be carefully worked out in the different States, keeping these aims in view.

The TU movement, in the new situation, has to work out concrete steps, legislative as well as administrative, for implementation by the new democratic coalition governments in the States. Similarly, it is necessary to work out minimum programme of issues as demands on the Central government.

The tasks of the non-Congress democratic governments in relation to labour will fall into two categories, viz. (1) those which are to be implemented by the States on their own; and (2) where the States will have to move the Union government for changes in policies and implementation.

Besides this, it is very necessary to ensure that the functioning of the Labour Department and industrial relations machinery in the States undergo a radical change, with the assistance and cooperation of the trade unions. The old pattern of relying on the bureaucratic machinery, utilised by the Congress ministries, has to be broken step by step.

IX. The Anti-Imperialist Tasks

At the Centre of the TU movement in the new period must be placed its *anti-imperialist national* role, that of defending

the country's economy and political and cultural life from the inroads of American blackmail and penetration. The AITUC cannot discharge its task in the new period unless its tasks are linked up with its anti-imperialist role.

At a time when various political trends are rapidly projecting themselves into the TU field, when American imperialism is intensifying its penetrations into our economy and political-cultural life, when sharper confrontation between the forces of the Right and those of the Left is on the agenda in the political life of the country, the democratic trade union movement will be doomed to sterility and defeat if it delinks itself, through economism or otherwise, from its anti-imperialist role.

The weaknesses in our trade union movement in relation to its anti-imperialist tasks, in relation to exposure of and resistance to, American penetration into our economy and politics and in relation to exposure of the US aggression in Vietnam are well-known. Steps will have to be taken to overcome these weaknesses.

X. Problems of United Action and Struggle Against Disruption

The TU movement in India is no longer divided in quiet patches and active patches. The alarming dullness and unevenness of the earlier period have been overcome due to the growing exploitation and crisis. But common all-India action to forge a common outlook, if not common organisation and to bind the working class as a class with one goal and one mind has been sadly lacking.

Due to the lack of a common class solidarity, casteist influences, linguistic or regional differences also succeeded in dividing the working class. Even in Calcutta, where the class politicalisation of the working class is said to be high, Hindu-Muslim or linguistic clashes between Bengali-Punjabi are not uncommon.

Caste influences have to be consciously fought by the TU movement in India. Caste is a special handicap of the Indian working class bequeathed to it by history. The reactionaries use it to divide us both in the political and economic plane.

As industrialisation grows and along with it the working class is formed in the factories and cities, the trade union and class battles unite the workers irrespective of caste or language and thus lead to the formation of a class outlook and class solidarity. But this objective process cannot be left to its spontaneous development. It has to be helped by united class actions and ideological education and social practice. Otherwise, the religious, casteist or linguistic attraction which is the natural part of the thinking of every Indian overwhelm his new class solidarity and interests.

Seeing the danger to its ideological domination of the exploited masses, the Indian bourgeoisie and some of its parties have now taken to fomenting casteist and linguistic regional demands in the field of employment and services. While these demands are motivated first by consideration of overcoming the unemployment in certain regions or communities, it must not be allowed to be used to split the working class and trade unions. But such dangerous developments are taking place, as for example, the Marathi-Malayali quarrel in Bombay, the Orissa-Malayali clash in Rourkela or the Bihari-Bengali skirmishes in Bengal, etc.

The task of class unity and TU unity is thus beset with great special difficulties in our country. But it has to be faced.

Since the tempo of struggles began to rise in the last two or three years, following the slogan of Bandhs, the AITUC, HMP, UTUC and some independents and trade federations formed a Sangram Samity for united action. But except for parts in Bengal, it did not go forward very much.

With the defeat of the Congress in several States and the formation of democratic progressive governments in some of them, the working class and trade unions have great hopes that

now their struggles which have borne fruit in the formation of these governments, will be crowned with realisation of their demands.

This hope set millions on their feet to neutralise the bureaucrats who are entrenched in the state machine and sabotage the pro-people steps of the progressive governments. It set millions in action to fight back the attacks of unemployment, retrenchment, closures, which the bourgeoisie launched in order to overthrow these governments by setting the masses against them and to pass on the burdens of the crisis on the shoulders of the toiling people.

The anger of the bourgeoisie could be seen when the gherao movement began to fight back lay-offs and retrenchment. There was a veritable howling not only from the capitalists but even from some TU leaders and political parties against the gherao and especially the refusal of the West Bengal government to send police to the help of the top brass management when they were gheraoed.

The gherao is nothing new in the trade union movement. What is new is that the police were not allowed to go and beat the workers as before. What was new was the police machine was now neutral in normal industrial disputes and could be used even to arrest "criminal" employers who used gangsters to beat down strikes or the leaders of the TUs.

May be, in some instances, the provocateurs used the gheraos to damn the movement. In some, the anarchist element took lead to sidetrack the struggle by show of over-militancy. But, on the whole, the gheraos were just and peaceful.

The gherao became popular because it did not require the whole factory or office to act. A handful of workers could do it. It did not lead to prolonged stoppage of work as a strike did. It made the managerial tops to feel personally the "joys" of a little starvation from breakfast, dinner or tea and made it psychologically understand the problem of the retrenched worker. It brought down their bourgeois pride and arrogance by direct

dialogue and confrontation with the agitated worker. It brought the representative of the exploiter to the level of the exploited for a short while in a gheraoed office. It humbled his pride and gave personal courage to the worker, which in the general action of a strike is lost in the collective courage.

But unfortunately the gherao was disowned by many who called themselves progressive.

In the period since the last General Council, there were several important local, industry and state-wide trade union actions. In December 1966 and in the beginning of 1967, there were united actions by State Government employees through which the employees were able to secure, in varying degrees, equalisation of DA with Central government rates. The foreign oil companies' employees are continuing their struggle against job security and the sit-in in the Calcutta Caltex office is on since October 24 last year. There was the unprecedented strike of the Delhi policemen for trade union rights and against victimisation for TU activities. There were strikes at State level in electricity undertakings in Maharashtra, Andhra Pradesh, Kerala etc. In the mines, there were several strikes and other protest actions including sit-down strikes underground in some collieries, displaying grim determination of the miners. In the *captive* mines of Bhilai Steel Plant, there was a united strike and the steel plant workers went on strike en masse in protest against repression by the security guards. The State-wide strike in Andhra Pradesh road transport was noted for its remarkable unity and the brave action of the workers in the face of most brutal police repression. Last month there was the State-wide protest one-day strike in West Bengal engineering industry on July 4 and on July 17, the jute workers went on a token strike. On July 25 the LIC employees protested through an all-India one-day token strike, for the second time, the Administration's move to introduce automation in offices. There were several other major strike actions. All these actions displayed growing unity in action, drawing into the united movement, ranks of the INTUC and some of the INTUC affiliates also.

XI. Into Action!

The crisis is galloping and the monopolists are attacking. The government is proposing wage-freeze, that is, wage-cuts, to save their capitalist system. The US imperialists are using the situation to blackmail our country and gobble up its resources and put it under a totally reactionary rule of neo-colonialist forces.

To defeat this, the trade union movement must resist with all its might the attacks on the workers. Gheraos and strikes must be launched with proper preparation and understanding. If settlements are possible, they should be made with open consent of the workers. But settlements will be difficult despite the existence of democratic government in some States.

It is a fallacy to think that if there is a recession and the factory is closing, there should be no strike as a strike in such a situation will help the employer. The recession is such that some employers are closing and some are making profits and trying to become bigger by buying over or swallowing the losing ones, the small and medium and big ones even.

At such a juncture, only a general strike throughout the industry, and if possible, throughout the country, will halt the offensive, as it will stop the machinations of those who are making super-profits. This was the way the working class acted in India and the world over as in 1926 in England, 1928 in India or 1930 in USA.

But such an all-India action would not be possible unless all democratic trade union centres agree on common action.

Mass unity and an all-India action—call it Bharat Bandh or not—is the only solution to the situation.

Just as we took over the Tramways in Calcutta, if we can force the nationalisation of banks, the break-up of the 75 monopoly houses and the abolition of evictions and rack-renting by landlords against poor peasants, we shall have changed the national situation in favour of the working class and the toiling masses and the people as a whole.

4 August 1967

—S. A. DANGE
General Secretary, AITUC

ON THE CRISIS AND RESISTANCE

The fact that a crisis has overtaken the economy of our country can no longer be denied even by the spokesmen of the ruling classes.

The gamble of devaluation, which represents the most abject surrender to imperialist pressure and the most shameless sell-out of our national interests, has resulted in intensifying the crisis and has belied every single claim which its architects had made. In a way, this one step symbolised the desperate straits to which 20 years of Congress rule—the rule of capitalists and landlords—had reduced our economy.

The crisis in our economy manifests itself in the difficulties experienced by various branches of industry. Iron and steel, engineering, mining, sugar and textiles, representing the most important branches of heavy and consumer goods industries, all face serious difficulties. Production in all these has been curtailed; many units have closed down; others have retrenched or laid off thousands of workers. Most units are working far below capacity.

Agricultural production, whether of foodgrains or of raw materials, is in the grip of serious crisis. Vast areas of our country have been struck by famine, resulting in deaths from starvation, loss of cattle wealth and acute misery to large sections of our peoples. The agricultural crisis in its turn aggravates the difficulties which the industries face.

At the same time, prices continue to soar.

While death, starvation, misery, privations are the lot of the toiling people, profits of the monopolists and big landlords

continue to mount. The middle classes are crushed by the twin burdens of scarcity and mounting prices. Unemployment continues to rise and each passing year adds to the already frightening backlog.

The ruling classes, no longer able to deny the reality and no longer able to explain away the sufferings as the inevitable concomitant of a backward economy trying to change over to an advanced system, blame the nature which has denied adequate rains, the people who multiply too quickly, and the India-China and India-Pak wars which put a huge drain on our resources. Thus they seek to secure an alibi for their own failures.

The crux of the present situation does not lie in the failures of the monsoon, or of the people or in the bellicose policies of our neighbouring countries. The real fact is that the crisis is the inevitable outcome of the attempt to build capitalism in India without carrying out radical agrarian reforms and by depending on imperialist aid, even for food and by encouraging collaboration with foreign monopolists in the private sector.

It is this path which has led to a handful of monopolists amassing wealth, while the toiling people who produce this wealth starve. It is this path which has led to denial of urgent land reforms and abject surrenders like devaluation. It is this path which has led to dependence on foreign aid even for food. It is this path, again, which has led to the mounting prices, to the heavy taxation on the poor. It is this path which giving full force to the inexorable laws of capitalism has led to the present crisis in our economy.

The ruling classes seek, as always, to pass the burden of this crisis onto the toiling people. One way in which this is sought to be done is by throwing people out of jobs through closures, lay-offs and retrenchments. Another is the attempt to peg wages, DA and bonus. Still another way is the attempt to intensify labour through automation, speed-up, etc.

At the same time, a barrage of propaganda is let loose that the policy of wage freeze and DA freeze is only a part of an

integrated 'incomes policy' which will also freeze dividends and prices.

Dividend freeze which even if it comes about will freeze the dividends at the fantastic figures now prevailing and which gives a loophole to increasing profits through issue of bonus shares and watering of capital is just meaningless. Prices cannot be stabilised unless the monopoly grip on industry is broken and this the Government is unwilling to do.

The AITUC warns the working class that the sophisticated talk about a so-called incomes policy is a mere eye wash to hide the grim reality of a wage cut. Even as this talk is going on, it has been made clear in the plan for 1967-68 that prices will continue to rise.

The General Council of the AITUC notes that all sections of our people have gone into action in defence of their rights and living conditions. Even those who are not part of the trade union movement have resorted to large-scale actions. Attempts by the ruling classes to suppress these struggles by the old methods of repression are no longer successful.

The situation is fraught with serious consequences which will affect not only the working class but all sections of our peoples.

Hence the working class must take the lead in forging a wide unity of various sections of our people around demands which will bring immediate relief to all.

These demands are not new. These have been put forward time and again by the TU movement and by others. But the present crisis and the possibility of mobilising large sections of our people around these demands, lends them added urgency.

These demands are:

1. No wage freeze.
2. Linking of DA with consumer price index in all industries and sectors of employment and services with 100 per cent neutralisation at all level of wages. Correction of faulty indices.
3. Amendment of the Bonus Act on the basis of the TU formula.

4. Immediate implementation of all awards, decisions of Courts and Wage Board recommendations.
5. Full trade union and democratic rights including recognition of unions on the basis of secret ballot.
6. End to retrenchment, lay-off, closure and no rationalisation and automation.
7. Immediate land reforms in the interest of the peasants, moratorium on peasants' debt payments and remunerative prices for the peasants.
8. Nationalisation of banks, oil industry and import-export trade.
9. State trading in foodgrains.
10. Moratorium on all foreign debts and interests on them.
11. Self-sufficiency in food and a speedy end to dependence on PL 480.
12. End to privy purses and privileges of princes.

The AITUC calls upon all trade union organisations, mass organisations and democratic individuals to build a powerful united front in support of these demands. In particular, it appeals to all other TU centres to come together at this critical hour, sink their differences and forge a mighty unity of the working class. It is this unity which can bring about a radical shift in the correlation of existing forces.

In this context, the decision of the Joint Council of Action of Central Government employees for a one-day general strike assumes great significance.

The AITUC fully supports this call and directs all its affiliated unions to join in this strike on that day and make it a mighty day of workers' action against the policy of wage freeze and in support of its demands. It appeals to all workers of different affiliations to shed aside all partisan considerations and arise as one in a countrywide united action making this day a glorious day in the history of the Indian working class movement.

ON SOLIDARITY WITH VIETNAM

The General Council of the AITUC extends its warm greetings to the heroic people of Vietnam in their unremitting and arduous struggle to defeat the military power of the US imperialist aggressors and to win and consolidate the national independence of their country. Each passing day arouses the conscience of more and more millions of people the whole world over against this brutal war into which the mighty US rulers and their satellite states have thrown all their resources of manpower and weapons in order to wreak massive devastation of a small country of South East Asia.

The inhuman atrocities committed by the Americans in South Vietnam, including the large-scale use of napalm and new types of bombs, and their cynical air attacks on the territory of North Vietnam, have been universally condemned. The war crimes Tribunal organised by Bertrand Russel, on the one hand, and the UN Secretary General's repeated appeals for an end to the bombing of North Viet Nam, on the other, have exposed and isolated the US aggressors as never before. Nevertheless, they continue to defy world public opinion and are talking in terms of intensifying their attacks, escalating the war further, and mobilising another 100,000 troops for despatch to Viet Nam.

Against this barbarous policy of the Johnson administration, more and more sons and daughters of the USA itself are rising in massive protest and condemnation. Unprecedented anti-war demonstrations are taking place. Hundreds of intellectuals and men of science are demanding the withdrawal of the US forces from Viet Nam. Young men, conscripted for military service, are publicly burning their draft cards. World boxing champion Cassius Clay (Mohammed Ali) has preferred imprisonment to soiling his hands with Viet Nam blood. The AITUC warmly greets all these courageous citizens of America, white and black, who are proving true to the best democratic traditions of their country.

In Viet Nam itself, on the battlefield, the national liberation forces have grown in strength and striking power and each day are delivering telling blows at the aggressors, inflicting heavier and heavier casualties on the US land and air forces alike. It has become crystal clear that the Americans have no hope of winning an outright military victory. They are doomed to eventual defeat no matter how much they kill or destroy in their frenzy.

At such a moment, it becomes the solemn obligation of all socialist, democratic, anti-imperialist and peace-loving forces the world over to mobilise their united strength to their utmost capacity and to act together more vigorously and determinedly for ensuring an end to the war, unconditional withdrawal from Vietnam of all US armed forces, and unequivocal recognition of the right of the Vietnam people, in both North and South, to their complete national independence and sovereign rights.

The General Council of the AITUC once again voices its strong indignation and condemns the weak-kneed and servile policy of the Government of India which has refused to condemn the US government for its aggression in Vietnam and to demand categorically the unconditional withdrawal of US troops. The Government of India's hypocritical professions of "non-alignment" do not prevent it from allowing trade to be carried on with South Vietnam in such commodities as trucks, steel etc. while trade between India and North Viet Nam remains completely suspended. By its acts of omissions and commission, the Government of India is providing the US imperialists with an alibi for their naked aggression out of fear that otherwise US "aid" to this country may be stopped.

The General Council of the AITUC calls upon the working class and all democratic sections of our people to:

- a) raise their voice more effectively against the present pro-US policy of the Indian Government and to demand its reversal;
- b) declare that the Indian people will not be party to surrender their national honour and their anti-imperialist

- traditions, for the sake of obtaining US wheat and dollars;
- c) mobilise in united actions on a country-wide scale to express their firm solidarity with the Vietnam people and to demand immediate and unconditional withdrawal of the US aggressors from Vietnam; and
 - d) prevent the despatch of materials to South Vietnam which might be used by the US aggressors.

ON 50TH ANNIVERSARY OF THE OCTOBER REVOLUTION

The General Council of the AITUC warmly greets the working people and the All Union Central Council of Trade Unions of the USSR on the occasion of the 50th anniversary of the Great October Socialist Revolution, led by the Bolshevik Party headed by Lenin—a great day for the international working class and toiling people of the whole world. It congratulates the working people of the Soviet Union on their stupendous achievements in all spheres and on successfully completing socialist construction.

The October Revolution—the first of its kind in history—heralded a new epoch in the history of mankind, the epoch of the decay and final liquidation of imperialism, for national liberation and for socialism. No wonder, the working class and the toiling people of all lands, the people of all countries under the colonial yoke, hailed the first socialist revolution as a milestone in the worldwide battle against the rule of capital, against imperialism and in the struggle for overthrowing colonialism. They saw in it the harbinger of a new world order of peace and prosperity, wherein exploitation of man by man would be a thing of the past, relegated to the dustbins of history.

The young Soviet State—a State of a new type, the State of the dictatorship of the proletariat, led and guided by the

Immortal Lenin, rallied the working class of the whole world behind it and withstood the onslaughts of the combined strength of all the imperialist powers, and came victorious out of the civil war. By consolidating the dictatorship of the proletariat, the Great Lenin had laid the firm prerequisites for building socialism in the Soviet Union.

After quickly overcoming the terrible ravages of the First World War and the protracted civil war, the Soviet Union launched on the Five Year Plan which made possible the astonishing march forward in economic development, the like of which capitalism could not even dream of.

The people of the whole world are forever beholden to and can never forget the heroism of the people of the Soviet Union and its Red Army, who underwent immense sacrifice, faced the onslaught of Hitler's Nazi hordes with practically the whole of Europe under their heels, and inflicted the most crushing defeat on fascism. Thereby mankind was saved from fascist enslavement.

All these made possible the further victorious march of socialism and national liberation. Already a third of humanity has overthrown the yoke of capital and laid the firm and reliable foundations of socialism. The majority of the colonial countries have become politically free.

The working people of the USSR in an amazingly short period overcame the terrible ravages of the Second World War — ravages and destruction the like of which no country suffered — and astounding achievements in all fields, in economic construction, in the advance of science, in the field of nuclear technology, in man's conquest of space, in every field of human endeavour — bear testimony to what a people who have overthrown the rule of capital and all exploiters can achieve.

The October Revolution, inflicting a most telling defeat on imperialism, has always been and is an everlasting source of inspiration to the Indian people, and the Indian working class in their struggle for national liberation and for socialism. The working class of India and the AITUC which took its birth

three years after the October Revolution have successfully pierced the venomous hate propaganda against the Soviet Union unleashed by the imperialists and reactionaries at home and have always displayed tremendous feelings of solidarity with the working class of the Soviet Union. The economic assistance of the Soviet Union to India in building heavy industries has been very valuable for India's economic development in the post-independence years.

The concrete material help that the Soviet Union is rendering to the fighting people of Vietnam has been of great help in their struggle against the most brutal aggression of US imperialism.

The material and other assistance given over the years by the USSR to the national liberation movements and the newly liberated countries all over the world against imperialism demonstrates that the growth and successes of the socialist state are a great positive asset and accession of strength to the cause of the international struggle of labour against capital.

The General Council of the AITUC calls upon the working class in India to observe in a fitting manner the 50th Anniversary of the Great October Socialist Revolution.

ON SOLIDARITY WITH ARAB PEOPLES

The General Council of the AITUC unequivocally condemns the treacherous Israeli military aggression launched on June 5, against the UAR, Syria and Jordan with the active collusion of the imperialist circles of USA, UK and West Germany. It is these Western powers which had been arming and equipping Israel over the years as their aggressive base in the heart of the Arab world and directed against the anti-imperialist, national liberation movements of the Arab peoples.

Despite the Suez canal fiasco of 1956 suffered by the Anglo-French aggressors against Egypt, they, and the US imperialists, continued to harbour designs of new military adventures

using Israel as their tool. They unleashed the Israeli war machine in a desperate bid to halt the historic and irresistible upsurge of the Arab revolutionary and democratic forces of recent years. Their special target was the anti-imperialist and progressive UAR headed by President Nasser which has developed close bonds of friendship and cooperation with the socialist countries. In Syria, too, a new radical and progressive government was in power, threatening to turn the whole balance of power, in West Asia against the imperialists, their local agents and their oil resources.

Although the Israeli blitzkrieg won a military victory on the battlefield, the aggressors have been morally and politically defeated. The unity of the Arab world in defence of the UAR and Syria was cemented as never before. Even in the hour of defeat, the people of UAR refused to allow Nasser to resign and reiterated their confidence in him. The progressive government of Syria could not be toppled. The imperialists had to face a total boycott of oil supplies by the Arab States. And all efforts to isolate the USSR and other socialist countries from the Arabs failed, as did the attempt to brand President Nasser as the real aggressor and Israel as his victim.

The General Council of the AITUC notes with satisfaction that the Government of India played a correct role in the West Asian crisis, refused to be pressurised by the imperialists, consistently upheld the cause of the Arabs and opposed Israeli aggression inside and outside the UN. The AITUC hopes that this stand will be firmly carried forward and that the Government of India will categorically denounce the US and other imperialists, who are behind Israel. This would do much to restore India's rightful image as an anti-colonialist, freedom-loving country. The AITUC is of opinion that the defence of the security and independence of the UAR and other Arab countries is, in India's own interests too, and requires a determined struggle against the reactionary, pro-US, vested interests in this country.

At the present moment, a dangerous situation has arisen

because of the Israeli military occupation of Arab territory seized by force in the recent hostilities, and the refusal of the US-dominated General Assembly of the UNO to condemn Israel and demand withdrawal of its aggressive forces. The struggle must be intensified for vacating the Israeli aggression from all occupied territories of the UAR, Syria and Jordan and for ensuring that West Asia ceases to be a centre of imperialist intrigues and war conspiracies.

The General Council of the AITUC expresses its deep concern and sorrow for the thousands of innocent Arab refugees who have been driven from their homes by the Israeli armed forces. It calls upon all democratic and progressive forces in India, and especially upon the working class, to rally unitedly in a powerful mass campaign to defend the national independence and rights of the UAR and all Arab peoples, and to denounce and defeat the imperialist aggressors and their Israeli puppets.

ON LABOUR POLICY OF NON-CONGRESS GOVTS.

The monopoly of Congress rule in India has received a shattering blow. As a result of the general elections and subsequent developments, in nine states, comprising 62 per cent of Indian population, Congress rule has been replaced by the rule of other parties. At the Centre, the preponderance of Congress has been reduced to a precarious majority.

This big change has come about because of the struggle against the misery which was the lot of the common people during the 20 long years in which the Congress—the established party of the propertied classes—held uninterrupted sway on governmental power. While the people starved, the monopolists, the landlords, the blackmarketeers and the bureaucrats thrived. Corruption and nepotism made life intolerable. The people wanted a change.

The pattern of governmental power which has emerged in

India shows that in some places, it is essentially the same classes, organised in some parties other than the Congress, which have come back to power. In some other states, however, governments have been formed with the participation of Left parties and progressives. They have accepted a minimum programme, which if implemented, will bring relief to the people.

The AITUC notes that one essential part of this minimum programme relates to urgent demands of the working class and the peasantry. On the successful implementation of this depends the wholehearted support of these classes.

The AITUC welcomes the specific positive measures which some of the United Front governments have adopted in the interests of the working class.

For instance, in *West Bengal*, direct police interference in gheraos and other democratic trade union movements was prohibited; disciplinary actions taken under the Congress regime against NGO's for trade union activities were cancelled: 600 state transport employees who had been suspended for participation in their strike of December 1966 were allowed to resume work with no loss in wages for the suspension period; one lakh "temporary" state government employees were made permanent; state government DA rates were brought on a par with central government rates; and management and control of the British-owned Calcutta Tramways Co., were taken over. The State Assembly has passed two progressive labour bills which await the centre's approval.

In *Kerala*, too, state government employees have been granted DA at central government rates. And in both *Kerala* and *W. Bengal*, the obnoxious practice of police verification of government servants has been abandoned and *May Day* has been declared as a public holiday with pay.

In *Bihar*, the state government has recognised the right of its employees to central DA rates and has abolished *Tata's* zamindari rights in the steel city of *Jamshedpur*.

But the bourgeoisie and the landlords who continue to own the means of production, the leaders of the Congress and the

imperialists and their henchmen who tried to resist the emergence of the democratic non-Congress governments, will continue to place hurdles in their way and try to create conditions in which these governments can be brought down.

There is, for instance, a most concerted attack on the government of W. Bengal. The real immediate reason for this was the refusal of the W. Bengal government and its Home Minister who is also the Chief Minister, to use the police against the workers, despite the utmost pressure. The outcry against gheraos, the credit and food squeeze, the machinations on the issue of Naxalbari, the attempts to sow communal and linguistic disruption are all used to secure the same end. The failure to reach the promised food supplies by the Centre to the States of W. Bengal, Bihar and Kerala are directed to the same end.

The working class must come out in defence of these democratic governments and must unleash popular initiative to defeat reaction's game. It must help them to implement the minimum programme on the basis of which these governments have been formed by rousing mass consciousness and initiative.

At the same time, the AITUC must note that many urgent steps yet remain to be taken by these governments. In the field of labour, these relate to recognition of trade unions by ballot; amendment of existing laws; and the evolving of a better machinery for consultation between the government and the TU movement.

The AITUC urges these democratic non-Congress governments to give full support, moral and material, for the just demands and struggles of the working class. These governments should also try to take all deterrent measures against closures, retrenchment, and lay-offs and, if necessary, move the Centre to amend the constitution for the purpose.

While extending its full support and cooperation to these democratic governments, the TU movement must continue to press for immediate implementation of these measures and, at

the same time, boldly criticise some of the wrong steps which these governments have taken.

For instance, the police excesses in Naxalbari and Kalagarh must be condemned as must the use of P.D. Act against state government employees in UP. Every trade unionist, every democrat, must come out sharply and unequivocally against such repression. Such acts of repression only weaken the popular support behind the governments and strengthen the hands of reaction. The tragic firings on workers at Mugma (Bihar) and Dum Dum are to be deeply deplored.

The reported consensus or silence on wage freeze proposal put forward by Morarji Desai in the recent meeting of Chief Ministers, is a matter of serious concern. The General Council expects that the Chief Ministers of non-Congress governments will not be a party to this anti-working class offensive. Similarly, any move, to make trade union recognition contingent on retrograde conditions must be firmly combated.

The TU movement must realise that in today's complex situation when many of these governments in which progressive democrats and representatives of the working class are functioning together contain some individuals who represent the vested interests. Hence each measure towards progress, each step in the direction of a break from the unhappy past, does require a measure of struggle.

While supporting these democratic governments in their fight against pressures from vested interests and the Congress government at the centre, the working class and the TU movement must continue to exercise its independent initiative. Every offensive of the employer must be stoutly resisted and legitimate demands pursued.

In other states where non-Congress democratic governments have not yet come to power, the working class must popularise each achievement of these governments and expose the game of reaction and vested interests in trying to obstruct and topple down these governments.

and border security force during the last few weeks in the name of rounding up the leaders of the movement. The police have been behaving in their worst traditions and even in violation of government orders, leading to public protests by several Ministers themselves. The General Council therefore demands that these excesses be stopped immediately, that indiscriminate arrests of ordinary peasants be discontinued, all those arrested be released and all unexecuted warrants be withdrawn. The UF government should immediately order judicial inquiry into all cases of killing by shooting or bayonetting of peasants which have been reported, order a halt to the police 'operations' in the area, disarm the jotedars and arrest those who defy disarming.

The General Council regrets that some leaders of certain parties like the PSP and SSP took up positions which are helping the jotedars in their offensive on the peasants.

The General Council appeals to the working class to rally round the following slogans:

1. Support the struggle of the Naxalbari peasants for land, stop evictions, ensure distribution of land and stop indignities on the Santhals and other tribals and peasants of the area.
2. Support the UF Government of West Bengal against all machinations of the reactionary vested interests and the Centre;
3. Support the democratic struggles of the peasantry which are breaking out in other parts of West Bengal and in various States, e.g., the Bastar tribal area of Madhya Pradesh, on the issues of land distribution, occupation of fallow lands, stoppage of evictions, reduction or abolition of land revenue, etc., and demonstrate active solidarity of the working class with their peasant brothers in the common struggle for democratic rights and food. Only by resolute mass struggles can the peasantry hope to get

land and sweep away feudal remnants in land relations and, in these struggles, the democratic UF governments must be utilised as an instrument whatever their limitations.

And this alone can really help to solve the problem of shortage of food production in the country.

ON BONUS

The General Council of the AITUC views with grave concern the callous attitude of the Central Government towards the demand for modification of the pro-employer provisions of the Payment of Bonus Act. The AITUC in common with all other trade union organisations had put forward the demand in the bipartite talks convened by Government that the entire Bonus Act be revised except the clause relating to four per cent minimum bonus and a new formula be evolved on the basis of computing bonus according to the LAT formula without allowing rehabilitation, sharing the available surplus 50-50 with the benefit of tax rebate being taken into account (This would mean giving the workers $66\frac{2}{3}\%$ of the available surplus). The AITUC had further demanded that Section 34(1) be held in abeyance and all existing agreements, etc., be given effect to as if Section 34(1) had not been enacted. It was also demanded that Section 33 be restored in a proper way overcoming the objections of the Supreme Court.

The position today is that with the refusal of the Government to amend the Payment of Bonus Act, as demanded by the TU centres, there has been a severe cut in the workers' bonus in the various industries and employments. Employers also resort to illegalities, flouting even the provisions of the Bonus Act, in computing bonus, inflating prior charges most arbitrarily. There have been several instances where the amount of tax deducted as prior charge exceeds the total tax liability of

the year to be paid or the provision made in the Accounts. Employers are adding new items of deductions, and the reduced quantum of bonus under the Act is further cut by the inflated prior charges manipulated by the employers. Thus the situation in respect of bonus has sharply deteriorated ever since the Congress Government shamelessly modified the main recommendations of the Bonus Commission.

The General Council of the AITUC calls upon all affiliated unions to resist the offensive of the employers on workers' bonus and to resolve through united action on a local, industrial and national plane, the demand for a fair determination of bonus on the basis of the formula proposed by the Trade Union Centres.

ON T.U. UNITY

One of the biggest weaknesses of the TU movement for the last two decades has been the lack of unity in its ranks. Today, the TU movement is split as never before in a number of national centres, trade federations and 'independent' unions. And efforts are being made by many forces to form still other 'centres'.

At the same time, objective conditions have ripened for a bold initiative—to forge unity.

In the past, there has been unity of action at local, state and national industrial level in various centres, the highpoints of which were the Bandhs and the industrial strikes as in Kerala rubber plantations, West Bengal jute industry, Andhra Pradesh road transport industry, etc., in which even INTUC affiliates joined in the united action. But such unity of action on issues at various levels has not led to the initiatives for organisational unity and, as soon as the action was over, the unions as well as TU centres have tended to go their separate ways.

Various national TU organisations and trade federations came together on a common platform and formed the Rashtriya

Şangram Samiti. The Samiti functioned off and on for some time but has not been active recently. Now the various Central Government employees Unions, united in the Confederation of Central Government Employees, the AIRF and the AIDEF have formed the Joint Council of Action and called for a one-day general strike.

Today the economy of the country is in the midst of a severe recession. On the food front, the situation is serious and for any improvement, the ruling class looks only to better monsoons or more foreign aid. On the industry side, heavy and basic industries as well as several consumer goods and light industries are faced with a crisis and slump. Closures, retrenchments and lay-offs have rendered thousands of workers jobless. A determined offensive has been launched by the employers to cut earnings through denial of bonus and D.A. And now the ruling bourgeoisie and its government at the centre have come forward with the proposal to launch wage freeze.

Under the sophisticated and glib talk of incomes policy with its three components of dividend freeze, price freeze and wage freeze, the reality of a wage-cut is sought to be hidden. Dividend freeze is meaningless. Prices cannot be stabilised unless the monopoly grip on industries is broken. The most immediate steps to ensure this must be nationalisation of banks and export-import trade.

The food problem is really dependent upon land reform and state trading in foodgrains. It is precisely these steps which are needed and it is precisely these which the ruling classes refuse to carry out.

The ruling classes are not willing to take any steps which will ease the present situation. Hence, all sections of people, primarily the working class, must unite in order to resist the offensive and force a real solution of the present problems.

The AITUC calls upon all brother TU organisations to come together and discuss the present difficult situation and lay down a common line of action. In fact, initiative must be taken to unite on a national plane.

The General Council authorises the AITUC General Secretary to take initiative for calling a meeting of TU representatives.

The AITUC General Council is of the opinion that pending the realisation of organisational unity between various TU centres, it is urgently necessary for representatives of all central TU organisations and Industrial Federations to meet together to evolve a plan for united action on an all-India basis to resist the immediate offensive of wage-freeze, retrenchment, lay-off, closures etc. faced by the working class. Such a meeting will not only pave the way for urgently needed united action of the working class but will also be helpful in bringing about organisational unity of various TU Centres. The AITUC General Council suggests that Rashtriya Sangram Samity which already includes some central TU organisations and federations can be widened to become the platform of all TU organisations for united action.

The AITUC General Council notes that the General Secretary of the AITUC has already taken the initiative to begin talks on the need for evolving a common approach and for organisational unity. The crucial point of this approach is the willingness of the AITUC for organisational unity without any preconditions. The replies received from various organisations display considerable positive approach. The AITUC General Council authorises the General Secretary to take such further steps as are necessary in this direction.

The AITUC General Council appeals to all unions to explore possibilities of militant actions on the most pressing demands before the masses of the workers and press forward towards the formation of one union in one industry.